

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

**ORIGINAL**

Form ACO-1  
June 2009  
Form Must Be Typed  
Form must be Signed  
All blanks must be Filled

OPERATOR: License # 9090  
Name: Charter Energy, Inc.  
Address 1: P.O. Box 252  
Address 2: \_\_\_\_\_  
City: Great Bend State: Ks Zip: 67530 + 0252  
Contact Person: Steve Baize  
Phone: ( 620 ) 793-9090  
CONTRACTOR: License # 33905  
Name: Royal Drilling, Inc.  
Wellsite Geologist: James C. Musgrove / Kurt Talbott  
Purchaser: N C R A

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>6/23/2011</u>	<u>6/28/2011</u>	<u>7/6/2011</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 009-25573-0000  
Spot Description: \_\_\_\_\_  
W2\_SW\_SE\_SE Sec. 7 Twp. 16 S. R. 13  East  West  
330 Feet from  North /  South Line of Section  
1,069 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW  
County: Barton  
Lease Name: Gary Bitter Well #: 2  
Field Name: Trapp  
Producing Formation: Arbuckle  
Elevation: Ground: 1936 Kelly Bushing: 1943  
Total Depth: 3384 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 437 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/ \_\_\_\_\_ **RECEIVED** sx cmt.

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**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: [Signature]  
Title: President Date: 8/19/2011

**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: Dlg Date: 8/25/11

Operator Name: Charter Energy, Inc. Lease Name: Gary Bitter Well #: 2  
 Sec. 7 Twp. 16 S. R. 13  East  West County: Barton

**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 type="checkbox"/> Yes <input checked="" 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: <b>None</b>	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Heebner</td> <td>3060</td> <td>-1117</td> </tr> <tr> <td>Toronto</td> <td>3075</td> <td>-1132</td> </tr> <tr> <td>Douglas</td> <td>3096</td> <td>-1153</td> </tr> <tr> <td>Brown Lime</td> <td>3135</td> <td>-1192</td> </tr> <tr> <td>Lansing</td> <td>3145</td> <td>-1202</td> </tr> <tr> <td>Arbuckle</td> <td>3378</td> <td>-1435</td> </tr> </table>	Name	Top	Datum	Heebner	3060	-1117	Toronto	3075	-1132	Douglas	3096	-1153	Brown Lime	3135	-1192	Lansing	3145	-1202	Arbuckle	3378	-1435
Name	Top	Datum																				
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Brown Lime	3135	-1192																				
Lansing	3145	-1202																				
Arbuckle	3378	-1435																				

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 1/4	8 5/8	23	437	common	200	3%cc, 2% gel
Production	7 7/8	5 1/2	14	3380	EA-2	175sx	

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> <span style="float: right;">Depth</span>
Open hole		

TUBING RECORD: Size: <u>2 7/8</u> Set At: <u>3380</u> Packer At: _____ Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No											
Date of First, Resumed Production, SWD or ENHR. <u>7/12/2011</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	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;">Oil Bbls.</td> <td style="width:15%;">Gas Mcf</td> <td style="width:15%;">Water Bbls.</td> <td style="width:15%;">Gas-Oil Ratio</td> <td style="width:15%;">Gravity</td> </tr> <tr> <td style="text-align: center;">30</td> <td> </td> <td style="text-align: center;">0</td> <td> </td> <td> </td> </tr> </table>	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity	30		0		
Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity							
30		0									

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 checked="" type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>3380 to 84</u>
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# QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 4970  
6-24-11

Date: 6-23-11    Sec: 7    Twp: 16    Range: 13    County: Barton    State: KS    On Location:    Finish: 10:30 AM

Lease: Gary B. Hies    Well No: #2    Location: Suson K, Ks - 1W, 2N 4W, 10S

Contractor: Royal Rig #2    Owner: To Quality Oilwell Cementing, Inc.

Type Job: Surface    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: 437'    Charge To: Charles Energy

Csg: 8 7/8"    Depth: 437'    To: Charles Energy

Tbg Size:    Depth:    Street:    City:    State:

Tool:    Depth:    City:    State:

Cement Left in Csg: 15'    Shoe Joint: 15'    The above was done to satisfaction and supervision of owner agent or contractor.

Meas Line:    Displace: 26 3/4 BLS    Cement Amount Ordered: 200 Sx Common 3% (2 1/2 bbl)

**EQUIPMENT**

Pumptrk 5	No.	Cementer: <del>Paul</del> Weale	Common
Bulktrk 14	No.	Driver: Doug	Poz Mix
Bulktrk 14	No.	Driver: Rick	Gel

**JOB SERVICES & REMARKS**

Remarks: Cement did Circulate

Rat Hole:    Salt

Mouse Hole:    Flowseal

Centralizers:    Kol Seal

Baskets:    Mud CLR 48

D/V or Port Collar:    CFL-117 or GD110 CAF 38

Sand

Handling

Mileage

**FLOAT EQUIPMENT**

Guide Shoe

Centralizer

Baskets

AFU Inserts

Float Shoe

Latch Down

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Pumptrk Charge		Tax	
Mileage		Discount	
		Total Charge	

