

Confidentiality Requested:

Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
July 2014

Form must be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

* Squeeze

OPERATOR: License # 32446

Name: Merit Energy Company, LLC

Address 1: 13727 Noel Road Ste 120

Address 2: _____

City: Dallas State: TX Zip: 75240 + _____

Contact Person: Idania Medina

Phone: (620) 629-4228

CONTRACTOR: License # 34199

Name: Rawhide Rig 7

Wellsite Geologist: N/A

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 (Corr. Expl., etc.): _____

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

Operator: OXY USA INC

Well Name: Baughman J-2

Original Comp. Date: 12/13/2007 Original Total Depth: 2795

- Deepening Re-perf. Conv. to ENHR Conv. to SWD
- Plug Back Conv. to GSW Conv. to Producer
- Commingled Permit #: _____
- Dual Completion Permit #: _____
- SWD Permit #: _____
- ENHR Permit #: _____
- GSW Permit #: _____

<u>12/16/2016</u>	<u>1/3/2017</u>
Spud Date or Recompletion Date	Date Reached TD Completion Date or Recompletion Date

API No. 15 - 175-22108 - 00 - 01

Spot Description: _____

NE SW SW Sec. 31 Twp. 32 S. R. 32 East West

1,250 Feet from North / South Line of Section

1,250 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

GPS Location: Lat: _____, Long: _____

(e.g. 33.3333)

(e.g. -100.0000)

Datum: NAD27 NAD83 WGS84

County: Seward

Lease Name: Baughman J Well #: 2

Field Name: Hugoton Gas Area

Producing Formation: Chase

Elevation: Ground: 2658 Kelly Bushing: 2665

Total Vertical Depth: 2795 Plug Back Total Depth: 2583

Amount of Surface Pipe Set and Cemented at: 649 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 cm.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: _____ ppm Fluid volume: _____ bbls

Dewatering method used: _____

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

INSTRUCTIONS: The original 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. If confidentiality is requested and approved, side two of this form will be held confidential for a period of 2 years. Rules 82-3-130, 82-3-106 and 82-3-107 apply. Drill Stem Test, Cement Tickets and Geological Well Report must be attached.

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: Idania Medina

Title: Regulatory Analyst Date: 10/18/2017

KCC Office Use ONLY

Confidentiality Requested

Date: _____

Confidential Release Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

ALT I II III Approved by: KGR Date: 10-19-2017

Operator Name: Merit Energy Company, LLC Lease Name: Baughman J Well #: 2
 Sec. 31 Twp. 32 S. R. 32 East West County: Seward

INSTRUCTIONS: Show important tops 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.

Final Radioactivity Log, Final Logs run to obtain Geophysical Data and Final Electric Logs must be emailed to kcc-well-logs@kcc.ks.gov. Digital electronic log files must be submitted in LAS version 2.0 or newer AND an image file (TIFF or PDF).

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No

List All E. Logs Run:

Log Formation (Top), Depth and Datum Sample
 Name See Original Top Datum

CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs./ Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input checked="" type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	877-912	CCAC	300	Please see attached

Did you perform a hydraulic fracturing treatment on this well? Yes No (If No, skip questions 2 and 3)

Does the volume of the total base fluid of the hydraulic fracturing treatment exceed 350,000 gallons? Yes No (If No, skip question 3)

Was the hydraulic fracturing treatment information submitted to the chemical disclosure registry? Yes No (If No, fill out Page Three of the ACO-1)

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Add, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD:	Size: <u>2.3750</u>	Set At: <u>2547</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>1/3/2017</u>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio
		<u>4.3</u>	<u>8.8</u>	

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" 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. (Submit ACO-5) <input checked="" type="checkbox"/> Other (Specify) <u>Squeeze</u>	PRODUCTION INTERVAL: <u>2434-2447</u> <u>2500-2522</u>
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Cementing Services
Field Ticket

Printed on 12/28/2016 at 11:58 AM

Field Ticket Number: Lib1216281125 Field Ticket Date: Wednesday, December 28, 2016

B/E To:
MERIT ENERGY COMPANY
P.O. Box 1293
Liberal, KS, 07901

Job Name: 05 Squeeze
Well Location: Seward, Kansas
Well Name: Baughman
Well Number: J-2
Well Type: New Well
Rig Number:
Shipping Point: Liberal, KS
Sales Office: Mid Con

PERSONEL		EQUIPMENT	
Hector Esqueda	Carlos Ibarra	993-541	705-467
Gerardo Burciago		1039-2	

SERVICES - SERVICES - SERVICES

DESCRIPTION	Qty	Unit	UNIT PRICE	Gross Amt	DISC (%)	Discount	Net Amount
PUMP, TUBING/SQ. CEMENT 501-1000 FT	1.00	mi. 4 hr	2,159.75	2159.75	37.0%	1,360.01	1,360.01
PHDL	312.00	percu FL	2.48	773.76	37.0%	487.47	487.47
DRYG	720.00	ton-mile	2.75	1980.00	37.0%	1,247.40	1,247.40
MILV	50.00	per mile	4.40	220.00	37.0%	138.00	138.00
MIHV	50.00	per mile	7.70	385.00	37.0%	242.55	242.55

