

10/23/09

Form ACO-1
September 1999
Form Must Be Typed

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

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OCT 23 2007
KCC

Operator: License # 5135
Name: JOHN O. FARMER, INC.
Address: P.O. Box 352
City/State/Zip: Russell, KS 67665
Purchaser: _____
Operator Contact Person: Marge Schulte
Phone: (785) 483-3145, Ext. 214
Contractor: Name: Discovery Drilling Co., Inc.
License: 31548
Wellsite Geologist: Bob Stolzle

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW Temp. Abd.
 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. _____

8/28/07 9/3/07 9/4/07
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 135-24,688-0000
County: Ness
10'S & 30'E of NW-NESE NE Sec. 25 Twp. 17 S. R. 25W East West
1330 feet from (N) (circle one) Line of Section
1290 feet from (E) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW

Lease Name: GABEL Well #: 1

Field Name: Aldrich Northeast

Producing Formation: None

Elevation: Ground: 2444' Kelly Bushing: 2452'

Total Depth: 4480' Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 210.94 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from _____

feet depth to _____ w/ _____ sx cmt.

(15sk In Rat Hole)(10sk In Mouse Hole)

Drilling Fluid Management Plan PAUS 3-10-09
(Data must be collected from the Reserve Pit)

Chloride content 16,000 ppm Fluid volume 300 bbls

Dewatering method used Evaporation

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: John O. Farmer III
Title: President Date: 10-23-07

Subscribed and sworn to before me this 23rd day of October

20 07

Notary Public: Margaret A. Schulte

Date Commission Expires: _____



KCC Office Use ONLY

Letter of Confidentiality Received

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 24 2007

CONSERVATION DIVISION
Wichita, Kansas

Operator Name: JOHN O. FARMER, INC. Lease Name: GABEL Well #: 1
 Sec. 25 Twp. 17 S. R. 25W East West County: Ness

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.

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Microresistivity Log, Dual Compensated
 Porosity Log, Dual Induction Log

Log Formation (Top), Depth and Datum Sample

Name Top Datum

LOG TOPS ARE LISTED ON THE GEOLOGICAL REPORT THAT IS INCLUDED

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> 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 Pipe	12 1/4"	8 5/8"	23 #	210.94'	Common	160	2%Gel&3%CC

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ Plug Off Zone				

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

TUBING RECORD	Size	Set At	Packer At	Liner Run
				<input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
	<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)

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

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled

Production Interval Other (Specify) _____



Discovery Drilling

P.O. Box 763 • Hays, KS 67601 • OFFICE (785) 623-2920 • CELLULAR (785) 635-1511

DRILLER'S LOG

Operator: John O. Farmer, Inc. LIC# 5135
PO Box 352
Russell, KS 67665

Contractor: Discovery Drilling Co., Inc. LIC#31548
PO Box 763
Hays, KS 67601

Lease: Gabel #1

Location: 10' S & 30' E of C/NE
Sec. 25 / 17S / 25W
Ness Co., KS

Loggers Total Depth: 4482'
Rotary Total Depth: 4480'
Commenced: 8/28/2007
Casing: 8 5/8" @ 210.94' w / 160 sks

API#15- 135-24, 688-0000
Elevation: 2444' GL / 2452' KB
Completed: 9/4/2007
Status: D & A

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DEPTHS & FORMATIONS (All from KB)

Surface, Sand & Shale	0'	Shale	1742'
Dakota Sand	806'	Shale & Lime	2360'
Shale	930'	Shale	2921'
Cedar Hill Sand	1172'	Shale & Lime	3316'
Red Bed Shale	1437'	Lime & Shale	3849'
Anhydrite	1713'	RTD	4480'
Base Anhydrite	1742'		

STATE OF KANSAS)
) ss
COUNTY OF ELLIS)

Thomas H. Alm of Discovery Drilling states that to the best of his knowledge the above and foregoing is a true and correct log of the above captioned well.

