

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



phone: 316-337-6200
fax: 316-337-6211
<http://kcc.ks.gov/>

Thomas E. Wright, Chairman
Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

March 24, 2011

Marge Schulte
John O. Farmer, Inc.
PO Box 352
Russell, KS 67665-0352

RE: Approved Commingling CO031103
Hofaker "A" #1, Sec. 18-T4S-R20W, Phillips County
API No. 15-147-20632-00:00

Dear Ms. Schulte:

Your Application for Commingling (ACO-4) for the above described well has been reviewed and approved by the Kansas Corporation Commission (KCC) per K.A.R. 82-3-123. Notice was examined and found to be proper per K.A.R. 82-3-135a. No protest had been filed within the 15-day protest period. This application, which was received by the KCC on March 16, 2011 concerns approval to simultaneously produce from the following sources of supply through the same tubing string in the same wellbore:

Source of Supply	Estimated Current Production			Perf Depth
	BOPD	MCFPD	BWPD	
Toronto	2.53	0	9.90	3338-41
Lansing "H", "I", "J", "K"	5.90	0	23.10	3476-78, 3498-00, 3510-15, 3526-32
Total Estimated Current Production	8.43	0	33.00	

Based upon the depth of the Lansing "H", "I", "J", "K" formation perforations, total oil production shall not exceed 100 BOPD and total gas production shall not exceed 50% of the absolute open flow (AOF).

Commingling ID number CO031103 has been assigned to this approved application. Use this number for well completion reports (ACO-1) and other correspondence that may concern this approved commingling.

Sincerely,

Rick Hestermann
Production Department

Rec'd
3-16-11

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
March 2009

APPLICATION FOR COMMINGLING OF PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a)

Commingling ID # C0031103

OPERATOR: License # 5135 API No. 15 - 147-20,632-00-00
 Name: John O. Farmer, Inc. Spot Description: _____
 Address 1: P.O. Box 352 W/2 NE NW NW Sec. 18 Twp. 4 S. R. 20 East West
 Address 2: _____ 330 Feet from North / South Line of Section
 City: Russell State: KS Zip: 67665 + 0 3 5 2 740 Feet from East / West Line of Section
 Contact Person: Marge Schulte County: Phillips
 Phone: (785) 483-3145, Ext. 214 Lease Name: Hofaker "A" Well #: 1

1. Name and upper and lower limit of each production interval to be commingled:
 Formation: Toronto (Perfs): 3338-41'
 Formation: Lansing "H", "I", "J", "K" (Perfs): 3476-78', 3498-00', 3510-15', 3526-32'
 Formation: _____ (Perfs): _____
 Formation: _____ (Perfs): _____
 Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:
 Formation: Toronto BOPD: 2.53 MCFPD: _____ BWPD: 9.90
 Formation: Lansing "H", "I", "J", "K" BOPD: 5.90 MCFPD: _____ BWPD: 23.10
 Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
 Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
 Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____

3. Plat map showing the location of the subject well, all other wells on the subject lease, and all wells on offsetting leases within a 1/2 mile radius of the subject well, and for each well the names and addresses of the lessee of record or operator.

4. Signed certificate showing service of the application and affidavit of publication as required in K.A.R. 82-3-135a.

For Commingling of PRODUCTION ONLY, include the following:

- 5. Wireline log of subject well. Previously Filed with ACO-1: Yes No
- 6. Complete Form ACO-1 (Well Completion form) for the subject well.

For Commingling of FLUIDS ONLY, include the following:

- 7. Well construction diagram of subject well.
- 8. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

AFFIDAVIT: I am the affiant and hereby certify that to the best of my current information, knowledge and personal belief, this request for commingling is true and proper and I have no information or knowledge, which is inconsistent with the information supplied in this application.

