KOLAR Document ID: 1379255

Confidentiality Requested:

Yes No

Kansas Corporation Commission Oil & Gas Conservation Division

Form ACO-1 November 2016 Form must be Typed Form must be Signed All blanks must be Filled

WELL COMPLETION FORM WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License #	API No.:
Name:	Spot Description:
Address 1:	SecTwpS. R East West
Address 2:	Feet from North / South Line of Section
City:	Feet from _ East / _ West Line of Section
Contact Person:	Footages Calculated from Nearest Outside Section Corner:
Phone: ()	□NE □NW □SE □SW
CONTRACTOR: License #	GPS Location: Lat:, Long:
Name:	(e.g. xx.xxxxx) (e.gxxx.xxxxxx)
Wellsite Geologist:	Datum: NAD27 NAD83 WGS84
Purchaser:	County:
Designate Type of Completion:	Lease Name: Well #:
	Field Name:
New Well Re-Entry Workover	Producing Formation:
☐ Oil ☐ WSW ☐ SWD	Elevation: Ground: Kelly Bushing:
☐ Gas ☐ DH ☐ EOR	Total Vertical Depth: Plug Back Total Depth:
☐ OG ☐ GSW	Amount of Surface Pipe Set and Cemented at: Feet
CM (Coal Bed Methane)	
Cathodic Other (Core, Expl., etc.):	Multiple Stage Cementing Collar Used?
If Workover/Re-entry: Old Well Info as follows:	If yes, show depth set: Feet
Operator:	If Alternate II completion, cement circulated from:
Well Name:	feet depth to:w/sx cmt.
Original Comp. Date: Original Total Depth:	
☐ Deepening ☐ Re-perf. ☐ Conv. to EOR ☐ Conv. to SWD	Drilling Fluid Management Plan
☐ Plug Back ☐ Liner ☐ Conv. to GSW ☐ Conv. to Producer	(Data must be collected from the Reserve Pit)
Described	Chloride content: ppm Fluid volume: bbls
□ Commingled Permit #: □ Dual Completion Permit #:	Dewatering method used:
☐ Dual Completion Permit #:	Location of fluid disposal if hauled offsite:
☐ EOR Permit #:	Location of fluid disposal if flauled offsite.
GSW Permit #:	Operator Name:
	Lease Name: License #:
Spud Date or Date Reached TD Completion Date or	Quarter Sec TwpS. R
Recompletion Date Recompletion Date Recompletion Date	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:

KOLAR Document ID: 1379255

Page Two

Operator Name:					Lease N	lame: _			Well #:	
SecTwp	pS. I	R	East	West	County:					
	, flowing and sl	hut-in pressu	res, whe	ther shut-in pre	essure reach	ned stati	c level, hydrosta	itic pressures, bo		rval tested, time tool erature, fluid recovery,
Final Radioactivit files must be sub							gs must be ema	ailed to kcc-well-l	ogs@kcc.ks.go	v. Digital electronic log
Drill Stem Tests T			Ye	es No				on (Top), Depth a		Sample
Samples Sent to	Geological Su	rvey	Ye	es No		Nam	Э		Тор	Datum
Cores Taken Electric Log Run Geolgist Report / List All E. Logs R	Mud Logs		☐ Y€	es No						
			Repo		RECORD	Ne	w Used	ion, etc.		
Purpose of Str		ze Hole Drilled		e Casing (In O.D.)	Weig Lbs./		Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
				ADDITIONAL	CEMENTIN	IG / SQL	EEZE RECORD			
Purpose: Perforate		Depth p Bottom	Туре	of Cement	# Sacks	Used		Type and	Percent Additives	
Protect Ca	TD									
Plug Off Zo	one									
 Did you perform Does the volume Was the hydrauli 	e of the total base	e fluid of the hy	draulic fra	cturing treatmen		-	Yes ns? Yes Yes	No (If No, s	kip questions 2 ar kip question 3) Ill out Page Three	
Date of first Produc Injection:	ction/Injection or	Resumed Prod	duction/	Producing Meti	nod:	ı 🗆	Gas Lift (Other (Explain)		
Estimated Produc Per 24 Hours	tion	Oil Bl	bls.	Gas	Mcf	Wate		bls.	Gas-Oil Ratio	Gravity
	DSITION OF GAS			_	METHOD OF	_			PRODUCTION Top	DN INTERVAL: Bottom
Vented	Sold Use	ed on Lease		Open Hole	Perf.			mmingled mit ACO-4)		
,										
Shots Per Foot	Perforation Top	Perforati Botton		Bridge Plug Type	Bridge Plug Set At	g	Acid	Fracture, Shot, Ce (Amount and Kir	ementing Squeeze and of Material Used)	
TUBING RECORD	D: Size:		Set At:		Packer At:					

