

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

ORIGINAL

RECEIVED  
NOV 01 2004  
KCC WICHITA

Operator: License # 3553  
Name: Citation Oil & Gas Corp.  
Address: P.O. Box 690688  
City/State/Zip: Houston, Texas 77269-0688  
Purchaser: \_\_\_\_\_  
Operator Contact Person: Debra Harris  
Phone: (281) 517-7194  
Contractor: Name: Murfin Drilling Company  
License: 30606  
Wellsite Geologist: Jerry Greer

Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     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>9/24/2004</u>	<u>10/12/2004</u>	<u>10/15/2004</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

\* Verbal approval to drill to 3700' from Bob Peterson on 3/5/2004.

API No. 15 - 051-25282 - ∞ - ∞  
County: Ellis  
NE SW SE Sec. 21 Twp. 11 S. R. 18  East  West  
990 feet from (S) / N (circle one) Line of Section  
1650 feet from (E) / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE (SE) NW SW  
Lease Name: Wasinger Unit Well #: 20  
Field Name: Bemis Shutts  
Producing Formation: Arbuckle Lime

Elevation: Ground: 2090' Kelly Bushing: 2095'  
\* Total Depth: 3620' Plug Back Total Depth: 3620'  
Amount of Surface Pipe Set and Cemented at 247' Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set DV Tool @1347 (5-1/2" casing) Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

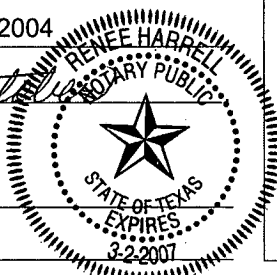
Drilling Fluid Management Plan ALT # 2 KGR 7/02/07  
(Data must be collected from the Reserve Pit)

Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used Allow to dry and backfill  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**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: Debra Harris  
Title: Prod/Reg Coordinator Date: 10/29/2004  
Subscribed and sworn to before me this 29th day of October  
2004  
Notary Public: Renee Harrell  
Date Commission Expires: 3-2-07



**KCC Office Use ONLY**

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

Operator Name: Citation Oil & Gas Corp. Lease Name: Wasinger Unit Well #: 20  
 Sec. 21 Twp. S. R. 18  East  West County: Ellis

**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:

Dual Comp. Porosity; Microresistivity; DIL

Log Formation (Top), Depth and Datum  Sample

Name	Top	Datum
Topeka Limestone	1350	KB
Heebner Shale	3264	
LKC	3307	
Simpson	3588	
Arbuckle Lime	3605	

CASING RECORD  New  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
Surface	12-1/4"	8-5/8"	24#	247'	A	175	3% CCl; 2% gel
Production	7	5-1/2"	15.5#	3607'	ASC	275	2% gel; 5% Gilsonite; Flocele
			DV tool	1347'	60/40 Poz	375	6% gel; Flocele

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
N/A	Arbuckle open hole 3607' - 3620'	N/A	

TUBING RECORD Size 2-7/8" Set At 3589' Packer At \_\_\_\_\_ Liner Run  Yes  No

Date of First, Resumerd Production, SWD or Enhr. 10/20/2004 Producing Method  Flowing  Pumping  Gas Lift  Other (Explain)

Estimated Production Per 24 Hours Oil 19 Bbls. Gas 0 Mcf. Water 671 Bbls. Gas-Oil Ratio N/A Gravity 26.2 deg.

Disposition of Gas \_\_\_\_\_ METHOD OF COMPLETION \_\_\_\_\_ Production Interval \_\_\_\_\_

Vented  Sold  Used on Lease (If vented, Submit ACO-18.)  Open Hole  Perf.  Dually Comp.  Commingled \_\_\_\_\_  
 Other (Specify) \_\_\_\_\_

# ALLIED CEMENTING CO., INC. 18856

Federal Tax I.D.# XXXXXXXXXX

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

SERVICE POINT: 2

DATE <u>9-25-04</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION <u>6:00PM</u>	JOB START <u>8:25AM</u>	JOB FINISH <u>8:50AM</u>
LEAST <u>WASIKO</u> WELL # <u>20</u>		LOCATION <u>HAYS 12N 34 NEW</u>			COUNTY <u>ELLIS</u>		STATE <u>K6</u>
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR MURPHY 24

