

Confidentiality Requested:

Yes No

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

Form ACO-1

January 2018

Form must be Typed

Form must be Signed

All blanks must be Filled

**WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____

CONTRACTOR: License # _____

Name: _____

Wellsite Geologist: _____

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: _____

Well Name: _____

Original Comp. Date: _____ Original Total Depth: _____

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 #: _____

Spud Date or Recompletion Date _____ Date Reached TD _____ Completion Date or Recompletion Date _____

API No.: _____

Spot Description: _____

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

_____ Feet from North / South Line of Section

_____ 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: _____

Lease Name: _____ Well #: _____

Field Name: _____

Producing Formation: _____

Elevation: Ground: _____ Kelly Bushing: _____

Total Vertical Depth: _____ Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: _____ 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: _____ Date: _____

Operator Name: _____ Lease Name: _____ Well #: _____

Sec. _____ Twp. _____ S. R. _____ East West County: _____

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 type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input type="checkbox"/> No Geologist Report / Mud Logs <input type="checkbox"/> Yes <input type="checkbox"/> No List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
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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

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:	Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input 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 type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i>	PRODUCTION INTERVAL: Top Bottom
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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>

TUBING RECORD:	Size:	Set At:	Packer At:	
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Form	ACO1 - Well Completion
Operator	Merit Energy Company, LLC
Well Name	STOCKHAM A 2
Doc ID	1368418

All Electric Logs Run

ANNULAR HOLE VOLUME LOG
ARRAY COMPENSATED TRUE RESISTIVITY LOG 1
ARRAY COMPENSATED TRUE RESISTIVITY LOG 2
ARRAY COMPENSATED TRUE RESISTIVITY LOG 5
BOREHOLE COMPENSATED SONIC ARRAY LOG
DUAL SPACED NEUTRON SPECTRAL DENSITY LOG
MICROLOG
QUAD COMBO LOG
REPEAT LOG

Form	ACO1 - Well Completion
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Tops

Name	Top	Datum
Stone Corral	1883	
Hutchinson Salt	2428	
Council Grove	2936	
Heebner	4060	
Toronto	4074	
Lansing	4155	
Iola	4320	
Swope	4571	
Marmaton	4715	
Cherokee	4876	
Atoka	5130	
Morrow	5187	
L. Morrow	5224	
Swemu	5353	
Chester	5409	
Ste Genevieve	5568	

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Perforations

Shots Per Foot	Perforation Top	Perforation Bottom	BridgePlugType	BridgePlugSet At	Material Record
2	5480	5490			Chester /Frac-863 bbls, 150158 lbs of total 16/30, 829,000 SCF total N2.
2	5493	5500			" "
2	5503	5509			" "
			CIBP	5475	
2	5303	5306			Lower Morrow Sand / Frac-722 bbls, 50,023 lbs 20/40 flowpro, 1,363,000 SCF total N2
2	5308	5310			" "
2	5319	5324			" "
2	5329	5344			" "
4	5248	5252			Lower Morrow/Frac-1174 bls total load, 102315 lbs 20/40 flopro, 2,537,000 SCF total N2
4	5259	5266			" "

TAX ID 81-1373543

P.O. Box 733585

Field Ticket Number: Lib1705311700

Field Ticket Date:

Wednesday, May 31, 2017

Bill To:
 MERIT ENERGY COMPANY
 Liberal, KS 67901
 P O Box 1293 / 1900 W 2nd St
Remit To:
 BJ Services, LLC
 P.O. Box 733585
 Dallas, TX 75373-3585

Job Name: 01 Surface
Well Location: Haskell, KS
Well Name: Stockham
Well Number: A-2
Well Type: New Well
Rig Number: Duke # 9
Shipping Point: Liberal, KS
Sales Office: Mid Con

PERSONEL		EQUIPMENT	
Victor Corona-Marta	Ramon Escarcega	549-4/550-5	
Jaime Torres	Gerardo Burciaga	870-4/553-5	
		956-4/554-5	

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	885.50	60.0%	885.50
CMLP	1.00	per day	275.00	275.00	110.00	60.0%	110.00
PHDL	711.00	per cu. Ft.	2.48	1763.28	0.99	60.0%	705.31
DRYG	1536.00	ton-mile	2.75	4224.00	1.10	60.0%	1,689.60
MILV	50.00	per mile	4.40	220.00	1.76	60.0%	88.00
MIHV	50.00	per mile	7.70	385.00	3.08	60.0%	154.00

FLOAT EQUIPMENT -- FLOAT EQUIPMENT -- FLOAT EQUIPMENT

GS-8.625	1.00	each	460.00	460.00	253.00	45.0%	253.00
SSFC-8.625	1.00	each	1,214.00	1,214.00	667.70	45.0%	667.70
CEN-8.625	15.00	each	75.00	1,125.00	41.25	45.0%	618.75
TRP - 8.625	1.00	each	131.00	131.00	72.05	45.0%	72.05

MATERIALS - MATERIALS - MATERIALS

--	10.00	bbl	0.00	0.00	0.00	60.0%	0.00
CB-AMDAL	415.00	sack	26.57	11,026.55	10.63	60.0%	4,410.62
CA-100	1171.00	pound	1.10	1,288.10	0.44	60.0%	515.24
CLC-CPF	208.00	pound	2.97	617.76	1.19	60.0%	247.10
CCAC	175.00	sack	17.90	3,132.50	7.16	60.0%	1,253.00
CA-100	329.00	pound	1.10	361.90	0.44	60.0%	144.76
CLC-CPF	88.00	pound	2.97	261.36	1.19	60.0%	104.54

ADDITIONAL ITEMS - ADDITIONAL ITEMS - ADDITIONAL ITEMS

Additional hours, in excess of set hours		per hour	440.00	0.00	220.00	50.0%	0.00
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	Gross	Discount	Final
Services Total	9,081.03	5,448.62	3,632.41
Equipment Total	2,930.00	1,318.50	1,611.50
Materials Total	16,688.17	10,012.90	6,675.27
Additional Items	0.00	0.00	0.00
Final Total	28,699.20	16,780.02	11,919.18

Customer Agent: Victor Corona-Marta
 Rodney Gonzales

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 
 Customer Signature

Field Ticket Total (USD):

\$11,919.18



BJ SERVICES, LLC
NORTH AMERICAN TERMS AND CONDITIONS

All work orders for services ("Services" or "Work") and purchase orders for the supply of products or chemicals ("Products") (collectively, "Work Orders") to be provided by BJ Services LLC or its affiliates ("BJ") to its customers (each a "Customer") are subject to acceptance by BJ, and any Work Orders so accepted will be governed by the pricing proposal, the Work Order, and these Terms and Conditions, unless the Customer and BJ Services, LLC (collectively the "Parties") have executed a Master Service Agreement, which terms shall control.

