



KANSAS CORPORATION COMMISSION 1097104
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 # 6569
Name: Carmen Schmitt, Inc.
Address 1: PO BOX 47
Address 2: _____
City: GREAT BEND State: KS Zip: 67530 + 0047
Contact Person: Carmen Schmitt
Phone: (620) 793-5100
CONTRACTOR: License # 4958
Name: Mallard, J. V., Inc.
Wellsite Geologist: Derek Patterson
Purchaser: _____

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>08/23/2012</u>	<u>08/30/2012</u>	<u>09/20/2012</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-167-23821-00-00
Spot Description: _____
SW SE SE NW Sec. 32 Twp. 15 S. R. 12 East West
2518 Feet from North / South Line of Section
2300 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Russell
Lease Name: Ney Unit Well #: 7
Field Name: _____

Producing Formation: Kansas City
Elevation: Ground: 1854 Kelly Bushing: 1859
Total Depth: 3452 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 572 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1520 Feet
If Alternate II completion, cement circulated from: 1520
feet depth to: 0 w/ 200 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: 45000 ppm Fluid volume: 1000 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: Deanna Garrison Date: 10/23/2012



1097104

Operator Name: Carmen Schmitt, Inc. Lease Name: Ney Unit Well #: 7
 Sec. 32 Twp. 15 S. R. 12 East West County: Russell

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Dual Compensated Porosity Dual Induction Microresistivity	<input 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>Anhydrite</td> <td>798</td> <td>+1061</td> </tr> <tr> <td>Topeka</td> <td>2661</td> <td>-802</td> </tr> <tr> <td>Heebner</td> <td>2939</td> <td>-1080</td> </tr> <tr> <td>Lansing Kansas City</td> <td>3034</td> <td>-1175</td> </tr> <tr> <td>Base Kansas City</td> <td>3282</td> <td>-1423</td> </tr> <tr> <td>Basal Penn Congl</td> <td>3293</td> <td>-1434</td> </tr> <tr> <td>Precambrian Quartzite</td> <td>3336</td> <td>-1477</td> </tr> </table>	Name	Top	Datum	Anhydrite	798	+1061	Topeka	2661	-802	Heebner	2939	-1080	Lansing Kansas City	3034	-1175	Base Kansas City	3282	-1423	Basal Penn Congl	3293	-1434	Precambrian Quartzite	3336	-1477
Name	Top	Datum																							
Anhydrite	798	+1061																							
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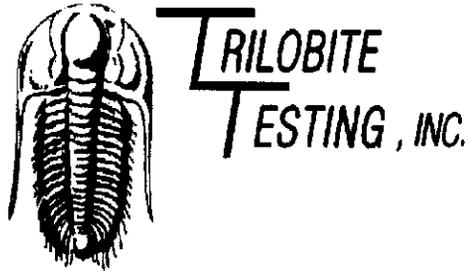
CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12.25	8.625	23	572		250	3% cc, 2% gel
Production	7.875	5.5	14	3437	Swift EA-2, SMC	200	

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	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
2	3120'-3126'		

TUBING RECORD: Size: <u>2.375</u> Set At: <u>3103</u> Packer At: <u>3103</u> Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR. <u>09/20/2012</u>	Producing Method: <input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input checked="" type="checkbox"/> Other (Explain) <u>Capable of injection 9-20-12</u>
Estimated Production Per 24 Hours	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 checked="" 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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DRILL STEM TEST REPORT

Prepared For: **Carmen Schmitt Inc**

P.O. Box 47
Great Bend KS 67530-0047

ATTN: Derek Patterson

Ney Unit # 7

32 15s 12w Russell

Start Date: 2012.08.27 @ 20:00:00

End Date: 2012.08.28 @ 02:30:00

Job Ticket #: 47649 DST #: 1

Trilobite Testing, Inc

PO Box 362 Hays, KS 67601

ph: 785-625-4778 fax: 785-625-5620

Printed: 2012.08.28 @ 02:57:09



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047
ATTN: Derek Patterson

32 15s 12w Russell
Ney Unit # 7
Job Ticket: 47649 **DST#: 1**
Test Start: 2012.08.27 @ 20:00:00

GENERAL INFORMATION:

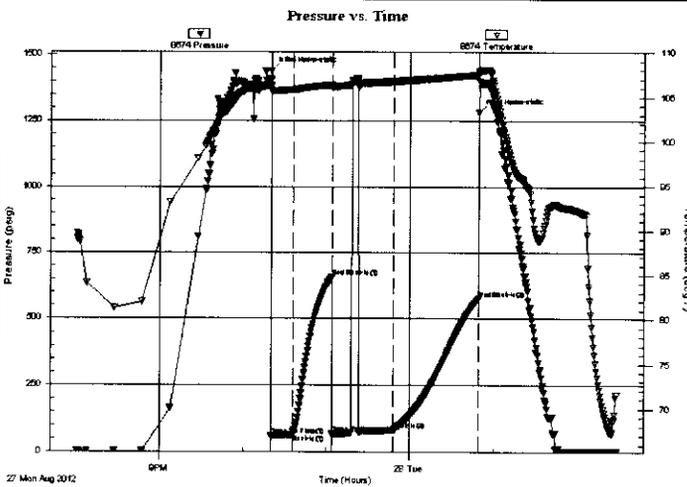
Formation: **Douglas Sand & LKC "**
Deviated: No Whipstock: 1859.00 ft (KB)
Time Tool Opened: 22:20:20
Time Test Ended: 02:30:00
Interval: **2968.00 ft (KB) To 3072.00 ft (KB) (TVD)**
Total Depth: 3072.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Fair
Test Type: Conventional Bottom Hole (Initial)
Tester: Jim Svaty
Unit No: 58
Reference Elevations: 1859.00 ft (KB)
1854.00 ft (CF)
KB to GR/CF: 5.00 ft

Serial #: 8674

Outside

Press@RunDepth: 81.13 psig @ 2974.00 ft (KB)
Start Date: 2012.08.27 End Date: 2012.08.28
Start Time: 20:00:05 End Time: 02:29:20
Capacity: 8000.00 psig
Last Calib.: 2012.08.28
Time On Btm: 2012.08.27 @ 22:20:00
Time Off Btm: 2012.08.28 @ 00:49:20

TEST COMMENT: 15-IFP- Surface Blow Building to 3in
30-ISIP- No Blow
45-FFP- No Blow in 12min Flushed Surface Blow Died in 38min
60-FSIP- No Blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1440.14	106.24	Initial Hydro-static
1	59.60	105.63	Open To Flow (1)
16	62.89	105.81	Shut-In(1)
44	658.17	106.32	End Shut-In(1)
45	66.48	105.99	Open To Flow (2)
89	81.13	106.73	Shut-In(2)
150	577.56	107.47	End Shut-In(2)
150	1283.52	107.88	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
122.00	Oil Speck Mud	0.60

Gas Rates

	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047
ATTN: Derek Patterson

32 15s 12w Russell
Ney Unit # 7
Job Ticket: 47649 **DST#: 1**
Test Start: 2012.08.27 @ 20:00:00

Tool Information

Drill Pipe:	Length: 2727.00 ft	Diameter: 3.80 inches	Volume: 38.25 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 2.75 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 242.00 ft	Diameter: 2.25 inches	Volume: 1.19 bbl	Weight to Pull Loose: 60000.00 lb
			<u>Total Volume: 39.44 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	29.00 ft			String Weight: Initial 40000.00 lb
Depth to Top Packer:	2968.00 ft			Final 40000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	104.00 ft			
Tool Length:	132.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			2941.00	
Shut In Tool	5.00		Fluid	2946.00	
Hydraulic tool	5.00			2951.00	
Jars	5.00			2956.00	
Safety Joint	3.00			2959.00	
Packer	5.00		Inside	2964.00	28.00 Bottom Of Top Packer
Packer	4.00			2968.00	
Stubb	1.00			2969.00	
Perforations	4.00			2973.00	
Change Over Sub	1.00			2974.00	
Recorder	0.00	8355	Inside	2974.00	
Recorder	0.00	8674	Outside	2974.00	
Blank Spacing	94.00			3068.00	
Change Over Sub	1.00			3069.00	
Bullnose	3.00			3072.00	104.00 Bottom Packers & Anchor

Total Tool Length: 132.00



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047
ATTN: Derek Patterson

32 15s 12w Russell
Ney Unit # 7
Job Ticket: 47649 **DST#: 1**
Test Start: 2012.08.27 @ 20:00:00

Mud and Cushion Information

Mud Type: Gel Chem	Cushion Type:	Oil API:	deg API
Mud Weight: 9.00 lb/gal	Cushion Length: ft	Water Salinity:	ppm
Viscosity: 42.00 sec/qt	Cushion Volume: bbl		
Water Loss: 9.18 in ³	Gas Cushion Type:		
Resistivity: ohm.m	Gas Cushion Pressure: psig		
Salinity: 3800.00 ppm			
Filter Cake: inches			

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
122.00	Oil Speck Mud	0.600

Total Length: 122.00 ft Total Volume: 0.600 bbl
Num Fluid Samples: 0 Num Gas Bombs: 0 Serial #:
Laboratory Name: Laboratory Location:
Recovery Comments:



