

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 31900
 Name: Nor-West Kansas Oil, L.L.C.
 Address: RR 2, Box 14,
 City/State/Zip: WaKeeney, KS 67672
 Purchaser: NCRA
 Operator Contact Person: Patrick G. Wanker
 Phone: (785) 743-2769
 Contractor: Name: Murfin Drilling Company, Inc.
 License: 30606
 Wellsite Geologist: Randy Kilian
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)
 If Workover/Re-entry: Old Well Info as follows:
 Operator: _____
 Well Name: _____
 Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

<u>2/28/04</u>	<u>3/7/04</u>	<u>4/27/04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 179-21114-00-00
 County: Sheridan
SW SE NE SE Sec. 3 Twp. 10 S. R. 29 East West
2590 feet from S (N) (circle one) Line of Section
1000 feet from (E) / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) (NE) SE NW SW
 Lease Name: Bixenman Well #: 1
 Field Name: W C C Southeast Extension
 Producing Formation: Lansing - Kansas City
 Elevation: Ground: 2796 Kelly Bushing: 5 feet
 Total Depth: 4530 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 231 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 Alternate II completion, cement circulated from 231
 feet depth to cellar w/ 150 sks.com 3% cc 2% gel sx cmt.
Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit) ALT II W HW
2-22-07
 Chloride content _____ ppm Fluid volume _____ bbls
 Dewatering method used _____
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____
 Lease Name: _____ License No.: _____
 Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
 County: _____ Docket No.: _____

CONFIDENTIAL

KCCO
JUN 18 2004

CONFIDENTIAL

RECEIVED
JUN 18 2004
KCC WICHITA

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. **ALL CEMENTING TICKETS MUST BE ATTACHED.** Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

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.

Signature: [Signature]
 Title: Operator Date: June 16, 2004
 Subscribed and sworn to before me this 16th day of JUNE,
20 00X
 Notary Public: [Signature]
 Date Commission Expires: 9/9/04

KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

[Notary Seal]
 My Appt. Exp. 9/9/04

Operator Name: Nor-West Kansas Oil, L.L.C. Lease Name: Bixenman Well #: 1
 Sec. 3 Twp. 10 S. R. 29 East West County: Sheridan

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets)
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Compensated Density Neutron Long, Dual Induction
 Log and Sonic Log
 Micro Log

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample
Name	Top	Datum
Anhydrite	2394	+407
Heeb. Sh.	3874	-1073
Lansing	3911	-1110
Marmaton	4239	-1438
Fort Scott	4319	-1518
Cherokee Sh.	4342	-1541
Miss.	4445	-1644
T.D.	4528	-1727

CASING RECORD <input type="checkbox"/> New <input checked="" type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Oil Well	7 7/8 inches	5 1/2 inches	17 1/2 lbs.	4356 feet	Lite	500	1/4 #FLO Seal

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate				
<input type="checkbox"/> Protect Casing				
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	4093 feet to 4096	30 barrels of acid NE-15	4096

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 7/8 inch	4159	none	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
April 23, 2004		<input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	80		40		41

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled

Production Interval Other (Specify) _____

ALLIED CEMENTING CO., INC.

13749

Federal Tax I.D.# 48-0727860

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

oakley

DATE <i>2-28-04</i>	SEC. <i>3</i>	TWP. <i>10s</i>	RANGE <i>29w</i>	CALLED OUT	ON LOCATION <i>6:45 PM</i>	JOB START <i>9:15 PM</i>	JOB FINISH <i>9:30 PM</i>	
LEASE <i>Bixenman</i>	WELL # <i>1</i>	LOCATION <i>Hoxie + 770 Exit 2W SW 1/4 N</i>		COUNTY <i>Sheridan</i>	STATE <i>KS</i>			
OLD OR <input checked="" type="radio"/> NEW (Circle one)				<i>w/s</i>				<i>100</i>

CONTRACTOR *Murfin Drlg Rig 3*

TYPE OF JOB *Surface*

HOLE SIZE *12 1/4* T.D. *231'*

CASING SIZE *8 5/8* DEPTH *231'*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. *1.5'*

PERFS.