1. PAYMENT TERMS

Unless alternate payment terms are specified or approved by the BJ Credit Department, all charges billed by BJ must be paid within thirty (30) days of the date of invoice. For invoices, unpaid after thirty (30) days, discounts from list price may be revoked, interest may be charged at the rate of ten percent (10%) per annum or the maximum legal rate, liens may be filed, and Customer shall pay BJ all costs of collection, including reasonable attorneys' fees and court costs. In addition to other amounts due. Operating, production or well conditions that prevent satisfactory operation of Services or Products do not relieve Customer of its payment responsibility.

2. CANCELLATION AND RETURNS

A. Products: Product Orders may only be cancelled with written authorization from BJ. Customer may be charged a restocking charge of twenty-five percent (25%), plus any packing and transportation costs incurred. Products specially manufactured to Customer specifications, or orders for substantial quantities may not be cancelled. Delivered Products may only be returned for credit (less the restocking fee and transport costs) in unused, reusable condition, in original unopened containers.
B. Services: In the event Customer cancels an order for Services without cause, Customer shall be liable for all reasonable costs incurred by BJ including mobilization/demobilization.

3. THIRD-PARTY CHARGES, TAXES

Customer shall pay all third-party charges, in compliance with BJ's current price list, and any sales, use, rental or other taxes that may be applicable. Customer shall pay all applicable customs, excise, import and other duties unless otherwise agreed in writing. Customer shall provide necessary import licenses and extensions.

4. INDEPENDENT CONTRACTOR

It is expressly understood that BJ is an independent contractor, and that neither BJ nor its principals, partners, employees or subcontractors are servants, agents or employees of Customer.

Where BJ provides Services in Louisiana, the Services provided by BJ and its subcontractors are an integral part of, and are essential to the ability of Customer to generate Customer's goods, products, and services, and therefore BJ and Customer agree that Customer is the statutory employer of BJ's employees and its subcontractor's employees under La. R.S. 23:1061 (A) (3).

5. LIABILITIES, RELEASES AND INDEMNIFICATION:

A. In these Terms and Conditions: (i) "BJ Group" means BJ, its parent, subsidiary, joint venturers, and affiliated or related companies; its subcontractors at any tier; and the officers, directors, employees, consultants, and agents of all of the foregoing; (ii) "Claims" means all claims, demands, causes of action, liabilities, damages, judgments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees and costs of litigation) of any kind or character arising out of or related to the performance of the Services or Products provided; (iii) "Consequential Damages" means any indirect, special, punitive, exemplary or consequential damages or losses (even unforeseeable), and damages for lost production, lost revenue, loss of hole, control of well, lost profit, lost business opportunities, change of rig time, regardless of whether the claim is based on contract, tort, property, or other legal theory, including, without limitation, punitive, exemplary or consequential damages or losses under applicable law; (iv) "Customer Group" means Customer, its parent, subsidiary or affiliated or related companies; its customers, partners, joint venturers and other contractors, its client or customer if it is not the end user of the Services or Products; its other contractors, its officers and the officers, directors, employees, consultants, and agents of all of the foregoing; (v) "Pollution Claims" means all Claims relating to pollution or contamination of water, land, or air, including without limitation, adverse effects on the environment or any form of property, or any violation or alleged violation of environmental statutes, ordinances, laws, rules, regulations; (vi) "Tools" means any of BJ Group's instruments, equipment, or tools; and (vii) "Waste" means any cuttings, muds, waste, water, or materials from the well that where Services are performed by BJ.
B. BJ SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF BJ GROUP, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF BJ GROUP.
C. CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BJ GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL

BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF CUSTOMER GROUP, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF CUSTOMER GROUP.

D. SUBJECT TO THE PERSONAL INJURY PROVISIONS OF ARTICLE 5(B) ABOVE, BJ SHALL PROTECT, DEFEND AND INDEMNIFY CUSTOMER GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION, INCLUDING POLLUTION CLAIMS, ARISING FROM POLLUTION OR CONTAMINATION WHICH ORIGINATES ABOVE THE SURFACE OF THE LAND OR WATER AND IS DIRECTLY ASSOCIATED WITH BJ GROUP'S EQUIPMENT OR OTHER EQUIPMENT IN ITS CONTROL, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME.

E. SUBJECT TO THE PERSONAL INJURY PROVISIONS OF 5(C) ABOVE, CUSTOMER SHALL PROTECT, DEFEND AND INDEMNIFY BJ GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING DIRECTLY OR INDIRECTLY FROM ANY EXISTING POLLUTION AT THE SITE AND FROM ALL OTHER POLLUTION OR CONTAMINATION, INCLUDING BUT NOT LIMITED TO POLLUTION RESULTING FROM FIRE, BLOWOUT, CRATERING, SEEPAGE OR OTHER UNCONTROLLED FLOW OF OIL, GAS, OR OTHER SUBSTANCE; OR RELATED TO THE TRANSPORTATION, STORAGE, TREATMENT, DISPOSAL OR HANDLING OF WASTE, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME.

F. CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BJ GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF CUSTOMER GROUP. BJ SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF BJ GROUP.

G. THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN THIS ARTICLE 5 APPLY TO ANY CLAIM(S) WITHOUT REGARD TO THE CAUSE(S) THEREOF, INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE, GROSS NEGLIGENCE, OR OTHER LEGAL FAULT OR RESPONSIBILITY OF ANY PERSON, PARTY, OR ENTITY (INCLUDING THE INDEMNIFIED OR RELEASED PARTY), WHETHER SUCH FORM OF NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE. THE INDEMNITY PROVISIONS SET FORTH IN THIS ARTICLE 5 SHALL BE THE EXCLUSIVE REMEDIES AVAILABLE TO THE PARTIES FOR THE CLAIMS COVERED.

6. INSURANCE

Each Party agrees to support the indemnity obligations contained in Article 5 by carrying insurance (or qualified self-insurance) with reputable insurance companies in the following minimum amounts:

- A. Workers' Compensation Insurance complying with applicable state laws, and Employers' Liability Insurance in the amount of \$1,000,000 each accident for bodily injury by accident/\$1,000,000 each employee for bodily injury by disease/ \$1,000,000 policy limit.
- B. Commercial General Liability Insurance, including Products and Completed operations aggregate, sudden and accidental pollution (which may be provided for in a separate policy), in the amount of \$1,000,000 combined single limit per occurrence/\$2,000,000 in the aggregate.
- C. Automobile Liability Insurance in the amount of \$1,000,000 combined single limit for Bodily Injury and Property Damage, including coverage for all owned, hired, and non-owned vehicles.
- D. Excess Liability Insurance over that required in A (for Employer's Liability only), Band C in the minimum amount of \$5,000,000 each occurrence and in the aggregate, specifically including contractual liability coverage.