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

GAS RATES

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047
ATTN: Derek Patterson

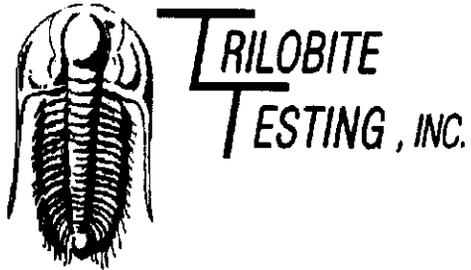
32 15s 12w Russell
Ney Unit # 7
Job Ticket: 47649 **DST#: 1**
Test Start: 2012.08.27 @ 20:00:00

Gas Rates Information

Temperature: 59 (deg F)
Relative Density: 0.65
Z Factor: 0.8

Gas Rates Table

Flow Period	Elapsed Time	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)
		0.00	0.00	0.00



DRILL STEM TEST REPORT

Prepared For: **Carmen Schmitt Inc**

P.O. Box 47
Great Bend KS 67530-0047

ATTN: Derek Patterson

Ney Unit # 7

32 15s 12w Russell

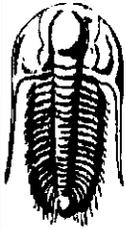
Start Date: 2012.08.28 @ 15:22:00

End Date: 2012.08.28 @ 21:29:00

Job Ticket #: 47650 DST #: 2

Trilobite Testing, Inc
PO Box 362 Hays, KS 67601
ph: 785-625-4778 fax: 785-625-5620

Printed: 2012.08.28 @ 21:53:28



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047
ATTN: Derek Patterson

32 15s 12w Russell
Ney Unit # 7
Job Ticket: 47650 **DST#: 2**
Test Start: 2012.08.28 @ 15:22:00

GENERAL INFORMATION:

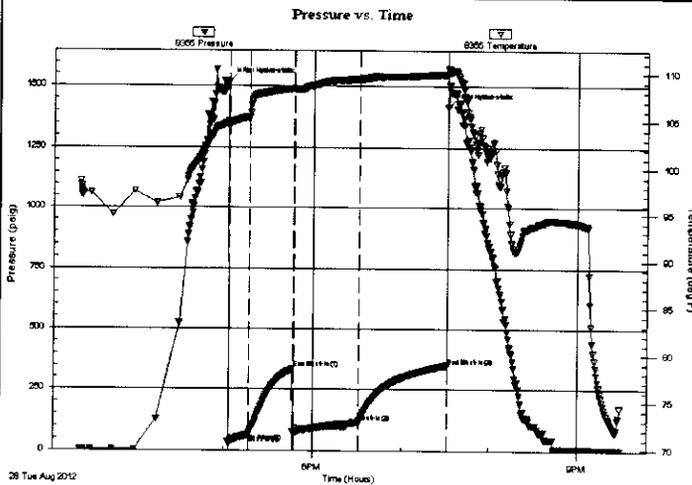
Formation: **LKC " G- J "**
Deviated: **No** Whipstock: **1859.00 ft (KB)**
Time Tool Opened: **17:02:45**
Time Test Ended: **21:29:00**
Test Type: **Conventional Bottom Hole (Reset)**
Tester: **Jim Svaty**
Unit No: **58**
Interval: **3116.00 ft (KB) To 3219.00 ft (KB) (TVD)**
Total Depth: **3219.00 ft (KB) (TVD)**
Hole Diameter: **7.88 inches** Hole Condition: **Fair**
Reference Elevations: **1859.00 ft (KB)**
1854.00 ft (CF)
KB to GR/CF: **5.00 ft**

Serial #: 8355

Inside

Press@RunDepth: **116.46 psig @ 3121.00 ft (KB)**
Start Date: **2012.08.28** End Date: **2012.08.28**
Start Time: **15:22:05** End Time: **21:28:29**
Capacity: **8000.00 psig**
Last Calib.: **2012.08.28**
Time On Btm: **2012.08.28 @ 17:02:30**
Time Off Btm: **2012.08.28 @ 19:31:30**

TEST COMMENT: 15-IFP- BOB in 11min
30-ISIP- No Blow
45-FFP- BOB in 5 1/2 min
60-FSIP- Weak Surface Blow Died in 5min



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1515.55	104.93	Initial Hydro-static
1	32.82	104.36	Open To Flow (1)
14	62.69	105.33	Shut-In(1)
44	335.68	108.37	End Shut-In(1)
45	75.19	108.33	Open To Flow (2)
89	116.46	109.39	Shut-In(2)
149	350.28	109.89	End Shut-In(2)
149	1417.17	110.50	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
205.00	OCM 12%o 88%m	1.01
0.00	464 GIP	0.00

* Recovery from multiple tests

Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

TOOL DIAGRAM

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047
ATTN: Derek Patterson

32 15s 12w Russell
Ney Unit # 7
Job Ticket: 47650 **DST#: 2**
Test Start: 2012.08.28 @ 15:22:00

Tool Information

Drill Pipe:	Length: 2852.00 ft	Diameter: 3.80 inches	Volume: 40.01 bbl	Tool Weight: 2500.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 2.75 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 242.00 ft	Diameter: 2.25 inches	Volume: 1.19 bbl	Weight to Pull Loose: 50000.00 lb
			<u>Total Volume: 41.20 bbl</u>	Tool Chased 0.00 ft
Drill Pipe Above KB:	6.00 ft			String Weight: Initial 42000.00 lb
Depth to Top Packer:	3116.00 ft			Final 42000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	103.00 ft			
Tool Length:	131.00 ft			
Number of Packers:	2	Diameter: 6.75 inches		

Tool Comments:

Tool Description

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			3089.00	
Shut In Tool	5.00		Fluid	3094.00	
Hydraulic tool	5.00			3099.00	
Jars	5.00			3104.00	
Safety Joint	3.00			3107.00	
Packer	5.00		Inside	3112.00	28.00 Bottom Of Top Packer
Packer	4.00			3116.00	
Stubb	1.00			3117.00	
Perforations	3.00			3120.00	
Change Over Sub	1.00			3121.00	
Recorder	0.00	8355	Inside	3121.00	
Recorder	0.00	8674	Outside	3121.00	
Blank Spacing	94.00			3215.00	
Change Over Sub	1.00			3216.00	
Bullnose	3.00			3219.00	103.00 Bottom Packers & Anchor
Total Tool Length:	131.00				



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

FLUID SUMMARY

Carmen Schmitt Inc

32 15s 12w Russell

P.O. Box 47
Great Bend KS 67530-0047

Ney Unit # 7

Job Ticket: 47650

DST#: 2

ATTN: Derek Patterson

Test Start: 2012.08.28 @ 15:22:00

Mud and Cushion Information

Mud Type: Gel Chem

Mud Weight: 9.00 lb/gal

Viscosity: 45.00 sec/qt

Water Loss: 8.77 in³

Resistivity: ohm.m

Salinity: 3800.00 ppm

Filter Cake: inches

Cushion Type:

Cushion Length: ft

Cushion Volume: bbl

Gas Cushion Type:

Gas Cushion Pressure: psig

Oil API:

Water Salinity: deg API

ppm

Recovery Information

Recovery Table

Length ft	Description	Volume bbl
205.00	OCM 12%o 88%m	1.008
0.00	464 GIP	0.000

Total Length: 205.00 ft

Total Volume: 1.008 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments:



TRILOBITE
TESTING, INC.