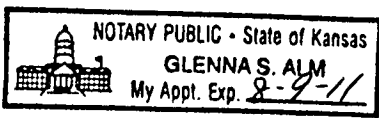
Thomas H. Alm

Subscribed and sworn to before me on 9-7-07

My Commission expires: 8-9-11

(Place stamp or seal below)

Notary Public



RECEIVED
KANSAS CORPORATION COMMISSION

OCT 24 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC. 30763

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

COPY

SERVICE POINT: Great Bend

DATE <u>8-28-07</u>	SEC. <u>25</u>	TWP. <u>17</u>	RANGE <u>25</u>	CALLED OUT <u>2:00 PM</u>	ON LOCATION <u>6:30 PM</u>	JOB START <u>7:00 PM</u>	JOB FINISH <u>8:00 PM</u>
LEASE <u>Label</u>			WELL # <u>1</u>	LOCATION <u>Arnold 1 east 5 south</u>		COUNTY <u>Wess</u>	STATE <u>Kansas</u>
OLD OR (NEW) (Circle one) <u>NEW</u>				<u>1 east 1 south</u>			

CONTRACTOR Discovery
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 210'
 CASING SIZE 8 5/8 DEPTH 210'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT 12.4 BBLS H²⁰

OWNER John O. Farmer Inc.
 CEMENT
 AMOUNT ORDERED 160 cu Common
3% CC 2% Gel

EQUIPMENT

U.B.
 PUMP TRUCK CEMENTER J.D. Drailing
 # 120 HELPER Berk Degenhardt
 BULK TRUCK
 # 341 DRIVER Steve Turley
 BULK TRUCK
 # _____ DRIVER _____

COMMON	<u>160 cu</u>	@ <u>11.10</u>	<u>1776.00</u>
POZMIX		@	
GEL	<u>3 cu</u>	@ <u>16.45</u>	<u>49.35</u>
CHLORIDE	<u>5 cu</u>	@ <u>46.40</u>	<u>232.00</u>
ASC		@	
HANDLING	<u>160 cu</u>	@ <u>1.90</u>	<u>309.20</u>
MILEAGE	<u>160 cu</u>	@ <u>20</u>	<u>302.40</u>
TOTAL			<u>2680.95</u>

REMARKS:

Ran 8 5/8 casing to Bottom
Circulate with rig mud.
Hook to pump truck & mixed 160 cu
Common 3% CC 2% Gel thru 8 5/8
swedge. Displace with 12.4 BBLS
fresh H²⁰ Cement did circulate
Shut in 8 5/8 swedge.

SERVICE

DEPTH OF JOB	<u>210'</u>		
PUMP TRUCK CHARGE			<u>85.00</u>
EXTRA FOOTAGE	@		
MILEAGE	<u>20</u>	@ <u>6.00</u>	<u>120.00</u>
MANIFOLD	@		
TOTAL			<u>935.00</u>

CHARGE TO: John O. Farmer Inc.
 STREET 370 W. Wichita Ave.
 CITY Russell STATE Kansas ZIP 67665

PLUG & FLOAT EQUIPMENT

To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

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 CONSERVATION DIVISION
 WICHITA, KS

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE J. D. Drailing

SIGNATURE GALEN GASCHLER
 PRINTED NAME

Thank you!

ALLIED CEMENTING CO., INC.

30435

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

COPY

SERVICE POINT: Greenwood

DATE <u>1-11-07</u>	SEC. <u>25</u>	TWP. <u>17</u>	RANGE <u>25</u>	CALLED OUT <u>5:30 AM</u>	ON LOCATION <u>8:30 AM</u>	JOB START <u>1:00 PM</u>	JOB FINISH <u>2:12:00</u>
LEASE <u>Concret</u>	WELL # <u>1</u>	LOCATION <u>Arnold, 1E, 5S, 1E, 4S</u>		COUNTY <u>Ness</u>	STATE <u>KS</u>		
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>W/S</u>				

CONTRACTOR Discrepancy #3

TYPE OF JOB Rotary plug

HOLE SIZE 10 5/8" plug T.D. 1740'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 1740'

TOOL _____ DEPTH _____

PRES. MAX 2000 PSI MINIMUM 0

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT Pro-Linker + Mud

OWNER John O' Farmer

CEMENT

AMOUNT ORDERED 255 sv 60110 4% Gel

1/2" Flo Seal

EQUIPMENT

PUMP TRUCK CEMENTER Rick H.

120 HELPER David J.

BULK TRUCK

341 DRIVER Wayne D.

BULK TRUCK

_____ DRIVER _____

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

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REMARKS:

1740' - 50 sv 255 sv 60110 4% Gel

1030' - 80 sv 1/2" Flo Seal total cement

800' - 40 sv

240' - 40 sv

60' - 20 sv

Rach hole - 15 sv

Main hole - 10 sv

Cement did circulate

CHARGE TO: John O' Farmer

STREET _____

CITY _____ STATE _____ ZIP _____

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE X John O' Farmer

TOTAL _____

SERVICE

DEPTH OF JOB 1740'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 24 2007
CONSERVATION DIVISION
WICHITA, KS

TOTAL _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

X GALEN GASCHER

PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.