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JUL 13 2010

KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1

June 2009

Form Must Be Typed

Form must be Signed

All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 5663

Name: Hess Oil Company

Address 1: P. O. Box 1009

Address 2:

City: McPherson State: KS Zip: 67460 + 1009

Contact Person: Bryan Hess

Phone: (620) 241-4640

CONTRACTOR: License # 4958

Name: Mallard JV, Inc.

Wellsite Geologist: James C. Hess

Purchaser:

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SIOW
- Gas D&A ENHR SIGW
- OG GSW Temp. Abd.
- CM (Coal Bed Methane)
- Cathodic Other (Core, Expl., 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 Conv. to SWD
- Conv. to GSW

Plug Back: Plug Back Total Depth

Commingled Permit #:

Dual Completion Permit #:

SWD Permit #:

ENHR Permit #:

GSW Permit #:

5/22/2010 5/29/2010 5/30/2010

Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 135-25044-00-00

Spot Description: Approx

SW_NE_NW_SE Sec. 19 Twp. 17 S. R. 22 East West

2,110 Feet from North / South Line of Section

1,730 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Ness

Lease Name: Loretta Well #: 1

Field Name:

Producing Formation:

Elevation: Ground: 2313' Kelly Bushing: 2318'

Total Depth: 4345' Plug Back Total Depth:

Amount of Surface Pipe Set and Cemented at: 215 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.

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 #:

Quarter Sec. Twp. S. R. East West

County: Permit #:

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.

AFFIDAVIT

I am the affiant and I hereby certify that 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: Bryan Hess

Title: Bryan Hess, Pres. Date: 7/12/2010

KCC Office Use ONLY

Letter of Confidentiality Received

Date:

Confidential Release Date:

Wireline Log Received

Geologist Report Received

UIC Distribution

ALT I II III Approved by: DG Date: 7/13/10

Operator Name: Hess Oil Company Lease Name: Loretta Well #: 1

Sec. 19 Twp. 17 S. R. 22 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 complete copy of all Electric Wire-line 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

Electric Log Submitted Electronically Yes No
(If no, Submit Copy)

List All E. Logs Run:

Log Formation (Top), Depth and Datum Sample
Name Top Datum

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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	12-1/4"	8-5/8"	20#	215'	60/40 pozmix	150	2% gel, 3% cc

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

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

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR. _____ Producing Method: Flowing Pumping Gas Lift Other (Explain) _____

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

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled (Submit ACO-5) (Submit ACO-4) <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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HESS OIL COMPANY

P.O. Box 1009
McPherson, KS 67460-1009

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ACO-1 Completion Form Attachment

Loretta #1

Approx. SW NE NW SE
2110' FSL, 1730' FEL
Section 19-17-22W, Ness County

SAMPLE TOPS

Formation	Loretta #1	(datum)
Anhydrite	1596	+722
Base Anhydrite	1632	+686
Heebner	3707	-1389
Lansing	3750	-1432
Base Kansas City	4034	-1716
Pawnee	4136	-1818
Fort Scott	4227	-1909
Cherokee Shale	4244	-1926
Mississippi	4333	-2015
RTD	4345	-2027

DST #1: 4244'-4340'

Times 45-45-45-45

IF weak blow built to 2.5", FF no blow, FSI weak surf blow built to 0.5", ISI no blow

Recovered 125' mud

Pressures IH 2179, FH 2012, IF 31-53, ISI 1233, FF 61-79, FSI 1215

DST #2: 4244'-4345'

Times 45-45-45-45

IF weak-fair blow 0.5"-3.25", FF weak blow surface-2", FSI no blow

Recovered 186' MW (30% M, 70% W), 124' WM (40% W, 60% M), 40' M w/show of oil on top of tool

Pressures IH 2052, FH 2020, IF 29-137, ISI 1286, FF 143-178, FSI 1282

HESS OIL COMPANY

225 N. Market, Suite 300

Wichita, Kansas 67202

(316) 263-2243

GEOLOGICAL REPORT

LORETTA #1

2110' FSL, 1730' FEL of

SECTION 19 - 17S - 22W

NESS COUNTY, KANSAS

Commenced: 5-22-10

Elevations: 2313' GR, 2318' KB

Completed: 5-30-10

Surface Pipe: 8-5/8" @ 215' KB

Contractor: Mallard J.V.

Production Pipe: none

One foot drilling time was kept from 1560 to 1660' KB and from 3600' to Rotary Total Depth. Ten foot drilling samples (wet & dry) were kept from 4100' to RTD.

Following are sample tops, descriptions of zones of interest (including all shows of oil & gas), and the results of all drill stem tests.