Upon written request, each party shall furnish to the other party certificates of insurance evidencing that adequate insurance to support each party's obligations has been secured. To the extent of each party's release and indemnity obligations, each party agrees that all such insurance policies shall (i) be primary to the other party's insurance, (ii) include the other party, its parent, subsidiary and affiliated or related companies, its subcontractors and other contractors, and its and their respective officers, directors, employees, consultants and agents as additional insured, and (iii) be endorsed to waive subrogation against the other party, its parent, subsidiary and affiliated or related companies, its subcontractors and other contractors, and its and their respective officers, directors, employees, consultants and agents.

7. CONFIDENTIALITY

Each party shall maintain all data and information obtained from the other party in strict confidence, subject only to disclosure required by law or legal process. The design, construction, application and operation of BJ's Services and Products embody proprietary and confidential information. Customer shall maintain this information in strict confidence and shall not disclose it to others, subject only to disclosure required by law or legal process.

HEADQUARTERS
(281) 408 2361

www.BJservices.com

11211 FM 2920 Rd.
Tomball, Texas 77375

Well
Office
Stock
30 days
WARRANTY



B. ACCESS TO WELL AND WELL SITE STORAGE

Customer shall provide at its expense adequate access to and from the well site, and shall obtain all permits, licenses or other authorization required for BJ to enter upon work areas for the purposes contemplated. Customer shall provide proper storage space at the well site, meeting all applicable safety and security requirements and consistent with good industry practices, for the Tools and Products, including, without limitation, all radioactive materials. BJ reserves the right not to perform Work if the job or conditions of the location render such performance inadvisable.

9. RADIOACTIVE SOURCES

Customer agrees to comply with all applicable governmental regulations governing the use and handling of radioactive sources. In the event a radioactive source becomes stuck in a well, Customer, at Customer's sole risk and expense will make a reasonable attempt to recover such radioactive source in accordance with 10 C.F.R. § 39.15(a)(1)-(4) or other applicable regulations and use special precautions to prevent damaging the source during recovery operations. If the source cannot be recovered, Customer, at Customer's sole risk and expense, will isolate the radioactive material by cementing it in place or by other means consistent with 10 C.F.R. § 39.15 or other applicable statutes or regulations.

10. STANDARD OF PERFORMANCE

E. Services: BJ warrants (i) that all Services shall be performed in compliance with all applicable laws, rules and regulations (including all safety codes, statutes, regulations, precautions, and procedures) and utilizing all necessary Protective equipment and devices, (ii) that all Services shall be done with the utmost skill, care and diligence, in a good and workmanlike manner, in accordance with the terms hereof, the specifications set forth in the applicable Order, and good industry standards of performance and in a timely manner; and (iii) that BJ, its subcontractors and their employees are sufficiently experienced and suitably trained to perform the Services. In the event that the Services fail to conform to such specifications, BJ shall re-perform that part of the non-conforming Services, provided BJ is notified in writing by Customer prior to demobilization.

F. Products: BJ warrants that the Products shall conform to BJ's published specifications or the specifications agreed to in writing. If any of the Products fail to conform, BJ shall repair or replace the non-conforming Products, or issue credit to the Customer. In the event BJ is requested to develop, manufacture, test or use Products that are intended to satisfy a unique need identified by Customer and are not "standard" Products of BJ ("Specialty Products"), Customer recognizes and agrees that Specialty Products may not have or contain the same or similar characteristics as BJ's standard Products, including historical performance against which future performance can be measured. In developing, manufacturing, testing and using any Specialty Product, BJ will be relying upon information and specifications provided by Customer regarding its unique needs and will have no responsibility for the design, manufacture or engineering of any such Specialty Product. Upon inspection, if the Specialty Product fails to meet the specifications agreed to in writing by Customer, then BJ shall, at its option, repair or replace the non-conforming specialty Products with the type originally furnished to Customer or substitute with standard Products. BJ's warranty obligations are non-transferable and void if the non-conformity were caused by (i) Customer's failure to properly store or maintain the Products, (ii) abnormal well conditions, abrasive materials, corrosion due to aggressive fluids or incorrect specifications provided by Customer, (iii) unauthorized alteration of the Products, (iv) loss or damage while on Customer's site due to any negligence, vandalism or force majeure, or (v) use or handling by Customer in a manner inconsistent with BJ's recommendations. Further, BJ's warranty obligations shall terminate if Customer fails to perform its obligations under these Terms and Conditions. All transportation charges and removal and reinstallation charges related to the repair or replacement of non-conforming Products shall be borne by Customer, including shipment to BJ's facility.

G. Goods: BJ shall assign any vendor or supplier's warranty to Customer for any Products or goods purchased, to the extent such warranties are assignable.

H. Recommendations: Interpretations, research, analysis, recommendations, advice or interpretational data (specifically including, without limitation, any engineering designs, geological studies or analyses, well programs, reservoir models, production optimization or management programs) ("Recommendations") furnished by BJ are opinions based upon inferences from measurements, empirical relationships and assumptions, and industry practice. The inferences, assumptions and practices are not infallible, and with respect to which professional geologists, engineers, drilling consultants, and analysts may differ. Accordingly, BJ does not warrant the accuracy, correctness, or completeness of any interpretations or Recommendations, or that reliance on its interpretations and/or Recommendations will accomplish any particular results. CUSTOMER ASSUMES FULL RESPONSIBILITY FOR THE USE OF SUCH RECOMMENDATIONS AND FOR ITS DECISIONS.

OTHER THAN THE PROVISIONS IN THIS ARTICLE 10, BJ MAKES NO WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING ANY SERVICES, EQUIPMENT OR PRODUCTS. IN NO EVENT SHALL BJ BE LIABLE FOR CONSEQUENTIAL DAMAGES INCURRED BY CUSTOMER GROUP AS A RESULT OF DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS.

11. INTELLECTUAL PROPERTY

BJ intends to protect its intellectual property. Customer shall not resell the Products (or drawings related thereto) to others or reverse engineer or permit others to reverse engineer for the purpose of manufacturing similar Products. BJ owns and has legal rights to practice certain copyrights, marks, patents or pending applications on certain technology and items related to the Services or Products furnished. In the event that BJ makes any improvements on such technology, then BJ shall own all such improvements, including drawings, specifications, calculations and other documents.

