KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form ACO-1 September 1999 Form Must Be Typed

CONFIDENTIAL

WELL COMPLETION FORM WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License #32890	API No. 15 - 193-20694-00-00
Name: HT Oil LLC	County: Thomas
Address: 6150 Stoneridge Mall Rd., Suite 365	SW - SW - NE - NE Sec. 22 Twp. 10 S. R. 31 East V West
City/State/Zip: Pleasanton, California 94588	1250 feet from S (N) (circle one) Line of Section
Purchaser: NA	1260 feet from (F) / W (circle one) Line of Section
Operator Contact Person: Mark Torr CONFIDENTIAL	Footages Calculated from Nearest Outside Section Corner:
Phone: (_785) 425-6763 RECEIVED	(circle one) (NE) SE NW SW
Contractor: Name: HT Oil LLC	Lease Name: Ottley Well #: 1
License: 32890 JUN 0 7 2004	Field Name: NW Triangle
Wellsite Geologist: Kitt Noah KCC WICHITA	Producing Formation: Conglomerate
Designate Type of Completion:	Elevation: Ground: 2958 Kelly Bushing: 2963
New Well Re-Entry Workover	Total Depth: 4655 Plug Back Total Depth: N/A
OilSWDSIOWTemp. About FIFA	Amount of Surface Pipe Set and Cemented at 218' Feet
Con ENUE CICM	Multiple Stage Comenting Coller Hood?
Dry Other (Core, WSW, Expl., Cathodic, etc)	If yes, show depth set 2525 Feet
If Workover/Re-entry: Old Well Info as follows:	ITAILE II completion, cement circulated from 2525
Operator:	feet depth to surface w/ 485sx 60/40,8% gel,1/4# flo seal sx cmt.
Well Name:	Drilling Fluid Management Plan
Original Comp. Date: Original Total Depth:	(Data must be collected from the Reserve Pit)
Deepening Re-perf Conv. to Enhr./SWD	Chloride content 32,000 ppm Fluid volume 200 bbls
Plug BackPlug Back Total Depth	Dewatering method used Air Dried
Commingled Docket No	Location of fluid disposal if hauled offsite:
Dual Completion Docket No	·
Other (SWD or Enhr.?) Docket No	Operator Name:
3-09-04 3-22-04 4-21-04	Lease Name: License No.:
Spud Date or Date Reached TD Completion Date or	Quarter Sec TwpS. R
Recompletion Date Recompletion Date	County: Docket No.:
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas 67202, within 120 days of the spud date, recompletion, workover information of side two of this form will be held confidential for a period of 12 107 for confidentiality in excess of 12 months). One copy of all wireline logs a TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells.	or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. months if requested in writing and submitted with the form (see rule 82-3-nd geologist well report shall be attached with this form. ALL CEMENTING Submit CP-111 form with all temporarily abandoned wells.
All requirements of the statutes, rules and regulations promulgated to regulate herein are complete and correct to the best of my knowledge.	e the oil and gas industry have been fully complied with and the statements
Signature: Dusty Phoases	KCC Office Use ONLY
Title: Geologist Date: 5-03-04	Letter of Confidentiality Received
Subscribed and sworn to before me this 3 nd day of June	If Denied, Yes Date:
day of	, Wireline Log Received
2007	Geologist Report Received
Notary Public Dea M Kumpel Register of Deeds, Register of Deeds, Register	UIC Distribution
Date Commission Expires: Typician	
THE CONTRACTOR OF THE PARTY OF	
The State of the S	
$m^{-1/(\alpha n_0 d_L)}$	



