

CONFIDENTIAL

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

11/20/09

Operator: License # 8914
Name: H & C Oil Operating, Inc.
Address: P.O. Box 86
City/State/Zip: Plainville, KS 67663
Purchaser: Coffeyville Resources
Operator Contact Person: Charles R. Ramsay
Phone: (785) 434-7434
Contractor: Name: American Eagle Drilling, LLC
License: 33493

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Wellsite Geologist: Clayton Erickson
Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW 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. _____

8-13-08	8-22-08	11-4-08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23454-00-00
County: Graham
SW SW NW NW Sec. 7 Twp. 7 S. R. 22 East West
1200 feet from S (N) (circle one) Line of Section
500 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE (NW) SW
Lease Name: Hale Well #: 7-1
Field Name: Unnamed

Producing Formation: Lansing Kansas City
Elevation: Ground: 2408 Kelly Bushing: 2413
Total Depth: 3900 Plug Back Total Depth: 3877
Amount of Surface Pipe Set and Cemented at 320 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 2024 Feet
If Alternate II completion, cement circulated from 2024
feet depth to 575 w/ 700 sq cmt.
Alt 2 - log - 11/6/09

Drilling Fluid Management Plan
(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: Charles R. Ramsay
Title: President Date: 11/21/08

Subscribed and sworn to before me this 21st day of November, 2008.

Notary Public: Irene Felthoelter
Date Commission Expires: 4/4/11

NOTARY PUBLIC - State of Kansas
IRENE FELTHOELTER
My Appt. Expires: 4/4/11

KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received **RECEIVED**
 Geologist Report Received **KANSAS CORPORATION COMMISSION**
 UIC Distribution **NOV 25 2008**
CONSERVATION DIVISION
WICHITA, KS

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Operator Name: H & C Oil Operating, Inc. Lease Name: Hale Well #: 7-1
 Sec. 7 Twp. 7 S. R. 22 East West County: Graham

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)

Name	Top	Datum
Anhydrite	2057	+356
Anhydrite Base	2090	+323
Heebner	3621	-1208
Toronto	3643	-1230
Lansing Kansas City	3661	-1248
Base LKC	3852	-1439

List All E. Logs Run:

Dual induction log, Microresistivity Log, Sector Bond/Gamma Ray CCL Log, Borehole Compensated Sonic Log, Dual compensated porosity log, Temp. survey

CASING RECORD <input 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	12 1/4"	8 5/8"	20#	315	common	195	3%cc, 2%gel
Production	7 7/8"	5 1/2	14#	3899	common	205	10% salt

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input checked="" type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	2024-surface	60/40 Posmix	700	6%gel, 1/4# floseal

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
	4 SPF	3812-3818		500 Gallon 15% MCA, 2500 Gal. 20% NE FE	

TUBING RECORD		Size	Set At	Packer At	Liner Run		
		2 7/8"	3870'		<input type="checkbox"/> Yes <input type="checkbox"/> No		
Date of First, Resumerd Production, SWD or Enhr. 11-10-08			Producing Method				
			<input type="checkbox"/> Flowing <input checked="" 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		
	55 Bbls.		40 Bbls.		30		

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

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify)

Production Interval

RECEIVED
 KANSAS CORPORATION

NOV 25 2008

H & C OIL OPERATING, INC.
P.O. Box 86
Plainville, KS 67663
785-434-7434

November 20, 2008

Kansas Corporation Commission
Conservation Division
130 S. Market – Room 2078
Wichita, KS 67202

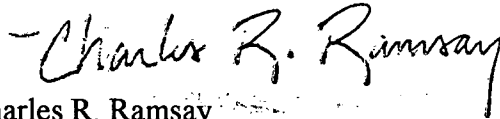
RE: Hale 7-1
Sec. 7-T7S-R22W
Graham County, Kansas

Dear Sir/Ms.

In accordance with KCC rules, please keep the enclosed information confidential for one year.

Thank you for your cooperation.

Sincerely,



Charles R. Ramsay
President
H&C Oil Operating, Inc.

KCC
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KANSAS CORPORATION COMMISSION

NOV 25 2008

CONSERVATION DIVISION
WICHITA, KS

KANSAS

CORPORATION COMMISSION

COPY

Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

October 30, 2008

H & C Oil Operating, Inc.
P. O. Box 86
Plainville, KS. 67663

RE: Exception to Alternate II Cementing Requirements
Hale # 7-1
SWNWNW section 7-7-22W
Graham County, Kansas
API #15-065-23454-00-00

KCC
NOV 20 2008
CONFIDENTIAL

Dear Operator,

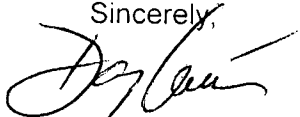
The Kansas Corporation Commission (KCC) has received your request, dated October 8, 2008, through District 4 Supervisor for an exception to Alternate II cementing requirements for the above referenced well. From this request, the KCC understands that subject well was not cemented to surface or into the surface casing as required by the Alternate II option. Referenced well has 316 feet of surface casing set with 195 sacks of cement circulated to surface. A temperature survey indicates top of cement at 575 feet from a port collar at 2024 feet.