DISPLACEMENT *13 3/4 Bbls*

OWNER *Sgme*

CEMENT AMOUNT ORDERED *150 sks Com 30 CC 2% Gel*

COMMON	<i>150 sks</i>	@ <i>8.35</i>	<i>1252.50</i>
POZMIX		@	
GEL	<i>3.5 sks</i>	@ <i>10.00</i>	<i>30.00</i>
CHLORIDE	<i>.5 sks</i>	@ <i>30.00</i>	<i>150.00</i>
		@	
		@	
		@	
		@	
HANDLING	<i>158 sks</i>	@ <i>1.15</i>	<i>181.80</i>
MILEAGE	<i>54 sk/mile</i>		<i>181.70</i>

EQUIPMENT

PUMP TRUCK CEMENTER *Dean*

373-281 HELPER *Andrew*

BULK TRUCK

315 DRIVER *Lonnie*

BULK TRUCK

DRIVER

TOTAL _____

REMARKS:

SERVICE

Cement did circulate

Thank you

DEPTH OF JOB	<i>231'</i>		
PUMP TRUCK CHARGE			<i>520.00</i>
EXTRA FOOTAGE		@	
MILEAGE	<i>23 miles</i>	@ <i>3.50</i>	<i>80.50</i>
PLUG	<i>8 5/8 Surface</i>	@	<i>45.00</i>
		@	
		@	

TOTAL *645.50*

CHARGE TO: *Nor-west KS Oil LLC*

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		

TOTAL _____

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment 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 contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE *[Signature]*

DISCOUNT *[Signature]* PAID IN 30 DAYS

SIGNATURE *Keith Van Relt*

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 willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

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

ALLIED CEMENTING CO., INC.

13624

Federal Tax I.D.# 48-0727860

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
DAKLEY

DATE <u>3-7-04</u>	SEC <u>3</u>	TWP. <u>10S</u>	RANGE <u>29W</u>	CALLED OUT	ON LOCATION <u>2:30 PM</u>	JOB START <u>6:30 PM</u>	JOB FINISH <u>7:10 PM</u>
LEASE <u>BIXENMAN</u>		WELL # <u>1</u>	LOCATION <u>GRIPWELL 6N-5E-1/2N-W346</u>		COUNTY <u>SHERIDAN</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR MURFIN DRILL, REG # 3

TYPE OF JOB Production string Bottom stage

HOLE SIZE 7 7/8' T.D. 4530'

CASING SIZE 5 1/2 DEPTH 4525'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL D-U TOOL DEPTH 2415'

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT 42.10'

CEMENT LEFT IN CSG. 42.10'

PERFS. _____

DISPLACEMENT 48 BBL WATER 56 BBL MUD

EQUIPMENT TOTAL 104 BBL.

PUMP TRUCK CEMENTER TERRY

177 HELPER WAYNE

BULK TRUCK

218 DRIVER LARRY

BULK TRUCK

361 DRIVER LONNIE

OWNER JAME

CEMENT

AMOUNT ORDERED 200 SKS ASC 286EL

500 GAL WFR-2

COMMON _____ @ _____

POZMIX _____ @ _____

GEL 4SKS @ 10⁰⁰/₁₀₀ 40⁰⁰/₁₀₀

CHLORIDE _____ @ _____

ASC 200 SKS @ 9⁸⁵/₁₀₀ 1970⁰⁰/₁₀₀

_____ @ _____

WFR-2 500 GAL @ 1⁰⁰/₁₀₀ 500⁰⁰/₁₀₀

_____ @ _____

HANDLING 215 SKS @ 1¹⁵/₁₀₀ 247³⁵/₁₀₀

MILEAGE 254 PER SK/MILE 247³⁵/₁₀₀

TOTAL 3004⁵⁰/₁₀₀

REMARKS:

MEY 500 GAL WFR-2 200 SKS
ASC 286EL + DISPLACE 48 BBL
WATER 56 BBL MUD 104 TOTAL
BBLs.

