

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

*Klee
my
8/14/08*

Operator: License # 30742
Name: Palomino Petroleum, Inc.
Address: 4924 SE 84th St.
City/State/Zip: Newton, Kansas 67114-8827
Purchaser: None
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: Southwind Drilling, Inc.
License: 33350
Wellsite Geologist: Robert A. Schreiber

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. _____

6/3/08	6/13/08	6/13/08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 135-24806-0000
County: Ness
____ SE ____ SE ____ SE Sec. 35 Twp. 18 S. R. 22 East West
420 feet from (S) / N (circle one) Line of Section
430 feet from (E) / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Kleveno Well #: 1
Field Name: None (Wildcat)
Producing Formation: None
Elevation: Ground: 2140 Kelly Bushing: 2150
Total Depth: 4395 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 1410 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan PTA AIT 1 NCR
(Data must be collected from the Reserve Pit) 8-20-08
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.: _____

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.

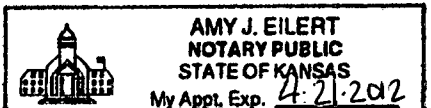
Signature: Klee R. Watchous
Title: President Date: August 11, 2008

Subscribed and sworn to before me this 11th day of August
20 08
Notary Public: Amy J. Eilert
Date Commission Expires: April 21, 2012

KCC Office Use ONLY

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

RECEIVED
KANSAS CORPORATION COMMISSION
AUG 13 2008



Operator Name: Palomino Petroleum, Inc. Lease Name: Kleweno Well #: 1
 Sec. 35 Twp. 18 S. R. 22 East West County: Ness

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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Dual Induction, Compensated Density/ Neutron PE Log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhy.</td> <td>1412</td> <td>(+ 738)</td> </tr> <tr> <td>Base Anhy.</td> <td>1443</td> <td>(+ 707)</td> </tr> <tr> <td>Topeka</td> <td>3308</td> <td>(-1158)</td> </tr> <tr> <td>Heebner</td> <td>3618</td> <td>(-1468)</td> </tr> <tr> <td>LKC</td> <td>3664</td> <td>(-1514)</td> </tr> <tr> <td>BKC</td> <td>3957</td> <td>(-1807)</td> </tr> <tr> <td>Marmaton</td> <td>4006</td> <td>(-1856)</td> </tr> <tr> <td>Pawnee</td> <td>4073</td> <td>(-1923)</td> </tr> </table>	Name	Top	Datum	Anhy.	1412	(+ 738)	Base Anhy.	1443	(+ 707)	Topeka	3308	(-1158)	Heebner	3618	(-1468)	LKC	3664	(-1514)	BKC	3957	(-1807)	Marmaton	4006	(-1856)	Pawnee	4073	(-1923)
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CASING RECORD <input checked="" type="checkbox"/> New <input 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
Surface	12 1/4"	8 5/8"	24#	1410'	65/35 Pozmix	300	6% gel, 3% c.c.
					Common	200	2% gel, 3% c.c.

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

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CONSERVATION DIVISION
WICHITA, KS

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method <input type="checkbox"/> Flowing <input 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

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

METHOD OF COMPLETION

Production Interval Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Ft. Scott	4153	(-2003)
Cherokee Sh.	4173	(-2023)
Miss.	Not logged	
Gilmore City	Not logged	
LTD	Not logged	

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CONSERVATION DIVISION
WICHITA, KS



ALLIED

CEMENTING CO., LLC
Cementing & Acidizing Services

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906
Voice: (785) 483-3887
Fax: (785) 483-5566

RECEIVED

JUN 12 2008

INVOICE

Invoice Number: 114394
Invoice Date: Jun 10, 2008
Page: 1

Federal Tax I.D.#:

Bill To:

Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114-8827

Customer ID	Well Name # or Customer P.O.	Payment Terms	
Palo	Kleweno #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS	Great Bend	Jun 10, 2008	7/10/08

