



Field Ticket Number: Lib1709290002

Field Ticket Date:

Friday, September 29, 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:** O1 Surface  
**Well Location:** Haskell, KS  
**Well Name:** Kells  
**Well Number:** I-1  
**Well Type:** New Well  
**Rig Number:** Duke # 9  
**Shipping Point:** Liberal, KS  
**Sales Office:** Mid Con

| PERSONEL    |                 | EQUIPMENT     |                |
|-------------|-----------------|---------------|----------------|
| Erik Chavez | Jose Calderon   | 531-4 / 469-5 | 705-4 / 1081-5 |
|             | Gabriel Mendoza |               | 955-4 / 553-5  |

**SERVICES - SERVICES - SERVICES**

| Description                      | Qty     | UOM         | Unit Amt | Gross Amt | Unit Net | Disc. % | 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                             | 488.00  | per cu. Ft. | 2.48     | 1210.24   | 0.99     | 60.0%   | 484.10     |
| DRYG                             | 1061.00 | ton-mile    | 2.75     | 2917.75   | 1.10     | 60.0%   | 1,167.10   |
| 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   | 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  |

**MATERIALS - MATERIALS - MATERIALS**

|          |        |       |       |          |       |       |          |
|----------|--------|-------|-------|----------|-------|-------|----------|
| --       | 10.00  | bbbl  | 0.00  | 0.00     | 0.00  | 60.0% | 0.00     |
| CB-AMDAL | 238.00 | sack  | 26.57 | 6,323.66 | 10.63 | 60.0% | 2,529.46 |
| CA-100   | 672.00 | pound | 1.10  | 739.20   | 0.44  | 60.0% | 295.68   |
| CLC-CPF  | 119.00 | pound | 2.97  | 353.43   | 1.19  | 60.0% | 141.37   |
| 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 | 2.00 | per hour | 440.00 | 880.00 | 220.00 | 50.0% | 440.00 |
|--|------|----------|--------|--------|--------|-------|--------|

|                    | Gross            | Discount         | Final           |
|--------------------|------------------|------------------|-----------------|
| Services Total     | 7,221.74         | 4,333.04         | 2,888.70        |
| Equipment Total    | 2,555.00         | 1,149.75         | 1,405.25        |
| Materials Total    | 11,172.05        | 6,703.23         | 4,468.82        |
| Additional Items   | 880.00           | 440.00           | 440.00          |
| <b>Final Total</b> | <b>21,828.79</b> | <b>12,626.02</b> | <b>9,202.77</b> |

Customer Agent: Erik Chavez

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.

  
 Customer Signature

Field Ticket Total (USD):

**\$9,202.77**



Well Kullst-1 Field Ticket  
 AFE 55298  
 GL 83001075  
 Office Sublette  
 Date 9-29-17



**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, CRATERINGS, 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](http://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 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. BI 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:** 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 all good industry standards of performance and in a timely manner; and (iii) that BI, 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.

**F. Products:** BI warrants that the Products shall conform to BI's published specifications or 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 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 in writing 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-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 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 BI's facility.

**G. 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.

**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 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 which professional geologists, engineers, drilling consultants, and analysts may differ. Accordingly, BI 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.

**11. INTELLECTUAL PROPERTY**

BI 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. BI 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 BI makes any improvements on such technology, then BI 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 promptly 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 BI'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 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 BI shall not be liable; AND CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BI 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 BI incidental to such termination.

**13. LAWS, RULES, REGULATIONS, AND EXPORT CONTROL**

BI 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 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 BI requests for trade compliance information, statements, and other assurances including, without limitation, requests for End-User and Routed Transaction certifications. BI reserves the right to refuse to fulfill any Work Order or otherwise perform under these Terms and Conditions if BI in its sole discretion determines that such action may violate any law or regulation.