<u>ANHYDRITE</u>	<u>1596</u>	<u>(+722)</u>
<u>BASE ANHYDRITE</u>	<u>1632</u>	<u>(+686)</u>
<u>HEEBNER</u>	<u>3707</u>	<u>(-1389)</u>

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Loretta #1
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<u>LANSING</u>	<u>3750</u>	<u>(-1432)</u>
<u>BASE KANSAS CITY</u>	<u>4034</u>	<u>(-1716)</u>
<u>PAWNEE</u>	<u>4136</u>	<u>(-1818)</u>
<u>FORT SCOTT</u>	<u>4227</u>	<u>(-1909)</u>
<u>CHEROKEE SHALE</u>	<u>4244</u>	<u>(-1926)</u>
<u>MISSISSIPPI</u>	<u>4333</u>	<u>(-2015)</u>

4333-40' KB

White, sharp & tripolitic, chert. Some white to tan, finely crystalline, dense, dolomite. Weak show of free oil in fair intercrystalline and some "on edge" porosity, strong odor, fair stain and a weak cut.

DRILL STEM TEST #1

4244 to 4340' KB

96' Anchor

Blow: very slow build to 2.5" 2nd - only built to 1/2".

Times: Open 45, Closed 45, Open, 45, Closed 45.

Recovered: 125' Mud No Show No SW

Pressures: IH 2179# IF 31 - 53# ISIP 1233#
FH 2012# FF 61 - 79# FSIP 1215#

4341-45' KB

White sharp & weathered (tripolitic) cherts. Some white to tan, finely crystalline, dolomite. Weak show of free oil in fair - intercrystalline & "on edge" porosity, good odor, fair stain, and a weak cut.

DRILL STEM TEST #2

4244 to 4345' KB

101' anchor

Blow: slow build to 3 1/4" 2nd - built to 2".

Times: Open 45, Closed 45, Open 45, Closed 45.

Recovered: 40' Mud slight show of oil
124' Mud Cut SW (40% SW, 60% M)
186' Mud Cut SW (70% SW, 30% M) 19,000ppm

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Loretta #1

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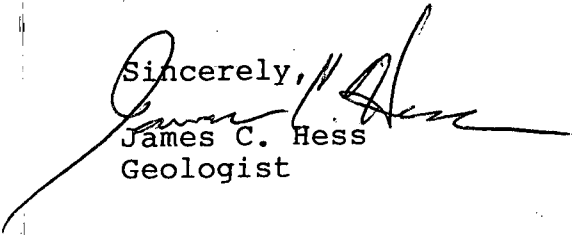
DRILL STEM TEST #2 (cont..)

Pressures:	IH 2052#	IF 29 - 136#	ISIP 1286#
	FH 2020#	FF 143 - 177#	FSIP 1282#

ROTARY TOTAL DEPTH 4345 (-2027)

The Loretta #1 ran 2 - 3' low from the Heebner on down to the Fort Scott as compared to the Irma Pomije #1. The Irma was drilled in July of 1984 for Cherokee Sand, but had an untested show in the Mississippi. I was surprised when the Mississippi came in 9' high to the Irma "show hole", and thought we still might have a chance.

DST #2 conformed that our porosity had developed too low for commercial oil production. Since all shows had been tested and we already had sonic logs in the area --- the Loretta #1 was plugged without logs or further testing.

Sincerely,

James C. Hess
Geologist

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TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

Hess Oil Co
 PO Box 1009
 McPherson, Ks 67640
 ATTN: James Hess

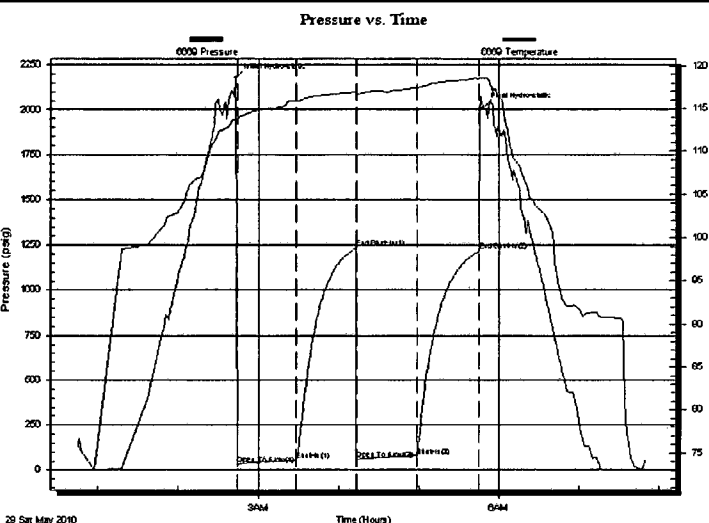
Loretta #1
19-17s-22w/Ness
 Job Ticket: 38666 **DST#: 1**
 Test Start: 2010.05.29 @ 00:45:51

GENERAL INFORMATION:

Formation: **Miss**
 Deviated: **No** Whipstock: ft (KB)
 Time Tool Opened: 02:44:21
 Time Test Ended: 07:51:51
 Interval: **4244.00 ft (KB) To 4340.00 ft (KB) (TVD)**
 Total Depth: **4340.00 ft (KB) (TVD)**
 Hole Diameter: **7.88 inches** Hole Condition: **Good**
 Test Type: **Conventional Bottom Hole**
 Tester: **Tyson Flax**
 Unit No: **44**
 Reference Elevations: **2315.00 ft (KB)**
 2310.00 ft (CF)
 KB to GR/CF: 5.00 ft

Serial #: 6669 **Inside**
 Press@RunDepth: **78.79 psig @ 4253.00 ft (KB)** Capacity: **8000.00 psig**
 Start Date: **2010.05.29** End Date: **2010.05.29** Last Calib.: **2003.01.01**
 Start Time: **00:45:52** End Time: **07:51:51** Time On Btm: **2010.05.29 @ 02:43:21**
 07:51:51 Time Off Btm: **2010.05.29 @ 05:48:21**

TEST COMMENT: IFP-Weak blow built to 2.5"
 FFP-no blow back
 FSI-Weak surface blow built to 1/2"
 ISI-no blow back



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2179.09	113.66	Initial Hydro-static
1	30.74	113.64	Open To Flow (1)
45	53.37	115.87	Shut-In(1)
89	1232.77	116.89	End Shut-In(1)
90	60.60	116.61	Open To Flow (2)
135	78.79	117.37	Shut-In(2)
182	1215.04	118.49	End Shut-In(2)
185	2012.36	118.55	Final Hydro-static