Side Two

15-193-20694-00-00

ORIGINAL

Operator Name: H I	Oil LLC			Lease	e Name:_	Juley		_ Well #:		
Sec Twp		Eas	t 🔽 West	Count	y: Thom	nas				
tested, time tool ope temperature, fluid re	show important tops and closed, flowing acovery, and flow rate gs surveyed. Attach	g and shut es if gas to	-in pressures, surface test, a	whether s long with	hut-in pre	essure reached	static level, hydro	ostatic pressur	es, botto	m hole
Drill Stem Tests Take		VY	es		VL	og Formati	on (Top), Depth a	and Datum		Sample
Samples Sent to Geological Survey				Name Anhydrite			Top 2524	Top Datum 2524 + 439		
Cores Taken				2 2 202			3744 - 781			
Electric Log Run		✓ Yes			Topeka KCC Heebner					- 1004
(Submit Copy)					Lans	sing UN	0 4 2003	4010	_	1047
List All E. Logs Run:	:				ВКС	,		4278	_	1315
ELI Wireline S	ervices-comp/d	ens/neu	tron			mee UNFI	DENTIAL	4395		1432
Dual Induction	, Micro Log				Che	rokee		4489	- 1526	
Perf-Tech - D	ual Receiver C	ement E	Bond Log		Miss	sissippi		4597	- 1634	
		Repo		RECORD	V No	ew Used	tion, etc.			Marrier years and the second s
Purpose of String	Size Hole Drilled		ze Casing t (In O.D.)		ight / Ft.	Setting Depth	Type of Cement	# Sacks Used		and Percent
Surface	12 1/4	8 5/8		Lbs. / Ft.		218'	Common	150		C,2%Gel
Production	7 7/8	5 1/2		14#		4655'	ASC	150	10%S	alt,2%Gel
			ADDITIONAL	CEMENT	ING / SQL	JEEZE RECORI)		1	
Purpose: Perforate Protect Casing Plug Back TD Plug Off Zone	Casing k TD			#Sacks	s Used	Type and Percent Additives				
Tiug On Zone										90,0000, , , , , , , , , , , , , , , , ,
, Shots Per Foot			RD - Bridge Plug Each Interval Per		<u> </u>		cture, Shot, Cemen		rd	Depth
4 spf Exp carrier 4572'-4574'						250 gal mud acid, 750 gal 15% NE			4572-4574	
JUN 0.7 2004 KCC WICHIT						RELEASE			D-	
				· · · · · · · · · · · · · · · · · · ·					OM	
5 · · · · · · · · · · · · · · · · · · ·		KCC	WICHI	TA				ONFIE		FIAL
TUBING RECORD	Size	Set At		Packer /	At	Liner Run				
	3/8	4608	Droducio a M - 4	had			Yes V No			
Approx 6-14-0	rd Production, SWD or E 4	ZHAF.	Producing Met	iod	Flowing	g 📝 Pumpi	ng 🔲 Gas Lit	t Othe	er <i>(Explain</i>)
Estimated Production Per 24 Hours	0ii 25	Bbls.	Gas	Mcf	Wate	er B	bls. (as-Oil Ratio		Gravity
Disposition of Gas	METHOD OF 0	COMPLETIC	N			Production Inter	val	Look analysississis		
Vented Sold	Used on Lease ubmit ACO-18.)		Open Hole Other (Speci	Peri	i. [] [Oually Comp.	Commingled			

CONFIDENTIAL

15-193-20694-00-00 ORIGINAL

RECEIVED

JUN 07 2004 KCC WICHITA

KCC UN 0 4 2004

JONFIDENTIAL

Side Three

Operator Name: HT Oil LLC

Section 22 Twp. 10s R. 31w

Lease Name: Ottley

Well:#1

County: Thomas

State: Kansas

Drill Stem Test Results:

Dst No. 1 - "H" Zone

4137-4170 Open 45 minutes. Weak surface building to 1". Shut-in 45 minutes.

Open 45 minutes. Dead, no blow. Shut-in 45 minutes.

Recovered: 5 feet slightly oil specked mud.