DRILL STEM TEST REPORT

GAS RATES

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047
ATTN: Derek Patterson

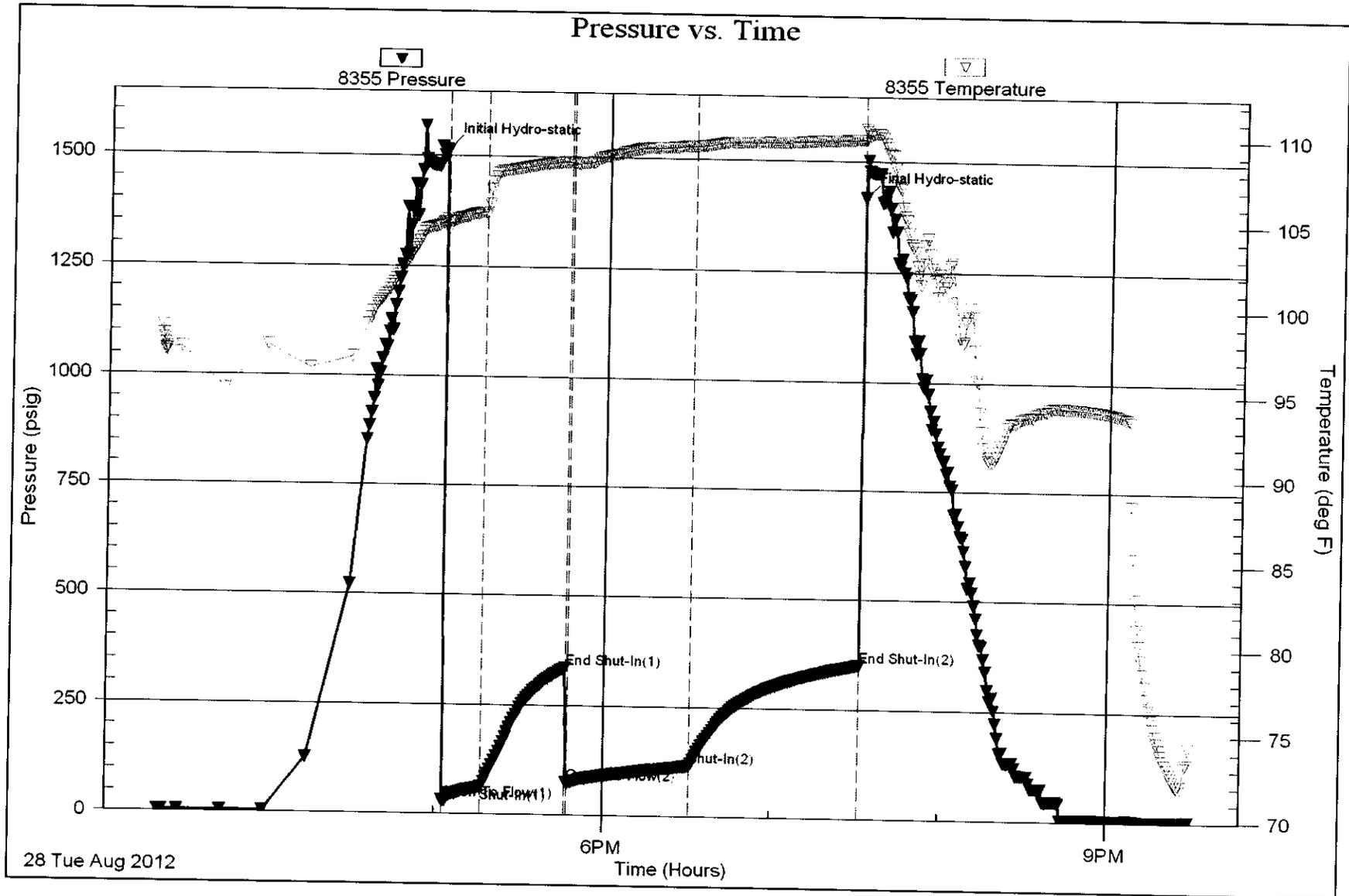
32 15s 12w Russell
Ney Unit # 7
Job Ticket: 47650 **DST#: 2**
Test Start: 2012.08.28 @ 15:22:00

Gas Rates Information

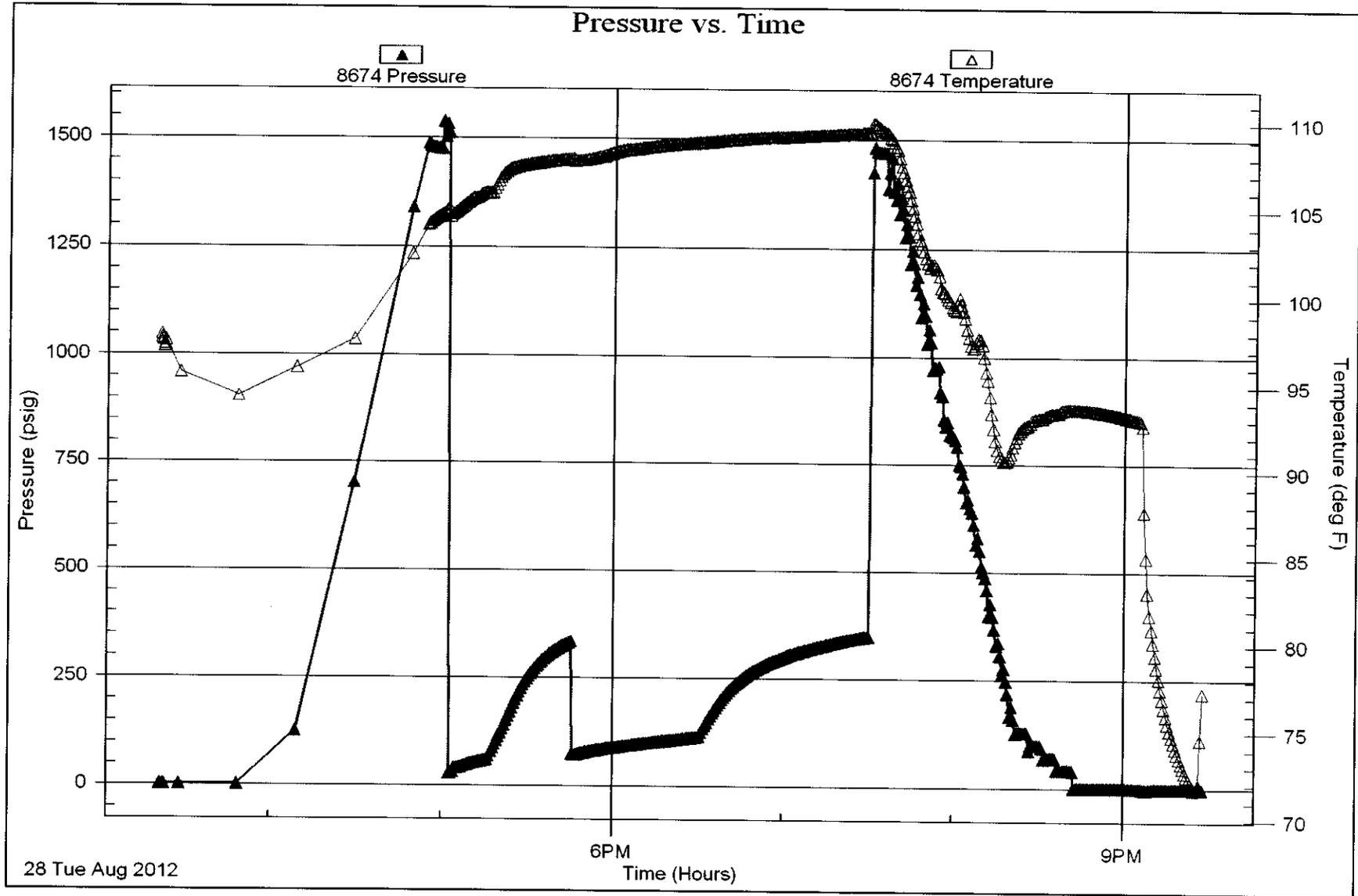
Temperature: 59 (deg F)
Relative Density: 0.65
Z Factor: 0.8

Gas Rates Table

Flow Period	Elapsed Time	Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)
		0.00	0.00	0.00



28 Tue Aug 2012



CARMEN SCHMITT, INC.

Scale 1:240 (5"=100') Imperial

Well Name: Ney Unit #7
Location: Sec. 32 - T15S - R12W, Russell County, KS
Licence Number: API No.: 15-167-23821-0000
Spud Date: August 23, 2012
Surface Coordinates: 2518' FNL & 2300' FWL; 3-D Location
Region: Hall-Gurney
Drilling Completed: August 29, 2012

Bottom Hole Coordinates:

Ground Elevation (ft): 1854' K.B. Elevation (ft): 1859'
Logged Interval (ft): 2600' To: 3450' Total Depth (ft): 3452' (LTD)
Formation: Lansing, Precambrian Quartzite
Type of Drilling Fluid: Chemical Gel/Polymer

Printed by MUD.LOG from WellSight Systems 1-800-447-1534 www.WellSight.com

OPERATOR

Company: Carmen Schmitt, Inc.
Address: P.O. Box 47
Great Bend, KS 67530

GEOLOGIST

Name: Derek W. Patterson
Company: Valhalla Exploration, LLC
Address: 133 N. Glendale
Wichita, KS 67208

REMARKS

After review of the open hole logs, sample evaluation, and DST results for the Ney Unit #7, it was decided upon by operator to run 5 1/2" production casing to further evaluate the multiple Lansing zones encountered while drilling said well. Should well prove to be non-commercial, it will be completed as a saltwater disposal well in the Precambrian Quartzite.

The well samples were saved, submitted, and will be available for review at the Kansas Geologic Survey's Well Sample Library located in Wichita, KS.

Respectfully Submitted,

Derek W. Patterson

CARMEN SCHMITT, INC.

General Information

Service Companies

Drilling Contractor: Mallard, J V - Rig #1
Tool Pusher: Lavon Urban
Daylight Driller: Mark Elsen
Evening Driller: Justin McDonald
Morning Driller: Frank Symank
Relief: Kyle Stout

Drilling Fluid: Mud-Co/Service Mud
Engineer: Rick Hughes

Logging Company: Pioneer Energy Services
Engineers: Daniel Martin/Chris Desaire
Logs Ran: DI, CDNL, Micro

Gas Detector: None

Testing Company: Trilobite Testing, Inc.
Tester: Jim Svaty

Deviation Survey	
Depth	Survey
572'	1/2°
3072'	2°
RTD - 3450'	1 3/4°

Pipe Strap	
Depth	Pipe Strap
3072'	0.8' Short to Board

Bit Record								
Bit #	Size	Make	Type	Serial Number	Depth In	Depth Out	Feet	Hours
1	12 1/4"	Smith	RT	RT	0'	572'	572'	8.25
2	7 7/8"	Smith	F27	PX0863	572'	3450'	2878'	74

Surface Casing	
8.24.2012	Ran 14 joints of new 23 #ft 8 5/8" casing, tallying 565', set @ 572' KB. Cemented with 250 sacks common (2% gel, 3% calcium chloride). Cement did circulate. Plug down @ 1045 hrs 8.24.12. By Quality Oil Well Cementing, Inc.