TYPE OF JOB SURFACE

HOLE SIZE 12 1/4 T.D. 247

CASING SIZE 8 3/8 DEPTH 247

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX 200' MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 15'

PERFS. \_\_\_\_\_

DISPLACEMENT 14 3/4 BBL

**EQUIPMENT**

PUMP TRUCK CEMENTER MARK

# 366 HELPER SKANE

BULK TRUCK

# 213 DRIVER CRATC

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

RAN 8 3/8 TO 247' CIRC FOR 20 MEN  
MOVED 175 SIL @ 14.8 LBS/LOCAL  
RELEASED PLUG DISPLACED W/ 14 3/4 BBL  
WATER - CIRC @ 45 SRS CEMENT IN  
PTT - SAUT JA

CHARGE TO: CITATION OIL & GAS

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

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.

SIGNATURE [Signature]

OWNER \_\_\_\_\_

CEMENT

AMOUNT ORDERED 175 COM

3% CC 2% CEL

COMMON	<u>175</u>	@	<u>78¢</u>	<u>1373.25</u>
POZMIX		@		
GEL	<u>4</u>	@	<u>11.00</u>	<u>44.00</u>
CHLORIDE	<u>6</u>	@	<u>33.00</u>	<u>198.00</u>
ASC	<u>RECEIVED</u>	@		
	<u>NOV 01 2004</u>	@		
	<u>KCC WICHITA</u>	@		
		@		
		@		
		@		
HANDLING	<u>185</u>	@	<u>1.35</u>	<u>249.75</u>
MILEAGE	<u>59/SIL/POLE</u>			<u>351.00</u>
				<u>TOTAL 2217.00</u>

**SERVICE**

DEPTH OF JOB				
PUMP TRUCK CHARGE				<u>570.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>38</u>	@	<u>4.00</u>	<u>152.00</u>
MANIFOLD		@		
<u>8 3/8 wood</u>		@		<u>54.00</u>
		@		
				<u>TOTAL 776.00</u>

**PLUG & FLOAT EQUIPMENT**

<u>8 3/8</u>				
CENT	<u>3</u>	@	<u>55.00</u>	<u>165.00</u>
LIMIT CLAMP		@	<u>23.40</u>	<u>23.40</u>
BAKER LOCK		@	<u>30.00</u>	<u>30.00</u>
		@		
		@		
				<u>TOTAL 218.40</u>

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME \_\_\_\_\_

Faxed 9/27



## 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. 18759

Federal Tax I.D.#

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

SERVICE POINT: R

DATE <u>9-30-04</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH <u>12:00 pm</u>
LEASE <u>Walsinger</u>	WELL # <u>20</u>	LOCATION <u>Hay 14 N to River Rd</u>			COUNTY <u>Ellis</u>	STATE <u>Ks</u>	
OLD OR <u>NEW</u> (Circle one)		<u>1W 25</u>					

CONTRACTOR Martin Del #24

TYPE OF JOB prod string (2 stage)

HOLE SIZE 7 7/8 ID. 3607

CASING SIZE 5 1/2 DEPTH 3606

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH 1350

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 40'

PERFS. \_\_\_\_\_

DISPLACEMENT 15.50 85

EQUIPMENT

345 Drive

PUMP TRUCK CEMENTER Steve

# HELPER \_\_\_\_\_

BULK TRUCK \_\_\_\_\_

# DRIVER \_\_\_\_\_

BULK TRUCK \_\_\_\_\_

# 213 DRIVER Rufus

OWNER \_\_\_\_\_

CEMENT

AMOUNT ORDERED 275 ABC 2% gel

5% gilsonite 1/4 lb floccul per sk

500 gal WFR-2

COMMON	@		
POZMIX	@		
GEL <u>5</u>	@	<u>11.00</u>	<u>55.00</u>
CHLORIDE	@		
ASC <u>275</u>	@	<u>9.80</u>	<u>2,695.00</u>
<u>Gilsonite 1375#</u>	@	<u>.50</u>	<u>687.50</u>
<u>Floccul 69#</u>	@	<u>1.40</u>	<u>96.60</u>
<u>WFR-2 500gal</u>	@	<u>1.00</u>	<u>500.00</u>
	@		
	@		
	@		
	@		
HANDLING <u>280</u>	@	<u>1.35</u>	<u>378.00</u>
MILEAGE <u>.05/sk/mi.</u>			<u>532.00</u>
TOTAL			<u>4,944.10</u>

