

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

Form ACO-1

June 2009

Form Must Be Typed
in must be Signed
in blue ink must be Filled

ORIGINAL

OPERATOR: License # 32119
Name: Northern Natural Gas CO.
Address 1: 1111 South 103rd Street
Address 2: _____
City: Omaha State: NE Zip: 68124 +
Contact Person: Michael Loeffler
Phone: (402) 398-7103
CONTRACTOR: License # 34541
Name: Ninnescah Drilling, LLC
Wellsite Geologist: Frank Mize #365
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.): Gas Storage Observation Well

If Workover/Re-entry: Old Well Info as follows:

Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-part 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>8/11/12</u>	<u>8/20/13</u>	<u>Well has not been completed</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-151-22395 -00-00
Spot Description: _____
NW SW NW SW Sec. 27 Twp. 28 S. R. 11 East West
1,917 Feet from North / South Line of Section
193 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Pratt
Lease Name: Northern Natural Gas Co. Well #: OB 27-41
Field Name: Haynesville East
Producing Formation: N/A-Observation Well not completed
Elevation: Ground: 1808' Kelly Bushing: 1821'
Total Depth: 4538' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 1860' 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: 10000 ppm Fluid volume: 1795 bbls
Dewatering method used: Chemical Dewatering (Solids sent to Guard Disposal)
Location of fluid disposal if hauled offsite:
Operator Name: Guard Disposal, Enid, Oklahoma
Lease Name: _____ License #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]
Title: Engineer Date: 3/22/13

KCC Office Use ONLY

- Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Dlg Date: 3/28/13

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Operator Name: Northern Natural Gas Co. Lease Name: Northern Natural Gas Co. Well #: OB 27-41
 Sec. 27 Twp. 26 S. R. 11 East West County: Pratt

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 (Attach Additional Sheets) 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 (If no, Submit Copy)	<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>Heebner</td> <td>3491'</td> <td>-1670'</td> </tr> <tr> <td>Base Kansas City</td> <td>4030'</td> <td>-2209'</td> </tr> <tr> <td>Mississippi</td> <td>4117'</td> <td>-2296'</td> </tr> <tr> <td>Kinderhook Shale</td> <td>4204'</td> <td>-2883'</td> </tr> <tr> <td>Viola Lime</td> <td>4333'</td> <td>-2512'</td> </tr> <tr> <td>Simpson Sand</td> <td>4449'</td> <td>-2628'</td> </tr> <tr> <td>Arbuckle</td> <td>4524'</td> <td>-2703'</td> </tr> </table>	Name	Top	Datum	Heebner	3491'	-1670'	Base Kansas City	4030'	-2209'	Mississippi	4117'	-2296'	Kinderhook Shale	4204'	-2883'	Viola Lime	4333'	-2512'	Simpson Sand	4449'	-2628'	Arbuckle	4524'	-2703'
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List All E. Logs Run:
 Density/Neutron, Array Induction, Microlog, Comp.
 Sonic, Spectral GR, 13 3/8" bond, log 7" bond log

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
Conductor	17"	13 3/8"	48	177'	Class A	240	2% CoCl, 1/4# CelloFlake
Surface	12 1/4"	9 5/8"	38	1860'	Class A	530	2% CoCl, 1/4# CelloFlake
Production	7 7/8"	5 1/2"	15.5	4514' GL	Class A	260/150	A Con /AA2

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
None	Waiting on Completion		

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR: _____ Producing Method:
 Flowing Pumping Gas Lift Other (Explain) _____

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	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 (If vented, Submit ACO-18.)	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled (Submit ACO-5) (Submit ACO-4) <input checked="" type="checkbox"/> Other (Specify) <u>Not Perforated or Completed</u>	PRODUCTION INTERVAL: <u>W/A</u>
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

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Legal Department
1111 South 103 Street
Omaha NE 68124
Phone: 402-398-7003
Cell: 402-740-7793
Fax: 402-398-7426

March 22, 2013

Mr. Steve Bond
Ms. Deanna Garrison
Production Department Supervisor
Oil & Gas Conservation Division
Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, KS 67202-3802

Re: Northern Natural Gas
API Well No. 15-151-22395-00-00
OB 27-41
NWSWNWSW, 27-26S-11W
Pratt County, KS

Dear Mr. Bond and Ms. Garrison:

Northern Natural Gas Company ("Northern") encloses herewith Kansas Corporation Commission ("KCC") Form ACO-1 for observation well 27-41. Even though this well will not be completed, in conversations with counsel for the KCC we were advised to complete and submit the form for your records. If you have any questions regarding the enclosed KCC Form ACO-1, please contact me.