Signature: John O. Farmer III
 Printed Name: John O. Farmer III
 Title: President 2-8-11

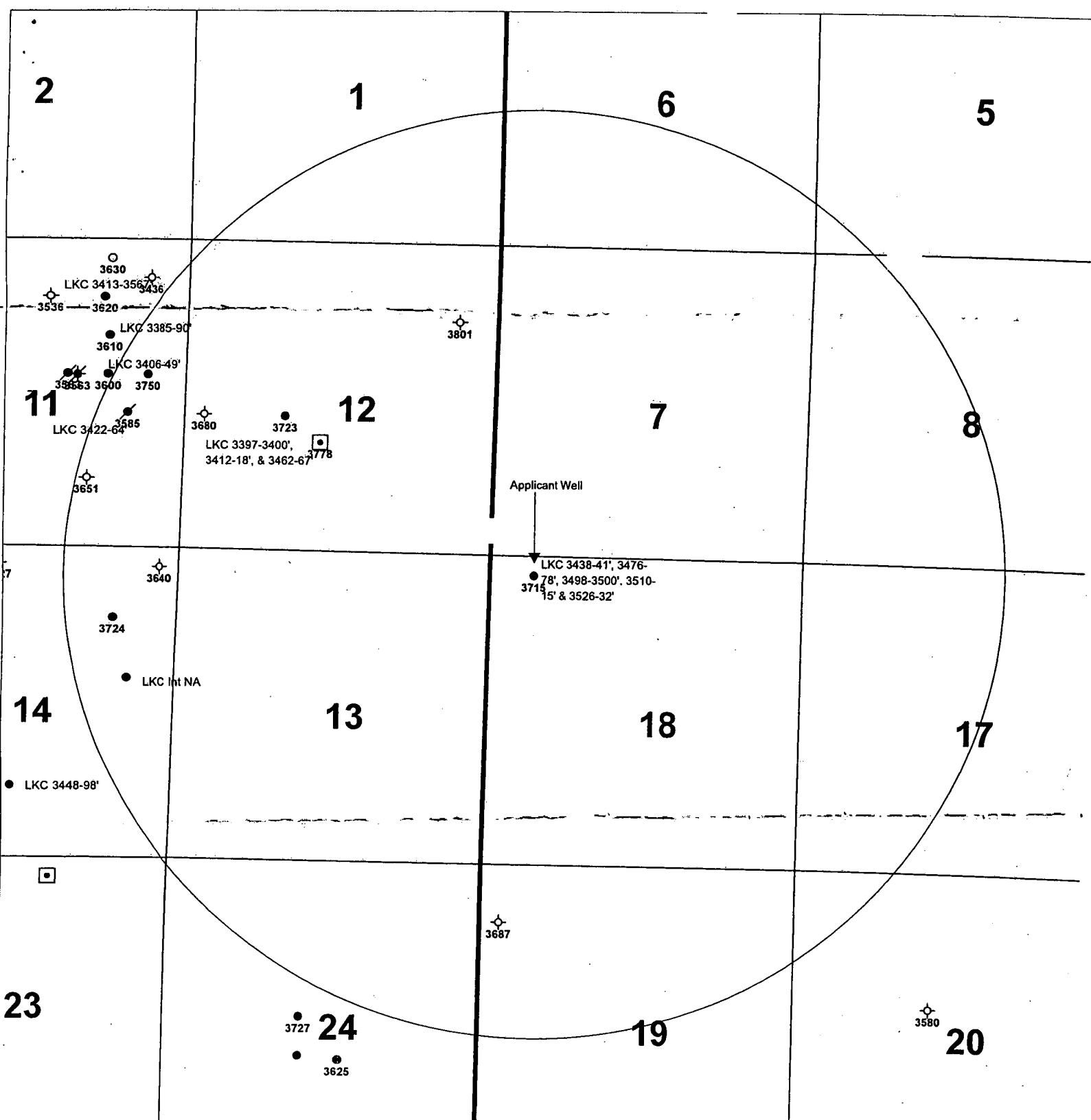
KCC Office Use Only

Denied Approved
 15-Day Periods Ends: 3/24/2011 Final App. RCVIA 3/10/11
 Approved By: _____ Date: _____

Protests may be filed by any party having a valid interest in the application. Protests must be in writing and comply with K.A.R. 82-3-135b and must be filed within 15 days of publication of the notice of application.