Form	ACO1 - Well Completion
Operator	Merit Energy Company, LLC
Well Name	MACE H.W. 1
Doc ID	1379255

All Electric Logs Run

ANNULAR HOLE VOLUME
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

Form	ACO1 - Well Completion
Operator	Merit Energy Company, LLC
Well Name	MACE H.W. 1
Doc ID	1379255

Tops

Name	Тор	Datum
HUTCHINSON SALT	2388	
CHASE	2592	
COUNCIL GROVE	2908	
WABAUNSEE	3308	
TOPEKA	3644	
HEEBNER	4033	
LANSING	4123	
SWOPE	4536	
MARMATON	4681	
ALTAMONT	4706	
PAWNEE	4790	
CHEROKEE	4844	
ATOKA	5025	
MORROW	5169	
L MORROW	5330	
CHESTER LIME	5407	
ST GENEVIEVE	5469	
ST LOUIS	5540	

Form	ACO1 - Well Completion
Operator	Merit Energy Company, LLC
Well Name	MACE H.W. 1
Doc ID	1379255

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	1713	Class A	615	SEE ATTACH ED
Production	7.875	5.5	17	5511	Class A	230	5 bbls FW, 12 bbls Hi Vis Flush & 5 bbls of FW followed by single slurry:230 sx class A, 10% NaCl, 6% gypseal 5#sx Coal Seal, 1/4#/sx Flo- Seal:Slurr y wt:13.6 ppg; yiel:1.9 cf/sk. 30% excess



Field Ticket Number: LIE	3170901375		Field Ticket Da	le:		Wednesday, S	September 13, 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 Nam Well Loc Well Nan Well Typ Rig Num Shipping Sales Ofi	eation: ne: nber: ne: ober: g Point:		01 Surface Haskell, KS Mace HW 1 New Well Duke # 9 Liberal, KS Mid Con			
I PF	ERSONEL				FO	JIPMENT	
Lenny Baeza	Lenny Baeza Jaime Torrez			549-4/550-5 868-4/554-5			956-4/842-5
Alex Ayala	MICOIAS PA	erez		868-4/334-3			
		SERVICES - S	SERVICES	- SERVICE	S		
Discription	JY	669	Unit Anti	Grown Amil	Un Mer	Dissourt	Not 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	742.00	per cu. Ft.	2.48	1840.16	0.99	60.0%	736.06
DRYG	1603.00	ton-mile	2.75	4408.25	1.10	60.0%	1,763.30
MILV	50.00	per mile	4.40	220.00	1.76	60.0%	88.00
міну	50.00	per mile	7.70	385.00	3.08	60.0%	154.00
F	LOAT EQUIPMI	ENT FLOAT	T EQUIPM	ENT FL	OAT EQU	IPMENT	
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	10.00	each	75.00	750.00	41.25	45.0%	412.50
TRP - 8.625	1.00	each	131.00	131.00	72.05	45.0%	72.05
	MA	TERIALS - M	ATERIALS	- MATER	IALS	XI	
	10.00	bbl	0.00	0.00	0.00	60.0%	0.00
CB-AMDAL 🗲	440.00	sack	26.57	11,690.80	10.63	60.0%	4,676.32
CA-100	1241.00	pound	1.10	1,365.10	0.44	60.0%	546.04
CLC-CPF	220.00	pound	2.97	653.40	1.19	60.0%	261.36
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 IT	EMS - ADDIT	TIONAL IT	EMS - AD	DITIONAL	ITEMS	
Additional hours, in excess of set hours		per hour	440.00	0.00	220.00	50.0%	0.00
					Gross	Discount	Final
				Services Total uipment Total	9,342.16 2,555.00	5,605.30 1,149.75	3,736.86 1,405.25
			À	Naterials Total	17,465.06	10,479.04	6,986.02
BJ Services, LLC			Ad	ditional Items	0.00	0.00	0.00