FLOAT EQUIPMENT - FLOAT EQUIPMENT - FLOAT EQUIPMENT

MATERIALS - MATERIALS - MATERIALS

CCAC	300.00	sack	17.80	5,370.00	11.28	37.0%	3,383.10
CA-100	584.00	pound	1.10	620.40	0.89	37.0%	390.85

ADDITIONAL ITEMS - ADDITIONAL ITEMS - ADDITIONAL ITEMS

Additional hours, in excess of set hours		per hour	440.00	0.00	390.00	10.0%	0.00
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	Gross	Discount	Final
Services Total	5,617.51	2,041.48	3,476.03
Equipment Total	0.00	0.00	0.00
Materials Total	5,990.40	2,218.45	3,773.95
Additional Items	0.00	0.00	0.00
Final Total	11,607.91	4,267.93	7,249.98

Allied Rep
Customer Agent:

This output does NOT include taxes. Applicable sales tax will be billed on the final invoice.
Customer hereby acknowledges receipt of the materials and services described above and on the attached documents.
I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the following page.

* Blasius Chavez 12-28-16
Customer Signature

Field Ticket Total (USD):

\$7,249.98

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "ALLIED" shall mean Allied Oil & Gas Services, LLC, 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 ALLIED 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 ALLIED, refunded directly to CUSTOMER. For purposes of this paragraph, ALLIED 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 terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.



**Cementing Services
Field Ticket**

Printed on 12/28/2016 at 11:58 AM

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

-TOWING CHARGES: ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ 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 ALLIED, will be charged to and paid by the 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 ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

-DEADHAUL CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'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). ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED 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 ALLIED, 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 ALLIED'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 ALLIED or its employees.
- 2). With respect to any of ALLIED'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 moine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.
- 3). ALLIED 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). ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and services when installed, and used, and/or serviced in the manner provided and intended. ALLIED'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 ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED 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 ALLIED 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 ALLIED 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 ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of ALLIED.
- C). Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or its agent, and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.



Cement Job Summary

Job Number: Lib1216281125	Job Purpose: 05 Squeeze
Customer: MERIT ENERGY COMPANY	Date: 12/28/2016
Well Name: Baughman	Number: J-2
County: Seward	City: Liberal, KS
Cust. Rep:	Phone:
Legal Desc:	Rig Name:
Distance: 50 miles (one way)	Supervisor: Hector Esqueda

Employees:	Emp ID:	Employees:	Emp ID:
Hector Esqueda		Carlos Ibarra	
Gerardo Burciaga			

Equipment:	
993-541	705-467
1039-2	

Well Information						
Tubulars						
Description:	Size (In):	Wgt. (lb/ft)	ID (In)	Grade:	Top MD (ft)	Btm MD (ft)
PREVIOUS CASING	4 1/2	10.5	4.95	J-55	0	6,500
TUBING/DRILL PIPE	2 3/8	4.7	1.995	J-55	0	800
Squeeze Information						
Description:	# of Perfs	Perf/Leak Depth	Packer/Retainer Depth			
Leak	0		800			
Perfs			800			

Materials - Pumping Schedule					
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)
Lead 1	CLASS A COMMON	300	15.63	1.19	5.20
Add. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM
CA-100	CALCIUM CHLORIDE, PELLETS OR FLAKE	1.88	% BWOC	564.0	lbm

Job Number: Lib1216281125	Job Purpose: 05 Squeeze
Customer: MERIT ENERGY COMPANY	Date: 12/28/2016
Well Name: Baughman	Number: J-2
County: Seward	City: Liberal, KS
Cust. Rep:	Phone:
Distance: 50 miles (one way)	Supervisor: Hector Esqueda
Rig Phone:	0

TIME	PRESSURE - (PSI)		FLUID PUMPED DATA		COMMENTS
	TUBING	ANNULUS	VOLUME	RATE (BPM)	
7:30					arrived to location
7:45					rig up iron
8:30					prime up the pump
8:46	3500				pressure test to 3500Psi
8:59		600	1		loaded backside with 1bbl and pressure up to 600PSI
9:00					safety meeting
9:03	50			2	start injection rate
9:05	140		4 1/4	2.5	shut down injection rate was 2.5BPM at 140Psi



Cement Job Summary

9:15					start mixing the cement. Get the required weight before pumping
9:21	30		63.58	2.5	start pumping the tall cement @ 15.63#
9:42	0-140			1.2	slowed rate down to 1.2bpm
9:47	0			.5	slowed rate down to .5bpm
10:19			63.58		shut down all 300sacks of cement pumped. Close in well and open up the wash up line to was up the tub to the pit
10:20					start washing up
10:30					finished washing up the tub
					close in the wash up line valve and open up the tubing valve to start displacement
10:33	0			1	start displacement
10:34	120		1/2		caught up to cement with 1/2 a bbl
10:43	280		2	.3	2bbbls gone
10:46	300		2 1/4	.3	2 1/4 cleared packer
10:54	380				shut down for a little bit to monitor the pressure to make sure its not coming back up or loosing pressure
					pressure is holding right @ 380Psi
10:54	400			.3	start pumping again
11:04	550		4	.3	4bbbls in
11:11	550		5		shut down and watch pressure for a few min.
11:25	380				pressure held at 380Psi shut in well and rig down released from location @
					12:00