After review of this matter by technical staff it was determined that:

1. Surface casing was set deeper than fresh water source in the area with cement coverage to protect the shallow aquifers.
2. All fresh and usable water sources are adequately protected with cement coverage and any remaining intervals not covered by cement contain no fresh or usable water zones.
3. The Dakota appears to be adequately isolated with cement and any remaining intervals not cemented contain no fresh or usable water nor present any threat of contamination from the shales in the intervals.

Based on this information that the fresh and usable water zones are adequately protected with cement coverage and that any remaining intervals not cemented behind the production casing contain no threat of contamination from the shales in the intervals. Therefore, an exception is granted for the Alternate II cementing requirement.

Sincerely,



Doug Louis
Director

cc: Case Morris – District 4
Steve Bond – Production Supervisor

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KANSAS CORPORATION COMMISSION

NOV 25 2008

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., LLC. 042821

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

SERVICE POINT:
Russell KS

DATE <u>8-14-08</u>	SEC. <u>7</u>	TWP. <u>7</u>	RANGE <u>22</u>	CALLED OUT	ON LOCATION	JOB START <u>12:15am</u>	JOB FINISH <u>12:45am</u>
LEASE <u>Hale</u>	WELL # <u>7-1</u>		LOCATION <u>Hill City KS 6 North to Rd W</u>		COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)			<u>East to dead end North into</u>				

CONTRACTOR American Eagle Drilling Rig #3 OWNER _____
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 320'
 CASING SIZE 8 5/8 20# DEPTH 320'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT 19.42 Bbl
 EQUIPMENT _____

CEMENT AMOUNT ORDERED 195com 3%cc 2%gel

COMMON <u>195</u>	@ <u>13.50</u>	<u>2632.50</u>
POZMIX _____	@ _____	_____
GEL <u>4</u>	@ <u>20.25</u>	<u>81.00</u>
CHLORIDE <u>7</u>	@ <u>51.50</u>	<u>360.50</u>
ASC _____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
HANDLING <u>206</u>	@ <u>2.25</u>	<u>463.50</u>
MILEAGE <u>54mi/1.10</u>		<u>927.00</u>
TOTAL		<u>4464.50</u>

PUMP TRUCK CEMENTER John Roberts
 # 409 HELPER Travis
 BULK TRUCK
 # 396 DRIVER Doug
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Est. Circulation Mix 195sk cement
Displace w/ 19.42 Bbl H2O
Cement Did Circulate!
Thanks!

CHARGE TO: H&C Oil Operating Inc.
 STREET _____
 CITY _____ STATE _____ ZIP _____

To Allied Cementing Co., LLC.
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME _____
 SIGNATURE Don Morris

SERVICE

DEPTH OF JOB _____		
PUMP TRUCK CHARGE _____		<u>991.00</u>
EXTRA FOOTAGE _____	@ _____	_____
MILEAGE <u>45</u>	@ <u>7.50</u>	<u>337.50</u>
MANIFOLD _____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
TOTAL		<u>1328.50</u>

PLUG & FLOAT EQUIPMENT

_____	@ _____	_____
_____	@ _____	_____
<u>1-85 Wood</u>	@ _____	<u>66.00</u>
_____	@ _____	_____
_____	@ _____	_____
TOTAL		<u>66.00</u>

SALES TAX (If Any) _____
 TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS
RECEIVED
 KANSAS CORPORATION COM

NOV 25 2008

ALLIED CEMENTING CO., LLC. 34540

P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT
Russell

DATE <u>8-21-08</u>	SEC <u>7</u>	TWP. <u>7</u>	RANGE <u>22</u>	CALLED OUT	ON LOCATION	JOB START <u>10:00pm</u>	JOB FINISH <u>11:00pm</u>
LEASE <u>Hale</u>		WELL # <u>7-1</u>	LOCATION <u>Hill City 6th RW</u>		COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>			IF <u>1/2" into</u>				

CONTRACTOR American Eagle #3

TYPE OF JOB Production String

HOLE SIZE _____ T.D. 3900

CASING SIZE 5 1/2 14# DEPTH 3895

TUBING SIZE 4 1/2 DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL Port Collar #45 DEPTH 2026