BJ warrants that the use or sale of Products will not infringe valid patents of others by reason of the use or sale of such Products, and hereby agrees to RELEASE, DEFEND, INDEMNIFY AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ALL CLAIMS FOR INFRINGEMENT OF ANY SUCH PATENT, provided that Customer shall promptly notify BJ in writing upon receipt of any claim for infringement, or upon the filing of any such suit for infringement, whichever first occurs, and shall afford BJ full opportunity, at BJ's option and expense, to answer such claim or threat of suit, assume the control of the defense of such suit, and settle or compromise same in any way BJ sees fit. BJ does not warrant that such Products: (i) will not infringe any such patent when not of BJ's manufacture, or specially made, in whole or in part, to the Customer's design specifications; or (ii) if used or sold in combination with other materials or apparatus or used in the practice of processes, will not, as a result of such combination or use, infringe any such patent, and BJ shall not be liable; AND CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BJ HARMLESS FOR DAMAGES OR LOSSES OF ANY NATURE WHATSOEVER RESULTING FROM ALLEGED PATENT INFRINGEMENT ARISING PURSUANT TO (I) AND (II) ABOVE.

12. FORCE MAJEURE

If either party is unable because of Force Majeure to carry out any of its obligations under these Terms and Conditions, other than obligations to pay money, then on such party giving notice and particulars in writing to the other party within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. "Force Majeure" shall include any event that is beyond the reasonable control of the party so affected including, without limitation, acts of God, laws and regulations, government action, war, civil disturbances, hijack, piracy, criminal action by a third party, threats or acts of terrorism, strikes and labor problems, delays of vendors or carriers, lightning, fire, flood, washout, storm, breakage or accident to equipment or machinery, and shortage of raw materials. If any suspension due to Force Majeure exceeds ten (10) consecutive days, either party may terminate these Terms and Conditions by written notice to the other party and Customer shall be liable for demobilization and any other reasonable costs incurred by BJ incidental to such termination.

13. LAWS, RULES, REGULATIONS, AND EXPORT CONTROL

BJ and Customer agree to comply with all laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the Services or Products to be provided by BJ or the work site or that may otherwise be applicable to BJ's or Customer's performance under these Terms and Conditions.

Services and Products and/or related technical data covered by these Terms and Conditions may be subject to U.S. and/or foreign trade controls. Customer agrees that it will not sell, re-export or transfer Products and/or related technical data except in full compliance with all governmental requirements including but not limited to economic sanctions and export controls administered by the U.S. Department of Treasury, U.S. Department of Commerce and U.S. Department of State. Customer agrees to comply with all BJ requests for trade compliance information, statements, and other assurances including, without limitation, requests for End-User and Routed Transaction certifications. BJ reserves the right to refuse to fulfill any Work Order or otherwise perform under these Terms and Conditions if BJ in its sole discretion determines that such action may violate any law or regulation.

15. GOVERNING LAW, JURY WAIVER, AND VENUE

The laws of the State of Texas shall apply and govern the validity, interpretation, and performance of these Terms and Conditions, any applicable Work Orders without regard to where work is provided. Any suit or proceeding regarding these Terms and Conditions or the Services or Products provided shall be brought exclusively in the state or federal courts located in the City of Houston and County of Harris, Texas. Each Party consents to the personal jurisdiction of the state and federal courts of Harris County, Texas, and waives any objection that such courts are an inconvenient forum or venue. References in these Terms and Conditions to any act, law, statute, rule, or regulation shall be deemed to include references to such as the same may be amended, replaced, or reenacted from time to time. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THESE TERMS AND CONDITIONS.

16. ASSIGNMENT

BJ shall have the right to assign these Terms and Conditions to any of its affiliated companies without the consent of Customer.

17. GENERAL

Failure of either party to enforce any of these Terms and Conditions shall not be a waiver of the right to enforce. These Terms and Conditions contain all representations of the Parties and supersedes all prior oral or written agreements or representations and may only be amended by an agreement executed by both Parties. In the event of conflict between the provisions of these Terms and Conditions and any other terms in Customer's purchase orders, field work orders, work tickets, invoices, statements, or any other type of memoranda or other documents used by Customer, whether oral or written, the provisions of these Terms and Conditions shall govern.



Cement Job Summary

Job Number: Lib1705311700	Job Purpose	01 Surface
Customer: MERIT ENERGY COMPANY	Date:	5/31/2017
Well Name: Stockham	Number: A-2	API/UWI:
County: Haskell	City: Sublette	State: KS
Cust. Rep:	Phone:	Rig Phone:
Legal Desc:	Rig Name:	Duke#9
Distance	50 miles (one way)	Supervisor Victor Corona-Marta

Employees:	Emp. ID:	Employees:	Emp. ID:
Victor Corona-Marta		Ramon Escarcega	
Jaime Torres		Gerardo Burciaga	

Equipment:
549-4/550-5
870-4/553-5
956-4/554-5

Well Information						
Open Hole Section						
Description:	Size (in):	Excess	Top MD (ft)	Btm MD (ft)		
OPEN HOLE	12 1/4	0%	1174	1,674	TAIL CEMENT	
OPEN HOLE	12 1/4	130%	0	1,174	LEAD CEMENT	
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	1,664
SHOE	8 5/8	24	8.097	J-55	1,622	1,664

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	415	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	1170.3	lbm
CLC-CPF	CELLOPHANE FLAKES	0.5	lb/sk	207.5	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	103.294734	8.33	n/a	n/a

Job Number: Lib1705311700	Job Purpose	01 Surface			
Customer: MERIT ENERGY COMPANY	Date:	5/31/2017			
Well Name: Stockham	Number: A-2	API/UWI:			
County: Haskell	City: Sublette	State: KS			
Cust. Rep:	Phone:	Rig Phone: 0			
Distance	50 miles (one way)	Supervisor Victor Corona-Marta			
TIME	PRESSURE - (PSI)		FLUID PUMPED DATA		COMMENTS
AM/PM	CASING	ANNULUS	VOLUME	RATE (BPM)	



Cement Job Summary

5/31/2017					DATE
1430					Arrived at location
					Casing crew was had 2 joints to reach bottom
1450					Spotted trucks
1455					Rig up to rig
1530					Safety meeting with rig crew and BJ crew
1545	1500				Pressured test lines/1500 psi
1546	20		10	3	Spacer 10bbbls with water
1550	100		189	6	Lead cement 189bbbls @12.1lbs from 415sacks
1627	80		39.5	5	Tail cement 39bbbls @15.2lbs from 175 sacks
1640					Drop plug
1641					Start displacement with 103bbbls of water
1646	70		20	6	20bbbls gone
1649	120		40	6	40bbbls gone
1652	190		60	6	60bbbls goe
1655	280		80	6	80bbbls gone
1657	300		93	3	93bbbls gone slow down rate
1700	860		103	3	Bump plug/ check float
					Had 90 bbbls of cement returns to surface and .5 bbbls of water returns
					Rig down/boosted out pump in location
					Crew and I thanked the company man and rig crew for job opportunity.
					Left 7 centralizers to total 20 at location for 5 1/2 casing
					Brought back to yard 5 1/5 DV tool kit



