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OCT 29 2001

KCC WICHITA

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1  
September 1999  
Form Must Be Typed

ORIGINAL

Operator: License # 32446  
 Name: Merit Energy Company  
 Address: 12222 Merit Drive, Suite 1500  
 City/State/Zip: Dallas, TX 75251  
 Purchaser: \_\_\_\_\_  
 Operator Contact Person: Susan Austin-Morse  
 Phone: (972) 383-6526  
 Contractor: Name: Murfin Drilling Company  
 License: 30606  
 Wellsite Geologist: M. Bradford Rine  
 Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     Temp. Abd.  
 Gas     ENHR     SIGW  
 Dry     Other (Core, WSW, Expl., Cathodic, 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./SWD  
 Plug Back     Plug Back Total Depth  
 Commingled    Docket No. \_\_\_\_\_  
 Dual Completion    Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?)    Docket No. \_\_\_\_\_  

<u>8/10/01</u>	<u>8/13/01</u>	<u>8/24/01</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 055-21760 - 0000  
 County: Finney  
N/2 S/2 - SE Sec. 26 Twp. 21 S. R. 34  East  West  
1000' feet from (S) N (circle one) Line of Section  
1320' feet from (E) W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE (SE) NW SW  
 Lease Name: Hipp Heirs Well #: 2-26  
 Field Name: Hugoton  
 Producing Formation: Chase Group  
 Elevation: Ground: 2930' Kelly Bushing: 2940'  
 Total Depth: 3000' Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 271' Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 3000'  
 feet depth to surface w/ 575 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content 36,000 ppm Fluid volume 600 bbls  
 Dewatering method used Evaporation  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**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.

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: Susan Austin-Morse  
 Title: Regulatory Analyst Date: 10/25/01  
 Subscribed and sworn to before me this 25 day of Oct.  
18 2001.

Notary Public: \_\_\_\_\_  
 Date Commission Expires: LYNNE MOON  
 MY COMMISSION EXPIRES  
 November 24, 2005

**KCC Office Use ONLY**  
 Letter of Confidentiality Attached  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
KCC

X

Operator Name: Merit Energy Company Lease Name: Hipp Heirs Well #: 2-26  
 Sec. 26 Twp. 21 S. R. 34  East  West County: Finney

**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 copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  Compensated Neutron - Density/Micro Log Array Induction Shallow Focused Elec. Log <b>CEMENT BOND LOG</b>	<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>T/Chase (Hollenberg)</td> <td>2542'</td> <td>+401'</td> </tr> <tr> <td>Herrington</td> <td>2560'</td> <td>+383'</td> </tr> <tr> <td>Krider</td> <td>2584'</td> <td>+359'</td> </tr> <tr> <td>Winfield</td> <td>2621'</td> <td>+322'</td> </tr> <tr> <td>Towanda</td> <td>2687'</td> <td>+256'</td> </tr> </table>	Name	Top	Datum	T/Chase (Hollenberg)	2542'	+401'	Herrington	2560'	+383'	Krider	2584'	+359'	Winfield	2621'	+322'	Towanda	2687'	+256'
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CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	24#	271'	Com	150 sx	3%CC+2%Gel
Long String	7 7/8"	5 1/2"	15.5#	3000'	Lite	450 sx	1/4# Flocel
					Class C	125 sx	1/4# Flocel

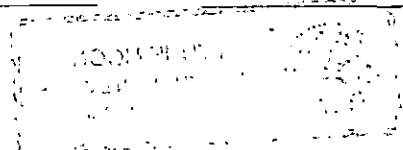
ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type	Acid, Fracture, Shot, Cement Squeeze Record	Depth
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used)	
1 spf	2551' - 2577'	Acidized w/ 500 gal 15% NEFE	2551-2756'
1 spf	2603', 2609', 2623', 2628', 2635', 2640', 2691', 2693', 2700', 2714', 2708', 2716', 2747', 2751', 2756'.	Frac'd w/ 24,444 gal WF 130, 700 Foam & 695,580 SCF N2 & 152,100# 16/30 sand.	2555-2756'

TUBING RECORD		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <b>Temporarily Abandoned</b>		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	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  
*(If vented, Sumit ACCO-18.)*  Other (Specify) \_\_\_\_\_

