KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

4/09/09

031

Operator: License # 33453
Name: Stephen C. Jones
Address: 12 N. Armstrong
City/State/Zip: Bixby, Oklahoma 74008
Purchaser:
Operator Contact Person: Steve Jones
Phone: (918) 366-3710
Contractor: Name: KanDrill, Inc.
License: 32548
Wellsite Geologist: George Peterson

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Designate Type of Completion:
X New Well ___ Re-Entry ___ Workover
X Oil ___ SWD ___ SIOW ___ Temp. Abd.
X Gas ___ ENHR ___ SIGW
___ Dry ___ Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:
Operator:
Well Name:
Original Comp. Date: ___ Original Total Depth: ___
___ Deepening ___ Re-perf. ___ Conv. to Enhr./SWD
___ Plug Back ___ Plug Back Total Depth
___ Commingled Docket No.
___ Dual Completion Docket No.
___ Other (SWD or Enhr.?) Docket No.

1-14-08 Spud Date or Recompletion Date
2-1-08 Date Reached TD
6-4-08 Completion Date or Recompletion Date

API No. 15 - 031-22354-0000
County: Coffey
C SE SW Sec. 30 Twp. 22 S. R. 14 X East ☐ West
660 feet from S / N (circle one) Line of Section
1980 feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Hess Well #: 3
Field Name: Wildcat
Producing Formation: Mississippian Limestone
Elevation: Ground: 1180 Kelly Bushing: 1184
Total Depth: 2201 Plug Back Total Depth: 2199
Amount of Surface Pipe Set and Cemented at 40 Feet
Multiple Stage Cementing Collar Used? ☐ Yes X No
If yes, show depth set n/a Feet
If Alternate II completion, cement circulated from 2199
feet depth to surface w/ 225 sx cmt.

Drilling Fluid Management Plan Alt II NR 1-5-10
(Data must be collected from the Reserve Pit)
Chloride content ___ ppm Fluid volume ___ bbls
Dewatering method used
Location of fluid disposal if hauled offsite:
Operator Name:
Lease Name: ___ License No.:
Quarter ___ Sec. ___ Twp. ___ S. R. ___ ☐ East ☐ West
County: ___ Docket No.:

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Steve Jones
Title: Operator Date: 3-28-09
Subscribed and sworn to before me this 28 day of March
2009
Notary Public: Janet Peterson #02013205
Date Commission Expires: 9-19-2010
* needs notary's stamp

KCC Office Use ONLY
✓ Letter of Confidentiality Received
If Denied, Yes ☐ Date:
✓ Wireline Log Received
✓ Geologist Report Received
___ UIC Distribution

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Operator Name: Stephen C. Jones Lease Name: Hess Well #: 3

Sec. 30 Twp. 22 S. R. 14 ☒ East ☐ West County: Coffey

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

9/09/09

Drill Stem Tests Taken (Attach Additional Sheets)	☐ Yes	☒ No
Samples Sent to Geological Survey	☐ Yes	☒ No
Cores Taken	☐ Yes	☒ No
Electric Log Run (Submit Copy)	☒ Yes	☐ No

List All E. Logs Run:
Dual Induction
Compensated densidty
Gamma Ray/ Neutron

☒ Log Formation (Top), Depth and Datum ☐ Sample

Name	Top	Datum
Mississippian Lime	1760	log

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CASING RECORD ☐ New ☒ Used
Report all strings set-conductor, surface, intermediate, production, etc.

Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12.5"	8.5"	12#	40'	Class A	35	CACL Bentonite
Production	63/4"	4.5"	10.5#	2199	thickset 60/40poz	225	kolseal floseal

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose: ____ Perforate ____ Protect Casing ____ Plug Back TD ____ Plug Off Zone	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
four	2153-55	2000 gal HCL acid	

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	2180	n/a	☐ Yes ☒ No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method				
shut in	shut in	☐ Flowing	☒ Pumping	☐ Gas Lift	☐ Other (Explain)

Estimated Production Per 24 Hours	Oil	Bbls.	Gas	Mcf	Water	Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas METHOD OF COMPLETION Production Interval

☐ Vented ☐ Sold ☐ Used on Lease (If vented, Submit ACO-18.)