Quantity	Item	Description	Unit Price	Amount
200.00	MAT	Class A Common	12.30	2,460.00
4.00	MAT	Gel	18.40	73.60
15.00	MAT	Chloride	51.50	772.50
75.00	MAT	Flo Seal	2.20	165.00
300.00	MAT	ALW Class A	11.55	3,465.00
540.00	SER	Handling	2.10	1,134.00
11.00	SER	Mileage 540 sx @.09 per sk per mi	48.60	534.60
1.00	SER	Surface	900.00	900.00
1,110.00	SER	Extra Footage	0.75	832.50
11.00	SER	Mileage Pump Truck	7.00	77.00
1.00	SER	Head Rental	111.00	111.00
1.00	EQP	Rubber Plug	111.00	111.00

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KANSAS CORPORATION COMMISSION
AUG 13 2008
CONSERVATION DIVISION
WICHITA, KS

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

Subtotal	10,636.20
Sales Tax	373.50
Total Invoice Amount	11,009.70
Payment/Credit Applied	
TOTAL	11,009.70

\$ 10,636.20

ONLY IF PAID ON OR BEFORE

JUL 10, 2008

ALLIED CEMENTING CO., LLC. 33110

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

SERVICE POINT: Neos - Great Bend

DATE <u>6.4.08</u>	SEC. <u>35</u>	TWP. <u>18</u>	RANGE <u>22</u>	CALLED OUT <u>8:00 PM</u>	ON LOCATION <u>6.5.08 1:30 AM</u>	JOB START <u>10:30 AM</u>	JOB FINISH <u>11:30 AM</u>
LEASE <u>Kleweno</u>		WELL # <u>1</u>		LOCATION <u>Borgina 1 west, 1/2 south</u>		COUNTY <u>Neos</u>	STATE <u>Kansas</u>
OLD OR <input checked="" type="checkbox"/> NEW (Circle one)							

CONTRACTOR Southwind

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 1411'

CASING SIZE 8 5/8 NEW DEPTH 1410

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 40'

PERFS. _____

DISPLACEMENT 87.2 BBLs H₂O

OWNER Falomino Petroleum Inc.

CEMENT

AMOUNT ORDERED 300px 6 5/35 6% Gel

3% CC 1/4" flo seal, 200px Common

3% CC 2% Gel

COMMON <u>200</u>	@ <u>12.30</u>	<u>2460.00</u>
POZMIX _____	@ _____	_____
GEL <u>4</u>	@ <u>18.40</u>	<u>73.60</u>
CHLORIDE <u>15</u>	@ <u>51.50</u>	<u>772.50</u>
ASC _____	@ _____	_____
FLO SEAL <u>75#</u>	@ <u>2.20</u>	<u>165.00</u>
<u>ALLW Allied Light Weight</u>	@ _____	_____
<u>300px</u>	@ <u>11.55</u>	<u>3465.00</u>
RECEIVED _____	@ _____	_____
KANSAS CORPORATION COMMISSION _____	@ _____	_____
AUG 13 2008 _____	@ _____	_____
CONSERVATION DIVISION _____	@ _____	_____
HANDLING <u>WTRKS</u>	@ <u>2.10</u>	<u>1134.00</u>
MILEAGE <u>540 x 11 x .09</u>	@ _____	<u>534.60</u>
TOTAL		<u>8604.70</u>

EQUIPMENT

A.B.

PUMP TRUCK # 120 CEMENTER J.P. Dreyfus
HELPER Steve Swaley

BULK TRUCK # 344 DRIVER David Jorgensen

BULK TRUCK # 342 DRIVER Joe Dannebohm

REMARKS:

Rig was 1300' when arrived on location.
Ran new 8 5/8 casing to Bottom.
Break circulation, circulate, hook up to pump take & mixed 300px 6 5/35 6% gel 3% cc 1/4" flo seal & 200px common 3% cc 2% Gel. Shut down, change valves over & release 8 5/8 rubber plug. Trip back with 87.2 BBLs fresh H₂O. Cement did circulate.

SERVICE

DEPTH OF JOB <u>1410'</u>		
PUMP TRUCK CHARGE		<u>900.00</u>
EXTRA FOOTAGE <u>110</u>	@ <u>.25</u>	<u>837.50</u>
MILEAGE <u>11</u>	@ <u>7.00</u>	<u>77.00</u>
MANIFOLD _____	@ _____	_____
<u>Head rental</u>	@ <u>11.00</u>	<u>111.00</u>
TOTAL		<u>1920.50</u>

CHARGE TO: Falomino Petroleum Inc.