Production Casing	
8.30.2012	Ran 82 joints of new 14 #ft 5 1/2" production casing, tallying 3529.33', laid 1 down, set @ 3437.43' KB. Cemented with 70 sacks SMD followed by 100 sacks. Cement did circulate. By Swift Services, Inc.

CARMEN SCHMITT, INC.

Daily Drilling Report

Date	7:00 AM Depth	Previous 24 Hours of Operations
8.27.2012	2900'	<p>Drilling and connections Topeka. Geologist Derek W. Patterson on location, 2230 hrs 8.26.12. Drilling and connections Topeka, King Hill, Queen Hill, and into Plattsmouth zone. CFS @ 2900' (Plattsmouth).</p> <p>Made 660' over past 24 hrs of operations. WOB: 30-32k RPM: 65 PP: 800 SPM: 60 DMC: \$3,766.60 CMC: \$8,051.90</p>
8.28.2012	3112'	<p>Resume drilling and connections Plattsmouth, Heebner, Toronto, Douglas, Brown Lime, and into Lansing. CFS @ 3050' (LKC 'B'). Resume drilling and connections Lansing. CFS @ 3072' (LKC 'C'). Decision made to run DST to evaluate the Douglas Sand and upper Lansing zones. CTCH, short trip (20 stands). CTCH, drop survey, strap out for DST #1, 1840 hrs 8.27.12. TIH with tool. Conducting DST #1, test successful. TIH with bit, CTCH, resume drilling following DST #1, 0500 hrs 8.28.12. Drilling and connections Lansing.</p> <p>Made 212' over past 24 hrs of operations. WOB: 32k RPM: 65 PP: 800-900 SPM: 60 DMC: \$924.75 CMC: \$6,976.65</p>
8.29.2012	3318'	<p>Drilling and connections Lansing. CFS @ 3136' (LKC 'G'). Resume drilling and connections Lansing. CFS @ 3219' (LKC 'J'). Decision made to run DST to evaluate Lansing 'G' - 'J' zones. CTCH, TOH for DST #2, 1420 hrs 8.28.12. TIH with tool. Conducting DST #2, test successful. TIH with bit, CTCH, resume drilling following DST #2, 2345 hrs 8.28.12. Drilling and connections lower Lansing. Base Kansas City, and into Basal Penn Conglomerate. CFS @ 3300' (BPCG). Resume drilling Basal Penn Conglomerate. CFS @ 3307' (BPCG). Resume drilling and connections Basal Penn Conglomerate. CFS @ 3318' (Conglomerate).</p> <p>Made 208' over past 24 hrs of operations. WOB: 32k RPM: 65 PP: 900 SPM: 60 DMC: \$999.60 CMC: \$7,976.25</p>
8.30.2012	RTD - 3450' LTD - 3452'	<p>CFS @ 3318' (BPCG). Resume drilling Basal Penn Conglomerate. CFS @ 3328' (BPCG). Resume drilling Basal Penn Conglomerate and into Precambrian Quartzite. CFS @ 3340' (Precambrian). Resume drilling and connections Precambrian Quartzite ahead to RTD of 3450'. Production casing on location. RTD reached, 1800 hrs 8.29.12. CTCH, drop survey, TOH for open hole logging operations, 1945 hrs 8.29.12. Rig up loggers. Commence open hole logging operations, 2115 hrs 8.29.12. Open hole logging operations complete, 0045 hrs 8.30.12. Orders received to run 51/2" production casing for further evaluation of the Ney Unit #7. If well proves to be non-commercial, it will be completed as a saltwater disposal well in the Precambrian Quartzite.</p> <p>Geologist Derek W. Patterson off location, 0110 hrs 8.30.12.</p> <p>Made 132' over past 24 hrs of operations. WOB: 32k RPM: 65 PP: 900 SPM: 60 DMC: \$304.15 CMC: \$8,280.40</p>

CARMEN SCHMITT, INC.

Well Comparison Sheet

Formation	Drilling Well				Comparison Well				Comparison Well			
	Carmen Schmitt, Inc. - Ney Unit #7 2518' FNL & 2300' FWL Sec. 32 - T15S - R12W				Rock Island - Hilgenberg #6 NW NE SW Sec. 32 - T15S - R12W				Rock Island - Hafeman #1 'OAWO' SE SW NW Sec. 32 - T15S - R12W			
	1859 KB				Oil - LKC 'G' & 'J'		Structural Relationship		Oil - LKC 'A', 'C', 'H'		Structural Relationship	
	Sample	Sub-Sea	Log	Sub-Sea	Log	Sub-Sea	Sample	Log	Log	Sub-Sea	Sample	Log
Anhydrite	798	1061	798	1061								
Topeka	2661	-802	2661	-802	2651	-791	-11	-11	2673	-802	0	0
King Hill	2786	-927	2786	-927	2773	-913	-14	-14	2799	-928	1	1
Queen Hill	2852	-993	2853	-994	2838	-978	-15	-16	2865	-994	1	0
Plattsmouth	2875	-1016	2874	-1015	2860	-1000	-16	-15	2887	-1016	0	1
Heebner	2938	-1079	2939	-1080	2926	-1066	-13	-14	2951	-1080	1	0
Toronto	2956	-1097	2956	-1097	2944	-1084	-13	-13	2969	-1098	1	1
Douglas	2970	-1111	2969	-1110	2957	-1097	-14	-13	2981	-1110	-1	0
Brown Lime	3022	-1163	3023	-1164	3010	-1150	-13	-14	3038	-1167	4	3
Lansing	3031	-1172	3034	-1175	3020	-1160	-12	-15	3047	-1176	4	1
LKC 'B'	3036	-1177	3039	-1180	3024	-1164	-13	-16	3054	-1183	6	3
LKC 'C'	3060	-1201	3064	-1205	3048	-1188	-13	-17	3077	-1206	5	1
LKC 'D'	3078	-1219	3083	-1224	3068	-1208	-11	-16	3094	-1223	4	-1
LKC 'F'	3100	-1241	3103	-1244	3088	-1228	-13	-16	3114	-1243	2	-1
LKC 'G'	3121	-1262	3119	-1260	3104	-1244	-18	-16	3135	-1264	2	4
Muncie Creek	3162	-1303	3162	-1303	3149	-1289	-14	-14	3178	-1307	4	4
LKC 'H'	3170	-1311	3168	-1309	3159	-1299	-12	-10	3184	-1313	2	4
LKC 'I'	3185	-1326	3186	-1327	3176	-1316	-10	-11	3205	-1334	8	7
LKC 'J'	3204	-1345	3204	-1345	3195	-1335	-10	-10	3226	-1355	10	10
Stark	3228	-1368	3227	-1368	3218	-1358	-11	-10	3244	-1373	4	5
LKC 'K'	3241	-1382	3242	-1383	3233	-1373	-9	-10	3258	-1387	5	4
Huishpuckney	3264	-1405	3264	-1405	3254	-1394	-11	-11	3282	-1411	6	6
LKC 'L'	3271	-1412	3270	-1411	3262	-1402	-10	-9	3291	-1420	8	9
Base Kansas City	3282	-1423	3282	-1423	3270	-1410	-13	-13	3298	-1427	4	4
Basal Penn Conglomerate	3293	-1434	3293	-1434	3276	-1416	-18	-18	3316	-1445	11	11
Arbuckle	Not Present				Not Present				Not Present			
Precambrian Quartzite	3335	-1476	3336	-1477	3291	-1421	-55	-56	3368	-1497	21	20
Total Depth	3450	-1591	3452	-1593	3289	-1429	-162	-164	3378	-1507	-84	-86

Precambrian tops are sample tops; no log coverage across zone.