X Signature: *Denise [unclear]*



P. O. Box 466  
Ness City, KS 67560  
Off: 785-798-2300



# Invoice

DATE	INVOICE #
6/28/2011	19811

BILL TO
Charter Energy, Inc. P. O. Box 252 Great Bend, KS 67530-0252

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#2	Gary Bitter	Barton	Royal Drilling #2	Oil	Development	LongString	Nick
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				60	Miles	5.00	300.00
578D-L	Pump Charge - Long String - 3384 Feet				1	Job	1,400.00	1,400.00
221	Liquid KCL (Clayfix)				2	Gallon(s)	25.00	50.00T
281	Mud Flush				500	Gallon(s)	1.00	500.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
402-5	5 1/2" Centralizer				6	Each	65.00	390.00T
403-5	5 1/2" Cement Basket				1	Each	230.00	230.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	225.00	225.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	300.00	300.00T
325	Standard Cement				175	Sacks	12.00	2,100.00T
276	Flocele				50	Lb(s)	1.50	75.00T
283	Salt				900	Lb(s)	0.15	135.00T
284	Calseal				8	Sack(s)	30.00	240.00T
286	Halad-1 (Halad 9)				100	Lb(s)	7.00	700.00T
581D	Service Charge Cement				175	Sacks	1.50	262.50
583D	Drayage				549	Ton Miles	1.00	549.00
	Subtotal							7,526.50
	Sales Tax Barton County							366.10

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7.30%

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CK 4853  
7-22-11

<b>We Appreciate Your Business!</b>	<b>Total</b>	\$7,892.60
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CHARGE TO: Charter Energy  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

TICKET 19811  
 PAGE 1 OF 2

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SERVICE LOCATIONS <u>Hays, Ks</u> <u>Ness City, Ks</u>	WELL/PROJECT NO. # <u>2</u>	LEASE <u>Gary Bitter</u>	COUNTY/PARISH <u>Barton</u>	STATE <u>Ks</u>	CITY	DATE <u>6-28-11</u>	OWNER <u>Same</u>
TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>Royal Drly #2</u>	RIG NAME/NO.	SHIPPED VIA <u>CK</u>	DELIVERED TO <u>Location</u>	ORDER NO.		
WELL TYPE <u>oil</u>	WELL CATEGORY <u>development</u>	JOB PURPOSE <u>Longstring</u>	WELL PERMIT NO.	WELL LOCATION			
REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE #111	60	mi			5 <sup>00</sup>	300 <sup>00</sup>
578		1			Pump Charge (Longstring)	1	rd	3384	'	1400 <sup>00</sup>	1400 <sup>00</sup>
221		1			KEL	2	gal			25 <sup>00</sup>	50 <sup>00</sup>
281		1			Mud Flush	500	gal			1 <sup>00</sup>	500 <sup>00</sup>
290		1			D-AIR	2	gal			35 <sup>00</sup>	70 <sup>00</sup>
402		1			Centralizers	6	ea	5 1/2	"	65 <sup>00</sup>	390 <sup>00</sup>
403		1			Basket	1	rd			230 <sup>00</sup>	230 <sup>00</sup>
406		1			L.D Plug + Buffer	1	rd			225 <sup>00</sup>	225 <sup>00</sup>
407		1			Insert Float Shoe w/Bill	1	rd			300 <sup>00</sup>	300 <sup>00</sup>

**LEGAL TERMS:** Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

DATE SIGNED: 6-28-11 TIME SIGNED: 1645  A.M.  P.M.

REMIT PAYMENT TO:  
 SWIFT SERVICES, INC.  
 P.O. BOX 466  
 NESS CITY, KS 67560  
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL 1	3465 <sup>00</sup>
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				page 2	4061 <sup>50</sup>
WE UNDERSTOOD AND MET YOUR NEEDS?				Subtotal	7526 <sup>50</sup>
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				Barton TAX 7.3%	366 <sup>10</sup>
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TOTAL	7892 <sup>60</sup>
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES <input type="checkbox"/> NO				
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

**CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES** The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR: Mark Koche APPROVAL:

Thank You!



PO Box 466  
Ness City, KS 67560  
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 19811

CUSTOMER Charter Energy WELL #2 Gary Bitter DATE 6-28-11 PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF								
375		2				Standard Cement	175	sk			12	2100 <sup>00</sup>
276		2				Flaxke	50	#	1/4	#/sk	150	75 <sup>00</sup>
283		2				Salt	900	#	10	%	15	135 <sup>00</sup>
284		2				Calseal	8	sk	5	%	30 <sup>00</sup>	240 <sup>00</sup>
286		2				Halad-1	100	#	.5	%	7 <sup>00</sup>	700 <sup>00</sup>
581		2				SERVICE CHARGE					150	262 <sup>50</sup>
583		2				MILEAGE CHARGE					100	549 <sup>00</sup>
						TOTAL WEIGHT	175	ks				
						LOADED MILES	60					
						TON MILES			549			

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CONTINUATION TOTAL 4061<sup>50</sup>

**JOB LOG**

**SWIFT Services, Inc.**

DATE 6-28-11 PAGE NO. 1

CUSTOMER Charter Energy WELL NO. #2 LEASE Gary Bitter JOB TYPE Longstring TICKET NO. 19811

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1230							on loc w/ FE
								RTD 3384'
								5 1/2" x 3380' x 21' x 14"
								Cent 2, 4, 6, 8, 10, 12
								Basket 2
	1410							Start FE
	1515							Break Circulation
	1600	2.5	7/5					Plug RH + MH 20/20 sks EA-2
	1610	4.5	0			100		Start Pref, 500gal Mud flush
	1607	5.5	32/0			150		Start Cement 125 sks EA-2
	1624		32					End Cement
								Wash P+L
								Drop L.D. Plug
	1627	6	0			100		Start Displacement
	1637	5	58			150		Catch Cement
	1640		82			500/1100		Land Plug
								Release Pressure
								Float Held

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Thank you

Mick, Josh F. & Lane