

# MID-CONTINENT ENERGY EXCHANGE

## Oil & Gas Asset Auctions



Data Packet

## **Heinson 1-21, 1-28**

Operated Leases in  
Meade County, KS

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# ***Lot Summary***

County/State: Meade County, KS

Legal Description: 3181' FSL & 3141' FEL

Lease Name: Heinson 1-21

Asset Type: Operated Lease

Gross Working Interest: 80%

Net Revenue Interest: 61.31917%

API: 15-119-20694

Lease #: 214268

Operator: Claassen Oil and Gas, Inc.

Disclaimer: Bidders must conduct their own due diligence prior to bidding at the auction. Bidders shall rely upon their own evaluations of the properties and not upon any representation either oral or written provided here. This is a summary of information provided by the seller to Mid-Continent Energy Exchange.





# ***Lot Summary***

County/State: Meade County, KS

Legal Description: 2032' FSL & 2009' FEL

Lease Name: Heinson 1-28

Asset Type: Operated Lease

Gross Working Interest: 100%

Net Revenue Interest: 80%

API: 15-119-20386

Lease #: 210697

Operator: Claassen Oil and Gas, Inc.

Disclaimer: Bidders must conduct their own due diligence prior to bidding at the auction. Bidders shall rely upon their own evaluations of the properties and not upon any representation either oral or written provided here. This is a summary of information provided by the seller to Mid-Continent Energy Exchange.



## SALE OF THE HEINSON 1-21 & 1-28 WELLS

### HEINSON 1-21

The Heinson 1-21 well is located in the C-SE-NW of Section 21-33S-28W. The well was completed in the Upper Morrow from 5752-62' and 5729-33' in 1985. The well developed a casing leak in December of 2019 and the decision was made to not repair the leak. Prior to the casing leak the well was producing 22 MCFGPD. Shut in royalties have been paid to keep the lease in effect. The lease holds 600 acres in portions of Sections 20, 21, 28 and 29-33S-R28W so there is room for development drilling. There is a gathering line that connects the Heinson 1-28 well in Section 28 and the Ediger well in Section 22 to the Heinson 1-21 well. This line is owned by Claassen Oil and Gas, Inc. and would be sold with the well.

There are two zones that could be tested in the Heinson 1-21 well. The Chester Limestone, from 5822-26', has comparable SP development to that present in the two zones that are productive in the Upper Morrow. This zone in the Chester has 7.5% porosity with excellent permeability.

The top of the Toronto Limestone from 4486-88' has 11% porosity with a Sw of 40%. I believe it is this section of the Toronto that gave up a show of gas in the Heinson 1-28 well (see accompanying completion report). The lower section of the Toronto from 4506-14' has 6-7% porosity with a Sw of 64%. These sections of the Toronto in the Heinson 1-21 are 19' high to the same zones in the Heinson 1-28 that produced the gas show.

### HEINSON 1-28

The Heinson 1-28 is located in the C-NW-SE of Section 28-33S-28W. The well was completed in 1980 in several zones in the Chester Limestone between 5801-5890'. The Heinson 1-28 holds 560 acres in Section 28 so there is the potential for development drilling in the section. The Heinson 1-28 currently produces 9-10 MCFGPD with enough water to haul a load every three months.

In 2008, Claassen Oil and Gas, Inc. recompleted the Heinson 1-28 in the Cherokee Limestone from 5583-88'. During the completion the Cherokee was treated with 500 gals of 7.5% HCL acid with disappointing results. A second treatment with 750 gal. of 10% HCL had similar results. The retrievable bridge plug was pulled and the Cherokee commingled with the Chester. The Cherokee was completed for 5 MCFG and .5 BOPD. It is possible that a much larger acid or frac job would open up the Cherokee. As the logs indicate, the Cherokee has 13.5% porosity with good permeability and had good shows in the samples.

There are several sand stringers within the Morrow that have permeability. The Morrow from 5754-60' and 5773-80' may have the potential to be productive.