Customer Agent:	vices, LLC	
	ner Agent:	
This output does NOT include taxes. Applicable sales tax will be billed on the final invoice.	utnut does NOT includ	Inal invoice

Final Total 29,362.22 17,234.08 12,128.14

Customer hereby acknowledges receipt of the materials and services described above and on the attached documents.

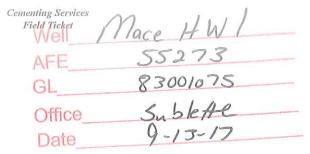
I have read any officerstand the "GENERAL TERMS AND CONDITIONS" listed on the following page.

Customer Signature

Field Ticket Total (USD):

\$12,128.14





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 and parties or due spappy or products or chemicals ("Products") (collectively, "Work Orders") to be provided by BI Services LLC or its affiliates ("BI") to its customers (each a "Customer") are subject to acceptance by BI, 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 BI Services, LLC (collectively the "Parties") have executed a Master Service Agreement, which terms shall control

PAYMENT TERMS

Unless alternate payment terms are specified or approved by the BI Gredit Department, all charges billed by BI 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 Blall costs of collection, including reasonable attorneys' feesand 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.

CANCELLATION AND RETURNS

- 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.

 Services: In the event Customer cancels an order for Services without cause, Customer
- be liable for all reasonable costs incurred by BJ including mobilization/demobilization.

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. <u>INDEPENDENT CONTRACTOR</u>
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

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).

LIABILITIES, RELEASES AND INDEMNIFICATION:

- In these Terms and Conditions (i) "BI Group" means BI, 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 and costs of integratory of any lond or character arising out of, or related to, the performance of the Services or Products provided; (fil) "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 colessees, 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, reduction damin means and canning relating to perturbe the contamination of water, rain, 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 Bi 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 Bi.
- BI 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 BI GROUP, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF BI GROUP.
- CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BY 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

- 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 BI GROUP'S EQUIPMENT OR OTHER EQUIPMENT IN ITS CONTROL, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME
- 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.
- CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BI GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF CUSTOMER GROUP. BI 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 BI GROUP.
- 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 INDEMNIFED 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.

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:

- Workers' Compensation Insurance complying with applicable state laws, and Employers' Uability 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.
- 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.
- 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.
- 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 colligations 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 subregation 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

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.





ACCESS TO WELLAND 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 BI to enter upon work areas for the purpo 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. BI reserves the right not to perform Work if the job or conditions of the location render such performance inadvisable

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 CF.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 \S 39.15 or other applicable statutes or regulations.

STANDARD OF PERFORMANCE

- Services; BI 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, BI shall re-perform that part of the non-conforming Services, provided BI is notified in writing by Customer prior to demobilization.
- <u>Products</u>: 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 Oustomer 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, BI 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 inwriting by Customer, then BI shall, at its option, repair or replace the non-conforming specialty Products with the type originally furnished to Customer or substitute with standard Products. Bi's warranty obligations are non-transferrable 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 Bi's recommendations. Further, Bi's warranty obligations shall terminate if Customer falls 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 BI's facility
- Goods: BI shall assign any vendor or supplier's warranty to Customer for any Products or goods purchased, to the extent such warranties are assignable.
- Interpretations, research, analysis, recommendations, advice or Recommendations. 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, BI MAKES NO WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPUED, INCLUDING NO IMPUED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING ANY SERVICES, EQUIPMENT OR PRODUCTS. IN NO EVENT SHALL BI BE LIABLE FOR CONSEQUENTIAL DAMAGES INCURRED BY CUSTOMER GROUP AS A RESULT OF DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS.