☐ Open Hole ☒ Perf. ☐ Dually Comp. ☐ Commingled _____

☐ Other (Specify) _____

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ALLIED CEMENTING CO., LLC

Cementing & Acidizing Services

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906

Voice: (785) 483-3887
Fax: (785) 483-5566

INVOICE

Invoice Number: 112322
Invoice Date: Feb 7, 2008
Page: 1

posted

Bill To:

Armour Management
12 North Armstrong
Bixby, OK 74008

Customer ID	Well Name/# or Customer P.O.	Payment Terms	
Armour	Hess #3	Net 30 Days	
Sales Rep ID	**Camp Location**	**Service Date**	**Due Date**
	Medicine Lodge	Feb 7, 2008	3/8/08

Quantity	Item	Description	Unit Price	Amount
225.00	MAT	ASC Class H	19.00	4,275.00
1,350.00	MAT	Kol Seal	0.80	1,080.00
85.00	MAT	FL-160	12.00	1,020.00
500.00	MAT	ASF	1.15	575.00
4.00	MAT	Cla Pro	28.15	112.60
293.00	SER	Handling	2.15	629.95
60.00	SER	Mileage 293 sx @.09 per sk per mi	26.37	1,582.20
1.00	SER	Production Casing	1,812.00	1,812.00
60.00	SER	Mileage Pump Truck	7.00	420.00
1.00	SER	Head Rental	113.00	113.00
1.00	EQP	Rubber Plug	62.00	62.00

KANSAS CORPORATION COMMISSION
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ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. 1 1/2% CHARGED THEREAFTER. IF ACCOUNT IS CURRENT, TAKE DISCOUNT OF

$ 1168.17

ONLY IF PAID ON OR BEFORE

Mar 8, 2008

Subtotal	11,681.75
Sales Tax	377.60
Total Invoice Amount	12,059.35
Payment/Credit Applied	
TOTAL	**12,059.35**

ALLIED CEMENTING CO., LLC. 31476

P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT: Med Lodge

DATE	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
2-1-08	30	22	14E	1:00pm	6:00pm	7:30pm	8:00pm

LEASE	WELL #	LOCATION	COUNTY	STATE
Hess	3	Yates Center N to 58 W	Coffey	KS

OLD OR NEW (Circle one) 7 1/2 W to Quidley then 3 N W

CONTRACTOR Kay OK
TYPE OF JOB Prod Csg
HOLE SIZE 6 3/4 T.D. 2201
CASING SIZE 4 1/2 DEPTH 2188
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX 1100 MINIMUM 200
MEAS. LINE SHOE JOINT
CEMENT LEFT IN CSG.
PERFS.
DISPLACEMENT 34 1/2 bbls 2% KCL

OWNER Armour Management

CEMENT

AMOUNT ORDERED 225 sx H ASC, 6# Kolseal +.4% FL-160, 500gal ASF + 4gal Clapro

EQUIPMENT

PUMP TRUCK # 372 CEMENTER Marc B
HELPER Darin
BULK TRUCK # 389 DRIVER Raymond
BULK TRUCK # DRIVER

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COMMON	@		
POZMIX	@		
GEL	@		
CHLORIDE	@		
ASC 225 H	@	19.00	4275.00
Kol Seal 1350 #	@	.80	1080.00
FL-160 - 85 #	@	12.00	1020.00
ASF 500 gl.	@	1.15	575.00
Cla Pro 4 gl.	@	28.15	112.60
	@		
	@		
	@		
	@		
HANDLING 293	@	2.15	629.95
MILEAGE 60 x 293 x .09			1582.20
		TOTAL	9274.75

REMARKS:

Pipe on bottom + Circulate pump 3 bbls fresh 500 gal ASF 3 bbls fresh mix 250 sx Cement Shut down pump, wash pump + line + release plug, start displacement Lift pressure at 15 bbls, slow rate to 3 bpm bump plug at 34 1/2 bbls + 600 psi float did hold

SERVICE

DEPTH OF JOB 2188
PUMP TRUCK CHARGE 1812.00
EXTRA FOOTAGE @
MILEAGE 60 @ 7.00 420.00
MANIFOLD @
Head rental @ 113.00 113.00
@
TOTAL 2345.00

CHARGE TO: Armour Management
STREET
CITY STATE ZIP

PLUG & FLOAT EQUIPMENT

4 1/2 1- Rubber plug	@	62.00	62.00
	@		
	@		

To Allied Cementing Co., LLC.