Remit to:
BJ Services LLC
P.O. Box 733585
Dallas, TX 75373-3585

TAX ID 81-1373543

Field Ticket Number: Lib1706050454	Field Ticket Date: Monday, June 05, 2017
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Bill To:
MERIT ENERGY COMPANY
Liberal, KS 67901
P O Box 1293 / 1900 W 2nd St

Remit To:
BJ Services, LLC
P.O. Box 733585
Dallas, TX 75373-3585

Job Name: 02 Production/Long String
Well Location: Haskell, KS
Well Name: Stockham
Well Number: A-2
Well Type: New Well
Rig Number: Duke # 9
Shipping Point: Liberal, KS
Sales Office: Mid Con

50 sx RH

PERSONEL		EQUIPMENT	
Erik Chavez	Jaime Torres	549-4 / 550-5	774-4 / 841-5
	Gerardo Burciaga		

SERVICES - SERVICES - SERVICES

Description	QTY	UOM	Unit Amt	Gross Amt	Unit Net	Discount	Net Amount
PUMP, CASING CEMENT 4001-5000 FT	1.00	min. 4 hr	2,765.75	2765.75	1,106.30	60.0%	1,106.30
CMLP	1.00	per day	275.00	275.00	110.00	60.0%	110.00
PHDL	428.00	per cu. Ft.	2.48	1061.44	0.99	60.0%	424.58
DRYG	895.00	ton-mile	2.75	2461.25	1.10	60.0%	984.50
MILV	50.00	per mile	4.40	220.00	1.76	60.0%	88.00
MIHV	50.00	per mile	7.70	385.00	3.08	60.0%	154.00

FLOAT EQUIPMENT -- FLOAT EQUIPMENT -- FLOAT EQUIPMENT

GS-5.5	1.00	each	281.00	281.00	154.55	45.0%	154.55
SSFC-5.5	1.00	each	725.00	725.00	398.75	45.0%	398.75
CEN-5.5	20.00	each	57.00	1,140.00	31.35	45.0%	627.00
TRP - 5.5	1.00	each	85.00	85.00	46.75	45.0%	46.75
TLK - 5.5	6.00	each	85.00	510.00	46.75	45.0%	280.50

MATERIALS - MATERIALS - MATERIALS

CW-HVS	12.00	bbl	58.70	704.40	23.48	60.0%	281.76
CB-ASA	260.00	sack	23.50	6,110.00	9.40	60.0%	2,444.00
CFL-210	123.00	pound	18.90	2,324.70	7.56	60.0%	929.88
CLC-KOL	1300.00	pound	0.98	1,274.00	0.39	60.0%	509.60
CLC-CPF	65.00	pound	2.97	193.05	1.19	60.0%	77.22
CDF-100P	52.00	pound	3.50	182.00	1.40	60.0%	72.80
CB-ASA	50.00	sack	23.50	1,175.00	9.40	60.0%	470.00
CFL-210	24.00	pound	18.90	453.60	7.56	60.0%	181.44
CLC-KOL	250.00	pound	0.98	245.00	0.39	60.0%	98.00
CLC-CPF	13.00	pound	2.97	38.61	1.19	60.0%	15.44
CDF-100P	10.00	pound	3.50	35.00	1.40	60.0%	14.00

ADDITIONAL ITEMS - ADDITIONAL ITEMS - ADDITIONAL ITEMS

Additional hours, in excess of set hours	1.00	per hour	440.00	440.00	220.00	50.0%	220.00
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	Gross	Discount	Final
Services Total	7,168.44	4,301.06	2,867.38
Equipment Total	2,741.00	1,233.45	1,507.55
Materials Total	12,735.36	7,641.22	5,094.14
Additional Items	440.00	220.00	220.00
Final Total	23,084.80	13,395.73	9,689.07

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.



Cementing Services
Field Ticket

Printed on 6/5/2017 at 5:18 AM

I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the following page.

[Handwritten Signature]
Customer Signature

Field Ticket Total (USD):

\$9,689.07

Well Steekhem A-2
AFE 54589 54559
GL 830010 75
Office to Subhope
Date 6-15-17



**BJ SERVICES, LLC
NORTH AMERICAN TERMS AND CONDITIONS**

All work orders for services ("Services" or "Work") and purchase orders for the supply of products or chemicals ("Products") (collectively, "Work Orders") to be provided by BJ Services LLC or its affiliates ("BJ") to its customers (each a "Customer") are subject to acceptance by BJ, and any Work Orders so accepted will be governed by the pricing proposal, the Work Order, and these Terms and Conditions, unless the Customer and BJ Services, LLC (collectively the "Parties") have executed a Master Service Agreement, which terms shall control.

1. PAYMENT TERMS

Unless alternate payment terms are specified or approved by the BJ Credit Department, all charges billed by BJ must be paid within thirty (30) days of the date of invoice. For invoices, unpaid after thirty (30) days, discounts from list price may be revoked, interest may be charged at the rate of ten percent (10%) per annum or the maximum legal rate, liens may be filed, and Customer shall pay BJ all costs of collection, including reasonable attorneys' fees and court costs, in addition to other amounts due. Operating, production or well conditions that prevent satisfactory operation of Services or Products do not relieve Customer of its payment responsibility.

2. CANCELLATION AND RETURNS

- A. Products: Product Orders may only be cancelled with written authorization from BJ. Customer may be charged a restocking charge of twenty-five percent (25%), plus any packing and transportation costs incurred. Products specially manufactured to Customer specifications, or orders for substantial quantities may not be cancelled. Delivered Products may only be returned for credit (less the restocking fee and transport costs) in unused, reusable condition, in original unopened containers.
- B. Services: In the event Customer cancels an order for Services without cause, Customer shall be liable for all reasonable costs incurred by BJ including mobilization/demobilization.

3. THIRD-PARTY CHARGES, TAXES

Customer shall pay all third-party charges, in compliance with BJ's current price list, and any sales, use, rental or other taxes that may be applicable. Customer shall pay all applicable customs, excise, import and other duties unless otherwise agreed in writing. Customer shall provide necessary import licenses and extensions.

4. INDEPENDENT CONTRACTOR

It is expressly understood that BJ is an independent contractor, and that neither BJ nor its principals, partners, employees or subcontractors are servants, agents or employees of Customer.

Where BJ provides Services in Louisiana, the Services provided by BJ and its subcontractors are an integral part of, and are essential to the ability of Customer to generate Customer's goods, products, and services, and therefore BJ and Customer agree that Customer is the statutory employer of BJ's employees and its subcontractor's employees under La. R.S. 23:1061 (A) (3).

