

**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 # 32461
Name: Tailwater, Inc.
Address 1: 6421 Avondale Dr., Ste. 212
Address 2: _____
City: OKC State: OK Zip: 73116 + _____
Contact Person: Christian L. Martin
Phone: (405) 810-0900
CONTRACTOR: License # 8509
Name: Evans Energy Development Inc.
Wellsite Geologist: n/a
Purchaser: Pacer Energy

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>4/19/11</u>	<u>4/15/11</u>	<u>5/4/11</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 003-25021-00-00

Spot Description: _____
nw,sw,ne,sw Sec. 22 Twp. 20 S. R. 20 East West
1815 Feet from North / South Line of Section
1485 825 Feet from East / West Line of Section
Per Oper. Rec. - etc
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW

County: Anderson

Lease Name: South Kempnich Well #: 18-T

Field Name: Garnett Shoestring

Producing Formation: Squirrel

Elevation: Ground: 965 est Kelly Bushing: n/a

Total Depth: 740' Plug Back Total Depth: n/a

Amount of Surface Pipe Set and Cemented at: 22.6 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: 22.6' w/ 6 sx cmt.

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. RECEIVED West

County: _____ Permit #: _____

**SEP 01 2011
KCC WICHITA**

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: Steve B. Martin
Title: Office Mgr Date: 8/26/11

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: _____ Date: _____

Operator Name: Tailwater, Inc. Lease Name: South Kempnich Well #: 18-T
 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Gamma Ray/Neutron	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Squirrel Driller's Log attached
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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 7/8"	7"		22.6'	Portland	6	
completion	5 5/8"	2 7/8"		731.4'	Portland	113	50/50 POZ

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				

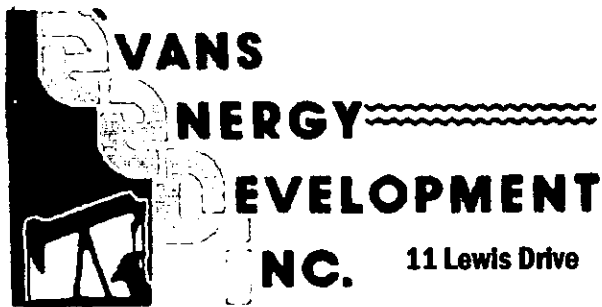
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Add, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
2	650' - 656' (13 shots)	75 gal. 15% HCL	
		40 sx sand - 155 bbl H2O	

TUBING RECORD:	Size: <u>2 7/8"</u>	Set At: <u>731.4'</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Date of First, Resumed Production, SWD or ENHR: <u>5/4/11</u>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____
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Estimated Production Per 24 Hours	Oil Bbls. <u>10</u>	Gas Mcf <u>0</u>	Water Bbls. <u>n/a</u>	Gas-Oil Ratio	Gravity
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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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**VANS
ENERGY
DEVELOPMENT
INC.**

11 Lewis Drive

Paola, KS 66071

**Oil & Gas Well Drilling
Water Wells
Geo-Loop Installation**

Phone: 913-557-9083

Fax: 913-557-9084

WELL LOG

Tailwater, Inc.

South Kemprich #18-T

API#15-003-25,019

April 14 - April 15, 2011

<u>Thickness of Strata</u>	<u>Formation</u>	<u>Total</u>
6	soil & clay	6
88	shale	94
23	lime	117
3	shale	120
3	lime	123
20	shale	143
2	lime	145
46	shale	191
11	lime	202
3	shale	205
15	lime	220
3	shale	223
18	lime	241
7	shale	248
23	lime	271
13	shale	284
12	lime	296 base of the Kansas City
176	shale	472
4	lime	476
5	shale	481
5	lime	486
15	shale	501
10	broken sand	511 good odor, lite bleeding
13	shale	524
8	broken sand	532 good odor, lite bleeding
2	silty shale	534
8	shale	542
4	lime	546
10	shale	556
12	lime	568
24	shale	592
14	lime	606
16	shale	622
2	lime	624
7	shale	631
3	lime	634
10	shale	644

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1	lime & shells	645
3	shale	648
3	oil sand	651
3	broken sand	654 good odor, lite bleeding
6	silty shale	660
13	shale	673
1	lime & shells	674
12	shale	686
1	lime & shells	687
6	broken sand	693 good odor, good bleeding
7	silty shale	700
40	shale	740 TD

Drilled a 9 7/8" hole to 23'
 Drilled a 5 5/8" hole to 740'

Set 22.6' of 7" surface casing cemented with 6 sacks of cement.