INTELLECTUAL PROPERTY

B) 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.

B) 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 stent, 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. Bi does not warrant that such Products: (i) will not infringe any such patent when not of Bi'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

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, wer, civil disturbances, hijack, piracy, criminal action by a third party, threats or acts of terrorism, strikes and labor problems, delays of vendors or carriers, lightening, 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.

LAWS, RULES, REGULATIONS, AND EXPORT CONTROL

Bl 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 BI or the work site or that may otherwise be applicable to BI's or Customer's performance

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 ernmental 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 BI 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.

ASSIGNMENT

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

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:	LIK1709131715 Job Purpose	01 Surface				
Customer:	MERIT ENERGY COMPANY				Date:	9/13/2017
Well Name:	Mace HW		Number:	1	API/UWI:	
County:	Haskell	City:			State:	KS
Cust. Rep:		Phone:		Rig Phone:		
Legal Desc:				Rig Name:		Duke#9
Distance	50 miles (one wa	у)		Supervisor	L	enny Baeza

Employees:	Emp. ID:	Employees:	Emp. ID.	
Lenny Baeza		Jaime Torrez		
Alex Ayala		Nicolas Perez		
Equipment:				
549-4/550-5		956-4/842-5		
868-4/554-5				

		Well Info	ormation			
		Open Ho	le Section			
Description:	Size (in):	Excess	Top MD (ft)	Btm MD (ft)		
OPEN HOLE	12 1/4	0%	1223	1,723	TAIL CEMENT	
OPEN HOLE	12 1/4	130%	0	1,223	LEAD CEMENT	
		Tub	ulars			
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 1,713	
SHOE	8 5/8	24	8.097	J-55	1,671	1,713

	Materials - Pu	ımping 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	440	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		1240.8 lbm	
CLC-CPF CELLOPHANE FLAKES		0.5 lb/sk		220.0 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	106.3993075	8.33	n/a	n/a

Job Number:	LIK1709131715	Job Purpose	01 Surface		1		
Customer:	MERIT ENERGY	COMPANY				Date:	9/13/2017
Well Name:	Mace HW			Number:	1	API/UWI:	
County:	Haskell		City:			State:	KS
Cust. Rep:			Phone:		Rig Phone:		0
Distance	50	miles (one way	()		Supervisor	Lei	nny Baeza
TIME	PRESSU	RE - (PSI)	FLUID PUN	/IPED DATA	COMMENTS		·c
AM/PM	CASING	ANNULUS	VOLUME	RATE (BPM)		COMMENT	3

BJ		
	E	

Cement Job Summary

		Centent Jou		ur y
9/13/2017				On location @3:00pm
				Rigging up to well head
3:35pm				Safety meeting with rig crew and crew
3:37pm	1500			Pressure test lines to 1500psi
3:40pm	215	10	5	Pumping 10 bbls of water ahead of cement
3:43pm		210	5	Mixing 440sk of Lead cement @12.1#
4:35pm		250	5	Mxing 175sk of Tail Cement @15.2#
4:40pm	210	250	0	Shut down to release the plug
				Plug left head and started displacement
				of 106.4 BBLS
4:50pm	110	270	6	20bbls gone and got cement to surface
4:54pm	140	290	6	40bbls gone
4:58pm	210	310	6	60bbls gone
5:02pm	330	330		80bbls gone
		346		96bbls gone and slowing down to 3bpm to
				land the plug
5:08pm	1000	356		106.4 bbls gone and landed plug with 500psi
				over lift pressure 1000psi
5:10pm				Release pressure and floats holding
				Had 80bbls of cement to surface
				Rigging down from well head
				leaving location @7:00pm