REMARKS:

Cert on middle #1 #1, 2, 3,  
4, 5, 6, 8, 10, 12, 14, 56,  
DU on 57 & Basket,  
Mixed flush, mixed cement @ 14.50/b  
Landed plug @ 2500 pp

opened DU @ 12:30 pm  
@ 800psi, Cir till 3:00 pm

SERVICE

DEPTH OF JOB \_\_\_\_\_

PUMP TRUCK CHARGE \_\_\_\_\_ 1,180.00

EXTRA FOOTAGE @ \_\_\_\_\_

MILEAGE 38 @ 4.00 152.00

MANIFOLD @ \_\_\_\_\_

RECEIVED @ \_\_\_\_\_

NOV 01 2004

KCC WICHITA

TOTAL 1,332.00

CHARGE TO: Citation oil & Gas

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PLUG & FLOAT EQUIPMENT

<u>1 Baker Lock</u>		<u>30.00</u>
<u>1 <del>...</del> bands shoe</u>		<u>150.00</u>
<u>1 Basket</u>	@	<u>128.00</u>
<u>1 Latch Down plug</u>	@	<u>350.00</u>
<u>12 center lines</u>	@	<u>600.00</u>
<u>1 DV Tool</u>	@	<u>3,300.00</u>
TOTAL		<u>4,558.00</u>

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.

SIGNATURE [Signature]

TAX \_\_\_\_\_

TOTAL CHARGE [Crossed out]

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME

Faxed 10/1/04 →

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—**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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—**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. 18760

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT: R

DATE <u>9-30-04</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH <u>4:30 pm</u>
LEASER <u>Delasinger</u>	WELL # <u>20</u>	LOCATION <u>Hay 3 14N to River Rd</u>			COUNTY <u>Ellis</u>	STATE <u>Ks</u>	
OLD OR NEW <input checked="" type="radio"/> (Circle one)			<u>1 W 25</u>				

CONTRACTOR Martin Dily

TYPE OF JOB prod string (top stage)

HOLE SIZE 7 7/8 T.D. 3607

CASING SIZE 5 1/2 DEPTH 3606

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL 1350 DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT 15.50 32.25

OWNER \_\_\_\_\_

CEMENT AMOUNT ORDERED 375.60 6% gel

1/4 lb floesec per sk

COMMON	<u>225</u>	@	<u>7.65</u>	<u>1,726.25</u>
POZMIX	<u>150</u>	@	<u>4.10</u>	<u>615.00</u>
GEL	<u>19</u>	@	<u>11.00</u>	<u>209.00</u>
CHLORIDE	_____	@	_____	_____
ASC	_____	@	_____	_____
Floesec	<u>94#</u>	@	<u>1.40</u>	<u>131.60</u>
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
HANDLING	<u>394</u>	@	<u>1.35</u>	<u>531.90</u>
MILEAGE	<u>105/sk/mi</u>			<u>748.60</u>
TOTAL				<u>4,002.35</u>

EQUIPMENT

345 Dave

PUMP TRUCK CEMENTER Steve

# \_\_\_\_\_ HELPER \_\_\_\_\_

BULK TRUCK \_\_\_\_\_

# \_\_\_\_\_ DRIVER \_\_\_\_\_

BULK TRUCK \_\_\_\_\_

# 382 DRIVER Rufus

REMARKS:

plug Rathole 15 sk

Tool closed @ 1300 psi

Cir 90-100 sk excess

CHARGE TO: Citation Oil & Gas

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SERVICE

DEPTH OF JOB \_\_\_\_\_

PUMP TRUCK CHARGE \_\_\_\_\_ 700.00

EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

RECEIVED  
NOV 01 2004  
KCC WICHITA

TOTAL 700.00

PLUG & 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.

SIGNATURE [Signature]

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

TAX \_\_\_\_\_

TOTAL CHARGE [scribble]

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

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.