



KANSAS CORPORATION COMMISSION 1054146  
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 # 9749  
Name: Melander, Chris dba Chris Melander Drilling  
Address 1: 2256 CR 2500  
Address 2: \_\_\_\_\_  
City: CANEY State: KS Zip: 67333 + 8548  
Contact Person: Chris Melander  
Phone: (620) 289-4723  
CONTRACTOR: License # 9749  
Name: Melander, Chris dba Chris Melander Drilling  
Wellsite Geologist: none  
Purchaser: \_\_\_\_\_

API No. 15 - 15-125-32048-00-00  
Spot Description: \_\_\_\_\_  
SE NE NE NE Sec. 13 Twp. 34 S. R. 13  East  West  
510 Feet from  North /  South Line of Section  
165 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Montgomery  
Lease Name: Hodges Well #: 3  
Field Name: \_\_\_\_\_

Producing Formation: Weiser  
Elevation: Ground: 769 Kelly Bushing: 30  
Total Depth: 820 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 20 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set: \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from: 0  
feet depth to: 820 w/ 90 sx cmt.

- 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 #: \_\_\_\_\_

|                                   |                 |   |
|-----------------------------------|-----------------|---|
| <u>3/22/2011</u>                  | <u>4/4/2011</u> | <u>4/5/2011</u>                         |
| Spud Date or<br>Recompletion Date | Date Reached TD | Completion Date or<br>Recompletion Date |

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)  
Chloride content: 0 ppm Fluid volume: 80 bbls  
Dewatering method used: Evaporated  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License #: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Permit #: \_\_\_\_\_

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.

Submitted Electronically

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: NAOMI JAMES Date: 04/21/2011



1054146

Operator Name: Melander, Chris dba Chris Melander Drilling Lease Name: Hodges Well #: 3  
 Sec. 13 Twp. 34 S. R. 13  East  West County: Montgomery

**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<br><i>(Attach Additional Sheets)</i><br><br>Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><br>Cores Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>Electric Log Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>Electric Log Submitted Electronically <input type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(If no, Submit Copy)</i><br><br>List All E. Logs Run: | <input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample<br><br>Name Top Datum<br>Attached Attached Attached |
|---|---|

| 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   | 12                | 6                         | 10                | 20            | concrete mix     | 15           | limestone                  |
| casing  | 6                 | 3                         | 10                | 820           | Thick ser cement | 90           |                            |
|   |                   |                           |                   |               |                  |              |                            |

| 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<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br>(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, Resumed Production, SWD or ENHR. _____     |           | Producing Method:<br><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:<br><input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease<br><i>(If vented, Submit ACO-18.)</i> | METHOD OF COMPLETION:<br><input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled<br><i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i><br><input type="checkbox"/> Other (Specify) _____ | PRODUCTION INTERVAL:<br>_____<br>_____ |
|---|---|--|

|           |   |
|-----------|---|
| Form      | ACO1 - Well Completion                      |
| Operator  | Melander, Chris dba Chris Melander Drilling |
| Well Name | Hodges 3                                    |
| Doc ID    | 1054146                                     |

Tops

| Name        | Top | Datum |
|-------------|-----|-------|
| big salt    | 262 | 290   |
| lime        | 290 | 311   |
| sandy shale | 311 | 394   |
| shale       | 394 | 484   |
| red cap     | 484 | 492   |
| wayside cap | 644 | 661   |
| weiser cap  | 719 | 722   |
| oil sand    | 756 | 777   |

\*\*\*\*\*

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| QTY | ITEM                                       | PRICE   | TOTAL          |
|-----|--|---------|----------------|
| 15  | 108240096<br>CONCRETE MIX 80 LB BAG        | \$3.29  | \$49.35T       |
|     | Original Price:                            | \$3.69  |                |
| 2   | 101302025<br>LIMESTONE POWDER 40 LB        | \$3.99  | \$7.98T        |
| 1   | 103220134<br>ROD WELDING E6013 1/8 IN 5 LB | \$13.99 | \$13.99T       |
|     | Sub Total                                  |         | \$71.32        |
|     | Tax @ 8.5500%                              |         | \$6.10         |
|     | <b>Total</b>                               |         | <b>\$77.42</b> |
|     | Check                                      |         | \$77.42        |

Thank You for Shopping ORSCHELN!