## SUMMARY

The most valuable part of this acquisition opportunity is the amount of acreage that is held by the Heinson 1-21 and 1-28. Both wells contain additional productive potential in zones that have porosity and permeability with sample shows. The Cherokee in the Heinson 1-28 has particular potential as a workover candidate for an acid or frac treatment.



**Heinson 1-28****June 2021 - May 2022**

Date	Gas Sold	Price	Gross Rev.	Net Rev.	Low Vol. Fee	Tax	Expense	Profit
June 21	321	\$ 3.10	\$ 995	\$ 796	\$ -	\$ 5.30	\$ 652	\$ 139
July	312	\$ 3.68	\$ 1,148	\$ 918	\$ -	\$ 5.14	\$ 509	\$ 404
Aug.	299	\$ 3.99	\$ 1,193	\$ 954	\$ 350	\$ 4.93	\$ 603	\$ (4)
Sept.	266	\$ 3.78	\$ 1,004	\$ 803	\$ 350	\$ 4.38	\$ 599	\$ (150)
Oct.	271	\$ 5.78	\$ 1,566	\$ 1,253	\$ 350	\$ 4.47	\$ 480	\$ 418
Nov.	281	\$ 5.96	\$ 1,675	\$ 1,340	\$ 350	\$ 4.63	\$ 676	\$ 309
Dec.	263	\$ 5.28	\$ 1,388	\$ 1,110	\$ 350	\$ 4.34	\$ 1,209	\$ (453)
Jan. 22	265	\$ 5.48	\$ 1,452	\$ 1,162	\$ 350	\$ 4.37	\$ 619	\$ 189
Feb.	236	\$ 6.55	\$ 1,546	\$ 1,237	\$ 350	\$ 3.89	\$ 356	\$ 527
March	182	\$ 5.22	\$ 951	\$ 761	\$ 350	\$ 3.38	\$ 522	\$ (114)
April	7	\$ 5.38	\$ 38	\$ 30	\$ -	\$ 0.13	\$ 489	\$ (459) *
May	532	\$ 6.74	\$ 3,584	\$ 2,868	\$ -	\$ 134	\$ 633	\$ 2,101
Total =	3,235		\$ 16,540	\$ 13,233	\$ 2,800	\$ 179	\$ 7,347	\$ 2,907

\*Well Shut in Due to High Line Pressure



# Heinson 1-21 & 1-28 Summary Page

Lease Name	Heinson 1-21	Heinson 1-28
Field Name	Borchers	Borchers
County	Meade	Meade
Legal Location	3181 FSL, 3141 FEL	2032 FSL, 2009 FEL
Acres	600	560
Working Int.	80	100
Net Rev. Int.	61.31917	80
API Number	15-119-20694	15-119-20386
Taxes	215.56	201.28
Gas Purchaser	DCP Midstream	DCP Midstream
Status	Shutin/Casing Leak	Producing
Production	0	9 MCFGPD
Equipment	American 114 Pumping Unit Arrow C-66 gas engine	160 Pumping Unit Arrow C-96 gas engine





***Production***





PetroBase

Well Search: Report

Q

Search Criteria -

States: KS

Counties: MEADE

Townships: 33S

Ranges: 28W

Well: HEINSON 1-21 / 15119206940000

Well / API #	Type	Status	Formation	Lease#	Location	Spot	Intent Expires	Spud	Completion	Elev	TV-TD	MD	Horiz
County: MEADE													
Operator: <u>CLAASSEN OIL AND GAS, INC.</u>													
HEINSON 1-21 / 15119206940000	Gas	Inactive Well	MRW L	214268	21-33S-28W	NW SE SE NW		01-1985	02-1985	2526 KB	5,900		No