Initial Flow Pressure 47-85 psi

Final Flow Pressure 79-95 psi

Initial Shut-in Pressure 780 psi

Final Shut-in Pressure 630 psi

Dst No. 2 - "I" Zone

4169-4197

Open 30 minutes. Weak surface, died 25 minutes. Shut-in 30 minutes.

No second open or shut-in. Test was pulled.

Recovered: 2 feet mud.

Initial Flow Pressure 33-80 psi

Final Flow Pressure 00 psi

Initial Shut-in Pressure 72 psi

Final Shut-in Pressure 00 psi

Dst No. 3 - "J", "K", "L" Zone

4198-4285

Open 30 minutes. Weak surface building to 1". Shut-in 30 minutes.

Open 30 minutes. Dead, no blow. Shut-in 30 minutes.

Recovered: 5 feet mud

Initial Flow Pressure 39-82 psi Initial Shut-in Pressure 1163 psi Final Flow Pressure 27-46 psi

Final Shut-in Pressure 1114 psi

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15-193-20694-00-00

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JUN 07 2004

KCC

ORIGINAL

KCC WICHITA

UN 0 1 2004

CONFIDENTIAL

Dst No. 4 - Pawnee Zone

4379-4414 Open 60 minutes. Weak building, Bottom of Bucket 50 minutes.

Shut-in 60 minutes.

Open 90 minutes. Weak building, Bottom of Bucket 55 minutes.

Shut-in 60 minutes. Steady 1/4" Blow Back.

Recovered: 130' GIP, 135' Oil Cut Mud(25% Oil, 75% Mud)120' MW

Initial Flow Pressure 17-79 psi Final Flow Pressure 93-133 psi Initial Shut-in Pressure 633 psi Final Shut-in Pressure 596 psi

Dst No. 5 - Johnson Zone

4512-4550 Open 30 minutes. Weak surface, died in 15 minutes. Shut-in 30 minutes.

Open 15 minutes. No Blow, Flushed Tool, NO Blow. No Shut-in

Recovered: 1 foot Mud

Initial Flow Pressure 23-28 psi Final Flow Pressure 31-30 psi Initial Shut-in Pressure 31-30 psi Final Flow Pressure None

Dst No. 6 - Conglomerate

4548-4603 Open 60 minutes. Weak building, Bottom of Bucket 25 minutes.

Shut-in 60 minutes. Blow Back, Died in 19 minutes.

Open 60 minutes. Fair building, Bottom of Bucket 10 minutes.

Shut-in 60 minutes.

Recovered: 970' GIP, 200' HGOCM(35%G, 25%O,40%Mud)

Initial Flow Pressure 33-71 psi Final Flow Pressure 80-107 Initial Shut-in Pressure 1059 psi Final Shut-in Pressure 1025 psi

RELEASED FROM CONFIDENTIAL CONFIDENTIAL

DRILLER'S WELL LOG

ORIGINAL

Date Spud:

Mar 9, 2004

Date Complete: Mar 22, 2004

RECEIVED

JUN 07 2004

KCC WICHITA

H T OIL LLC

Ottley #1

NE/4 22-10-31W

Thomas Co, KS

Elevation: 2958' G.L.

DEPTH

0 - 218 Shale & Sand

218 - 1020 Shale & Sand

1020 - 1456 Shale & Sand

1456 - 1747 Shale & Sand

1747 - 2187 Shale & Sand

2187 - 2526 Shale & Sand

2526 - 2554 Anhydrite

2554 - 2775 Shale

2775 - 2998 Shale

2998 - 3171 Shale

3171 - 3346. Shale

3346 - 3515 Shale

3515 - 3596 Shale

3596 - 3728 Shale

3728 - 3905 Lime & Shale

3905 - 4030 Lime & Shale

4030 - 4106 Lime

4106 - 4182 Lime

4182 - 4285 Lime

4285 - 4424 Lime

4424 - 4550 Lime

4550 - 4627 Lime

4627 - 4655 Lime

4655 R.T.D.

KCC

19N 0 4 2004

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Surface Pipe: Set 225 feet of 8 5/8" casing @ 230 feet With 160 sacks of COM; 3% CC; 2% Gel

STATE OF KANSAS

) ss:

COUNTY OF GRAHAM)

Andy Anderson of lawful age, does swear and states that the facts and statements herein are true and correct to the best of his knowledge.

andy Anderson

Subscribed and sworn to before me this 25th day of March 2004.