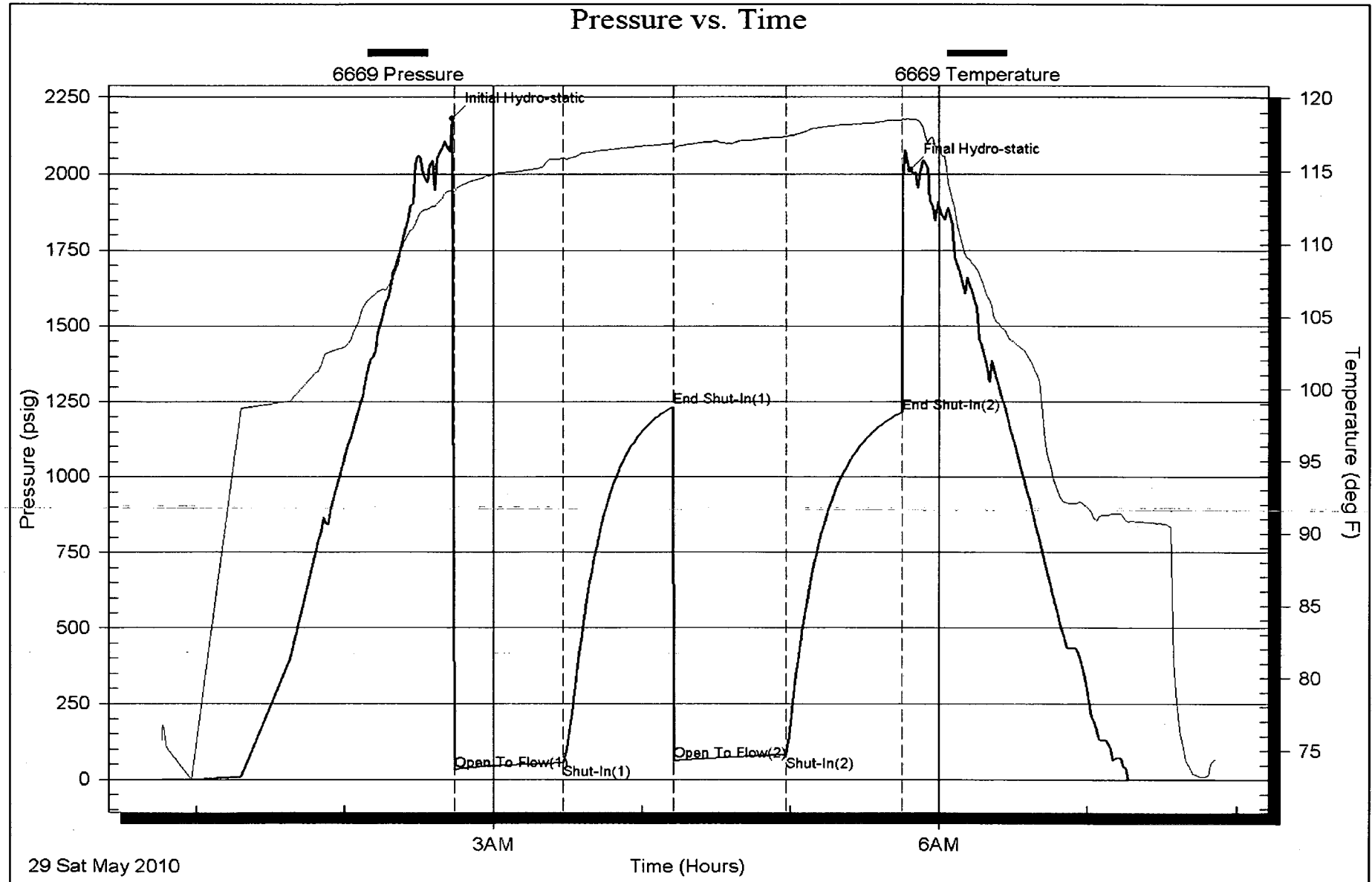
Recovery

Length (ft)	Description	Volume (bbl)
125.00	Mud	0.61

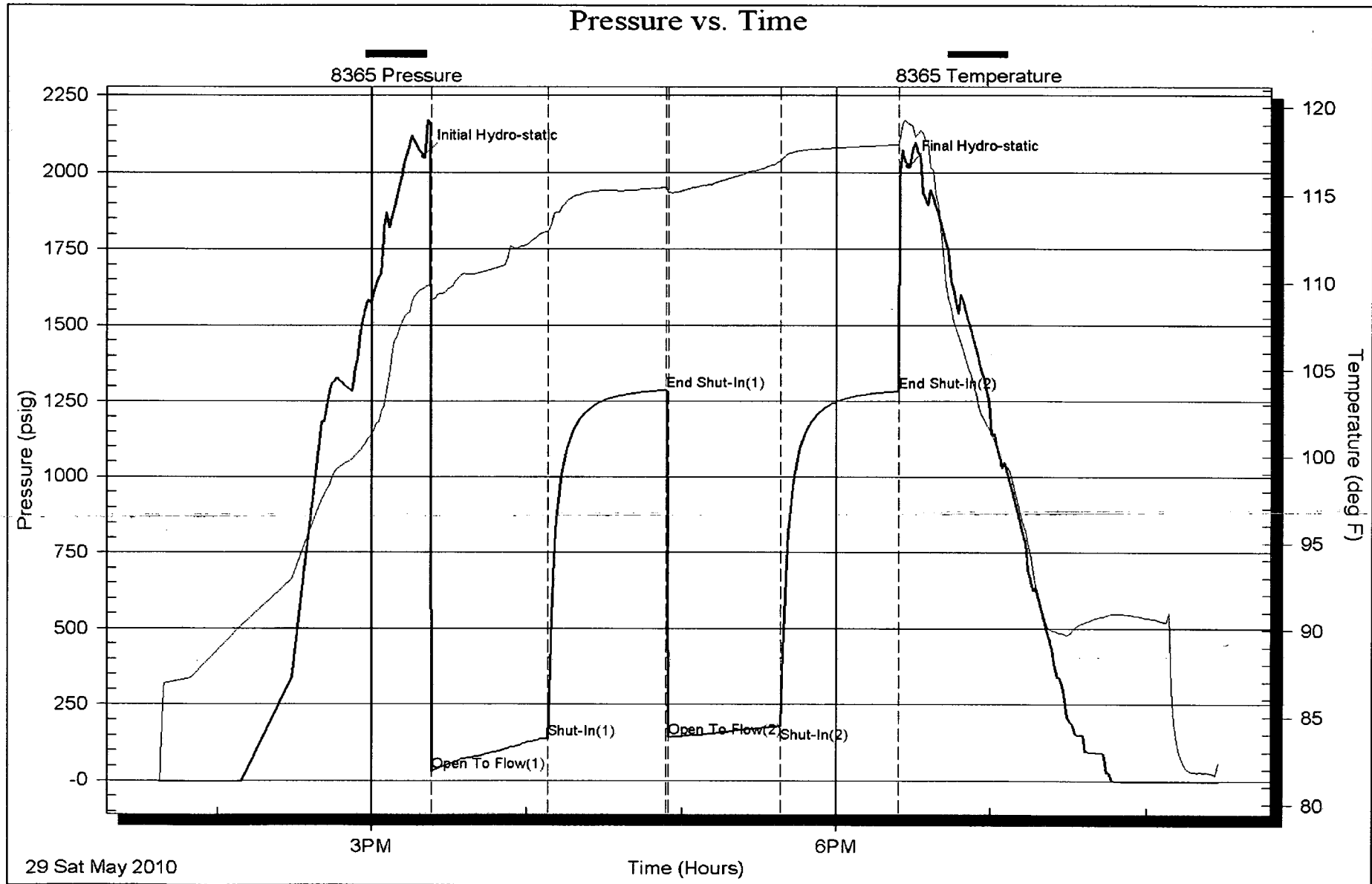
Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (MMcf/d)

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