CLAASSEN OIL AND GAS, INC. - Well Count 1

MEADE County - Well Count 1

Total Well Count: 1





HEINSON 1-28 210697

Lease #: 210697

## Lease and Production Information

State	County	Operator			
KS	MEADE	CLAASSEN OIL AND GAS, INC.			
Location	Meridan	Quarter Call	Formation	Horizontal	Production Months
27-33S-28W	6th (west -96.28)		MISSISSIPPIAN SYSTEM	No	482
				Oil	Gas
<b>First Prod Date</b>				1981-11-01	
<b>Last Sale</b>				2021-12-01	
<b>Daily Rate</b>				8.8	
<b>MoM Change</b>				-19	
<b>YoY Change</b>				1018	
<b>Cumulative</b>				304825	

## Production Snapshot

Month	BOPM	MCFCPM
01-2021		347
02-2021		189
03-2021		330
04-2021		298
05-2021		276
06-2021		323
07-2021		314
08-2021		301
09-2021		267
10-2021		272
11-2021		283
12-2021		264
<b>Average</b>		<b>289</b>

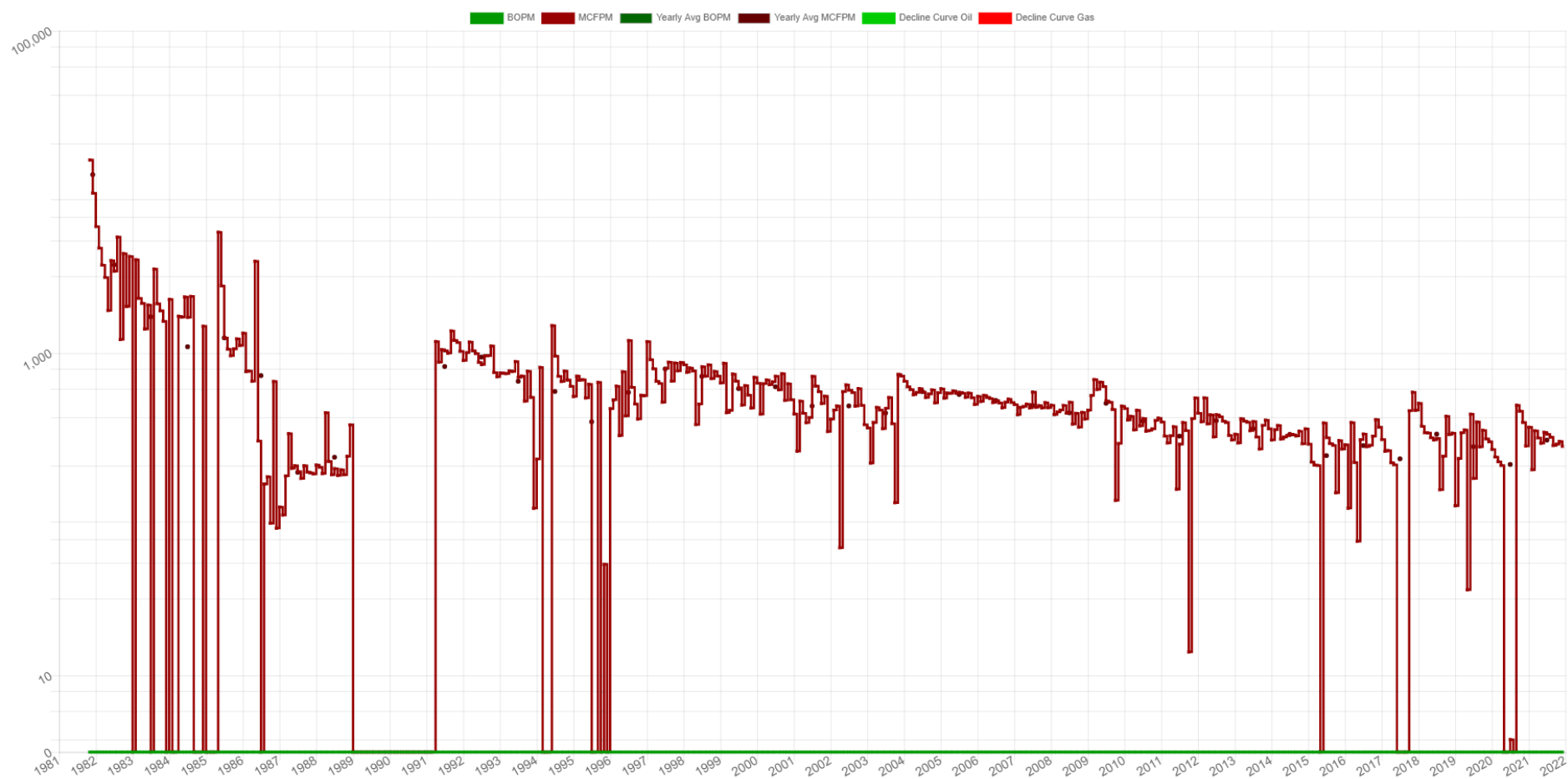
## Annual Averages

Year	Avg BOPM	Avg MCFCPM
2017		221
2018		315
2019		263
2020		204
2021		289





## HEINSON 1-28 210697 - Production Plot







HEINSON 1-28 210697

## Associated Wells

Total Well Count: 1

Well Name	API		Operator		Type	Status	
HEINSON 1-28	15119203860000		CLAASSEN OIL AND GAS, INC.		Gas	Recompleted	
Location	Spot	Foot-NS	Foot-EW	Foot-ref	Zone		
28-33S-28W	NW SE	2032	-2009	SE	MRW L		
Spud	Completion		First Production				
1979-12-21	1980-01-13						
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm	PBTD	Drill-Dir	Lateral
2463 KB		6000					