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT 21.49

CEMENT LEFT IN CSG. 21.49

PERFS. _____

DISPLACEMENT 94 1/2 BC

OWNER _____

CEMENT

AMOUNT ORDERED 205 Com 109 Salt

500 gal WFR-2

COMMON <u>205</u>	@	<u>13.50</u>	<u>2767.50</u>
POZMIX _____	@	_____	_____
GEL _____	@	_____	_____
CHLORIDE _____	@	_____	_____
ASC _____	@	_____	_____
<u>Salt 19</u>	@	<u>21.25</u>	<u>403.75</u>
<u>WFR-2 500</u>	@	<u>1.10</u>	<u>550.00</u>
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
HANDLING <u>224</u>	@	<u>2.25</u>	<u>504.00</u>
MILEAGE <u>10.56/mile</u>			<u>1008.00</u>
TOTAL			<u>5233.25</u>

EQUIPMENT

PUMP TRUCK CEMENTER Craig

417 HELPER Matt

BULK TRUCK

410 DRIVER Doug

BULK TRUCK

_____ DRIVER _____

REMARKS:

Insert Set @

Port Collar #45 2026

Lat hole 325K

Plug landed @ 1500ps: Held Release

OKY.

THANKS!

CHARGE TO: H+C

STREET _____

CITY _____ STATE _____ ZIP _____

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME _____

SIGNATURE Charles Ramsey

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 1957.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 45 @ 7.50 337.50

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

TOTAL 2294.50

PLUG & FLOAT EQUIPMENT

<u>1 5/2 Guide shoe</u>		<u>186.00</u>
<u>1 WFR Insert</u>	@	<u>285.00</u>
<u>2 baskets</u>	@	<u>181.00</u> <u>362.00</u>
<u>7 Centralizers</u>	@	<u>55.00</u> <u>385.00</u>
<u>1 Larson Port collar</u>	@	<u>197.00</u>
<u>1 Solid Plug</u>	@	<u>71.00</u>
TOTAL		<u>3206.00</u>

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS.

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NOV 25 2008

CONSERVATION DIVISION
WICHITA, KS

KCC
NOV 20 2008
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ALLIED CEMENTING CO., LLC. 34598

TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Russell KS.

DATE <u>9-15-08</u>	SEC. <u>7</u>	TWP. <u>7</u>	RANGE <u>22</u>	CALLED OUT	ON LOCATION <u>3:30-4:00 PM</u>	JOB START <u>7:30 AM</u>	JOB FINISH <u>8:00 PM</u>
LEASE <u>Hale</u>		WELL # <u>7-1</u>		LOCATION <u>Hill City 6 N 1 E 4 W</u>		COUNTY <u>GRAHAM</u>	STATE <u>KANSAS</u>
OLD OR NEW (Circle one)							

CONTRACTOR Renegade Well Service OWNER _____
 TYPE OF JOB Circular Cement (Open Port Collar)
 HOLE SIZE _____ T.D. _____
 CASING SIZE 5 1/2 DEPTH _____
 TUBING SIZE 2 7/8 DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL Port Collar @ DEPTH 2025
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT T-11.72 10.72/BBL
 EQUIPMENT _____

CEMENT AMOUNT ORDERED 700 SK 6% 140 6% GEL
Y4 # FLO-Seal
Per SK

COMMON	<u>420</u>	@	<u>13.50</u>	<u>5670.00</u>
POZMIX	<u>280</u>	@	<u>7.55</u>	<u>2114.00</u>
GEL	<u>36</u>	@	<u>20.25</u>	<u>729.00</u>
CHLORIDE		@		
ASC		@		
<u>FLO-Seal 175</u>		@	<u>2.41</u>	<u>428.75</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>736</u>	@	<u>2.25</u>	<u>1656.00</u>
MILEAGE	<u>SK/mi. 1.10</u>			<u>3312.00</u>
TOTAL				<u>13909.75</u>

PUMP TRUCK CEMENTER GLENY
 # 398 HELPER BOB
 BULK TRUCK
 # 423 DRIVER Rocky
 BULK TRUCK
 # 396 DRIVER MIKE K.

REMARKS:
TEST To 1,000 # (Held) OPEN P.C.
Pumped 160 BBL/DALG. MUD. Pumped 400 SK
Cement Did NOT Circulate, Mixed ANOTHER
300 SK Cement, Failed To Circulate
Decide To Run Temp. Survey.

THANKS

CHARGE TO: H & C Operating
 STREET _____
 CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE			<u>1159.00</u>	
EXTRA FOOTAGE	@			
MILEAGE	<u>45</u>	@	<u>7.50</u> <u>337.50</u>	
MANIFOLD	@			
	@			
	@			
TOTAL				<u>1496.50</u>

PLUG & FLOAT EQUIPMENT

	@			
	@			
	@			
	@			
	@			
TOTAL				

To Allied Cementing Co., LLC.
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Charlie Ramsey
 SIGNATURE _____

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

RECEIVED
KANSAS CORPORATION COMMISS

NOV 25 2008

CONSERVATION DIVISION
WICHITA, KS

KCC
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