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



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

Sam Brownback, Governor

Pat Apple, Chairman Shari Feist Albrecht, Commissioner Jay Scott Emler, Commissioner

January 11, 2018

IDANIA MEDINA Merit Energy Company, LLC 13727 NOEL ROAD, SUITE 1200 DALLAS, TX 75240

Re: ACO-1 API 15-081-22153-00-00 MACE H.W. 1 SW/4 Sec.09-28S-34W Haskell County, Kansas

Dear IDANIA MEDINA:

K.A.R. 82-3-107 provides for all completion information to be filed within 120 days of the spud date. Subsection(e)(2) of that regulation states "All rights to confidentiality shall be lost if the filings are not timely."

The above referenced well was spudded on 9/11/2017 and the ACO-1 was received on January 10, 2018 (not within the 120 days timely requirement).

Therefore, your request for confidential treatment of data contained within the ACO-1 filing cannot be granted at this time.

If you should have any questions, please do not hesitate to contact me at (316)337-6200.

Sincerely,

Production Department



TAX ID 81-1373543

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	

Field Ticket Number: Lik1709172145

Field Ticket Date:

Sunday, September 17, 2017

Job Name:	02 Production/Long String
Well Location:	Haskell, KS
Well Name:	Mace HW
Well Number:	1
Well Type:	New Well
Rig Number:	Duke # 9
Shipping Point:	Liberal, KS
Sales Office:	Mid Con

RH - 50 sx

PERSONEL		EQUIPMI	ENT
Erik Chavez Ramon	Escarcega	774-4/1066-5	531-4/469-5
Jose Calderon			

Description	OTV	SERVICES - S	WHAM	Gtess Acul	Mn ker	014100111	Net Artiguril
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	387.00	per cu. Ft.	2.48	959.76	0.99	60.0%	383.90
DRYG	808.00	ton-mile	2.75	2222.00	1.10	60.0%	888.80
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
FLO	AT EOUIPM	ENT FLOAT	T EOUIPM	ENT FL	OAT EOU	IPMENT	
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
	MA	TERIALS - M	ATERIALS	- MATER	IALS		
CW-HVS	12.00	bbl	58.70	704.40	23.48	60.0%	281.76
CB-ASA	230.00	sack	23.50	5,405.00	9.40	60.0%	2,162.00
CFL-210	109.00	pound	18.90	2,060.10	7.56	60.0%	824.04
CLC-KOL	1150.00	pound	0.98	1,127.00	0.39	60.0%	450.80
CLC-CPF	58.00	pound	2.97	172.26	1.19	60.0%	68.90
CDF-100P	46.00	pound	3.50	161.00	1.40	60.0%	64.40
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
ADL	DITIONAL IT	EMS - ADDIT	TONAL IT	EMS - ADI	DITIONAL	ITEMS	
Additional hours, in excess of set hours		per hour	440.00	0.00	220.00	50.0%	0.00
					Gross	Discount	Final
				Services Total	6,827.51 2,741.00	4,096.51 1,233.45	2,731.00 1,507.55
				laterials Total	11,576.97	6,946.18	4,630.79
A Long Control of the			Ad	ditional Items	0.00	0.00	0.00
Customer Agent:				Final Total	21 1/15 //2	12,276.14	8,869.34

This output does NOT include taxes. Applicaple 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.

Field Ticket Total (USD):

\$8,869.34

TO= 5515 TP= SSIO



Cementing Services Mace HWI Field Ticket 83001075 Sastelle Date

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 ("Froducts") (collectively, "Work Orders") to be provided by BI Services LLC or its affiliates ("BI") to its customers (each a "Customers") are subject to acceptance by BI, 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 BI Services, LLC (collectively the "Parties") have executed a Master Service Agreement, which terms shall control.