METHOD OF COMPLETION Production Interval **2551' - 2756' OA**



208471  
ALLIED CEMENTING CO., INC.

P.O. BOX 31  
RUSSELL, KS 67665  
PH (785) 483-3887  
FAX (785) 483-5566  
FEDERAL TAX ID# 48-0727860

15.055.21760.0000

\*\*\*\*\*Bernacko

RECEIVED

\* INVOICE \*

OCT 29 2001

15-055-21760

ORIGINAL

KCC WICHITA

Invoice Number: 085009

Invoice Date: 08/14/01

55865

*(Handwritten scribble)*

Sold Merit Energy Company  
To: 12222 Merit DR, STE #1500  
Dallas, TX  
75251

Cust. I.D.: Merit  
P.O. Number: Hipp-Heirs2-26  
P.O. Date: 08/14/01

Due Date: 09/13/01  
Terms: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	190.00	SKS	7.8500	1491.50	E
Gel	3.00	SKS	10.0000	30.00	E
Chloride	6.00	SKS	30.0000	180.00	E
Handling	199.00	SKS	1.1000	218.90	E
Mileage (65)	65.00	MILE	7.9600	517.40	E
199 sks @ \$.04 per sk per mi					
Surface	1.00	JOB	520.0000	520.00	E
Mileage pmp trk	65.00	MILE	3.0000	195.00	E
Plug	1.00	EACH	45.0000	45.00	E
Guide Shoe	1.00	EACH	215.0000	215.00	E
Baffle Plate	1.00	EACH	45.0000	45.00	E
Centralizers	3.00	EACH	55.0000	165.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 3622.80  
Date of Invoice. 1 1/2% Charged Thereafter. Tax: 0.00  
If Account CURRENT take Discount of \$ 362.28 Payments: 0.00  
ONLY if paid within 30 days from Invoice Date Total: 3622.80

INVOICE # 085009

BATCH #	TRANS #	DATE 8/28/01	CO #
APPROVED BY			
CC#	GL#	AMOUNT	AFE #
	830.31	\$3622.80	15645
			WELL/PROSP #
			412.1272

Could not find cementing tax, hope

this will suffice!

Susan

# ALLIED CEMENTING CO., INC. 7203

Federal Tax I.D.# 48-0727830

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT:

Oakley

DATE <u>8-13-01</u>	SEC <u>26</u>	TWP <u>21S</u>	RANGE <u>34E</u>	CALLED OUT	ON LOCATION <u>7:30 AM</u>	JOB START <u>11:45 PM</u>	JOB FINISH <u>1:00 AM</u>
WELL # <u>2-26</u>	LOCATION <u>Canna 5 1/2 W 1/4 N W 180</u>			COUNTY <u>Finney</u>	STATE <u>KS</u>		

CONTRACTOR Mudra Drilling Rig 24 OWNER SARR

TYPE OF JOB Longstring

HOLE SIZE 7 1/2" ID' 3000'

CASING SIZE 5 1/2" DEPTH 30100'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX 1500# MINIMUM

MEAS. LINE SHOE JOINT 14.50'

CEMENT LEFT IN CSG. 44.30'

PERFS.

DISPLACEMENT 20 3/4 Bbls

EQUIPMENT

PUMP TRUCK # 191 CEMENTER Deano

BULK TRUCK # 347 HELPER Andrew

BULK TRUCK # 303 DRIVER Jarrod

DRIVER Walt

CEMENT AMOUNT ORDERED 45000 Lbs 1/2" Flo Seal

125 sks Class C

CHLORIDE 125 sks @ 9.65 1206.25

PERMIX @

GEL @

CHLORIDE Life 4500 sks @ 6.85 3127.50

Flo Seal 113" @ 1.90 158.20

HANDLING 598 @ 1.10 657.80

MILEAGE 49/sk/mi @ 1554.80

TOTAL 6704.55

REMARKS:	SERVICE
<u>Plug Rod Hole w/15 sks</u>	DEPTH OF JOB <u>3010'</u>
<u>Plug Mouse Hole w/10 sks</u>	PUMP TRUCK CHARGE <u>1130.00</u>
<u>circulated 60 Bbls cement</u>	EXTRA FOOTAGE @
<u>to R/C</u>	MILEAGE <u>65 miles @ 3.00 195.00</u>
<u>Plug Grouted</u>	PLUG <u>5 1/2 Rubber @ 50.00</u>
<u>Flatt didn't hold. Spotted with 720#</u>	
<u>Thank you</u>	
	TOTAL <u>1375.00</u>

CHARGE TO Merit Energy Co

STREET

CITY STATE ZIP

5 1/2 FLOAT EQUIPMENT

<u>Coude Slope @ 150.00</u>
<u>Floor Collar @ 360.00</u>
<u>1 Cen Tech 2003 @ 80.00 350.00</u>
<u>2 Baskets @ 120.00 250.00</u>
TOTAL <u>1020.00</u>

To Allied Cementing Co., Inc.  
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE [Signature] PRINTED NAME Lee Roy Jones

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

RECEIVED  
DEC 14 2001  
KCC WICHITA