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Carmen Schmitt Inc
 P.O. Box 47
 Great Bend KS 67530-0047
 ATTN: Derek Patterson

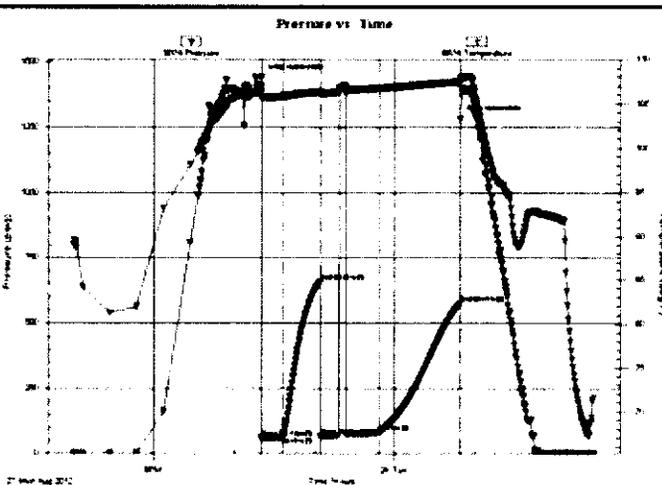
32 15s 12w Russell
Ney Unit # 7
 Job Ticket: 47649 **DST#: 1**
 Test Start: 2012 08 27 @ 20:00:00

GENERAL INFORMATION:

Formation: **Douglas Sand & LKC™**
 Deviated: No Whipstock 1859.00 ft (KB)
 Time Tool Opened: 22:20:20
 Time Test Ended: 02:30:00
 Interval: **2968.00 ft (KB) To 3072.00 ft (KB) (TVD)**
 Total Depth: 3072.00 ft (KB) (TVD)
 Hole Diameter: 7.88 inches - Hole Condition: Fair
 Test Type: Conventional Bottom Hole (Initial)
 Tester: Jim Svaty
 Unit No: 58
 Reference Elevations: 1859.00 ft (KB)
 1854.00 ft (CF)
 KB to GR/CF: 5.00 ft

Serial #: 8674 Outside
 Press@RunDepth: 81.13 psig @ 2974.00 ft (KB) Capacity: 8000.00 psig
 Start Date: 2012 08 27 End Date: 2012 08 28 Last Calib: 2012 08 28
 Start Time: 20:00:05 End Time: 02:29:20 Time On Btm: 2012 08 27 @ 22:20:00
 Time Off Btm: 2012 08 28 @ 00:49:20

TEST COMMENT: 15-FPP: Surface Blow Building to 3in
 30-ISP: No Blow
 45-FPP: No Blow in 12min Flushed Surface Blow Died in 38min
 60-FSP: No Blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1440.14	106.24	Initial Hydro-static
1	59.60	105.63	Open To Flow (1)
16	62.89	105.81	Shut-In(1)
44	658.17	106.32	End Shut-In(1)
45	66.48	105.99	Open To Flow (2)
89	81.13	106.73	Shut-In(2)
150	577.56	107.47	End Shut-In(2)
150	1283.52	107.88	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
122.00	Oil Speck Mud	0.60

Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (McPD)



**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

Carmen Schmitt Inc
P.O. Box 47
Great Bend KS 67530-0047

32 15s 12w Russell

Ney Unit # 7

Job Ticket: 47650

DST#: 2

ATTN: Derek Patterson

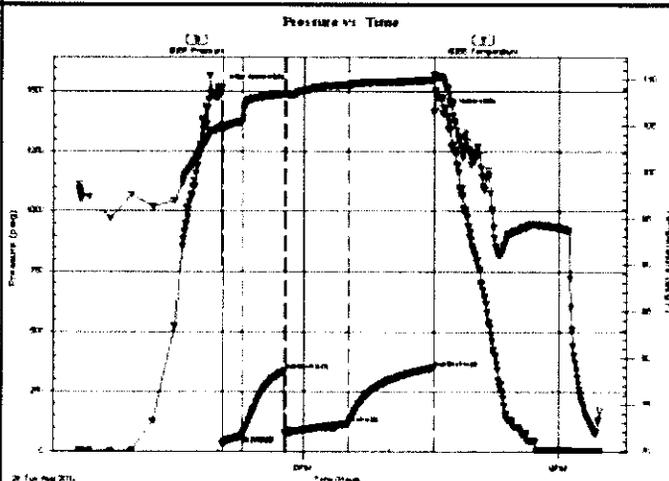
Test Start: 2012 08 28 @ 15:22:00

GENERAL INFORMATION:

Formation: **LKC "G-J"**
 Deviated: No Whipstock: 1859.00 ft (KB)
 Time Tool Opened: 17:02:45
 Time Test Ended: 21:29:00
 Test Type: Conventional Bottom Hole (Reset)
 Tester: Jim Svaty
 Unit No: 58
 Interval: **3116.00 ft (KB) To 3219.00 ft (KB) (TVD)**
 Total Depth: 3219.00 ft (KB) (TVD)
 Reference Elevations: 1859.00 ft (KB)
 1854.00 ft (CF)
 Hole Diameter: 7.88 inches-hole Condition: Fair
 KB to GROC: 5.00 ft

Serial #: 8355 Inside
 Press@RunDepth: 116.46 psig @ 3121.00 ft (KB) Capacity: 8000.00 psig
 Start Date: 2012 08 28 End Date: 2012 08 28 Last Calib: 2012 08 28
 Start Time: 15:22:06 End Time: 21:28:29 Time On Btm: 2012 08 28 @ 17:02:30
 Time Off Btm: 2012 08 28 @ 19:31:30

TEST COMMENT: 15-FP- BOB in 11min
 30-FSP- No Blow
 45-FFP- BOB in 5 1/2 min
 60-FSP- Weak Surface Blow Died in 5min



PRESSURE SUMMARY

Time (Min)	Pressure (psig)	Temp (deg F)	Annotation
0	1515.55	104.93	Initial Hydro-static
1	32.82	104.36	Open To Flow (1)
14	62.69	105.33	Shut-In(1)
44	335.68	108.37	End Shut-In(1)
45	75.19	108.33	Open To Flow (2)
89	116.46	109.39	Shut-In(2)
149	350.28	109.89	End Shut-In(2)
149	1417.17	110.50	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
205.00	OCM 12%o 88%sm	1.01
0.00	464 GP	0.00

* Recovery from multiple tests

Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (McPd)

ROCK TYPES

LITHOLOGY

- Anhy
- Bent
- Brec
- Cht
- Clyst
- Coal
- Congl
- Dol
- Gyp
- Igne
- Lmst
- Meta
- Mrlst
- Salt
- Shale
- Shcol
- Shgy
- Sltst
- Ss
- Till
- Sltstn
- Shale
- Sandylms
- Lms
- Gry sh
- Dtd
- Dol
- Carb sh
- pipesymbol

- unknown lith
 - Red shale
- FOSSIL**
- Oomoldic
 - Fuss
 - Algae
 - Amph
 - Belm
 - Bioclst
 - Brach
 - Bryozoa
 - Cephal
 - Coral
 - Crin
 - Echin
 - Fish
 - Foram
 - Fossil
 - Gastro
 - Oolite
 - Ostra
 - Pelec
 - Pellet
 - Pisolite
 - Plant
 - Strom
- MINERAL**
- City

- Sand
- Dol
- Chlorite
- Anhy
- Arggrn
- Arg
- Bent
- Bit
- Brecfrag
- Calc
- Carb
- Chtdk
- Chtlt
- Dol
- Feldspar
- Ferrpel
- Ferr
- Glau
- Gyp
- Hvymin
- Kaol
- Marl
- Minxl
- Nodule
- Phos
- Pyr
- Salt
- Sandy
- Silt
- Sil

STRINGER

- Red shale
- Sh
- Sandylms
- Lms
- Gryslt
- Grysh
- Dol
- Clystn
- Carbsh
- Anhy
- Arg
- Bent
- Coal
- Dol
- Gyp
- Ls
- Mrst
- Meta
- Sltstrg
- Ssstrg

TEXTURE

- Boundst
- Chalky
- Cryxl
- Earthy

- Sulphur
- Tuff
- Red shale
- Sh
- Sandylms
- Lms
- Gryslt
- Grysh
- Dol
- Clystn
- Carbsh
- Anhy
- Arg
- Bent
- Coal
- Dol
- Gyp
- Ls
- Mrst
- Meta
- Sltstrg
- Ssstrg

