

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

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 # 31160
Name: Phillips Exploration Company LC
Address 1: 1601 N. Sagebrush
Address 2: _____
City: Wichita State: KS Zip: 67230 + _____
Contact Person: James B. Phillips
Phone: (316) 636-2256
CONTRACTOR: License # 30606
Name: Murfin Drilling Company, Inc.
Wellsite Geologist: James B. Phillips
Purchaser: N/A

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil WSW SWD SLOW
 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: 4000
 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 #: _____

06/22/2011 06/29/2011 6/28/11
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 065-23745-0000
Spot Description: _____
NE SW NW Sec. 33 Twp. 10 S. R. 24 East West
1,650 Feet from North / South Line of Section
990 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Graham
Lease Name: Hobbs Well #: 1-33
Field Name: Hanna
Producing Formation: N/A
Elevation: Ground: 2375 Kelly Bushing: 2380
Total Depth: 4000 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 222 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/ _____ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: 2100 ppm Fluid volume: 400 bbls
Dewatering method used: Hauled
Location of fluid disposal if hauled offsite: _____
Operator Name: Phillips Exploration Company LC
Lease Name: Herman Trust License #: 3-34
Quarter NE Sec. 34 Twp. 9 S. R. 24 East West
County: Graham Permit #: D-304

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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: Agent Date: 02/11/2012

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: RA Dg Date: 3/6/12

Operator Name: Phillips Exploration Company LC Lease Name: Hobbs Well #: 1-33
 Sec. 33 Twp. 10 S. R. 24 East West County: Graham

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 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Micro/Dual Ind/Comp Density	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input 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>Anhy</td> <td>2009</td> <td>+371</td> </tr> <tr> <td>Topeka</td> <td></td> <td></td> </tr> <tr> <td>Heebner</td> <td>3680</td> <td>-1300</td> </tr> <tr> <td>Toronto</td> <td>3701</td> <td>-1321</td> </tr> <tr> <td>Lansing</td> <td>3715</td> <td>-1335</td> </tr> <tr> <td>B/KC</td> <td>3960</td> <td>-1580</td> </tr> <tr> <td>RTD</td> <td>4000</td> <td>-3999</td> </tr> </table>	Name	Top	Datum	Anhy	2009	+371	Topeka			Heebner	3680	-1300	Toronto	3701	-1321	Lansing	3715	-1335	B/KC	3960	-1580	RTD	4000	-3999
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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. / FL	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
surface	12 1/4"	8 5/8"	23#	220	Common	150	3% gel, 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 <i>(Amount and Kind of Material Used)</i>	Depth

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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: <input type="checkbox"/> Flowing <input 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> </table>	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity		

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> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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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. 4861

Date	Sec.	Twp.	Range	County	State	On Location	Finish
6-28-11	33	10	24	Cochran	KS		3:30 A.M.
Lease	Well No.		Location				
Hobbs	1-33		Walters v BR W 180' N 1/8 E 11+ E into				
Contractor				Owner			
Meadin 16				To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Type Job	T.D.		Charge To				
Rotary Plug	4000		Phillips Exploration				
Hole Size	Depth		Street				
7 7/8							
Csg.	Depth		City				
			State				
Tbg. Size	Depth		The above was done to satisfaction and supervision of owner agent or contractor.				
Tool	Shoe Joint		Cement Amount Ordered				
			220 60/20 4/16 1/4 # F70				
Cement Left in Csg.	Displace						
Meas Line							

EQUIPMENT

Pumptrk	No.	Cementor	Common
		Helper	132
Bulktrk	9	Driver	Poz. Mix
		Driver	88
Bulktrk	12	Driver	Gel.
		Driver	8

JOB SERVICES & REMARKS

Remarks:	Calcium
Rat Hole	Hulls
30SK	Salt
Mouse Hole	Flowseal
15SK	55#
Centralizers	Kol-Seal
Baskets	Mud CLR 48
D/V or Port Collar	CFL-117 or CD110 CAF 38
1st	Sand
2010 25SK	Handling
2nd	228
1150 100SK	Mileage
3rd	
270 40SK	
4th	
40' 10SK	

FLOAT EQUIPMENT

Guide Shoe	
Centralizer	
Baskets	8 5/8 warden Plug
AFU Inserts	
Float Shoe	
Latch Down	

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Pumptrk Charge	plug	Tax
Mileage	45	Discount
		Total Charge

X Signature *Ag Schel*

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

- **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

- **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

- **DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

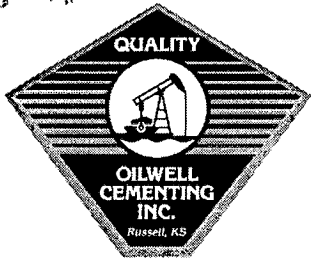
3. QUALITY does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.