RECEIVED
 FEB 10 2011
 KCC WICHITA

John O. Farmer, Inc.
Hofaker A #1 New Pool Application
Total Depth and Producing Zones Map
1/4/2011



RECEIVED

FEB 10 2011

KCC WICHITA

OFFSET OPERATORS/UNLEASED MINERAL OWNERS

(within 1/2 mile radius)

TO JOHN O. FARMER, INC.

Hofaker "A" #1

330' FNL & 740' FWL

Sec. 18-4S-20W

Phillips County, Kansas

Sec. 7-4S-20W

-S/2

John O. Farmer, Inc.

Sec. 18-4S-20W

N/2 NW/4, SE/4 NW/4 &
West 60 acres

John O. Farmer, Inc.
(Hofaker "A" Lease)

NE/4 SW/4

J. D. & Barbara Broderius
1843 24th Avenue
Greeley, CO 80634
(unleased mineral owners)

SW/4 NW/4 & NW/4 SW/4

Baird Oil Company
P.O. Box 428
Logan, KS 67646-0428

Sec. 12-4S-21W (Norton Co.)

E/2

John O. Farmer, Inc.

I certify that copies of the ACO-16 (Application For New Pool Determination) and ACO-4 (Application For Commingling Of Production) for the John O. Farmer, Inc. Hofaker "A" #1 have been sent to the unleased mineral owners and offset operator listed previously as of the 8th day of February, 2011.


JOHN O. FARMER III, PRESIDENT

RECEIVED

FEB 10 2011

KCC WICHITA

Operator Name: John O. Farmer, Inc. Lease Name: Hofaker "A" Well #: 1
 Sec. 18 Twp. 4 S. R. 20 East West County: Phillips

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input 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: Borehole Compensated Sonic Log, Dual Induction Log, Compensated Density Neutron Log, Micro Resistivity Log, Dual Receiver Cement Bond Log	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anhydrite</td> <td>1728'</td> <td>(+392)</td> </tr> <tr> <td>Topeka</td> <td>3128'</td> <td>(-1008)</td> </tr> <tr> <td>Heebner</td> <td>3311'</td> <td>(-1191)</td> </tr> <tr> <td>Toronto</td> <td>3338'</td> <td>(-1218)</td> </tr> <tr> <td>Lansing</td> <td>3356'</td> <td>(-1236)</td> </tr> <tr> <td>Base/KC</td> <td>3646'</td> <td>(-1526)</td> </tr> <tr> <td>L.T.D.</td> <td>3715'</td> <td>(-1595)</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Anhydrite	1728'	(+392)	Topeka	3128'	(-1008)	Heebner	3311'	(-1191)	Toronto	3338'	(-1218)	Lansing	3356'	(-1236)	Base/KC	3646'	(-1526)	L.T.D.	3715'	(-1595)
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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	12-1/4"	8-5/8" (new)	23#	218'	Common	150	3% C.C., 2% gel
Production	7-7/8"	5-1/2" (new & used)	14#	3712'	EA-2	150	
D.V. Tool				1720'	SMD	185	

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
4 SPF	3338-41' (Toronto)	250 gals. MCA & 500 gals. 28% NE	
4 SPF	3476-78' (Lansing "H")	250 gals. 15% MCA (L/KC H) & 1500 gals. 28% NE (L/KC H, I, J, K zones)	
4 SPF	3498-00' (Lansing "I")	250 gals. 15% MCA (L/KC I, J, K zones)	
4 SPF	3510-15' (Lansing "J")		
4 SPF	3526-32' (Lansing "K")		