UNITED Cementing & Acid Co., Inc.
(316) 321-4680

1-800-794-0187
FAX 1-316-321-4720
2510 W. 6TH ST.
EL DORADO, KANSAS 67042

SERVICE TICKET 8172

DATE 1-14-08

COUNTY Coffey CITY Gridley

CHARGE TO [illegible] Management

ADDRESS ______ CITY ______ ST ______ ZIP ______

LEASE & WELL NO. Hess #3 CONTRACTOR ______

KIND OF JOB Surface 42 ft SEC. ______ TWP. ______ RNG. ______

DIR. TO LOC. ______ OLD NEW

Quantity	MATERIAL USED	Serv. Charge	
50 sk	Class A Cement		
1 sk	Calcium chloride		
	BULK CHARGE 50 sk handling		
	BULK TRK. MILES 2.35 tons		
	PUMP TRK. MILES 73 miles		
	PLUGS		
		SALES TAX	
		TOTAL	

T.D. ______ CSG. SET AT ______ VOLUME ______

SIZE HOLE 8 5/8 in CH TBG SET AT ______ VOLUME ______

MAX. PRESS. [illegible] SIZE PIPE ______

PLUG DEPTH ______ PKER DEPTH ______

PLUG USED ______ TIME ON LOCATION 2:58 TIME FINISHED 6:56

REMARKS: Showed up on location Rig setting up to Drill - 6 35 Hook up to casing - Pump 50 sk Class A Cement 2% Calcium chloride - pump 2 bbl H_2O Displacement Shut in valve on swage - Well circulated - Cement circulated to Surface

EQUIPMENT USED

NAME	UNIT NO.	NAME	UNIT NO.
[illegible] Daniels	P 14	Raul Reyes	157
Jason Burlow	4	[signature]	

CEMENTER OR TREATER OWNER'S REP.

GEOLOGISTS REPORT

For

HESS`#3

C, SE ¼, SW ¼,

Sec. 30, T22S, R14E
COFFEY COUNTY, KANSAS

API-031-22354-00-00

February 1,, 2008

By

George E. Petersen, C.P.G., L.G.
DEACON GEOLOGY INC.

GEOLOGISTS REPORT

Hess #3
January 29, 2008: Arrived on location at 10:15 AM.
February 1, 2008: left location at 2:30 PM when logging complete.

All measurements were measured from the estimated elevation of 1180 GL

FORMATION TOPS	LOG DEPTH	DATUM	THICKNESS
Lansing Fm.	642	+ 538	
Stark Sh.	1038	+ 142	3'
Hushpuckney Sh	1069	+ 111	3'
Base KC Fm.	1087	+ 93	
Altamont	1236	- 56	
Lexington Coal	1310	-130	3'
Summit Coal	1390	-210	3'
Mulkey Coal	1399	-219	3'
Crowberg Coal	1498	-318	4'
AW Coal	1722	-542	3'
CW Coal	1732	-552	3'
Riverton coal	1739	-559	4'
C1 coal	1746	-566	2'
Miss cht	1754	-574	6'
Miss Lm	1760	-580	332'
Kinderhook Sh	2092	-912	60'
Viola	2152	-972	24'
Simpson Sd.	2176	-996	10'
Arbuckle	2186 (sample top)	-1006	
RTD & LTD 2201			

Sample returns were examined microscopically from a drilled depth of 1240 feet to TD for the presence of visible hydrocarbons. Potential beds capable of carrying oil were examined under a black light for visible fluorescence. Various tops of beds and formations were derived from log responses on the Compensated Density Porosity curves and the drilling time plot. A gas detector was operational during the drilling of this well and the gas response curves are with the operator of this well.

It is important to remember that the elevation used for all formation tops is an estimated elevation that has not been surveyed at the time this well was drilled. At such time as the survey of all the wells has been completed, the formation tops will need to be re calculated to allow for accurate maps to be made.

Sample returns were not examined above the top of the Kansas City Group. It is probable that some of the shales in the Lansing and Kansas City Groups may carry gas. The log curves can be correlated to the gas chart to determine which sequences need to be evaluated further.

MARMATON GROUP:

The apparent top of the Altamont limestone was reached at a log depth of 1256' (-66). The Lexington, and Mulkey coals should be tested as they had good gas kicks. The Mulkey Coal at the base of the Marmaton Group had strong gas shows on the gas chart.