LIED CEMENTING CO., II REMIT TO IUN 0 4 2004 RUSSELL, KANSAS 67665 ONFIDENTIA JOB START ON LOCATION 8.15/2m 2,30124 COUNTY LOCATION OAKley 3N-4E-IN-14/E WELL# THOMAS OLD OR NEW (Circle one) CONTRACTOR A+AD-b+A.Z. OWNER TYPE OF JOB/ LOSucTion STring **CEMENT HOLE SIZE** AMOUNT ORDERED **CASING SIZE** 4855KS 60/4089 Get WAFTO Seal **TUBING SIZE DEPTH** DRILL PIPE **DEPTH** TOOL D PRES. MAX **MINIMUM** COMMON. MEAS. LINE SHOE JOINT **POZMIX** CEMENT LEFT IN CSG. GEL PERFS. CHLORIDE CONFIDENTIAL DISPLACEMENT **EQUIPMENT** PUMP TRUCK CEMENTER #393-29/ HELPER / UZZV HANDLING_ BULK TRUCK MILEAGE 218 DRIVER BULK TRUCK RECEIVED TOTAL _ JUN 07 2004 KCC WICHITA SERVICE **REMARKS:** dary wait Jumins open 4/900# civalated Hole for 30mins. Plug Kat DEPTH OF JOB Hole W/15 5Ks. Mix 4705Ks.

10/40 8% Gel 44 Flu Seal, Wash Tole

+ Line. Disp W/62/2 Bbls 1949

Land 97 15009 Tool Closer PUMP TRUCK CHARGE EXTRA FOOTAGE MILEAGE TOTAL _ CHARGE TO: HT Oil HC STREET _ FLOAT EQUIPMENT CITY____STATE___ZIP_ @ To Allied Cementing Co., Inc. You are hereby requested to rent cementing equipment TOTAL _____ and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or TAX contractor. I have read & understand the "TERMS AND TOTAL CHARGE _____ CONDITIONS" listed on the reverse side. DISCOUNT ______ IF PAID IN 30 DAYS SIGNATURE Claim Man Com PRINTED NAME

15-193-20694-000

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

- —TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.
- —ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.
- —PRICES AND TAXES: All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.
- —TOWING CHARGES: ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.
- —PREPARATION CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.
- —DEADHAUL, CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.
- —SERVICE CONDITIONS AND LIABILITIES: 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:
- (A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:
- (B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.
- 2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.
- 3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.
- WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.
 - 2. More specifically:
- (A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.
- (B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.
- (C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