Sales Associate: CRYSTAL

Trx 5988 Str73 Reg 01 3/22/11 13:14



\*EJPHABIWIAACV\*



**CONSOLIDATED**  
Oil Well Services, LLC

TICKET NUMBER 29715  
LOCATION Northville, OK  
FOREMAN K.H. Sanders

PO Box 884, Chanute, KS 66720  
20-431-9210 or 800-467-8676

**FIELD TICKET & TREATMENT REPORT**  
**CEMENT**

| DATE            | CUSTOMER # | WELL NAME & NUMBER | SECTION   | TOWNSHIP | RANGE | COUNTY  |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |
|-----------------|------------|--------------------|---|----------|-------|---------|---------|--------|---------|--------|-----|---------|--|--|-----|----------|--|--|--|-----------|--|--|
| 4-5-11          |            | Hedges #3          | 13  | 34S      | 13E   | Wagoner |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |
| CUSTOMER        |            |                    | <table border="1"> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> <tr> <td>398</td> <td>John W.</td> <td></td> <td></td> </tr> <tr> <td>518</td> <td>Rayan S.</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Munnick's</td> <td></td> <td></td> </tr> </table> |          |       |         | TRUCK # | DRIVER | TRUCK # | DRIVER | 398 | John W. |  |  | 518 | Rayan S. |  |  |  | Munnick's |  |  |
| TRUCK #         | DRIVER     | TRUCK #            | DRIVER  |          |       |         |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |
| 398             | John W.    |                    |   |          |       |         |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |
| 518             | Rayan S.   |                    |   |          |       |         |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |
|                 | Munnick's  |                    |   |          |       |         |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |
| MAILING ADDRESS |            |                    |   |          |       |         |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |
| CITY            |            | STATE              | ZIP CODE  |          |       |         |         |        |         |        |     |         |  |  |     |          |  |  |  |           |  |  |

JOB TYPE LS HOLE SIZE 5 7/8 HOLE DEPTH 820' CASING SIZE & WEIGHT  
CASING DEPTH 814' DRILL PIPE TUBING 2 7/8 OTHER  
SLURRY WEIGHT 13.5 SLURRY VOL 1.75 WATER gal/sk 8.5 CEMENT LEFT in CASING 0  
DISPLACEMENT 4.7 DISPLACEMENT PSI 300 MIX PSI 200 RATE 46bpm

REMARKS: Run well plug to set pipe, ran 90' of thick set, washed and pump  
to 110', stopped & plug & disp. to set. Shut in & washed up

— Pipe Cement to End —

| ACCOUNT CODE                                 | QUANTITY or UNITS | DESCRIPTION of SERVICES or PRODUCT | UNIT PRICE | TOTAL               |
|--|-------------------|------------------------------------|------------|---------------------|
| 5401   | 1                 | PUMP CHARGE                        |            | 175 <sup>00</sup>   |
| 5406   | 30                | MILEAGE                            |            | 180 <sup>00</sup>   |
| 5407   | 1                 | Bank Fee                           |            | 350 <sup>00</sup>   |
| 5408   | 814'              | Feet                               |            | 170 <sup>00</sup>   |
| 5502C  | 2 hrs             | 80 hrs                             |            | 200 <sup>00</sup>   |
| 1126A  | 300#              | Thick Set Cement                   |            | 1200 <sup>00</sup>  |
| 1107A  | 40'               | Prime Seal                         |            | 40 <sup>00</sup>    |
| 1110A  | 450'              | Kal Seal                           |            | 135 <sup>00</sup>   |
| 1118B  | 150'              | Premium Gel                        |            | 30 <sup>00</sup>    |
| 4402   | 2                 | 2 7/8 Rubber Plug                  |            | 56 <sup>00</sup>    |
| 1123   | 336 gal           | City Water                         |            | 52 <sup>41</sup>    |
| <u>10% Disc. Price \$ 3,560<sup>50</sup></u> |                   |                                    |            |                     |
|  |                   | 6.3% SALES TAX                     |            | 128 <sup>02</sup>   |
|  |                   | ESTIMATED TOTAL                    |            | 3,956 <sup>17</sup> |

AUTHORIZATION [Signature]

TITLE \_\_\_\_\_ DATE \_\_\_\_\_

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form.

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

April 21, 2011

MJ Energy, LLC  
4600 S Ulster St., Suite 540  
Denver, CO 80237

Re: Request for **Completion** of Change of Operator, Form T-1  
Numerous Leases  
Montgomery and Neosho County, Kansas

The enclosed transfer of operator form (T-1) you have submitted is incomplete and the requested information must be provided according to K.A.R. 82-3-136. **The following information must be provided:**

1. Please complete all highlighted areas on the enclosed, original, transfer of operator form.
2. Please verify the location of well numbers 30 and 31. KCC records indicate the wells are in the SW/4 of the section. The legal description states W2NE, N2SE and part of the NW/4, the SW/4 is not covered. **Correct the footages or correct the legal description of the lease. If the legal description is corrected, attach a copy of the lease assignment.**
3. A review of our files revealed that **Emergency Pit Permit No. P05178** on the Vansickle Lease, section 22-28-19E is still active. The pit is listed as being on the subject lease at **4280 FSL** and **2750 FEL** in Neosho County, Kansas. Please confirm the existence/nonexistence of the pit. If the pit exists, complete the section of the transfer which refers to surface pits. If the pit is closed, please complete the enclosed surface pit closure form (CDP-4), and return it with the enclosed transfer of operator form to this agency.
8. Robert Kepley is not an authorized signer for MJ Energy, LLC. Please have an authorized signer sign the T-1 forms or provide written authorization on company letterhead, signed by an authorized signer, giving Robert Kepley authorization to sign Kansas Corporation Commission forms.

Conservation division forms are available through our office and on the KCC web site:  
[www.kcc.ks.gov/conservation/forms/](http://www.kcc.ks.gov/conservation/forms/)

**The form cannot be processed and recorded until all requested information is provided, and the ORIGINAL T-1 FORM is returned along with a copy of this letter to the Kansas Corporation Commission. The transfer of operator form is considered unfiled until it is returned completed as requested.** Please return the original documents with original signatures **within 14 days** of receipt of this request. Your cooperation in this matter is deeply appreciated. Should you have any questions or concerns please feel free to call Olivia Raigosa (316) 337-6203.