

Field Ticket Number: Lib1612290220 Field Ticket Date: Thursday, December 29, 2016

Bill To:
MERIT ENERGY COMPANY
Liberal, KS 67901
P O Box 1293 / 1900 W 2nd St

Job Name: 01 Surface
Well Location: Haskell, KS **Set@1515**
Well Name: Hoffman
Well Number: 19-1
Well Type: New Well
Rig Number: Duke Drilling # 9
Shipping Point: Liberal, KS
Sales Office: Mid Con

PERSONEL		EQUIPMENT	
Lenny Baeza	Gerardo Burciaga	1071-4/545-5	
Jaime Torrez		868-4/641-5	995-4/554-5

SERVICES - SERVICES - SERVICES

Description	QTY	UOM	Unit Amt	Gross Amt	Unit Net	Discount	Net Amount
PUMP, CASING CEMENT 1001-2000 FT	1.00	min. 4 hr	2,213.75	2213.75	774.81	65.0%	774.81
CMLP	1.00	per day	275.00	275.00	96.25	65.0%	96.25
PHDL	692.00	per cu. Ft.	2.48	1716.16	0.87	65.0%	600.66
DRYG	1495.00	ton-mile	2.75	4111.25	0.96	65.0%	1,438.94
MILV	50.00	per mile	4.40	220.00	1.54	65.0%	77.00
MIHV	50.00	per mile	7.70	385.00	2.70	65.0%	134.75

FLOAT EQUIPMENT -- FLOAT EQUIPMENT -- FLOAT EQUIPMENT

GS-8.625	1.00	each	460.00	460.00	207.00	55.0%	207.00
SSFC-8.625	1.00	each	1,214.00	1,214.00	546.30	55.0%	546.30
CEN-8.625	15.00	each	75.00	1,125.00	33.75	55.0%	506.25
TRP - 8.625	1.00	each	131.00	131.00	58.95	55.0%	58.95
TLK - 8.625	6.00	each	85.00	510.00	38.25	55.0%	229.50

MATERIALS - MATERIALS - MATERIALS

--	10.00	bbl	0.00	0.00	0.00	65.0%	0.00
CB-AMDAL	400.00	sack	26.57	10,628.00	9.30	65.0%	3,719.80
CA-100	1128.00	pound	1.10	1,240.80	0.39	65.0%	434.28
CLC-CPF	200.00	pound	2.97	594.00	1.04	65.0%	207.90
CCAC	175.00	sack	17.90	3,132.50	6.27	65.0%	1,096.38
CA-100	329.00	pound	1.10	361.90	0.39	65.0%	126.67
CLC-CPF	88.00	pound	2.97	261.36	1.04	65.0%	91.48

ADDITIONAL ITEMS - ADDITIONAL ITEMS - ADDITIONAL ITEMS

Additional hours, in excess of set hours		per hour	440.00	0.00	154.00	65.0%	0.00
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	Gross	Discount	Final
Services Total	8,921.16	5,798.75	3,122.41
Equipment Total	3,440.00	1,892.00	1,548.00
Materials Total	16,218.56	10,542.06	5,676.50
Additional Items	0.00	0.00	0.00
Final Total	28,579.72	18,232.82 ✓	10,346.90 ✓

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.

x 

Field Ticket Total (USD):

\$10,346.90 ✓

Customer Signature

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.

-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 marine 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 or 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 or its employees in the preparation or furnishing of such facts, information or data.

C). Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent, and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

Well Hoffman 19-1
AFE 53480
GL 8300 1075
Office Sublette
Date 12-29-16



Cement Job Summary

Job Number: Lib161229		Job Purpose: 01 Surface	
Customer:	MERIT ENERGY COMPANY		Date: 12/29/2016
Well Name: Hoffman	Number: 19-1		API/UWI:
County: Haskell	City: Sublette, Kansas		State: KS
Cust. Rep:	Phone:	Rig Phone:	
Legal Desc:	Rig Name: Duke Drilling#9		
Distance: 50 miles (one way)	Supervisor: Lenny Baeza		

Employees:	Emp. ID:	Employees:	Emp. ID:
Lenny Baeza		Gerardo Burciaga	
Jaime Torrez			
Equipment:			
1071-4/545-5			
868-4/641-5		995-4/554-5	

Well Information						
Open Hole Section						
Description:	Size (in):	Excess	Top MD (ft)	Btm MD (ft)		
OPEN HOLE	12 1/4	110%	1288	1,523	TAIL CEMENT	
OPEN HOLE	12 1/4	110%	0	1,288	LEAD CEMENT	
OPEN HOLE	12 1/4			0		
OPEN HOLE	12 1/4					
Tubulars						
Description:	Size (in):	Wgt. (lb/ft)	ID (in)	Grade:	Top MD (ft)	Btm MD (ft)
TOTAL CASING	8 5/8	24	8.097	J-55	0	1,515
SHOE	8 5/8	24	8.097	J-55	1,475	1,515

Materials - Pumping Schedule						
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Spacer 1	Fresh Water	10	8.33	n/a	n/a	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Lead 1	ALLIED MULTI-DENSITY CEMENT - CLASS A	400	12.10	2.55	14.86	
Addl. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM	
CA-100	CALCIUM CHLORIDE, PELLETS OR FLAKE	2.82	% BWOC	1128.0	lbm	
CLC-CPF	CELLOPHANE FLAKES	0.5	lb/sk	200.0	lbm	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Tail 1	CLASS A COMMON	175	15.20	1.27	5.74	
Addl. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM	
CA-100	CALCIUM CHLORIDE, PELLETS OR FLAKE	1.88	% BWOC	329.0	lbm	
CLC-CPF	CELLOPHANE FLAKES	0.5	lb/sk	87.5	lbm	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Disp. 1	Displacement	93.90459308	8.33	n/a	n/a	

Job Number: Lib161229		Job Purpose: 01 Surface	
Customer:	MERIT ENERGY COMPANY		Date: 12/29/2016
Well Name: Hoffman	Number: 19-1		API/UWI:
County: Haskell	City: Sublette, Kansas		State: KS
Cust. Rep:	Phone:	Rig Phone: 0	
Distance: 50 miles (one way)	Supervisor: Lenny Baeza		
TIME	PRESSURE - (PSI)	FLUID PUMPED DATA	COMMENTS

Cement Job Summary

AM/PM	CASING	ANNULUS	VOLUME	RATE (BPM)	COMMENTS
10:30pm					On location @10:30pm
11:30pm					Rigging up to well head
12/29/2016					Safety meeting with company/crew
12:50am	2000psi				Pressure testing pumping lines 2000psi
12:52am	180		10	5	10bbls of H2O ahead for flush
12:54am	170		192	5	Mixing 400sk of cement @12.1#
1:24am	110		232	4	Mixing 175sk of cement @15.2#
1:36am	0		232		Shut down to release plug
1:40am	80		232		Plug left head and starting displacement of 93 bbls of water
1:50am	190		252	5	20bbls gone
2:02am	230		292	4	60bbls gone
2:11am	380		312	3	80bbls gone slowing down to land plug
2:20am	850		326		94bbls gone and landed plug
					Holding psi and release float is holding
					had 1/4 bbl back to the truck
					HAD VERY LITTLE CEMENT TO SURFACE
					5BBLS BACK
					Rigging up and leaving location @3:00am