Set 731.4' of 2 7/8" threaded and coupled 8 round upset tubing including 3 centralizers, 1 float shoe, 1 clamp.

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 SEP 01 2011
 KCC WICHITA

PO Box 884, Chanute, KS 66720
820-431-9210 or 800-467-8676

FIELD TICKET & TREATMENT REPORT
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7/21/11	7806	S. Kempnich 18 T	SW 22	20	20	AN
CUSTOMER Tailwater Inc			TRUCK #			
MAILING ADDRESS 6421 Avondale Dr Suite 212			DRIVER			
CITY Oklahoma City		STATE OK	ZIP CODE 73116		TRUCK #	
			DRIVER			
			506	Cas Ken	CK	
			368	Kentham	KH	
			503	Tim Wor	TAW	
			369	Art Mcb	AM	

JOB TYPE long string HOLE SIZE 5 5/8" HOLE DEPTH 741' CASING SIZE & WEIGHT 2 7/8" EDC
 CASING DEPTH 735' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT _____ SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 2 1/2" rubber plug
 DISPLACEMENT 4.27 bbls DISPLACEMENT PSI _____ MIX PSI _____ RATE 4 bpm

REMARKS: held safety meeting, established circulation, mixed + pumped 100 # Premium Gel followed by 10 bbls fresh water, mixed + pumped 113 sks 50/50 Pozmix cement w/ 290 Premium Gel per sk, cement to surface, flushed pump clean, displaced 2 1/2" rubber plug to casing TD w/ 4.27 bbls fresh water, pressured to 700 PSI, released pressure to set float valve, shut in casing.

[Handwritten signature]

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE cement pump		975.00
5406	25 miles	MILEAGE pump truck		100.00
5402	735'	casing footage		n/c
5407	1/2 minimum	ton mileage		165.00
5502C	1.5 hrs	80 bbl Vac Truck		135.00
1124	113 sks	50/50 Pozmix cement		1180.85
1118B	290 #	Premium Gel		58.00
4402	1	2 1/2" rubber plug		28.00
			RECEIVED	
			SEP 11 2011	
			KCC WICHITA	
			7.8%	SALES TAX
				ESTIMATED
				TOTAL
				98.81
				27,40.66

Revin 9737

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.



For KCC Use:
 Effective Date: 04/10/2011
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1053250
 OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

*Must be approved by KCC five (5) days prior to commencing well
 Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.*

Expected Spud Date: 04/09/2011
month day year

Spot Description:
 NW - SE - NW - SW Sec. 22 Twp. 20 S. R. 20 E W
(0/0/0/0) 1,815 feet from N / S Line of Section
825 feet from E / W Line of Section

OPERATOR: License# 32461
 Name: Tailwater, Inc.
 Address 1: 6421 AVONDALE DR STE 212
 Address 2: _____
 City: OKLAHOMA CITY State: OK Zip: 73116 + 6428
 Contact Person: Chris Martin
 Phone: 405-810-0900

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 8509
 Name: Evans Energy Development, Inc.

County: Anderson
 Lease Name: South Kempnich Well #: 18-T

Field Name: Garnett Shoestring

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Bartlesville

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Mud Rotary
	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic : _____ # of Holes	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other	

If OWWO: old well information as follows:

Nearest Lease or unit boundary line (in footage): 825

Ground Surface Elevation: 965 Estimated _____ feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 80

Depth to bottom of usable water: 120

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe (if any): _____

Projected Total Depth: 900

Formation at Total Depth: Bartlesville

Water Source for Drilling Operations:
 Well Farm Pond Other: _____

DWR Permit #: _____
(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

Submitted Electronically

For KCC Use ONLY
 API # 15 - 15-003-25021-00-00
 Conductor pipe required 0 feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: Rick Hestermann 04/05/2011
 This authorization expires: 04/05/2012
(This authorization void if drilling not started within 12 months of approval date.)
 Spud date: _____ Agent: _____

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: _____
 Signature of Operator or Agent: _____

Mail to: KCC - Conservation Division,
 130 S. Market - Room 2078, Wichita, Kansas 67202

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