

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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 # 6168
Name: Lester Scheuneman
Address 1: 27800 Pleasant Valley Rd.
Address 2:
City: Wellsville State: KS Zip: 66092
Contact Person: Lester Scheuneman
Phone: (785) 883-4621
CONTRACTOR: License # 33715
Name: Town Oilfield Service, Inc.
Wellsite Geologist:
Purchaser:

API No. 15 - 003-24784-00-00
Spot Description:
NE SE SE NE Sec. 22 Twp. 20 S. R. 20 East West
2,975 Feet from North South Line of Section
153 Feet from East West Line of Section
Footages Calculated from Nearest Outside Section Corner:
NE NW SE SW
County: Anderson
Lease Name: Banks Well #: 2
Field Name: Garnett Shoestring
Producing Formation: Squirrel
Elevation: Ground: 925' Kelly Bushing: NA
Total Depth: 678' Plug Back Total Depth: 25'
Amount of Surface Pipe Set and Cemented at: 36' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: Feet
If Alternate II completion, cement circulated from: 36'
feet depth to: surface w/ 9 sx cmt.

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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 #:

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: 1500-3000 ppm Fluid volume: 80 bbls
Dewatering method used: on lease
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: Lori Duszell
Title: Agent Date: 11/10/2010

NOTARY PUBLIC - State of Kansas
LESLEI STUTEVILLE
My Appt. Exp. 10-14-2014

KCC Office Use ONLY
Letter of Confidentiality Received
Confidential Release Date:
Wireline Log Received
Geologist Report Received
UIC Distribution
ALT I II III Approved by: DLS Date: 11/16/10

Operator Name: Lester Scheuneman Lease Name: Banks Well #: 2
 Sec. 22 Twp. 20 S. R. 20 East West County: Anderson

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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run:	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
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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	9	6 1/4		36	Portland	9	
Completion	5 5/8	2 7/8		652	Portland	98	50/50 POZ

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 <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First, Resumed 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 Bbbs.	Gas Mcf	Water Bbbs. Gas-Oil Ratio Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Anderson County, KS
 Well: Banks # 2
 Lease Owner: Scheuneman

Town Oilfield Service, Inc.
 (913) 837-8400

Commenced Spudding:
 10/18/2010

WELL LOG

Thickness of Strata	Formation	Total Depth
5	Soil	5
20	Clay	25
4	Gravel	29
6	Shale	35
2	Lime	37
3	Shale	40
26	Lime	66
10	Shale	76
2	Lime	78
11	Red Bed	89
38	Shale	127
10	Lime	137
8	Shale	145
35	Lime	180
7	Shale	187
23	Lime	210
2	Shale	212
3	Lime	215
6	Shale	221
14	Lime	235
39	Shale	274
51	Sand/Sandy Shale	325-No Oil
85	Shale	410
2	Lime	412
9	Shale	421
12	Lime	433
17	Shale	450
25	Sandy Shale	475-Little Bleed
33	Shale/Shells	508
5	Lime	513
75	Shale/Shells	588
8	Sandy Shale	596
2	Sand	598-Oily, 20%, Bleed
32	Shale	630
4	Sand	634-Oil, 10%
4	Sand	638-No Oil, Dark, Grey
40	Sandy Shale	678-TD

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TERMS

In consideration of the prices to be charged for Consolidated Oil Well Services, LLC (COWS) services, equipment and products and for the performance of services and supplying of materials, Customer agrees to the following terms and conditions.

Terms. Cash in advance unless satisfactory credit is established. On credit sales, invoices are payable within 30 days of the invoice date. On all invoices not paid within 30 days, Customer agrees to pay COWS interest at the rate of 18% per annum or the maximum rate allowed by law, whichever is higher. In the event COWS retains an attorney to pursue collection of any account, Customer agrees to pay all collection costs and attorney's fees incurred by COWS.

Any applicable federal, state or local sales, use, occupation, consumer's or emergency taxes shall be added to the quoted price. A sales tax reimbursement of 2% is applied to chemical and product charges for all services performed on oil and gas wells in the State of Texas. All process license fees required to be paid to others will be added to the scheduled prices.

All COWS' prices are subject to change without notice.

SERVICE CONDITIONS

Customer warrants that the well is in proper condition to receive the services, equipment, products and materials to be supplied by COWS. The Customer shall at all time have complete care, custody, and control of the well, the drilling and production equipment at the well, and the premises about the well. A responsible representative of the Customer shall be present to specify depths, pressures, or materials used for any service which is to be performed.

(a) COWS shall not be responsible for any claim, cause of action or demand (hereinafter referred to as a 'claim') for damage to property, or injury to or death of employees and representatives, of Customer or the well owner (if different from Customer), unless such damage, injury or death is caused by the willful misconduct or gross negligence of COWS, including but not limited to sub-surface damage and surface damage arising from sub-surface damage.

(b) Unless a claim is the result of the sole willful misconduct or gross negligence of COWS, Customer shall be responsible for and indemnify and hold COWS harmless from any claim for: (1) reservoir loss or damage, or property damage resulting from sub-surface pressure, losing control of the well and/or a well blowout; (2) damages as a result of a subsurface trespass, or an action in the nature thereof, arising from a service operation performed by COWS; (3) injury to or death of persons, other than employees of COWS, or damage to property (including, but not limited to, injury to the well), or any damages whatsoever, irrespective of cause, growing out of or in any way connected with the use of radioactive material in the well hole; and (4) well damage or reservoir damage caused by (i) loss of circulation, cement invasion, cement misplacement, pumping cement or cement plugs on wells with loss of circulation, including the failure to displace plug to proper depth, (ii) sub-surface pressure and resulting failure to complete pumping of cement or cement plug, including dehydration of cement slurry or flashing, plugged float shoe, annulus bridging or plugging, or (iii) down hole tools being lost or left in the well, or becoming stuck in the well for any reason and by any cause. COWS may furnish down hole tools and may supply supervision for the running and placement of such tools but will not be liable for any damage, loss or result caused by the use of such tools.

Furthermore, Customer will be responsible for the cost to replace such tools if they are lost or left in the well.

(c) COWS makes no guarantee of the effectiveness of any COWS' products, supplies or materials, or the results of any COWS' treatment or services.

(d) Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, COWS is unable to guarantee the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by COWS. COWS' personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that COWS shall not be responsible for any damage arising from the use of such information except where due to COWS' gross negligence or willful misconduct in the preparation or furnishing of it.

(e) COWS may buy and re-sell to Customer down hole equipment, including but not limited to float equipment, DV tools, port collars, type A & B packers, and Customer agrees that COWS is not an agent or dealer for the companies who manufacture such items, and further agrees that Customer shall be solely responsible for and indemnify COWS against any claim with regard to the effectiveness, malfunction of, or functionality of such items.

WARRANTIES - LIMITATION OF LIABILITY

COWS warrants title to the products, supplies and materials, and that the same are free from defects in workmanship and materials. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, NOR ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE, WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. COWS's liability and Customer's exclusive remedy in any claim (whether in contract, tort, breach of warranty or otherwise,) arising out of the sale or use of any COWS' products, supplies, materials or services is expressly limited to the replacement of such products, supplies, materials or services or their return to COWS or, at COWS' option, an allowance to Customer of credit for the cost of such items.

Customer waives and releases all claims against COWS for any special, incidental, indirect, consequential or punitive damages.