

**Notice:** Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL PLUGGING RECORD  
K.A.R. 82-3-117**

Form CP-4  
December 2003  
Type or Print on this Form  
Form must be Signed  
All blanks must be Filled

Lease Operator: Clipper Energy, LLC  
 Address: Two Turtle Creek, 3838 Oak Lawn, Suite 1310, Dallas, Texas, 75219  
 Phone: (214) 220-1080 Operator License #: 33979  
 Type of Well: SWD Docket #: D-30078  
*(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)*  
 The plugging proposal was approved on: April 30, 2008 (Date)  
 by: Steve Bond (KCC District Agent's Name)  
 Is ACO-1 filed?  Yes  No If not, is well log attached?  Yes  No  
 Producing Formation(s): List All (If needed attach another sheet)  
Cedar Hills (SWD Zone) Depth to Top: 1290 Bottom: 1350 T.D. \_\_\_\_\_  
Toronto Depth to Top: 3396 Bottom: 3400 T.D. \_\_\_\_\_  
Lansing Depth to Top: 3465 Bottom: 3602 T.D. \_\_\_\_\_

API Number: 15-065-22994-00-01  
 Lease Name: Jerome  
 Well Number: 1  
 Spot Location (QQQQ): NE-NE-SE-NW  
3880 Feet from  North /  South Section Line  
2880 Feet from  East /  West Section Line  
 Sec. 11 Twp. 7 S. R. 21  East  West  
 County: Graham  
 Date Well Completed: 1-29-08  
 Plugging Commenced: 5-20-08  
 Plugging Completed: 5-20-08

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)				
Formation	Content	From	To	Size	Put In	Pulled Out
		Surface	230'	8-5/8"	230'	0'
		Surface	3736'	5-1/2"	3736'	0'

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Well plugged back for SWD (01/29/08) - CIBP @ 3370' w/ 2 sx cmt & CIBP @ 1665' w/ 2 sx cmt.

Final P&A (05/20/08) - Pumped 175 sx cmt w/ 500# cotton seed hulls down csg and into perms f/ 12190'-1350'. Zone pressured up to 300 psig. Final cmt plug f/ surface to 1350'.

Name of Plugging Contractor: Allied Cementing Company, Inc. License # 99008

Address: P.O. Box 31 Russell, KS. 67665

Name of Party Responsible for Plugging Fees: Clipper Energy, LLC.

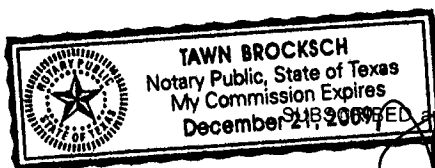
State of Kansas County, Graham, ss.

Jay Pulte

(Employee of Operator) or (Operator) on above-described well, being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

(Signature) \_\_\_\_\_

(Address) 3838 Oak Lawn, Suite 1310, Dallas, Texas 75219



Tawn Brocksch  
Notary Public

and SWORN TO before me this 10 day of June, 2008

My Commission Expires: 12/21/09

# ALLIED CEMENTING CO., LLC. 33305

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

SERVICE POINT: Meat Bend

DATE <u>5-20-08</u>	SEC. <u>11</u>	TWP. <u>7</u>	RANGE <u>21 W</u>	CALLED OUT <u>12:30 PM</u>	ON LOCATION <u>2:30 PM</u>	JOB START <u>3:30 PM</u>	JOB FINISH <u>4:30 PM</u>
LEASE <u>Jerome</u>		WELL # <u>1</u>	LOCATION <u>Nicademeus N to stop since</u>		COUNTY <u>Graham</u>	STATE <u>K.S.</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			<u>2N 2W S15</u>				

CONTRACTOR \_\_\_\_\_ OWNER \_\_\_\_\_

TYPE OF JOB old Hole Plug Down casing

HOLE SIZE \_\_\_\_\_ T.D. \_\_\_\_\_

CASING SIZE 5 1/2 DEPTH \_\_\_\_\_

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

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

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

PRES. MAX 300# MINIMUM 50#

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

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

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

DISPLACEMENT \_\_\_\_\_

CEMENT \_\_\_\_\_

AMOUNT ORDERED 175 60/40 47 gal

\_\_\_\_\_ 500# Hull

COMMON	<u>105</u>	@ <u>12.15</u>	<u>1275.25</u>
POZMIX	<u>70</u>	@ <u>6.80</u>	<u>476.00</u>
GEL	<u>7</u>	@ <u>18.25</u>	<u>127.75</u>
CHLORIDE		@ _____	
ASC		@ _____	
<u>Hulls</u>	<u>5</u>	@ <u>27.95</u>	<u>139.75</u>
		@ _____	
		@ _____	
		@ _____	
		@ _____	
		@ _____	
HANDLING	<u>187</u>	@ <u>2.05</u>	<u>383.35</u>
MILEAGE	<u>182 x 70 x .09</u>		<u>1178.10</u>
TOTAL			<u>3580.00</u>

EQUIPMENT

PUMP TRUCK CEMENTER Mike M.

# 181 HELPER Tyler W.

BULK TRUCK

# 473-187 DRIVER Trodie

BULK TRUCK

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

REMARKS:

Plug Down 5 1/2 Casing

Mix 500# Hull in the Cement

Pump Down the Casing shut in 50#

Back Side Hede Cement up

SERVICE

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

PUMP TRUCK CHARGE \_\_\_\_\_ 789.00

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

MILEAGE 70 @ 7.00 490.00

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

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

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

TOTAL 1279.00

CHARGE TO: Clipper Energy L.L.C.

STREET \_\_\_\_\_

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

KANSAS CORPORATION COMMISSION

JUN 26 2008

CONSERVATION DIVISION  
To Allied Cementing Co., LLC.

You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

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

SIGNATURE Tom Beren

PLUG & FLOAT EQUIPMENT

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

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

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

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

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

TOTAL \_\_\_\_\_

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES \_\_\_\_\_

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



## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, 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.