

OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
ACO-1 WELL HISTORY  
DESCRIPTION OF WELL AND LEASE

API #15-071-20,615-0000  
County Greeley  
SW - NW - SW - Sec. 12 Twp. 18S Rge. 43 X V  
1880 <sup>KCC</sup> <sub>97</sub> Feet from S (circle one) Line of Section  
560 Feet from E (circle one) Line of Section

**ORIGINAL**

Operator: License # 31155  
Name: Axem Resources, Inc.  
Address: 7800 E. Union Ave., Ste. 1100  
City/State/Zip Denver, CO 80237

Footages Calculated from Nearest Outside Section Corner:  
NE, SE, NW or SW (circle one)

Purchaser: None  
Operator Contact Person: Terry Hoffman  
Phone ( 303 ) - 740-9000

Lease Name Annabel Well # 1-12  
Field Name \_\_\_\_\_  
Producing Formation \_\_\_\_\_

Contractor: Name: Emphasis Oil Operations  
License: 8241  
Wellsite Geologist: Richard Hall

Elevation: Ground 3898' KB 3903'  
Total Depth 5300' PBTD \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 318 Feet

Designate Type of Completion  
 New Well  Re-Entry  Workover  
 Oil  SWD /  SIOV  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)

Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet

If Workover/Re-Entry: old well info as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Comp. Date \_\_\_\_\_ Old Total Depth \_\_\_\_\_  
Deepening \_\_\_\_\_ Re-perf. \_\_\_\_\_ Conv. to Inj/SWD \_\_\_\_\_  
Plug Back \_\_\_\_\_ PBTD \_\_\_\_\_  
Commingled \_\_\_\_\_ Docket No. \_\_\_\_\_  
Dual Completion \_\_\_\_\_ Docket No. \_\_\_\_\_  
Other (SWD or Inj?) Docket No. \_\_\_\_\_  
2/9/94 2/20/94  
Spud Date Date Reached TD Completion Date

If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

Drilling Fluid Management Plan D&A J H 6-21-94  
(Data must be collected from the Reserve Pit)

Chloride content 44,000 ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used \_\_\_\_\_  
Location of fluid disposal if hauled offsite: \_\_\_\_\_

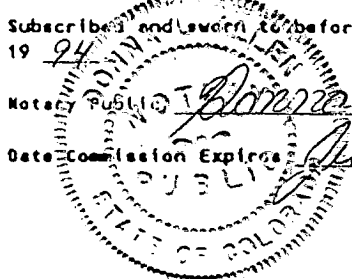
Operator Name \_\_\_\_\_  
Lease Name \_\_\_\_\_ License No. \_\_\_\_\_  
Quarter Sec. Twp. S Rng. E/W  
County \_\_\_\_\_ Docket No. \_\_\_\_\_

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, 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 on 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 Terry L. Hoffman  
Title Senior Drilling Technician Date 3/10/94  
Subscribed and sworn to before me this 10<sup>th</sup> day of March  
19 94  
Notary Public Barbara S. Allen  
Date Commission Expires June 30, 1995

K.C.C. OFFICE USE ONLY  
F  Letter of Confidentiality Attached  
C  Wireline Logs Received  
C  Geologist Report Received  
RECEIVED  
KANSAS CORPORATION COMMISSION  
3-14-94  
DISTRIBUTION  
KCC \_\_\_\_\_ SWD/Rep \_\_\_\_\_ NGPA \_\_\_\_\_  
KGS \_\_\_\_\_ Plug \_\_\_\_\_ Other \_\_\_\_\_  
Specify)  
CONSERVATION DIVISION  
Wichita, Kansas



P1

ORIGINAL

Operator Name Axem Resources, Inc.

Lease Name Annabel

Well # 1-12

Sec. 12 Twp. 18S Rge. 43

East

County Greeley

West

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

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.)

List All E.Logs Run: DUAL INDUCTION  
CALIPER  
COMPENSATED DENSITY

Log Formation (Top), Depth and Datum  Sample

Name	Top	Datum
Permian	2,630'	1,270'
Topeka	3,841'	59'
Lansing	4,147'	-247'
Atoka	4,910'	-1,010'
Morrow Shale	5,044'	-1,144'
Morrow Limestone	5,153'	-1,253'
Mississippian	5,210'	-1,310'

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"	23#	318'	60/40 Poz	200	3%cc-2% Gel

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

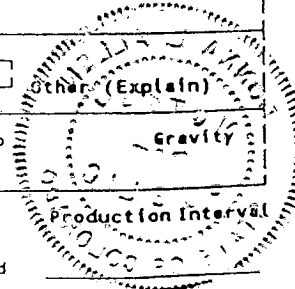
TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First, Resumed Production, SWD or Inj.	Producing Method	Other (Explain)
<u>D&amp;A</u>	<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift	

Estimated Production Per 24 Hours	Oil N/A Bbls.	Gas N/A Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

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

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



Phone 913-483-2627, Russell, KS  
 Phone 316-793-5861, Great Bend, KS

Phone 913-625-5516, Hays, KS  
 Phone 913-672-3471, Oakley, KS

Phone 316-886-5926, Medicine Lodge, KS  
 Phone 913-798-3843, Ness City, KS

# ALLIED CEMENTING CO., INC. 0007525

Home Office P. O. Box 31 Russell, Kansas 67665

*now*

**ORIGINAL**

Date	2-9-94	Sec.	12	Twp.	18	Range	430	Called Out		On Location	10:30 AM	Job Start		Finish	4:15 PM
Lease	Annabel	Well No.	1-12	Location	Tribuna 16W-2N-1E-4N			County	Breedley	State	Kan.				
Contractor	Emphasis Oil Op #7					Owner	Axem Resources Inc								
Type Job	Surface					To Allied Cementing Co., Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.									
Hole Size	12 1/4	T.D.	320'												
Csg.	8 5/8	Depth	318'												
Tbg. Size		Depth													
Drill Pipe		Depth													
Tool		Depth													
Cement Left in Csg.	15'	Shoe Joint													
Press Max.		Minimum													
Meas Line		Displace	✓												
Perf.															
<b>EQUIPMENT</b>															
Pumptrk	No. 191	Cementer	Walt												
Pumptrk	No.	Helper													
Pumptrk	No.	Cementer													
Pumptrk	No.	Helper													
Bulktrk	116	Driver	Bill												
Bulktrk	No.	Driver													
<b>DEPTH of Job</b>															
Reference:	Pumptruck														
	8 5/8 wooden Plus														
	225 per mile														
														Sub Total	
														Tax	
														Total	
Remarks:															
<b>CEMENT</b>															
Amount Ordered	200 SKs 6 3/4 per 3% CC-2% Gel														
Consisting of															
Common															
Poz. Mix															
Gel.															
Chloride															
Quickset															
Sales Tax															
Handling	1.00 per SK														
Mileage	4d per SK mile														
Sub Total															
Total															
Floating Equipment															
RECEIVED															
STATE CORPORATION COMMISSION															
MAR 14 1994															
CONSERVATION DIVISION Wichita, Kansas															
<i>Paul Y...</i>															

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees:

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

**WARRANTIES:** 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.