- Finexln
- Grainst
- Lithogr
- Microxln
- Mudst
- Packst
- Wackest

OIL SHOW

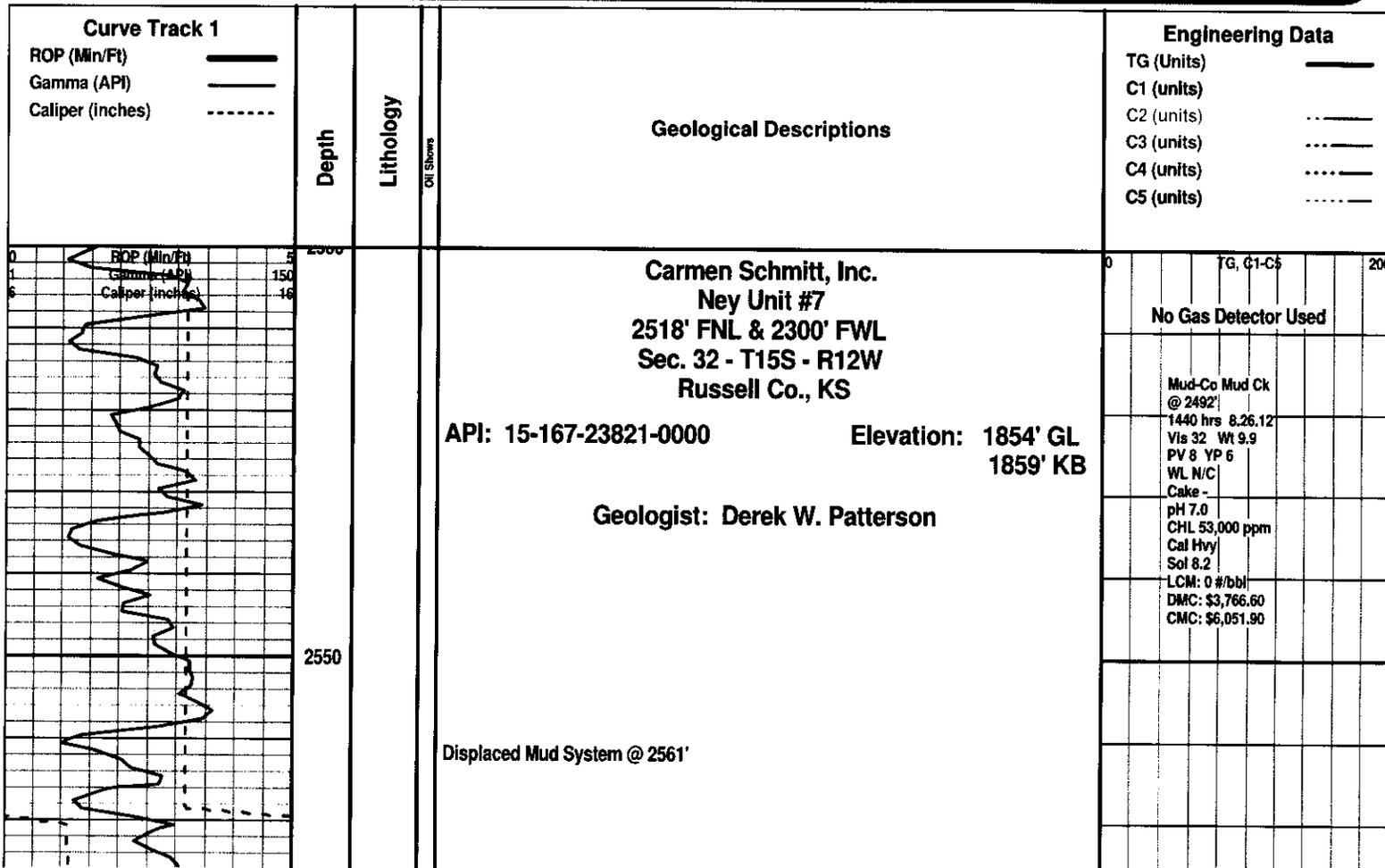
- Gas show
- Good
- Fair
- Poor
- Dead

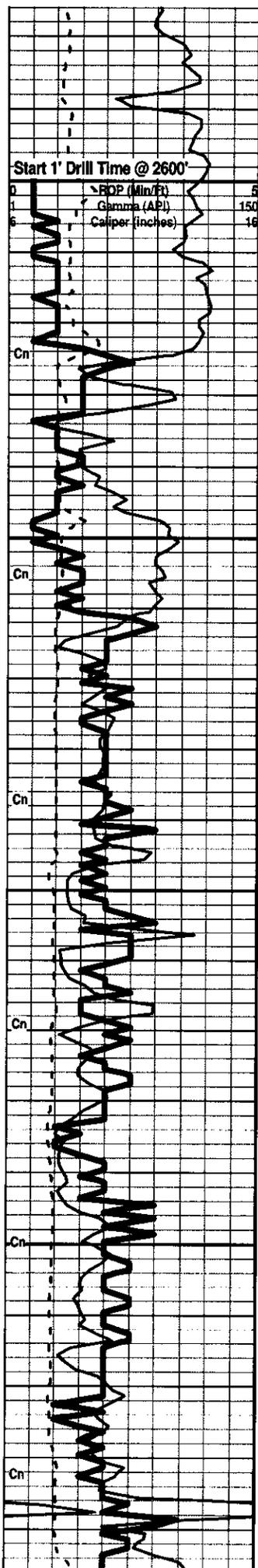
INTERVAL

- Dst
- Core
- Dst
- Straddle test t

EVENT

- Rft
- Sidewall
- Dst
- Open hole
- Perforations





Start 10' Wet & Dry Samples @ 2600'

Shale: gray dk gray lt gray, blocky to rounded, hard to softer and mushy, very silty.

Limestone: gray dk gray cream brown, very dense matrix, microxn, barren, no visible porosity, no shows noted, no fluorescence.

Shale: gray dk gray lt gray, blocky to rounded, hard to softer and mushy, very silty.

Limestone: gray dk gray cream brown, very dense matrix, microxn, fossiliferous to barren, some pieces very shaley, poor-no visible porosity, no shows noted, dull pale yellow mineral fluorescence in scattered pieces.

Shale: gray dk gray lt gray, blocky to rounded, hard to softer and mushy, very silty, with some scattered Siltstone: gray lt gray, speckled, dense matrix, vgrained, heavily micaceous, fair intergranular porosity, no shows noted, no fluorescence.

—Topeka 2661 (-802)—

Limestone: lt tan gray cream, softer sub-chalky to dense tight matrix, sub-fossiliferous to barren, heavy 2ndary xln in majority of pieces, fair-poor interxn porosity, no shows noted, no fluorescence.

Vis: 49
Wt: 8.7
LCM: 1/2 #bb1

Predominately Limestone: gray dk gray, dense matrix, microxn, barren to sub-fossiliferous, poor interxn porosity, no shows noted, no fluorescence, with scattered Limestone as above.

Limestone: gray dk gray, dense matrix, microxn, barren to sub-fossiliferous, poor interxn porosity, no shows noted, no fluorescence, with some interbedded Shale: gray dk gray, blocky to rounded, mostly soft, silty in part.

Limestone: gray cream mottled, softer sub-chalky to dense tight matrix, fossiliferous to barren, fair-poor interxn porosity, no shows noted, spotty bright yellow mineral fluorescence in few pieces, with fair amount of Limestone as above.

Geologist Derek W. Patterson On Location, 2230 hrs 8.26.12

Limestone: cream lt cream off white lt gray some mottled, sub-chalky dense matrix, micro-vfxn, mostly fossiliferous to heavily fossiliferous, fair amount of 2ndary xln along edges, fair interxn porosity, no shows noted, poor spotty bright lt yellow mineral fluorescence.

Vis: 54
Wt: 8.8

Limestone: cream lt cream, mostly dense matrix, vfxn, fossiliferous to heavily fossiliferous, scattered arenaceous material, fair amount of 2ndary xln, some imbedded calcite crystals, overall fair interxn porosity, no shows noted, scattered poor mineral fluorescence.

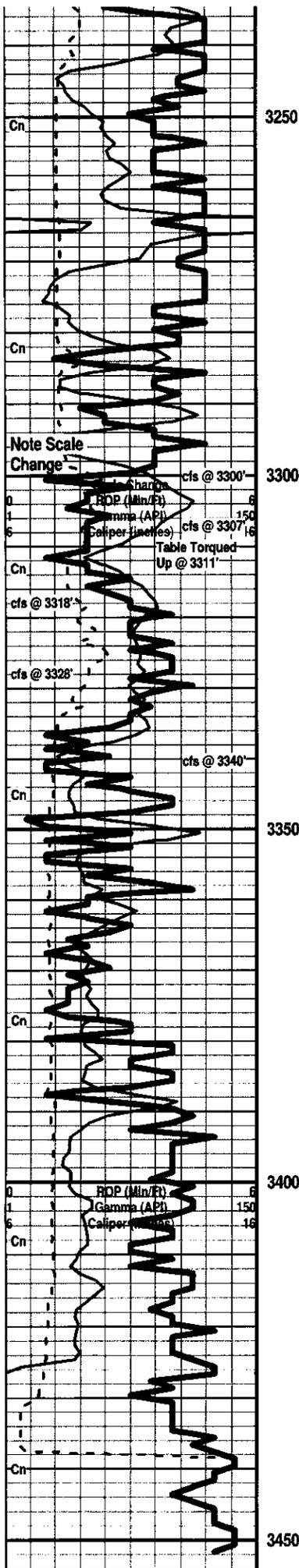
Limestone: cream lt cream tan, dense cherty matrix, micro-vfxn, fossiliferous to heavily fossiliferous, scattered loose fossils in sample, fair inter-fossiliferous porosity, no shows noted, no fluorescence, with some scattered Chert: cream tan, fresh and sharp, fossiliferous in part.

Limestone: cream gray off white mottled, sub-chalky slightly dense matrix, micro-vfxn, most fossiliferous, fair amount of imbedded calcite crystals and scattered 2ndary xln fill, fair interxn porosity in most, no shows noted, scattered poor mineral fluorescence.

—King Hill 2786 (-927)—

Shale: black dk gray, carbonaceous, blocky, hard to waxy, good show gas bubbles.

Shale: gray dk gray, blocky to rounded, mostly hard to waxy, with scattered Siltstone: gray lt gray, speckled, dense matrix, vgrained, heavily micaceous, fair intergranular porosity, no shows noted, no



Predominately Shale: gray dk gray it green, mostly rounded and softer with some scattered blocky fissile material, silty in part.

Limestone: cream lt cream off white tan, dense tight matrix, microxn, sub-fossiliferous to barren, heavy amount of 2ndary xln along edges, poor visible porosity, no shows noted, no fluorescence, no odor.

Limestone: cream lt tan, dense tight matrix, microxn, sub-fossiliferous to barren, heavy amount of 2ndary xln along edges, poor visible porosity, no shows noted, no fluorescence, no odor.