We understand that, upon acceptance of the KCC Form ACO-1, the KCC will rescind the Final Notice of Violation dated March 11, 2013, regarding observation well 27-41. By way of background, the well spud date for observation well 27-41 was August 11, 2012. On October 9, 2012, a deviation survey was run which determined that the wellbore was deviated, and the bottom of the well is off lease. Northern did not accept the well, and no completion activities were performed. When Northern received the results from the deviation survey, Northern's counsel immediately contacted counsel for the KCC to alert the KCC as to the situation. In this conversation, Northern identified two possible solutions to the deviated well: completion of the well in Section 28 with the approval of the appropriate interest owners, or the plugging and abandonment of the well and completion of a new well in Section 27. Northern agreed to notify the KCC when an option was adopted and to file the appropriate forms with the KCC. The well drilling company requested several extensions of time from Northern to attempt to negotiate approval from the interest owners in Section 28. However, the well drilling management company has been unsuccessful in attempts to obtain the leasehold rights for the location of the well. Northern therefore requested and received a plan from the well drilling management company to plug and abandon observation well 27-41. Northern anticipates a well

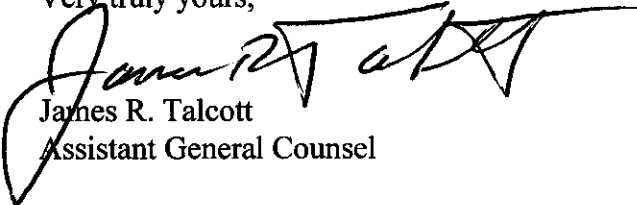
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plugging application and related documents for observation well 27-41 will be filed with the KCC in the near future.

When Northern received letters from the KCC dated January 30, 2013, and February 6, 2013, requesting drilling and completion information for observation well 27-41, Northern attempted to call Ms. Deanna Garrison and subsequently called Mr. Bond to discuss the status of the well. During the conversation with Mr. Bond, Northern stated that the well was not completed and therefore no completion information could be provided. During this conversation, Northern was left with the understanding that the concerns raised in the two letters regarding the submission of a completion report were addressed, and that no further action was required by Northern until the issues regarding observation well 27-41 were resolved. For these reasons, and in light of the submission of the enclosed KCC Form ACO-1, we understand the KCC will rescind the Final Notice of Violation.

Very truly yours,



James R. Talcott
Assistant General Counsel

Cc: Brian Mundt
Nick Marquardt
Greg Ammon
Kurt Maack
Mr. John McCannon, Kansas Corporation Commission

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BASIC

energy services, L.P.

TREATMENT REPORT

Customer TRES MANAGEMENT	Lease No.	Date 8-14-2012
Lease NNG OB	Well # 27-41	
Field Order # 06831	Station Pratt, Ks.	Casing 5 1/2"
Type Job CNW - 8 5/8" S.P.	Depth	County Pratt
	Formation TD-1885'	State Ks.
		Legal Description 27-26-11W

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 5 1/2"	Tubing Size	Shots/Ft	CMT-	Fluid 535 SK A-CON	Rate	Press	ISIP	
Depth 1263'	Depth	From	To	Pre Pad 2.12 CUFT³	Max		5 Min.	
Volume	Volume	From	To	Fluid 360 SK Common	Min SJ = 44'		10 Min.	
Max Press 1000	Max Press	From	To	Frac 2.12 CUFT³	Avg		15 Min.	
Well Connection	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
Plug Depth 1219'	Packer Depth	From	To	Flush 115.7 BBL	Gas Volume		Total Load	