**14. 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**

BI 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: Lib1709290002      | Job Purpose: 01 Surface |                  |  |
| Customer: MERIT ENERGY COMPANY | Date: 9/29/2017         |                  |  |
| Well Name: Kells               | Number: I-1             | API/UWI:         |  |
| County: Haskell                | City:                   | 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     | Jose Calderon   | #N/A     |
|             |          | Gabriel Mendoza | #N/A     |

| Equipment:    | Emp. ID:       |
|---------------|----------------|
| 531-4 / 469-5 | 705-4 / 1081-5 |
|               | 955-4 / 553-5  |

| Well Information  |            |              |             |             |             |             |
|-------------------|------------|--------------|-------------|-------------|-------------|-------------|
| Open Hole Section |            |              |             |             |             |             |
| Description:      | Size (in): | Excess       | Top MD (ft) | Btm MD (ft) |             |             |
| OPEN HOLE         | 12 1/4     | 0%           | 1270        | 1,799       | TAIL CEMENT |             |
| OPEN HOLE         | 12 1/4     | 130%         | 0           | 1,261       | 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           | 1,789       |
| SHOE              | 8 5/8      | 24           | 8.097       | J-55        | 1,728       | 1,746       |

| 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 | 238           | 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        | 671.2       | lbm            |  |
| CLC-CPF                      | CELLOPHANE FLAKES                     | 0.5           | lb/sk         | 119.0       | 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                          | 110.0451913   | 8.33          | n/a         | n/a            |  |

| Job Number: Lib1709290002      | Job Purpose: 01 Surface |              |                   |            |          |
|--------------------------------|-------------------------|--------------|-------------------|------------|----------|
| Customer: MERIT ENERGY COMPANY | Date: 9/29/2017         |              |                   |            |          |
| Well Name: Kells               | Number: I-1             | API/UWI:     |                   |            |          |
| County: Haskell                | City:                   | State: KS    |                   |            |          |
| Cust. Rep:                     | Phone:                  | Rig Phone: 0 |                   |            |          |
| Distance: 50 miles (one way)   | Supervisor:             | 0            |                   |            |          |
| TIME                           | PRESSURE - (PSI)        |              | FLUID PUMPED DATA |            | COMMENTS |
| AM/PM                          | CASING                  | ANNULUS      | VOLUME            | RATE (BPM) |          |



### Cement Job Summary

|         |      |             |     |     |                                 |
|---------|------|-------------|-----|-----|---------------------------------|
| 18:30   |      |             |     |     | Arrive on Location              |
| 18:40   |      |             |     |     | Pre-Rig up Safety Meeting       |
| 19:40   |      |             |     |     | Rig up Equipment                |
| 20:00   |      |             |     |     | Wait on Casing Crew             |
| 22:00   |      |             |     |     | Operation Safety Meeting        |
|         |      |             |     |     | Prime Lines                     |
| 22:26   | 120  |             | 2   | 3.0 | Pressure/Volume/Rate            |
| 22:29   | 2500 |             |     |     | Pressure Test                   |
|         |      |             |     |     | Spacer / H2O                    |
| 22:34   | 200  |             | 10  | 3.5 | Pressure/Volume/Rate            |
|         |      |             |     |     | LCmt 475 sks @ 12.1 ppg         |
| 22:36   | 210  |             | 25  | 6.0 | Pressure/Volume/Rate            |
| 22:54   | 190  |             | 100 | 6.2 | Pressure/Volume/Rate            |
| 23:20   | 200  |             | 210 | 6.0 | Pressure/Volume/Rate            |
|         |      |             |     |     | LCmt 175 sks @ 15.2 ppg         |
| 23:31   | 250  |             | 40  | 6.0 | Pressure/Volume/Rate            |
| 23:35   |      |             |     |     | Shutdown/DropPlug/WashEquipment |
|         |      |             |     |     | Displacement                    |
| 23:43   | 140  |             | 20  | 6.0 | Pressure/Volume/Rate            |
| 23:47   | 250  |             | 40  | 6.0 | Pressure/Volume/Rate            |
| 23:51   | 290  |             | 60  | 6.0 | Pressure/Volume/Rate            |
| 23:55   | 370  |             | 80  | 6.0 | Pressure/Volume/Rate            |
| 23:59   | 540  |             | 101 | 3.5 | Slow Rate                       |
| 0:02:00 | 1040 |             | 111 | 3.5 | Bump Plug                       |
| 0:07    |      | 1 bbl bck   |     |     | Release Pressure/Check Floats   |
| 0:17    |      |             |     |     | AAR/Pre-Rig down Safety Meeting |
| 0:27    |      |             |     |     | Rig down Equipment              |
| 1:30    |      |             |     |     | Journey Management              |
| 1:40    |      |             |     |     | Leave Location                  |
|         |      | 60 bbls bck |     |     | Cement back to Surface          |