QUALITY OILWELL CEMENTING, INC.
 PO Box 32 - 740 West Wichita Ave, Russell KS 67665
 Phone: 785-324-1041 fax: 785-483-1087
 Email: cementing@ruraltel.net

Date: 6/26/2011
 Invoice # 4859
 P.O.#:
 Due Date: 7/26/2011
 Division: Russell

Invoice

Contact:
 PHILLIPS EXPLORATION
Address/Job Location:
 PHILLIPS EXPLORATION
 1601 N SAGEBRUSH
 WICHITA KS 67230

Reference:
 HOBBS 1-33

Description of Work:
 SURFACE JOB

Services / Items Included:	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 963.85	No				
Common-Class A	150	\$ 1,931.67	Yes				
Pump Truck Mileage-Job to Nearest Camp	45	\$ 474.05	No				
Bulk Truck Matl-Material Service Charge	158	\$ 333.56	No				
Bulk Truck Mileage-Job to Nearest Bulk Plant	45	\$ 277.40	No				
Calcium Chloride	5	\$ 198.76	Yes				
Premium Gel (Bentonite)	3	\$ 51.55	Yes				

Invoice Terms:

Net 30

SubTotal: \$ 4,230.84

Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (634.63)

SubTotal for Taxable Items: \$ 1,854.68

SubTotal for Non-Taxable Items: \$ 1,741.53

Total: \$ 3,596.21

Tax: \$ 140.03

7.55% Graham County Sales Tax

Amount Due: \$ 3,736.24

Applied Payments:

Balance Due: \$ 3,736.24

Thank You For Your Business!

Past Due Invoices are subject to a service charge (annual rate of 24%)
 This does not include any applicable taxes unless it is listed.

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\$ 4941.60

QUALITY OILWELL CEMENTING, INC.

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

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

No. 4859

Date	Sec.	Twp.	Range	County	State	On Location	Finish
6-22-11	33	10	24	Corraham	KS		9:15 p.m.
Lease	Well No.		Location				
Hobbs	1.33		Wakeney v RB Wtd 180 1/2 Ex NE into				
Contractor				Owner			
Martins #16				To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Type Job		T.D.		Charge To			
Surface		220		Phillips Exploration			
Hole Size		Depth		Street			
12 1/4		219					
Csg.		Depth		City			
8 5/8				State			
Tbg. Size		Depth		The above was done to satisfaction and supervision of owner agent or contractor.			
Tool		Shoe Joint		Cement Amount Ordered			
				150 Com 30% 20% 20%			
Cement Left in Csg.		Displace					
15'		1336					
Meas Line							

EQUIPMENT

Pumptrk	No.	Cementer	Common
		Helper	150
Bulktrk	9	Driver	Poz. Mix
		Driver	
Bulktrk	8	Driver	Gel.
		Driver	3

JOB SERVICES & REMARKS

Remarks:	Calcium
Rat Hole	Hulls
Mouse Hole	Salt
Centralizers	Flowseal
Baskets	Koi-Seal
D/V or Port Collar	Mud CLR 48
8 5/8 on bottom. Est. Circulation.	CFL-117 or CD110 CAF 38
Mix 150SK + Displace	Sand
Cement Circulator!	Handling 158
	Mileage

FLOAT EQUIPMENT

Guide Shoe	
Centralizer	
Baskets	
AFU Inserts	
Float Shoe	
Latch Down	

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Thanks!

Pumptrk Charge Surface
Mileage 45

X Signature *Ag [Signature]*

Tax
Discount
Total Charge

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(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 QUALITY'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 QUALITY or its employees.

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3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 constructed as a warranty by QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.



QUALITY OILWELL CEMENTING, INC.

PO Box 32 - 740 West Wichita Ave, Russell KS 67665

Phone: 785-324-1041 fax: 785-483-1087

Email: cementing@ruraltel.net

Date: 6/30/2011
Invoice # 4861

P.O.#:

Due Date: 7/30/2011

Division: Russell

Invoice

Contact:

PHILLIPS EXPLORATION

Address/Job Location:

PHILLIPS EXPLORATION

1601 N SAGEBRUSH

WICHITA KS 67230

Reference:

HOBB 1-33

Description of Work:

PLUG JOB

Services / Items Included:	Quantity	Price	Taxable	Item	Quantity	Price	Taxable
Labor		\$ 991.39	No				
Common-Class A	132	\$ 1,748.43	Yes				
Bulk Truck Matl-Material Service Charge	228	\$ 495.09	No				
Pump Truck Mileage-Job to Nearest Camp	45	\$ 487.59	No				
POZ Mix-Standard	88	\$ 439.50	Yes				
Bulk Truck Mileage-Job to Nearest Bulk Plant	45	\$ 285.33	No				
Premium Gel (Bentonite)	8	\$ 141.40	Yes				
Flo Seal	55	\$ 119.43	Yes				
Dry Hole Plug	1	\$ 60.80	Yes				

Invoice Terms:

Net 30

SubTotal: \$ 4,768.96

Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (715.34)

SubTotal for Taxable Items: \$ 2,133.13

SubTotal for Non-Taxable Items: \$ 1,920.48

Total: \$ 4,053.61

Tax: \$ 161.05

7.55% Graham County Sales Tax

Amount Due: \$ 4,214.66

Applied Payments:

Balance Due: \$ 4,214.66

Thank You For Your Business!

Past Due Invoices are subject to a service charge (annual rate of 24%)

This does not include any applicable taxes unless it is listed.

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