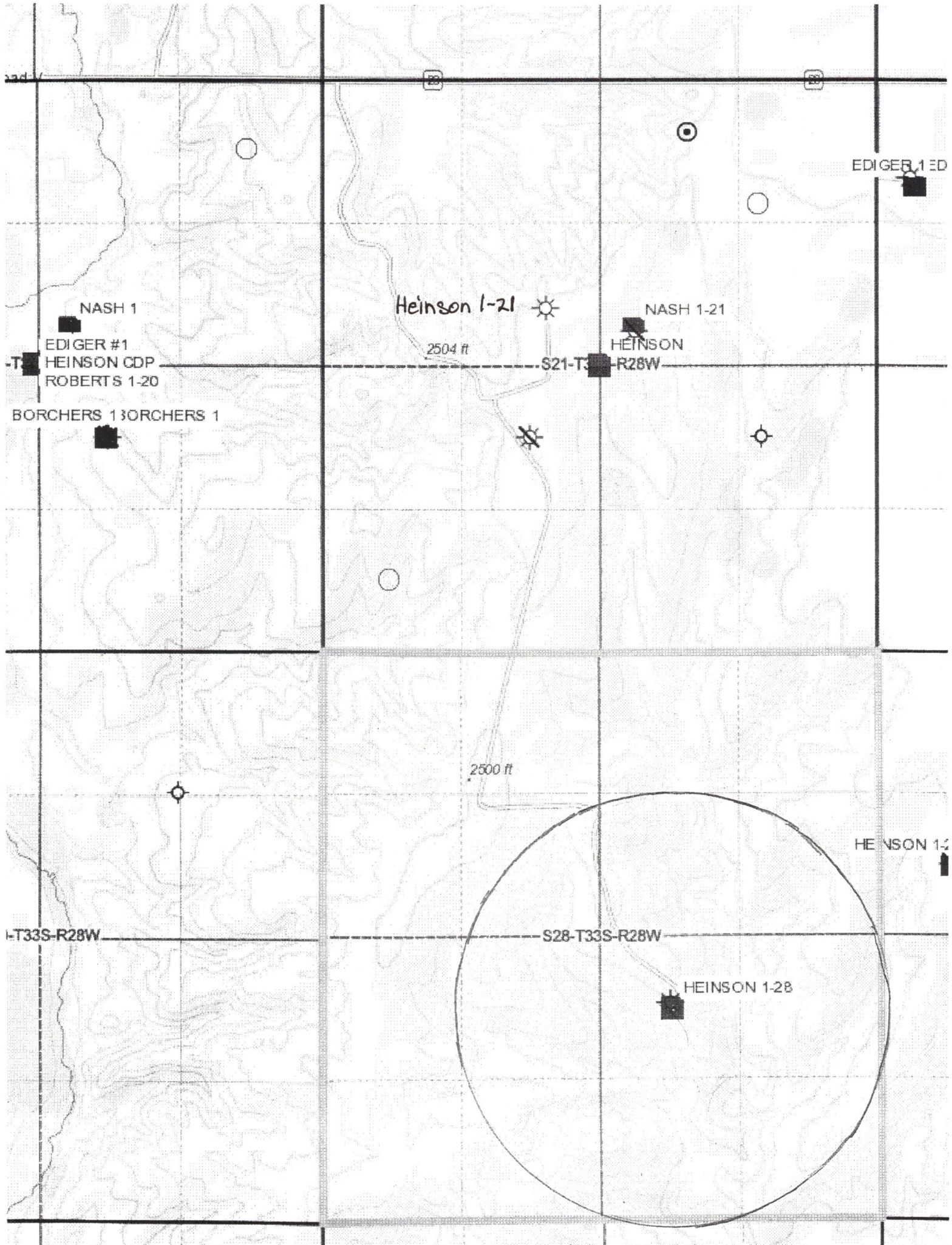




*Maps*











# *Misc. Info*





Conservation Division  
266 N. Main St., Ste. 220  
Wichita, KS 67202-1513



Phone: 316-337-6200  
Fax: 316-337-6211  
<http://kcc.ks.gov/>

Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Susan K. Duffy, Commissioner

Laura Kelly, Governor

December 20, 2021

Claassen Oil and Gas, Inc.  
PO Box 417  
Estes Park, CO 80517-0417

RE: Approved Commingling CO122101  
Heinson 1-28  
API No. 15-119-20386-00-01

Dear Mr. Claassen:

Your Application for Commingling (ACO-4) for the above described well has been reviewed and approved by the Kansas Corporation Commission (KCC) per K.A.R. 82-3-123. Notice was examined and found to be proper per K.A.R. 82-3-135a. No protest had been filed within the 15-day protest period.

Based upon the depth of Chester formation perforations, total oil production shall not exceed 200 BOPD and total gas production shall not exceed 50% of the absolute open flow (AOF).

File form ACO-1 upon completion of the well to commingle.

Sincerely,

Rick Hestermann  
Production Department



KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-4  
Form must be typed  
March 2009

APPLICATION FOR COMMINGLING OF  
PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a)

Commingling ID # **CO122101**

OPERATOR: License # 4951  
Name: Claassen Oil and Gas, Inc.  
Address 1: PO Box 417  
Address 2: 370 Homesteader Lane  
City: ESTES PARK State: CO Zip: 80517 + 0417  
Contact Person: Dan Claassen  
Phone: (970) 586-1885

API No. 15 - 15-119-20386-00-01  
Spot Description: SE NW NW SE Sec. 28 Twp. 33 S. R. 28 ☐ East ☒ West  
2032 Feet from ☐ North / ☒ South Line of Section  
2009 Feet from ☒ East / ☐ West Line of Section  
County: Meade  
Lease Name: HEINSON Well #: 1-28

- ☒ 1. Name and upper and lower limit of each production interval to be commingled:

Formation: <u>Cherokee</u>	(Perfs): <u>5583-5588</u>
Formation: <u>Chester</u>	(Perfs): <u>5801-5890</u>
Formation: _____	(Perfs): _____
Formation: _____	(Perfs): _____
Formation: _____	(Perfs): _____

- ☒ 2. Estimated amount of fluid production to be commingled from each interval:

Formation: <u>Cherokee</u>	BOPD: <u>5</u>	MCFPD: <u>5</u>	BWPD: <u>1.5</u>
Formation: <u>Chester</u>	BOPD: <u>0</u>	MCFPD: <u>4</u>	BWPD: <u>0</u>
Formation: _____	BOPD: _____	MCFPD: _____	BWPD: _____
Formation: _____	BOPD: _____	MCFPD: _____	BWPD: _____
Formation: _____	BOPD: _____	MCFPD: _____	BWPD: _____

- ☒ 3. Plat map showing the location of the subject well, all other wells on the subject lease, and all wells on offsetting leases within a 1/2 mile radius of the subject well, and for each well the names and addresses of the lessee of record or operator.

- ☒ 4. Signed certificate showing service of the application and affidavit of publication as required in K.A.R. 82-3-135a.

**For Commingling of PRODUCTION ONLY, include the following:**

- ☒ 5. Wireline log of subject well. Previously Filed with ACO-1: ☒ Yes ☐ No  
☒ 6. Complete Form ACO-1 (Well Completion form) for the subject well.

**For Commingling of FLUIDS ONLY, include the following:**

- ☐ 7. Well construction diagram of subject well.  
☐ 8. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

**AFFIDAVIT:** I am the affiant and hereby certify that to the best of my current information, knowledge and personal belief, this request for commingling is true and proper and I have no information or knowledge, which is inconsistent with the information supplied in this application.

Submitted Electronically

**KCC Office Use Only**

☐ Denied ☒ Approved

15-Day Periods Ends: 12/18/2021

Approved By: Rick Hestermann Date: 12/20/2021

Protests may be filed by any party having a valid interest in the application. Protests must be in writing and comply with K.A.R. 82-3-135b and must be filed within 15 days of publication of the notice of application.



Confidentiality Requested:

☐ Yes ☒ No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1  
January 2018  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

OPERATOR: License # 4951  
Name: Claassen Oil and Gas, Inc.  
Address 1: PO BOX 417  
Address 2: \_\_\_\_\_  
City: ESTES PARK State: CO Zip: 80517 + 0417  
Contact Person: Daniel Claassen  
Phone: (970) 586-1885  
CONTRACTOR: License # 32722  
Name: Kerr Well Service, Inc.  
Wellsite Geologist: NA  
Purchaser: \_\_\_\_\_

Designate Type of Completion:

☐ New Well ☐ Re-Entry ☒ Workover

☐ Oil ☐ WSW ☐ SWD

☒ Gas ☐ DH ☐ EOR

☐ OG ☐ GSW

☐ CM (Coal Bed Methane)

☐ Cathodic ☐ Other (Core, Expl., etc.): \_\_\_\_\_

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

Operator: Mesa Petroleum Co.

Well Name: Heinson 1-28

Original Comp. Date: 1/30/1980 Original Total Depth: 5994

☐ Deepening ☒ Re-perf. ☐ Conv. to EOR ☐ Conv. to SWD  
☐ Plug Back ☐ Liner ☐ Conv. to GSW ☐ Conv. to Producer

☐ Commingled Permit #: \_\_\_\_\_

☐ Dual Completion Permit #: \_\_\_\_\_

☐ SWD Permit #: \_\_\_\_\_

☐ EOR Permit #: \_\_\_\_\_

☐ GSW Permit #: \_\_\_\_\_

10/17/2008 10/25/2008  
Spud Date or Date Reached TD Completion Date or  
Recompletion Date Recompletion Date

API No.: 15-119-20386-00-01

Spot Description: \_\_\_\_\_

\_\_\_\_\_-\_\_\_\_\_-NW-SE Sec. 28 Twp. 33 S. R. 28 ☐ East ☒ West

2032 Feet from ☐ North / ☒ South Line of Section

2009 Feet from ☒ East / ☐ West Line of Section

Footages Calculated from Nearest Outside Section Corner:

☐ NE ☐ NW ☒ SE ☐ SW

GPS Location: Lat: \_\_\_\_\_, Long: \_\_\_\_\_

(e.g. xx.xxxxx)