5. LIABILITIES, RELEASES AND INDEMNIFICATION:

- A. In these Terms and Conditions (i) "BJ Group" means BJ, its parent, subsidiary, joint venturers, and affiliated or related companies; its subcontractors at any tier; and the officers, directors, employees, consultants, and agents of all of the foregoing; (ii) "Claims" means all claims, demands, causes of action, liabilities, damages, judgments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees and costs of litigation) of any kind or character arising out of, or related to, the performance of the Services or Products provided; (iii) "Consequential Damages" means any indirect, special, punitive, exemplary or consequential damages or losses (even unforeseeable), and damages for lost production, lost revenue, loss of hole, control of well, lost profit, lost business, lost business opportunities, or charges for rig time, regardless of whether the same would be considered direct, indirect, special, punitive, exemplary or consequential damages or losses under applicable law; (iv) "Customer Group" means Customer, its parent, subsidiary and affiliated or related companies; its co-lessees, co-owners, partners, joint operators and joint venturers; its client or customer if it is not the end user of the Services or Products; its other contractors at any tier; and the officers, directors, employees, consultants, and agents of all of the foregoing; (v) "Pollution Claims" means all Claims relating to pollution or contamination of water, land, or air, including without limitation, adverse effects on the environment or any form of property, or any violation or alleged violation of environmental statutes, ordinances, laws, orders, rules and regulations; (vi) "Tools" means any of BJ Group's instruments, equipment, or tools, and (vii) "Waste" means any cuttings, muds, waste, water, or materials from the well that where Services are performed by BJ.
- B. BJ SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF BJ GROUP, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF BJ GROUP.
- C. CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BJ GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR

BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF CUSTOMER GROUP, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF CUSTOMER GROUP.

- D. SUBJECT TO THE PERSONAL INJURY PROVISIONS OF ARTICLE 5(B) ABOVE, BJ SHALL PROTECT, DEFEND AND INDEMNIFY CUSTOMER GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION, INCLUDING POLLUTION CLAIMS, ARISING FROM POLLUTION OR CONTAMINATION WHICH ORIGINATES ABOVE THE SURFACE OF THE LAND OR WATER AND IS DIRECTLY ASSOCIATED WITH BJ GROUP'S EQUIPMENT OR OTHER EQUIPMENT IN ITS CONTROL, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME.
- E. SUBJECT TO THE PERSONAL INJURY PROVISIONS OF 5(C) ABOVE, CUSTOMER SHALL PROTECT, DEFEND AND INDEMNIFY BJ GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING DIRECTLY OR INDIRECTLY FROM ANY EXISTING POLLUTION AT THE SITE AND FROM ALL OTHER POLLUTION OR CONTAMINATION, INCLUDING BUT NOT LIMITED TO POLLUTION RESULTING FROM FIRE, BLOWOUT, CRATERING, SEEPAGE OR OTHER UNCONTROLLED FLOW OF OIL, GAS, OR OTHER SUBSTANCE; OR RELATED TO THE TRANSPORTATION, STORAGE, TREATMENT, DISPOSAL OR HANDLING OF WASTE, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME.
- F. CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BJ GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF CUSTOMER GROUP. BJ SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF BJ GROUP.
- G. THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN THIS ARTICLE 5 APPLY TO ANY CLAIM(S) WITHOUT REGARD TO THE CAUSE(S) THEREOF, INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE, GROSS NEGLIGENCE, OR OTHER LEGAL FAULT OR RESPONSIBILITY OF ANY PERSON, PARTY, OR ENTITY (INCLUDING THE INDEMNIFIED OR RELEASED PARTY), WHETHER SUCH FORM OF NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE. THE INDEMNITY PROVISIONS SET FORTH IN THIS ARTICLE 5 SHALL BE THE EXCLUSIVE REMEDIES AVAILABLE TO THE PARTIES FOR THE CLAIMS COVERED.
- 6. **INSURANCE**
Each Party agrees to support the indemnity obligations contained in Article 5 by carrying insurance (or qualified self-insurance) with reputable insurance companies in the following minimum amounts:
 - A. Workers' Compensation Insurance complying with applicable state laws, and Employer's liability insurance in the amount of \$1,000,000 each accident for bodily injury by accident/\$1,000,000 each employee for bodily injury by disease/\$1,000,000 policy limit.
 - B. Commercial General Liability Insurance, including Products and Completed operations aggregate, sudden and accidental pollution (which may be provided for in a separate policy), in the amount of \$1,000,000 combined single limit per occurrence/\$2,000,000 in the aggregate.
 - C. Automobile Liability Insurance in the amount of \$1,000,000 combined single limit for Bodily Injury and Property Damage, including coverage for all owned, hired, and non-owned vehicles.
 - D. Excess Liability Insurance over that required in A (for Employer's liability only), and C in the minimum amount of \$5,000,000 each occurrence and in the aggregate, specifically including contractual liability coverage.

Upon written request, each party shall furnish to the other party certificates of insurance evidencing that adequate insurance to support each party's obligations has been secured. To the extent of each party's release and indemnity obligations, each party agrees that all such insurance policies shall (i) be primary to the other party's insurance, (ii) include the other party, its parent, subsidiary and affiliated or related companies, its subcontractors and other contractors, and its and their respective officers, directors, employees, consultants and agents as additional insured, and (iii) be endorsed to waive subrogation against the other party, its parent, subsidiary and affiliated or related companies, its subcontractors and other contractors, and its and their respective officers, directors, employees, consultants and agents.

7. CONFIDENTIALITY

Each party shall maintain all data and information obtained from the other party in strict confidence, subject only to disclosure required by law or legal process. The design, construction, application and operation of BJ's Services and Products embody proprietary and confidential information. Customer shall maintain this information in strict confidence and shall not disclose it to others, subject only to disclosure required by law or legal process.

HEADQUARTERS
(281) 408 2361

www.BJservices.com

11211 FM 2920 Rd.
Tomball, Texas 77375



8. ACCESS TO WELL AND WELL SITE STORAGE

Customer shall provide at its expense adequate access to and from the well site, and shall obtain all permits, licenses or other authorization required for BJ to enter upon work areas for the purposes contemplated. Customer shall provide proper storage space at the well site, meeting all applicable safety and security requirements and consistent with good industry practices, for the Tools and Products, including, without limitation, all radioactive materials. BJ reserves the right not to perform Work if the job or conditions of the location render such performance inadvisable.

9. RADIOACTIVE SOURCES

Customer agrees to comply with all applicable governmental regulations governing the use and handling of radioactive sources. In the event a radioactive source becomes stuck in a well, Customer, at Customer's sole risk and expense will make a reasonable attempt to recover such radioactive source in accordance with 10 C.F.R. § 39.15(a)(1)-(4) or other applicable regulations and use special precautions to prevent damaging the source during recovery operations. If the source cannot be recovered, Customer, at Customer's sole risk and expense, will isolate the radioactive material by cementing it in place or by other means consistent with 10 C.F.R. § 39.15 or other applicable statutes or regulations.