CHROKEE GROUP:

The portion of the Cherokee found in this well is a cyclothemic unit composed of marine and terrestrial sandstones and shales, marine carbonates and associated coal beds.

The uppermost potentially productive beds is this area are the Squirrel sand sequences. The upper sand had not developed in this well. The lower Squirrel sequence was found at a log depth of 1460(-270). The porosity log suggests that this interval has very limited porosity. There was no odor noted , nor was there any show of oil. Sample returns and log responses suggest that this interval does not warrant any further study I this well.

The various coals found in the Cherokee section had strong shows of gas as noted by the gas detector. At such time that there is interest in trying to complete some of these beds, they will be identified in detail.

The lower sequence of the AW, CW and Riverton coals in the lower Cherokee should be the first coal intervals to be tested. It would appear that these coal intervals might yield commercial quantities of gas.

MISSISSIPPIAN:

The Mississippian chat was reached at a log depth o 1770 (-580). Sample returns consisted of white to gray sharp chert. There was no show, odor or stain noted in the samples.

The Mississippian was reached at a logged depth of 1782 (-592). This interval contained abundant white to gray tripolitic chert, gray to green shale and white to light tan, very coarsely crystalline limestone with some glauconite present. It has long been known that the Mississippian surface is an erosional surface.

There was a slight staining and fluorescence in sample returns that appear to come from the dolomitic interval from 1896-1926. This interval should be evaluated at such time as water samples from this part of the Mississippian have been obtained allowing for appropriate values to be utilized in calculations to determine apparent water saturation.

Intervals that have porosity and resistivity numbers such as are indicated on the logs from this well have shown to be productive zones in other areas. Based on

the present information, this interval will warrant a test before eventual abandonment of the well

KINDERHOOK:

The Kinderhook section is composed of dark gray to black shales. The lower portion of the unit typically has a strong petroleum odor. There was neither cut nor fluorescence in the samples from this section and no indication that gas was present.

VIOLA:

The Viola was reached at a log depth of 2175 (-985). There were some sandy fragments at the very top of the dolomite. There was some fluorescence when trichlorethane was applied along with a very strong petroleum odor. There were some fragments noted with vugs present. There was bright yellow fluorescence when placed under black light.

The logs suggest that this interval has very low porosity.

SIMPSON SAND:

The top of the Simpson was reached at a log depth of 2190 (-1000). The sand was a sub-rounded to rounded, fine grained, clear to frosted quartz sand that had limited visible porosity. range throughout the entire interval. There were no shows of either oil or gas in this unit.

ARBUCKLE:

The Arbuckle was reached at a sample depth of 2160 (-1017). There were no shows of hydrocarbon present in any of the observed samples. This unit is to be deepened to serve as an injection well.

CONCLUSIONS AND RECOMMENDATIONS;

While some thirty two coal beds with a thickness of more than one foot have been identified in the middle Pennsylvanian stratigraphic column in eastern Kansas there are about 12 beds of coal and black shale that have a thickness that may warrant testing in this well.

It is becoming apparent from the well logs now available on this project area that there are variations in thickness through out the drilled interval. This difference in the Lansing, Kansas City and Marmaton sequences does not appear to affect the Cherokee interval. It does appear that some of the coals, most of which are not identified do appear and disappear throughout the area.

The various tops of the individual beds were all higher than those encountered in the Johnson No.1 well. Based on the tops of the various formations

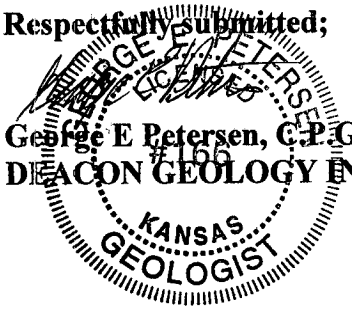
in the no. 1 and 2 wells as well a well located just to the immediate north, all data indicates that this area has karst features on both the Arbuckle and Mississippian surfaces..

Additional research of the files at the Kansas Geological Survey offices in Lawrence has also suggested the presence of multiple karst surfaces in this area. Recent articles in the Kansas Geological Society monthly publication point out that these types of features allow for petroleum traps at different elevations in adjoining locations.

DISCLAMER:

The author of this report has no working or overriding interest in this or any other well on this lease.

Respectfully submitted;



George E Petersen, C.P.G., L.G.
DEACON GEOLOGY INC.

HESS #3