TUBING RECORD: Size: <u>2-7/8"</u> Set At: <u>3668'</u> Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumed Production, SWD or ENHR. <u>11-5-10</u>	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. <u>8.43</u> Gas Mcf _____ Water Bbls. <u>33.00</u> Gas-Oil Ratio _____ Gravity <u>25.9°</u>

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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input checked="" type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>3338-3532' OA</u>
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AFFIDAVIT

STATE OF KANSAS \
- SS.
County of Sedgwick /

Mark Fletchall, of lawful age, being first duly sworn, deposeth and saith: That he is Record Clerk of The Wichita Eagle, a daily newspaper published in the City of Wichita, County of Sedgwick, State of Kansas, and having a general paid circulation on a daily basis in said County, which said newspaper has been continuously and uninterruptedly published in said County for more than one year prior to the first publication of the notice hereinafter mentioned, and which said newspaper has been entered as second class mail matter at the United States Post Office in Wichita, Kansas, and which said newspaper is not a trade, religious or fraternal publication and that a notice of a true copy is hereto attached was published in the regular and entire Morning issue of said The Wichita Eagle for 1 issue, that the first publication of said notice was

made as aforesaid on the 17th of

February A.D. 2011, with

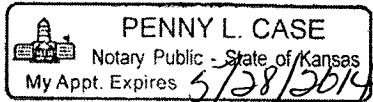
subsequent publications being made on the following dates:

And affiant further says that he has personal knowledge of the statements above set forth and that they are true.

Mark Fletchall

Subscribed and sworn to before me this

17th day of February, 2011



Penny L. Case
Notary Public Sedgwick County, Kansas

Printer's Fee : \$103.60

LEGAL PUBLICATION
First Published in The Wichita Eagle
February 17, 2011 (309810)
BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS
NOTICE OF FILING APPLICATION
RE: JOHN O. FARMER, INC. Application for Commingling of Production in the Hofaker "A" #1 located in Phillips County, Kansas.
TO: All Oil and Gas Producers, Unleased Mineral Interest Owners, Landowners, and all persons whose ever concerned.
You and each of you, are hereby notified that John O. Farmer, Inc. has filed an application to commingle the Toronto and Lansing/KC producing formations at the Hofaker "A" #1 located 330' from the north line and 740' from the west line of Sec. 18-T4S-R20W, Phillips County, Kansas. Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of the publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas. All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.
John O. Farmer, III
John O. Farmer, Inc.
P.O. Box 352, Russell, KS 67665
Telephone (785) 483-3144

RECEIVED
FEB 25 2011
KCC WICHITA

STATE OF KANSAS
PHILLIPS
COUNTY SS.

Affidavit of Publication

Kirby Ross, being first duly sworn, deposes and says: That he is managing editor of the Phillips County Review, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Phillips County, Kansas, with a general paid circulation on a weekly basis in Phillips County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a weekly published one day a week and has been published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Downs, Kansas, in said county as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for One consecutive Week, the first publication thereof being made as aforesaid on the 9 day of March, 2011, with subsequent publications being made on the following dates:

_____, 20____, _____, 20____
_____, 20____, _____, 20____
_____, 20____, _____, 20____

Signed: Kirby Ross

Subscribed and sworn to before me this 9 day of March, 2011

Irene Allen
Notary Public's Signature

My commission expires: 3-13-2012

Publication Fee \$ 45.00
Affidavit, Notary's Fee \$.50
Additional copies @ \$ —
Total Publication Fee \$ 45.50

(Published in the Phillips County Review on March 9, 2011)
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John O. Farmer III
John O. Farmer, Inc.
P.O. Box 352
Russell, KS 67665
Telephone (785) 483-3144

NOTARY PUBLIC
STATE OF KANSAS
Irene Allen
Notary Public
State Of Kansas
My App. Exp. 3-13-2012

RECEIVED
MAR 16 2011

KCC WICHITA