10. STANDARD OF PERFORMANCE

E. **Services:** BJ warrants (i) that all Services shall be performed in compliance with all applicable laws, rules and regulations (including all safety codes, statutes, regulations, precautions, and procedures) and utilizing all necessary protective equipment and devices; (ii) that all Services shall be done with the utmost skill, care and diligence, in a good and workmanlike manner, in accordance with the terms hereof, the specifications set forth in the applicable Order, and good industry standards of performance and in a timely manner; and (iii) that BJ, its subcontractors and their employees are sufficiently experienced and suitably trained to perform the Services. In the event that the Services fail to conform to such specifications, BJ shall re-perform that part of the non-conforming Services, provided BJ is notified in writing by Customer prior to demobilization.

F. **Products:** BJ warrants that the Products shall conform to BJ's published specifications or the specifications agreed to in writing. If any of the Products fail to conform, BJ shall repair or replace the non-conforming Products, or issue credit to the Customer. In the event BJ is requested to develop, manufacture, test or use Products that are intended to satisfy a unique need identified by Customer and are not "standard" Products of BJ ("Specialty Products"), Customer recognizes and agrees that Specialty Products may not have or contain the same or similar characteristics as BJ's standard Products, including historical performance against which future performance can be measured. In developing, manufacturing, testing and using any Specialty Product, BJ will be relying upon information and specifications provided by Customer regarding its unique needs, and will have no responsibility for the design, manufacture or engineering of any such Specialty Product. Upon inspection, if the Specialty Product fails to meet the specifications agreed to in writing by Customer, then BJ shall, at its option, repair or replace the non-conforming specialty Products with the type originally furnished to Customer or substitute with standard Products. BJ's warranty obligations are non-transferable and void if the non-conformity were caused by (i) Customer's failure to properly store or maintain the Products, (ii) abnormal well conditions, abrasive materials, corrosion due to aggressive fluids or incorrect specifications provided by Customer, (iii) unauthorized alteration of the Products, (iv) loss or damage while on Customer's site due to any negligence, vandalism or force majeure, or (v) use or handling by Customer in a manner inconsistent with BJ's recommendations. Further, BJ's warranty obligations shall terminate if Customer fails to perform its obligations under these Terms and Conditions. All transportation charges and removal and reinstallation charges related to the repair or replacement of non-conforming Products shall be borne by Customer, including shipment to BJ's facility.

G. **Goods:** BJ shall assign any vendor or supplier's warranty to Customer for any Products or goods purchased, to the extent such warranties are assignable.

H. **Recommendations:** Interpretations, research, analysis, recommendations, advice or interpretational data (specifically including, without limitation, any engineering designs, geological studies or analyses, well programs, reservoir models, production optimization or management programs) ("Recommendations") furnished by BJ are opinions based upon inferences from measurements, empirical relationships and assumptions, and industry practice. The inferences, assumptions and practices are not infallible, and with respect to which professional geologists, engineers, drilling consultants, and analysts may differ. Accordingly, BJ does not warrant the accuracy, correctness, or completeness of any Interpretations or Recommendations, or that reliance on its Interpretations and/or Recommendations will accomplish any particular results. CUSTOMER ASSUMES FULL RESPONSIBILITY FOR THE USE OF SUCH RECOMMENDATIONS AND FOR ITS DECISIONS.

OTHER THAN THE PROVISIONS IN THIS ARTICLE 10, BJ MAKES NO WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING ANY SERVICES, EQUIPMENT OR PRODUCTS. IN NO EVENT SHALL BJ BE LIABLE FOR CONSEQUENTIAL DAMAGES INCURRED BY CUSTOMER GROUP AS A RESULT OF DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS.

11. INTELLECTUAL PROPERTY

BJ intends to protect its intellectual property. Customer shall not resell the Products (or drawings related thereto) to others or reverse engineer or permit others to reverse engineer for the purpose of manufacturing similar Products. BJ owns and has legal rights to practice certain copyrights, marks, patents or pending applications on certain technology and items related to the Services or Products furnished. In the event that BJ makes any improvements on such technology, then BJ shall own all such improvements, including drawings, specifications, calculations and other documents.

BJ warrants that the use or sale of Products will not infringe valid patents of others by reason of the use or sale of such Products, and hereby agrees to RELEASE, DEFEND, INDEMNIFY AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ALL CLAIMS for infringement of any such patent, provided that Customer shall promptly notify BJ in writing upon receipt of any claim for infringement, or upon the filing of any such suit for infringement, whichever first occurs, and shall afford BJ full opportunity, at BJ's option and expense, to answer such claim or threat of suit, assume the control of the defense of such suit, and settle or compromise same in any way BJ sees fit. BJ does not warrant that such Products: (i) will not infringe any such patent when not of BJ's manufacture, or specially made, in whole or in part, to the Customer's design specifications; or (ii) if used or sold in combination with other materials or apparatus or used in the practice of processes, will not, as a result of such combination or use, infringe any such patent, and BJ shall not be liable; AND CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BJ HARMLESS FOR DAMAGES OR LOSSES OF ANY NATURE WHATSOEVER RESULTING FROM ALLEGED PATENT INFRINGEMENT ARISING PURSUANT TO (i) AND (ii) ABOVE.

12. FORCE MAJEURE

If either party is unable because of Force Majeure to carry out any of its obligations under these Terms and Conditions, other than obligations to pay money, then on such party giving notice and particulars in writing to the other party within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. "Force Majeure" shall include any event that is beyond the reasonable control of the party so affected including, without limitation, acts of God, laws and regulations, government action, war, civil disturbances, hijack, piracy, criminal action by a third party, threats or acts of terrorism, strikes and labor problems, delays of vendors or carriers, lightning, fire, flood, washout, storm, breakage or accident to equipment or machinery, and shortage of raw materials. If any suspension due to Force Majeure exceeds ten (10) consecutive days, either party may terminate these Terms and Conditions by written notice to the other party and Customer shall be liable for demobilization and any other reasonable costs incurred by BJ incidental to such termination.

13. LAWS, RULES, REGULATIONS, AND EXPORT CONTROL

BJ and Customer agree to comply with all laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the Services or Products to be provided by BJ or the work site or that may otherwise be applicable to BJ's or Customer's performance under these Terms and Conditions.