Hushpuckney 3264 (-1405)

Shale: trace black, carbonaceous, blocky, hard and waxy, slight show bleeding gas bubbles upon break, with Shale: gray dk gray dk green, blocky to rounded, hard to softer and waxy, silty/pyritic in part.

Limestone: cream lt tan, dense tight matrix, microxn, sub-fossiliferous to barren, fair amount of 2ndary xln fill, poor visible porosity, no shows noted, no fluorescence, no odor.

Base Kansas City 3282 (-1423)

Shale: gray dk gray brick red dk green, blocky to rounded, most softer, silty/pyritic.

Limestone: tan brown, dense tight cherty matrix, micro-vfxln, barren, poor visible porosity, no shows noted, no fluorescence, no odor.

Basal Penn Conglomerate 3293 (-1434)

3300' cfs 20"/40" - INFLUX Conglomerate - Shale: as above, with Limestone: tan lt cream, dense tight cherty matrix, micro-vfxln, barren, poor visible porosity, no shows noted, no fluorescence, and scattered Clay: red, round and soft, some sandy.

3307' cfs 20"/40" - Continued Conglomerate as above, with scattered Limestone: lt cream off white, dense, microxn, barren, small vugs, 2ndary xln along edges, fair porosity, slight stain in vugs, poor show heavy brown oil with fair increase upon break, even lt yellow fluorescence, fair bluish-white cut fluorescence, no odor.

3318' cfs 20"/40" - Conglomerate - Mixed Shale, Chert, and Limestone, no shows noted, with scattered erosional Quartzite: pink lt pink red gray lt gray clear, dense and hard, fractured, fair-good amount of magnetite and shale/mica inclusions, poor visible porosity, no live shows noted, no fluorescence, no cut fluorescence, no odor, samples washes reddish-brown.

3328' cfs 20"/40"/60" - Conglomerate - Mixed Shale, Chert, Limestone, and continued scattered erosional Quartzite, no shows noted, no odor, samples washes reddish-brown.

3340' cfs 20" - Conglomerate - Mixed as above, no shows noted, no fluorescence.

Precambrian Quartzite 3336 (-1477)

3340' cfs 40"/60" - INFLUX - Quartz/Quartzite: loose clear grains, most large and uncemented, angular to sub-rounded, poorly sorted, fair-good intergranular porosity in cemented clusters, no shows noted, no fluorescence, no cut fluorescence, no odor.

INFLUX - Quartzite: clear/white lt pink lt gray lt red, dense and hard, heavily fractured, fair amount of magnetite and shale/mica inclusions, fair surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor.

Quartzite: clear/white lt pink lt gray lt red, dense and hard, heavily fractured, fair amount of magnetite and shale/mica inclusions, fair surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor.

Quartzite: clear/white lt pink lt gray lt red, dense and hard with some granular surface texture, heavily fractured, fair amount of magnetite and shale/mica inclusions, fair surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor, with scattered Schist: metallic lt red gray lt gray maroon, mostly hard, flakey.

Quartzite: predominately clear/white with some scattered lt pink, dense and hard with some granular surface texture, heavily fractured, heavy amount of magnetite and shale/mica inclusions, fair surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor.

Quartzite: clear/white, dense and hard with some granular surface texture, heavily fractured, heavy amount of magnetite and shale/mica inclusions, fair surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor.

Quartzite: clear/white, dense and hard, heavily fractured, heavy amount of magnetite and shale/mica inclusions, fair surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor.

Quartzite: clear/white, dense and hard, heavily fractured, heavy amount of magnetite and shale/mica inclusions, fair-poor surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor.

Quartzite: clear/white, dense and hard, heavily fractured, heavy amount of magnetite and shale/mica inclusions, fair-poor surface porosity and scattered fracture porosity, no shows noted, no fluorescence, no odor.

LTD 3452 (-1593)

Cal 20
Sol 5.5
LCM: 1 #/bbl
DMC: \$999.60
CMC: \$7,976.25

Vis: 48
Wt: 9.2
LCM: 1 #/bbl

Mud-Co Mud Ck @ 3386'
1255 hrs 8.29.12
Vis 49 Wt 9.2
PV 15 YP 12
WL 9.2
Cake 1/32"
pH 10.0
CHL 5,000 ppm
Cal 20
Sol 6.1
LCM: 1 #/bbl
DMC: \$304.15
CMC: \$8,280.40

Vis: 50
Wt: 9.1
LCM: 1 #/bbl

RTD 3450 (-1591)

Orders Received to Run 5 1/2" Production Casing For Further Evaluation

Geologist Derek W. Patterson Off Location, 0115 hrs 8.30.12

**Respectfully Submitted,
Derek W. Patterson**

SWIFT



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



Invoice

DATE	INVOICE #
8/30/2012	23271

BILL TO
Carmen Schmitt, Inc. P. O. Box 47 915 Harrison Great Bend, KS 67530-0047

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#7	Ney Unit	Russell	Mallard IV	Oil	Development	5-1/2" LongString	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				50	Miles	6.00	300.00
578D-L	Pump Charge - Long String - 3435 Feet				1	Job	1,500.00	1,500.00
402-5	5 1/2" Centralizer				8	Each	70.00	560.00T
403-5	5 1/2" Cement Basket				2	Each	250.00	500.00T
404-5	5 1/2" Port Collar - 1502 Feet				1	Each	2,400.00	2,400.00T
406-5	5 1/2" Latch Down Plug & Baffle				1	Each	250.00	250.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	350.00	350.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
221	Liquid KCL (Claylix)				2	Gallon(s)	25.00	50.00T
276	Flocele				50	Lb(s)	2.00	100.00T
283	Salt				500	Lb(s)	0.20	100.00T
284	Calscal				5	Sack(s)	35.00	175.00T
285	CFR-1				50	Lb(s)	4.00	200.00T
290	D-Air				2	Gallon(s)	35.00	70.00T
325	Standard Cement				100	Sacks	13.50	1,350.00T
330	Swift Multi-Density Standard (MIDCON II)				100	Sacks	16.50	1,650.00T
581D	Service Charge Cement				200	Sacks	2.00	400.00
583D	Drayage				511.5	Ton Miles	1.00	511.50
Subtotal								11,091.50
Sales Tax Russell County							8.30%	695.54
								12910.0407
								710/43
								Cement Pdn Csg
								Well File
We Appreciate Your Business!						Total	\$11,787.04	



CHARGE TO: **CARMEN SCAMITT**
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET No. **23271**

PAGE 1 OF 2

SERVICE LOCATIONS: 1. **NESS CITY, KS.**
 WELL/PROJECT NO.:
 LEASE: **NEY UNIT #7**
 COUNTY/PARISH: **RUSSELL**
 STATE: **KS**
 CITY: **BEAVER, KS**
 DATE: **30 AUG 12**
 OWNER:
 TICKET TYPE: SERVICE SALES
 CONTRACTOR: **MALLARD DRILLING**
 RIG NAME/NO:
 SHIPPED VIA:
 DELIVERED TO:
 ORDER NO.:
 WELL TYPE: **OIL**
 WELL CATEGORY: **DEVELOPMENT**
 JOB PURPOSE: **5 1/2 LONGSTRING**
 WELL PERMIT NO.:
 WELL LOCATION: **4N, 1 1/2 W, 1/2 N, E INTO**
 REFERRAL LOCATION:
 INVOICE INSTRUCTIONS:

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UM		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575					MILEAGE #110	50		mil		6.00	300.00
578					PUMP CHARGE	1		3435	ft	1500.00	1500.00
402					CENTRALIZERS	8		EA		70.00	560.00
403					CEMENT BASKETS	2		EA		250.00	500.00
404					PORT COLLAR	1		EA	1502	2400.00	2400.00
406					LATCH DOWN PLUG & BAFFLE	1		EA		250.00	250.00
407					INSERT FLOAT SHADE W/AUTO FILL	1		EA		350.00	350.00
281					MUD FLUSH	500		gal		1.25	625.00
221					LIQUID KCL	2		192		25.00	50.00

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

x *Rustin H. Hahn*
 DATE SIGNED: **30 AUG 12** TIME SIGNED: **1015** 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	
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				PAGE TOTAL 1 6535.00
WE UNDERSTOOD AND MET YOUR NEEDS?				2 4556.50
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				sub total 11,091.50
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Russell TAX 18.3% 695.54
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL 11,787.04
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES: *[Signature]* APPROVAL: *[Signature]*
 The customer hereby acknowledges receipt of the material and services listed on this ticket.
 Thank You!



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

TICKET CONTINUATION

TICKET No. 23271

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	WELL		DATE		UNIT PRICE	AMOUNT
		LOC	ACCT	DF			QTY.	UM	QTY.	UM		
276						FLOCELE	50	lbs			2.00	100.00
283						SALT	500	lbs			0.20	100.00
284						CALSEAL	5	sk			35.00	175.00
285						CFR-1	50	lbs			4.00	200.00
290						DAIR	2	sk			35.00	70.00
325						STANDARD CEMENT EA 2	100	sk			13.50	1350.00
330						SWIFT MULTI DENSITY	100	sk			16.50	1650.00
581						SERVICE CHARGE					2.00	400.00
583						MILEAGE CHARGE					1.00	511.50
							TOTAL WEIGHT	20760				
							LOADED MILES	50				
							TON MILES	511.50				
CONTINUATION TOTAL											4556.50	

JOB LOG

SWIFT Services, Inc.