PLUG LANDED FLOAT HELD

DROP BOMB

THANK YOU

SERVICE

DEPTH OF JOB 4525'

PUMP TRUCK CHARGE _____ 1130⁰⁰/₁₀₀

EXTRA FOOTAGE _____ @ _____

MILEAGE 23 ME @ 3⁵⁰/₁₀₀ 80⁵⁰/₁₀₀

PLUG _____ @ _____

_____ @ _____

_____ @ _____

TOTAL 1210⁵⁰/₁₀₀

CHARGE TO: NOR-WEST KANSAS OIL, L.L.C.

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

5 1/2"

1-GUIDE SHOE @ 150⁰⁰/₁₀₀

1-AFU INSERT @ 235⁰⁰/₁₀₀

12-CENTRALIZERS @ 50⁰⁰/₁₀₀ 600⁰⁰/₁₀₀

3-BASKETS @ 128⁰⁰/₁₀₀ 384⁰⁰/₁₀₀

1-D-U TOOL @ _____ 3300⁰⁰/₁₀₀

TOTAL 4669⁰⁰/₁₀₀

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment 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 contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]

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.

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(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.

Federal Tax I.D.# 48-0727860

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

OAKLEY

DATE <u>3-7-04</u>	SEC. <u>3</u>	TWP. <u>10S</u>	RANGE <u>29W</u>	CALLED OUT	ON LOCATION <u>2:30 PM</u>	JOB START <u>9:30 AM</u>	JOB FINISH <u>10:45 PM</u>
LEASE <u>BIXENMAN</u>	WELL # <u>1</u>	LOCATION <u>GRINNELL 6N-5E-1/2S WINTG</u>			COUNTY <u>SHERIDAN</u>	STATE <u>KS</u>	

OLD OR (NEW) Circle one)

CONTRACTOR MURFIN DRILL RIG #3
 TYPE OF JOB Production STRAB "TOP STAGE"
 HOLE SIZE 7 7/8" T.D. 4530'
 CASING SIZE 5 1/2" DEPTH 4525'
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL D-U TOOL DEPTH 2415'
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT 42.10'
 CEMENT LEFT IN CSG. 42.16'
 PERFS.
 DISPLACEMENT 56 BBL.

OWNER SAME

CEMENT AMOUNT ORDERED
500SKS LITE 1/4 #FLO-SEAL

COMMON	@		
POZMIX	@		
GEL	@		
CHLORIDE	@		
<u>LITE 500SKS</u>	@	<u>7 3/4</u>	<u>3675⁰⁰</u>
<u>FLO-SEAL 125#</u>	@	<u>1 4/8</u>	<u>175⁰⁰</u>
	@		
	@		
HANDLING <u>534 SKS</u>	@	<u>1 1/2</u>	<u>614⁰⁰</u>
MILEAGE <u>0.54 PER SK/MI</u>			<u>614⁰⁰</u>
TOTAL			<u>5078⁰⁰</u>

EQUIPMENT

PUMP TRUCK CEMENTER TERRY
 # 177 HELPER WAYNE
 BULK TRUCK
 # 361 DRIVER LONNIE
 BULK TRUCK
 # DRIVER

REMARKS:
OPEN D-U TOOL CIRCULATE 2 hrs
MIX 155SKS RAYHOLE MIX 415 SKS LITE
1/4 #FLO-SEAL + DISPLACE 56 BBL
WATER.
PLUG LANDED TOOL HELD.
CEMENT DID CIRC.

SERVICE

DEPTH OF JOB	<u>2415'</u>	
PUMP TRUCK CHARGE		<u>650⁰⁰</u>
EXTRA FOOTAGE	@	
MILEAGE <u>23 MI</u>	@	<u>N.C.</u>
PLUG	@	
	@	
	@	
TOTAL		<u>650⁰⁰</u>

CHARGE TO: NOR-WEST KANSAS OIL, LLC.
 STREET _____
 CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	

To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment 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 contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TOTAL _____
 TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]
Keith Van Pelt

[Signature]
 PRINTED NAME

GENERAL TERMS AND CONDITIONS

JUSSILL, KS 67665
H (785) 483-8887
AX (785) 483-5566
FEDERAL TAX

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 willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

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