Customer Representative LUTHER	Station Manager D. SCOTT	Treater K. LESLEY
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Service Units	37586	27283	19907	19889	19843	19899	73596
Driver Names	LESLEY	ORLANDO	GORDLEY	MARQUEZ		NELSON	

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
3:00 AM					ON LOCATION - SAFETY MEETING
5:00 AM					RUN 33 JTS. 8 5/8" X 24" CSG.
10:02 AM					CSG. ON BOTTOM
10:15 AM					HOOK UP TO CSG. / BREAK CIRC. W/ RIG
10:30 AM	250		5	4	H ₂ O AHEAD
10:31 AM	250		202	4	MIX 535 SKS. A-CON @ 12.6 PPG
11:08 AM	200		77	4	MIX 360 SKS. Common @ 15.6 PPG
11:27 AM					SHUT DOWN - RELEASE PLUG
11:30 AM			0	4	START DISPLACEMENT
11:55 AM	500		100	3	SLOW RATE
12:00 PM	1000		115.7	3	PLUG DOWN
					CIRC. THRU JOB
					CIRC. 120 BBL TO PIT
					JOB COMPLETE,
					THANKS -
					KEVEN LESLEY

Customer: <i>7-5 N.W. 1/4 Sec 10, T12N, R10E, S10</i>	Lease No.:	Date: <i>8-2-12</i>
Lease: <i>N 1/4 Sec 10</i>	Well #: <i>27-1</i>	
Field/Order #: <i>PRAT, KS.</i>	Casing: <i>5 1/2</i>	Depth: <i>107</i>
Station: <i>PRAT, KS.</i>	County: <i>Pratt</i>	State: <i>KS</i>
Type Job: <i>CRACK - LONG STRING</i>	Formation: <i>4540</i>	Legal Description: <i>27-10-11</i>

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME	
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP
<i>3 1/2</i>							
Depth: <i>4527</i>	Depth	From	To	Pre Pad	Max		5 Min.
Volume	Volume	From	To	Pad	Min		10 Min.
Max Press	Max Press	From	To	Frac	Avg		15 Min.
Well Connection	Annulus Vol.	From	To		HHP Used		Annulus Pressure
Plug Depth	Packer Depth	From	To	Flush	Gas Volume		Total Load

Customer Representative: <i>LUTHER</i>	Station Manager: <i>SCOTT</i>	Treater: <i>CORDLEY</i>
Service Units: <i>10-57 27383 27383 19831-19862 70959-19918</i>	Driver Names: <i>57715 102-10 JESSE JESSE</i>	

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>0700</i>					<i>ON LOCATION 44-11</i>
					<i>SUNSHY MEETING</i>
					<i>PLUG 4553' 5 1/2 15.5" C-G 103' ST</i>
					<i>LN HPU FRONT SIDE, LATCH</i>
					<i>DOWN B... IN SH... IT. Call</i>
					<i>(CENT. H... #1, 3, 6, 9, 13,</i>
					<i>38, 42, 45, 48</i>
					<i>WASIKET - 2110m #2 BOTTOM #41</i>
					<i>DU TOOL - 2110m #41 AT 272'</i>
					<i>BRACK CORR. ON IT 20, ST 01</i>
					<i>DROP BIT, ... AT 15'</i>
					<i>LOST CIRC, PICKUP 5 1/2</i>
					<i>15', MIX ... W/ HALLS,</i>
					<i>REGAIN CIRC.</i>
					<i>15' STAGE:</i>
<i>1130</i>			<i>5</i>	<i>5</i>	<i>PUMP 5 bbl. H2O</i>
<i>1210</i>			<i>46</i>	<i>5</i>	<i>PUMP 135 SK. A-COW ...</i>
					<i>AT 1310, ... 1.93 CF/5K</i>
<i>200</i>			<i>36</i>	<i>5</i>	<i>PUMP 150 SK. AT 2 ...</i>
					<i>AT 15.3 PD, 1130 CF/5K</i>
					<i>STOP - ...</i>