DATE 30 AUG 12 PAGE NO.

CUSTOMER
CARMEN SCHMITT

WELL NO.

LEASE
NEY UNIT # 7

JOB TYPE
5 1/2 LONGSTRING

TICKET NO.
23271

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0530							ON LOCATION
	0645							START PIPE 5 1/2 - 14" RTD @ 3450 LTD @ 3452 SHOE JT 20.88 SET @ 3435 CENTRALIZERS 3, 5, 7, 8, 9, 11, 13, 48 BASKETS 2, 46 PORT COLLAR TOP OF JT # 47 @ 1520
	0811				✓			DROP BALL CIRCULATE
	0854	6	12		✓		300	Pump 500 gal MUD FLUSH
		6	20		✓		300	Pump 20 Bbl KCL FLUSH
	0858		7					PLUG RH - 30 SX
	0900	4	25 1/2		✓			MIX 70 SX SMD
		4	24		✓			MIX 100 SX EA2
	0916							WASH OUT PUMP & LINES
	0918	6			✓			START DISPLACING PLUG
	0938		83		✓		1400	PLUG DOWN PSI UP - LATCH PLUG IN
	0940				✓			RELEASE PSI - DRY
	0945							WASH TRUCK
	1015							JOB COMPLETE
								THANKS #110
								JASON JEFF JOHN

SWIFT



Services, Inc.

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



Invoice

DATE	INVOICE #
9/13/2012	22830

BILL TO
Carmen Schmitt, Inc. P. O. Box 47 915 Harrison Great Bend, KS 67530-0047

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#7	Ney Unit	Russell		Oil	Development	Cement Port Collar	Don
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				50	Miles	6.00	300.00
576D-D	Pump Charge - Port Collar - 1520 Feet				1	Job	1,250.00	1,250.00
290	D-Air				2	Gallon(s)	35.00	70.00T
330	Swift Multi-Density Standard (MIDCON II)				200	Sacks	16.50	3,300.00T
276	Flocele				50	Lb(s)	2.00	100.00T
104	5 1/2" Port Collar Tool Rental				1	Each	250.00	250.00T
581D	Service Charge Cement				200	Sacks	2.00	400.00
583D	Drayage				497.55	Ton Miles	1.00	497.55
	Subtotal							6,167.55
	Sales Tax Russell County						8.30%	308.76
	12930.0007							
	770/43							
	Cement port collar							
	Well file							
We Appreciate Your Business!							Total	\$6,476.31



CHARGE TO: Laura Schmitt
 ADDRESS:
 CITY, STATE, ZIP CODE:

TICKET No 22830

PAGE 1 OF 1

SERVICE LOCATIONS 1. <u>Hays, KS</u>	WELL/PROJECT NO. # <u>7</u>	LEASE <u>Ney Unit</u>	COUNTY/PARISH <u>Russell</u>	STATE <u>KS</u>	CITY	DATE <u>9-13-12</u>	OWNER
2. <u>Ness City, KS</u>	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR	RIG NAME/NO.	SHIPPED VIA <u>CT</u>	DELIVERED TO <u>N/Bear, KS</u>	ORDER NO.	
3.	WELL TYPE <u>D1</u>	WELL CATEGORY <u>Inf:60</u>	JOB PURPOSE <u>Cement Port Collar 150'</u>	WELL PERMIT NO.		WELL LOCATION	
4.	REFERRAL LOCATION	INVOICE INSTRUCTIONS					

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF			UM		UM	
575		1			MILEAGE #113	50	mi	6000		300000
576.D		1			Pump Charge - cur Port Collar	1	hr	1350	A	135000
89D		1			D-Air	25	gal	3500		70000
330		2			SAND Cement	200	SKS	19852	lb	330000
276		2			Fluocel	50	lbs	200		10000
109		2			Port Collar Tool Rental	1	hr	5 1/2	in	25000
581		2			Service Charge	200	SKS	19922	lb	40000
583		2			Drainage	50	mi	19955	TH	99755

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

X Paul J. Hutzlmaier
 DATE SIGNED 9-13-12 TIME SIGNED 2:30 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	6168.55
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?					
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?					
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO			
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				TOTAL	6476.31

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

SWIFT OPERATOR: Paul J. Hutzlmaier APPROVAL: _____

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 9-13-12 PAGE NO. 1

CUSTOMER Carven Schmitt WELL NO. # 17 LEASE Ney Unit JOB TYPE Cement Port Collar TICKET NO. 22830

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0930					2 7/8	5 1/2	Dr. location with P.C tool P.C @ 1530 = 8.8 Tbs 77 BBL ⁴⁰⁰ 1000 / hole
	11:00 12:15					800 1000	800 1000	Setup Tube Tst P.C closed - Okinoid Rubber 800 [#]
		3	3			C	200	Open P.C - 2 in rule Hook to 2 7/8 Tbs
		3	3				250	Start H ₂ O Ahead 3 BBL H ₂ O Returns Start SMD cont.
			95					Cent CIR @ 170 STS @ 11.2 [#] /gal
			10					Mix 30 STS @ 13 [#] /gal
			7					Fin cont - Displ 7 BBL H ₂ O
						1000	1000	Close in Tbs - Tst P.C closed Run 5 STS Tbs. Row-out - 2 flags clean Job complete Wash up & Packup
	1400							<i>[Signature]</i> Don J. Brown J. Rob
								170 STS @ 11.2 [#] /gal to CIR. 30 STS @ 13 [#] /gal - Tail end 200 STS Total cont used



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: 8/27/2012
 Invoice # 838

P.O.#:

Due Date: 9/26/2012

Division: Russell

Invoice

Contact:

Carmen Schmitt Inc
Address/Job Location:
 Carmen Schmitt Inc
 P.O. Box 47
 Great Bend Ks 67530

Reference:

NEY UNIT 7

Description of Work:

LONG SURFACE JOB

12910.0007

710/43

Cement surface csg

with fill

Services / Items Included:

	Quantity	Price	Taxable
Labor		\$ 991.39	No
Common-Class A	250	\$ 3,311.43	Yes
Bulk Truck Mat-Material Service Charge	264	\$ 573.26	No
Calcium Chloride	9	\$ 465.71	Yes
Pump Truck Mileage-Job to Nearest Camp	22	\$ 238.38	No
Bulk Truck Mileage-Job to Nearest Bulk Plant	22	\$ 139.49	No
8 5/8" Top Rubber Plug	1	\$ 115.09	Yes
Premium Gel (Bentonite)	5	\$ 88.38	Yes

Item	Quantity	Price	Taxable
------	----------	-------	---------

Invoice Terms:

Net 30

SubTotal: \$ 5,923.11

Discount Available ONLY if Invoice is Paid & Received within listed terms of invoice: \$ (888.47)

SubTotal for Taxable Items: \$ 3,383.51

SubTotal for Non-Taxable Items: \$ 1,651.14

Total: \$ 5,034.65

Tax: \$ 280.83

6.30% Russell County Sales Tax

Amount Due: \$ 5,315.48

Applied Payments:

Balance Due: \$ 5,315.48

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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QUALITY OILWELL CEMENTING, INC.

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

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

No. 838

Date	8-24-12	Sec.	32	Twp.	15	Range	12	County	RUSSELL	State	KANSAS	On Location		Finish	10:45 AM	
Lease	New Unit		Well No.	#7		Location Russell 5 to Michael Rd 9 E										
Contractor	MALLARD					Owner	CARMEN SCHMITT					3/4 S Wind				
Type Job	SURFACE					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.										
Hole Size	12 1/4		T.D.	572'												
Csg.	8 5/8		Depth	572'												
Tbg. Size			Depth													
Tool			Depth													
Cement Left in Csg.			Shoe Joint	80'												
Meas Line			Displace	39 BLS												
EQUIPMENT						Charge To	CARMEN SCHMITT									
						Street	P.O. Box 47									
						City	GREAT BEARD State KS, 67530									
The above was done to satisfaction and supervision of owner agent or contractor.																
						Cement Amount Ordered	250 COM - 3cc - 28 GEL									

Pumptrk #9 No.	Cement Helper	DAVE	Common	250
Bulktrk #14 No.	Driver	CODY	Poz. Mix	
Bulktrk #10 No.	Driver	CHAS	Gel.	5

JOB SERVICES & REMARKS					Calcium	9
Remarks:					Hulls	
Rat Hole					Salt	
Mouse Hole					Flowseal	
Centralizers					Kol-Seal	
Baskets					Mud CLR 48	
D/V or Port Collar					CFL-117 or CD110 CAF 38	
CEMENT DID CIRCULATE!					Sand	
					Handling	264
					Mileage	

HEAD & MANIFOLD ON LOCATION.					FLOAT EQUIPMENT	
					Guide Shoe	
					Centralizer	
					Baskets	
					AFU Inserts	
					Float Shoe	
					Latch Down	

THANK YOU!					Pumptrk Charge	Long Surface
					Mileage	22
Signature <i>Mallard</i>					Tax	
					Discount	
					Total Charge	