(e.g. -xxx.xxxxx)

Datum: ☐ NAD27 ☐ NAD83 ☐ WGS84

County: Meade

Lease Name: HEINSON Well #: 1-28

Field Name: Borchers

Producing Formation: Morrow-Chester

Elevation: Ground: 2452 Kelly Bushing: 2463

Total Vertical Depth: 5994 Plug Back Total Depth: 5894

Amount of Surface Pipe Set and Cemented at: 1516 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: \_\_\_\_\_ 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 #: \_\_\_\_\_

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

☐ Confidentiality Requested

Date: \_\_\_\_\_

☐ Confidential Release Date: \_\_\_\_\_

☐ Wireline Log Received ☐ Drill Stem Tests Received

☐ Geologist Report / Mud Logs Received

☐ UIC Distribution

ALT ☒ I ☐ II ☐ III Approved by: Deanna Garrison Date: 11/03/2021



Operator Name: Claassen Oil and Gas, Inc. Lease Name: HEINSON Well #: 1-28  
 Sec. 28 Twp. 33 S. R. 28 ☐ East ☒ West County: Meade

**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 <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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Geologist Report / Mud Logs <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  List All E. Logs Run: <small>Dual Induction Comp. Neutron-Density Microlog</small>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td>Marmaton</td> <td>5200</td> <td>-2737</td> </tr> <tr> <td>Cherokee</td> <td>5390</td> <td>-2927</td> </tr> <tr> <td>Morrow</td> <td>5718</td> <td>-3255</td> </tr> <tr> <td>Chester</td> <td>5772</td> <td>-3309</td> </tr> </tbody> </table>	Name	Top	Datum	Marmaton	5200	-2737	Cherokee	5390	-2927	Morrow	5718	-3255	Chester	5772	-3309
Name	Top	Datum														
Marmaton	5200	-2737														
Cherokee	5390	-2927														
Morrow	5718	-3255														
Chester	5772	-3309														

CASING RECORD <input type="checkbox"/> New <input checked="" 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	24	1515	35:65 Poz	900	12% cacl
Production	7.875	4.5	10.5	5999	50:50 Poz	450	4% gel

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

1. Did you perform a hydraulic fracturing treatment on this well? ☐ Yes ☒ No *(If No, skip questions 2 and 3)*
2. Does the volume of the total base fluid of the hydraulic fracturing treatment exceed 350,000 gallons? ☐ Yes ☐ No *(If No, skip question 3)*
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)*

Date of first Production/Injection or Resumed Production/ Injection: <u>10/25/2008</u>		Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____			
Estimated Production Per 24 Hours	Oil Bbls. .5	Gas Mcf 5	Water Bbls. 1.5	Gas-Oil Ratio	Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" 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) (Submit ACO-4)</i>	PRODUCTION INTERVAL: Top Bottom <u>5583</u> <u>5588</u>
--	---	---

Shots Per Foot	Perforation Top	Perforation Bottom	Bridge Plug Type	Bridge Plug Set At	Acid, Fracture, Shot, Cementing Squeeze Record <i>(Amount and Kind of Material Used)</i>
2	5583	5588	RBP Retrievable Bridge Plug	5670	500 gal. 7.5% HCL, 750 gal. 10% HCl

TUBING RECORD: Size: <u>2.375</u>	Set At: <u>5800</u>	Packer At: <u>NA</u>
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Form	ACO1 - Well Completion
Operator	Claassen Oil and Gas, Inc.
Well Name	HEINSON 1-28
Doc ID	1596808

#### Casing

Purpose Of String	Size Hole Drilled	Size Casing Set	Weight	Setting Depth	Type Of Cement	Number of Sacks Used	Type and Percent Additives
Surface	12.25	8.625	24	1515	35:65 Poz	900	12% cacl
Production	7.875	4.5	10.5	5999	50:50 Poz	450	4% gel





***Photos***