ALLIED CEMENTING CO., INC. SERVICE REMIT TO P.O. BOX 31 UN 0 4 2004 RUSSELL, KANSAS 67665 ON LOCATION JOB FINISH JOB START 1,15 PM COUNTY LOCATION ONKING 3N-4F-IN 1341E 74011165 LEASE OLD OR NEW (Circle one) CONTRACTOR A DEL L **OWNER** TYPE OF JOB Production STring CEMENT HOLE SIZE DEPTH 4656.73 AMOUNT ORDERED **CASING SIZE** 150545 ASC 10% Salt **TUBING SIZE DEPTH** 500 gal WFR-2 15K Gel DRILL PIPE **DEPTH** TOOL DEPTH COMMON__ PRES. MAX **MINIMUM** SHOE JOINT//// POZMIX MEAS. LINE GEL CEMENT LEFT IN CSG. FROM CHLORIDE PERFS. DISPLACEMENT 50 Bbls Water 65 Bbls Mud **EQUIPMENT** CEMENTER Dean PUMP TRUCK @ #373-281 HELPER / 422 / Max HANDLING_____ **BULK TRUCK** MILEAGE DRIVER 3/5 BULK TRUCK TOTAL __ 218 DRIVER 212 **SERVICE REMARKS:** Pump 500 agls WFR-2 followed W/1505ks HSC 1090 Salt 290 Gel. Wash Trkd line. Disp W/50 Bbls Water + 65 W/1505/5 DEPTH OF JOB PUMP TRUCK CHARGE EXTRA FOOTAGE _____ MILEAGE @ Landed 97 @ @ Thank You TOTAL CHARGE TO: A T. CAL ALC FLOAT EQUIPMENT STREET __ CITY_____STATE ____ZIP__ Courde Shoe FU Insert Centralizers @ - Backel @ __ . @ To Allied Cementing Co., Inc. You are hereby requested to rent cementing equipment TOTAL _ and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or TAX __ contractor. I have read & understand the "TERMS AND TOTAL CHARGE _____ CONDITIONS" listed on the reverse side. IF PAID IN 30 DAYS DISCOUNT ____ SIGNATURE An Alexander

PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

- —TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.
- —ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.
- —PRICES AND TAXES: All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.
- —TOWING CHARGES: ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.
- —PREPARATION CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.
- —DEADHAUL, CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.
- —SERVICE CONDITIONS AND LIABILITIES: 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:
- (A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:
- (B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.
- 2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.
- 3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.
- WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.
 - 2. More specifically:
- (A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.
- (B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.
- (C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

15-193-20694-00-00 INC. 11000 ALLIED CEMENTING CO.

REMIT TO P.O. BOX 31 RUSSELL, KANSAS 67665 UN 0 4 2004

SERVICE POINT:

KUS;	SELL, KAI	NSAS 6760	65	0 4 2004			BALLY
9-04 DATE	SEC.	TWP. /05	3/4)		ON LOCA	PM 7/8/57	M 1215 A
CHASE LEASE	WELL#	1	LOCATION DAKLE	Y 3N-4E	-1N-14=	COUNTY	STATE
OLD OR NÉW (C		P	3.		Action 1	REL	EASED
	<i>.</i>	c) A			. C*	יייד דייד <u>י</u>	ROM
CONTRACTOR	1980 5106		Gar H.T. OZL	OWNER	SAME	der	DENTIAL
TYPE OF JOB	SURFA		7/0/	CEMENT	and the second second	CONFI	DENTIAL
HOLE SIZE CASING SIZE	8 34	7 6	PTH 2/8'			505K C0111	5% < 2866 L
TUBING SIZE			PTH	MINOCIVI	waster EREID	Mr. of	
DRILL PIPE			PTH		t lar		in the first term of properlying and the state of the sta
TOOL			PTH		Samuel Marie Committee of the Committee		50
PRES. MAX		MI	NIMUM	COMMON	130 SKS	@	1252 3
MEAS. LINE		SHO	OE JOINT	POZMIX	and the same of th	@	
CEMENT LEFT I	N CSG.			GEL	<u> </u>	Taga	30 3
PERFS.		il otto	37. 70.	CHLORID	E 5 5Ks	@ <i></i>	150 4
DISPLACEMEN'			34 884		Removed to	@	
	EQU	JIPMENT	and the second			@ @	
					De la companya del companya de la companya del companya de la comp		
PUMP TRUCK	CEMENT		(EMRY	i	V.,		
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GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

- —TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.
- —ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.
- —PRICES AND TAXES: All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.
- —TOWING CHARGES: ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.
- —PREPARATION CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.
- —DEADHAUL, CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.
- —SERVICE CONDITIONS AND LIABILITIES: 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:
- (A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:
- (B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.
- 2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.
- 3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.
- WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.
 - 2. More specifically:
- (A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.
- (B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.
- (C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.