Services and Products and/or related technical data covered by these Terms and Conditions may be subject to U.S. and/or foreign trade controls. Customer agrees that it will not sell, re-export or transfer Products and/or related technical data except in full compliance with all governmental requirements including but not limited to economic sanctions and export controls administered by the U.S. Department of Treasury, U.S. Department of Commerce and U.S. Department of State. Customer agrees to comply with all BJ requests for trade compliance information, statements, and other assurances including, without limitation, requests for End-User and Routed Transaction certifications. BJ reserves the right to refuse to fulfill any Work Order or otherwise perform under these Terms and Conditions if BJ in its sole discretion determines that such action may violate any law or regulation.

15. GOVERNING LAW, JURY WAIVER, AND VENUE

The laws of the State of Texas shall apply and govern the validity, interpretation, and performance of these Terms and Conditions, any applicable Work Orders without regard to where work is provided. Any suit or proceeding regarding these Terms and Conditions or the Services or Products provided shall be brought exclusively in the state or federal courts located in the City of Houston and County of Harris, Texas. Each Party consents to the personal jurisdiction of the state and federal courts of Harris County, Texas, and waives any objection that such courts are an inconvenient forum or venue. References in these Terms and Conditions to any act, law, statute, rule, or regulation shall be deemed to include references to such as the same may be amended, replaced, or reenacted from time to time. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THESE TERMS AND CONDITIONS.

16. ASSIGNMENT

BJ shall have the right to assign these Terms and Conditions to any of its affiliated companies without the consent of Customer.

17. GENERAL

Failure of either party to enforce any of these Terms and Conditions shall not be a waiver of the right to enforce. These Terms and Conditions contain all representations of the Parties and supersedes all prior oral or written agreements or representations and may only be amended by an agreement executed by both Parties. In the event of conflict between the provisions of these Terms and Conditions and any other terms in Customer's purchase orders, field work orders, work tickets, invoices, statements, or any other type of memoranda or other documents used by Customer, whether oral or written, the provisions of these Terms and Conditions shall govern.

HEADQUARTERS
(281) 408 2361

www.BJservices.com

11211 FM 2920 Rd.
Tomball, Texas 77375



Cement Job Summary

Job Number: Lib1706050454	Job Purpose	02 Production/Long String	
Customer: MERIT ENERGY COMPANY	Date:	6/5/2017	
Well Name: Stockham	Number: A-2	API/UWI:	
County: Haskell	City: Sublette, KS	State: KS	
Cust. Rep:	Phone:	Rig Phone:	
Legal Desc:	Rig Name: Duke#9		
Distance	50 miles (one way)	Supervisor	

Employees:	Emp. ID:	Employees:	Emp. ID:
Erik Chavez	#N/A	Jaime Torres	#N/A
		Gerardo Burciaga	#N/A
Equipment:			
549-4 / 550-5		774-4 / 841-5	

Well Information						
Open Hole Section						
Description:	Size (in):	Excess	Top MD (ft)	Btm MD (ft)		
OPEN HOLE	7 7/8	30%	3500	5,636	TAIL CEMENT	
OPEN HOLE	7 7/8			3,500	LEAD CEMENT	
Tubulars						
Description:	Size (in):	Wgt. (lb/ft)	ID (in)	Grade:	Top MD (ft)	Btm MD (ft)
PREVIOUS CASING	8 5/8	24	8.097	J55	0	1,660
TOTAL CASING	5 1/2	17	4.892	J55	0	5,636
SHOE	5 1/2	17	4.892	J55	5,594	5,636

Materials - Pumping Schedule					
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)
Spacer 1	HIVIS SWEEP	12	8.40	n/a	n/a
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)
Tail 1	ALLIED SPECIAL BLEND CEMENT - CLASS A	260	13.60	1.92	9.56
Addl. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM
CFL-210	FLUID LOSS ADDITIVE - LOW TEMP	0.47	% BWOC	122.2	lbm
CLC-KOL	KOL-SEAL	5	lb/sk	1300.0	lbm
CLC-CPF	CELLOPHANE FLAKES	0.25	lb/sk	65.0	lbm
CDF-100P	DEFOAMER - POWDER	0.2	lb/sk	52.0	lbm
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)
Tail 2	ALLIED SPECIAL BLEND CEMENT - CLASS A	50	13.60	1.92	9.56
Addl. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM
CFL-210	FLUID LOSS ADDITIVE - LOW TEMP	0.47	% BWOC	23.5	lbm
CLC-KOL	KOL-SEAL	5	lb/sk	250.0	lbm
CLC-CPF	CELLOPHANE FLAKES	0.25	lb/sk	12.5	lbm
CDF-100P	DEFOAMER - POWDER	0.2	lb/sk	10.0	lbm
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)
Disp. 1	Displacement	130.0392368	8.33	n/a	n/a

Job Number: Lib1706050454	Job Purpose	02 Production/Long String	
Customer: MERIT ENERGY COMPANY	Date:	6/5/2017	
Well Name: Stockham	Number: A-2	API/UWI:	
County: Haskell	City: Sublette, KS	State: KS	
Cust. Rep:	Phone:	Rig Phone: 0	
Distance	50 miles (one way)	Supervisor	0



Cement Job Summary

TIME	PRESSURE - (PSI)		FLUID PUMPED DATA		COMMENTS
	AM/PM	CASING	ANNULUS	VOLUME	
23:30					Arrive on Location
23:40					Pre-Rig up Safety Meeting
23:50					Rig up Equipment
0:30					Wait Casing Crew 5.5 17#/5636/SJ 42.11
3:07					Operation Safety Meeting
3:22			2		Prime Lines
3:30	3500				Pressure Test
3:35	210		12	4.9	HIVIS SWEEP
3:53	200		17	5.0	Rat and Mouse 50 sks @ 13.61 ppg
					LCmt 260 sks @ 13.61 ppg
3:58	190		15	3.9	Pressure/Volume/Rate
4:02	200		30	4.0	Pressure/Volume/Rate
4:08	180		45	4.9	Pressure/Volume/Rate
4:11	170		60	4.9	Pressure/Volume/Rate
4:14	180		75	5.1	Pressure/Volume/Rate
4:21	210		90	3.0	Pressure/Volume/Rate
4:28					Shutdown/DropPlug/WashupEquipment
					Displacement
4:34	150		20	6.1	Pressure/Volume/Rate
4:36	130		40	6.0	Pressure/Volume/Rate
4:39	210		60	5.8	Pressure/Volume/Rate
4:44	370		80	5.0	Pressure/Volume/Rate
4:47	720		100	4.9	Pressure/Volume/Rate
4:51	1020		120	4.8	Slow Rate
4:54	1650		130	2.5	Bump Plug 500 over PLP
4:59			1.5 bbls bck		Release Pressure / Check Floats
5:00					Pre-Rig down Safety Meeting
5:10					Rig down Equipment
5:40					Journey Management
6:00					Leave Location