STREET 4924 S.E. 84th Street

CITY Newton STATE Kansas ZIP 67114

PLUG & FLOAT EQUIPMENT

<u>1-8 5/8 rubber plug</u>	@ <u>111.00</u>	<u>111.00</u>
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
TOTAL		<u>111.00</u>

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 Frank Rome

SIGNATURE Frank Rome

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

Thank you!

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.



ALLIED

CEMENTING CO., LLC
Cementing & Acidizing Services

INVOICE

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906

Voice: (785) 483-3887
Fax: (785) 483-5566

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JUN 20 2008

Invoice Number: 114510

Invoice Date: Jun 17, 2008

Page: 1

Bill To:

Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114-8827

Federal Tax I.D.#:

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Palo	Klewend #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Great Bend	Jun 17, 2008	7/17/08

Quantity	Item	Description	Unit Price	Amount
87.00	MAT	Class A Common	12.30	1,070.10
58.00	MAT	Pozmix	6.85	397.30
5.00	MAT	Gel	18.40	92.00
36.00	MAT	Flo Seal	2.20	79.20
151.00	SER	Handling	2.10	317.10
1.00	SER	Minimum Handling Mileage Charge	277.00	277.00
1.00	SER	Rotary Plug	900.00	900.00
11.00	SER	Mileage Pump Truck	7.00	77.00

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CONSERVATION DIVISION
WICHITA, KS

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 3,399.81

ONLY IF PAID ON OR BEFORE

JUL 17, 2008

Subtotal	3,209.70
Sales Tax	170.11
Total Invoice Amount	3,379.81
Payment/Credit Applied	
TOTAL	3,379.81

ALLIED CEMENTING CO., LLC. 33029

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

SERVICE POINT:
Ness City

DATE <u>6-13-08</u>	SEC. <u>35</u>	TWP. <u>18S</u>	RANGE <u>22W</u>	CALLED OUT <u>8:00 AM</u>	ON LOCATION <u>10:00 AM</u>	JOB START <u>12:00 PM</u>	JOB FINISH <u>12:30 PM</u>
LEASE <u>Kleweno</u>	WELL # <u>1</u>	LOCATION <u>Bazine, 1W, 12S</u>			COUNTY <u>Ness</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR Southwind #1

TYPE OF JOB Rotary plug

HOLE SIZE 7 7/8" TD. 439.5'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 1440'

TOOL _____ DEPTH _____

PRES. MAX 2004 MINIMUM 0

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT Freshwater + Mud

EQUIPMENT

120 Marlyn S.

PUMP TRUCK CEMENTER Rick Heike

181 HELPER Wayne D.

BULK TRUCK _____

344 DRIVER Alvin R.

BULK TRUCK _____

_____ DRIVER _____

OWNER Palamino

CEMENT AMOUNT ORDERED 145 SX 60/40 4% 6rel 1/4# flo seal

COMMON	<u>87.00</u>	@	<u>12.30</u>	<u>1070.10</u>
POZMIX	<u>58.00</u>	@	<u>6.85</u>	<u>397.30</u>
GEL	<u>5.00</u>	@	<u>18.40</u>	<u>92.00</u>
CHLORIDE		@		
ASC		@		
<u>NO SEAL</u>	<u>36.00</u>	@	<u>2.20</u>	<u>79.20</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>151.00</u>	@	<u>2.10</u>	<u>317.10</u>
MILEAGE	<u>151.00</u>	@	<u>11 M</u>	<u>277.00</u>
			TOTAL	<u>2232.70</u>

REMARKS:

1440' - 50 SX

660' - 56 SX

60' - 20 SX Cement did Circulate

Kab - 15 SX

Monse - 10 SX

145 SX 60/40 4% 6rel 1/4# flo seal

CHARGE TO: Palamino

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB 1440'

PUMP TRUCK CHARGE _____ 900.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 11 @ 7.00 77.00

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

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KANSAS CORPORATION COMMISSION

AUG 13 2008

CONSERVATION DIVISION
WATER & FLOOD EQUIPMENT

TOTAL 977.00

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 Frank Rome

SIGNATURE Frank Rome

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 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.