PAYMENT TERMS

syment terms are specified or approved by the BJ Credit Department, all Unless alternate payment terms are specified or approved by the BI Credit Department, all charges billed by BI must be paid within thirty (30) days of the date of invoice. For invoices, unpaid ofter 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, lines may be filed, and Customer shall pay BI 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.

- CANCELIATION AND RETURNS
 Products: Product Orders may only be cancelled with written authorization from Bi.
 Customer may be changed a restocking change of twenty-five percent (75%), 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
 succeed resultations and the product of the prod
- unused, reusable condition, in original unopened containers. Services: In the event Customer cancels an order for Services without ceuse, Customer shall be liable for all reasonable costs incurred by BJ including obilization/demobilization.

THIRD PARTY CHARGES, TAXES

 Thing Parkit Charles, INCES.
 Customer shall pay all third-party charges, in compliance with Brs current price list, and any sales, use, rental or other taxes that may be applicable. Customer shall gay all applicable customs, existe, import and other duties unless otherwise agreed in writing. Customer shall provide necessary import licenses and extensions.

 INDEPENDENT CONTRACTOR
 It is expressly understood that BJ is an independent contractor, and that neither BJ nor its principals, partners, employees or

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 Gustomer to generate Gustomer's goods, products, and services, and therefore BJ and Gustomer agree that Gustomer is the statutory employer of BJ's employees and its subcontractor's employees under La. R.S. 23:1061 (A) (3).

- <u>LUBILITIES, RELEASES AND INDEMNIFICATION:</u>
 In these Terms and Conditions (I) "BU Group" means BU, its parent, subsidiary, joint venturers, and difflieted or related companies; its subcontractors at any tier; and the in these terms and Conditions (1) "Bil Group" means Bi, its parent, subsalarly, 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, joint-ments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees, and costs of libgation) of any lend 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 unforesseable), 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; (iii) "Customer Group" means Customer, its par ent, subsidiory and affiliated or related companies; its collesses, co-owners, partners, joint operators and joint venturers; its client or customer if its into 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 emicromental statutes, ordinances, laws, equipment, or tools, and (vii) "Waste" means any cuttings, muds, waste, water, or materials from the well that where Services are performed by BI.

 BI SHALL RELEASE. INDEMNIFY. DEFEND AND HOLD CUSTOMER GROUP HARMLESS
- BI SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISINS OUT OF OR RELATED TO (I) PERSONAL OR BOILLY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF BU GROUP, AND (II) LOSS, DAMAGE OR DESTRICTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF BUGROUP.
- CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BY GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (1) 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.
- SLIBIFCT TO THE PERSONAL INJURY PROVISIONS OF ARTICLE 5(B) ABOVE, BI SHALL SUBJECT TO THE PERSONAL INJURY PROVISIONS OF ARTICLE 5(B) ABOVE, ID SHALL PROTECT, DEFENDA AND INDEMNIFY CUSTOMERSROUP PROMANDS 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 BI GROUP'S EQUIPMENT OR OTHER EQUIPMENT IN ITS CONTROL, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME.
- SUBJECT TO THE PERSONAL INJURY PROVISIONS OF 5(Q) ABOVE, CUSTOMER SHALL PROTECT, DEFEND AND INDEMNIFY BI GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISINS DIRECTLY OR INDIRECTLY FROM ANY EXISTING POLLUTION AT THE SITE AND FROM ALL OTHER POLLUTION OF CONTAMINATION, INCLUDING BUT NOT UMITED TO POLLUTION RESULTING FROM FIRE, BLOWOUT, CRATERINS, SEEMGE 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.
- CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BU GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF CUSTOMER GROUP. BU 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 BI GROUP.
- THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN THIS ARTICLE 5 APPLYTO ANY CLAIMS; WITHOUT REGARD TO THE CAUSE(S) THEREOF, INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT NOT LIABILITY, THE UNSEAWORTHINESS OF ANY VESSEL ON VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), LUTRAHAZARDOUS ACTUIN, STRICT LIABILITY, TONT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE REGULERNEE, 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 REMEDES ANY LIABLE TO THE PARTIES FOR THE CLAIMS COVERED. EXCLUSIVE REMEDIES AVAILABLE TO THE PARTIES FOR THE CLAIMS COVERED.

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

- Normarounts: 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 diseasef \$3,000,000 policy limit. 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 appropriate.
- aggregate. 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
- Excess Liability Insurance over that required in A (for Employer's Liability only), Band C in the

D. Excess tiability 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 subregation 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 fall'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



11. INTELLECTUAL PROPERTY
B) 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. B) owns and has legal rights to practice certain copyrights, marks, patents or pending applications on certain technology and items related to





 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 BI 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. Bl reserves the right not toperform Work if the job or conditions of the location render such performance inadvisable.

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 CF.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

- STANDARD OF PERFORMANCE
 Services: Bl 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 here 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 BI is notified in writing by Customer prior to demobilization.

 <u>Products:</u> BI warrants that the Products shall conform to BI's published specifications or the
- requires a warrant but the robucts and content to a pointing agreement on the specifications agreed to in writing. If any of the Products fail to conform, Bi shall repair or replace the non-conforming Products, or issue credit to the Customer. In the event Bi 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 Bi ("Specialty Products"). Customer recognizes and agrees that Specialty Products may not have or contain the same or similar characteristics as Bi's standard Products, including historical performance against or similar characteristics as BI's standard Products, including historical performance against which future performance can be measured. In developing, manufacturing, testing and using any Specialty Product, BI 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 tails to meet the specifications agreed to inwriting by Customer, then BI shall, at its option, repair or replace the non-conforming specialty Products with the type originally furnished to Customer or substitute with standard Products. BI's warranty obligations are non-transferrable and void if the non-conformity were caused by (i) Customer's failure to properly store or maintain the Products, (ii) abnormal wall conditions, alreadive materials, correction, the top aspectated by Customer's failure to 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 Bi's recommendations further, Bi'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
- <u>Goods</u>: B) shall assign any vendor or supplier's warranty to Customer for any Products or goods purchased, to the extent such warranties are assignable.
- 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 BI 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 practice. The interences, assumptions and practices are not interiuse, and with respect to which professional geologists, engineers, drilling consultants, and analysts may differ. Accordingly, Bil 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, BI 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 BI BE LIABLE FOR CONSEQUENTIAL DAMAGES INCURRED BY CUSTOMER GROUP AS A RESULT OF DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS.

 INTELLECTUAL PROPERTY
 B) 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

Bi 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 proceed by the comply notify BI 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 BI full opportunity, at B'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 BI sees ft. BI does not warrant that such Products (i) will not infringe any such patent when not of BI'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, infinge any such patent, and BI shall not be liable; AND CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BY HARMLESS FOR DAMAGES OR LOSSES OF ANY NATURE WHATSOEVER RESULTING FROM ALLEGED PATENT INFRINGEMENT ARISING PURSUANT TO (I) AND (II) ABOVE.

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 paymoney, 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 cause relied upon, such deligations shall be suspended. Force Majeure shall induse any event that is beyond the reasonable control of the party so affected including, without limitation, exts 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, lightening, fire, flood, washout, storm, breakage or accident to equipment or machinery, and shortage of row 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

LAWS, RULES, REQUIATIONS, AND EXPORT CONTROL

and Customer agree to comply with all laws, rules, regulations and decrees of any
remmental or regulatory body having jurisdiction over the Services or Products to be provided by BI or the work site or that may otherwise be applicable to BI'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. B) reserves the right to refuse to fulfill any Work Order or otherwise perform under these Terms and Conditions if B) in its sole discretion determines that such action may violate any law or regulation.

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 RESPECT TO ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THESE TERMS AND CONDITIONS.

16. ASSIGNMENT

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

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

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