

ORIGINAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

RECEIVED

OCT 12 2004

KCC WICHITA

Form ACO-1  
September 1999  
Form Must Be Typed

Operator: License # 3553  
Name: Citation Oil & Gas Corp.  
Address: P.O. Box 690688  
City/State/Zip: Houston, Texas 77269-0688  
Purchaser: Citation Crude Marketing Inc.  
Operator Contact Person: Debra Harris  
Phone: (281) 517-7194  
Contractor: Name: Vonfeldt Drilling, Inc.  
License: 9431

Wellsite Geologist: Jerry Greer  
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>8/17/2004</u>                  | <u>8/23/2004</u> | <u>9/13/2004</u>                        |
| Spud Date or<br>Recompletion Date | Date Reached TD  | Completion Date or<br>Recompletion Date |

API No. 15 - 051-25321-0000  
County: Ellis  
SE SE NE Sec. 13 Twp. 13 S. R. 16  East  West  
2145 feet from S / N (circle one) Line of Section  
400 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Wieland Unit Well #: 4-15  
Field Name: Fairport

Producing Formation: Topeka/LKC  
Elevation: Ground: 1870' Kelly Bushing: 1875'  
Total Depth: 3380 Plug Back Total Depth: 3328  
Amount of Surface Pipe Set and Cemented at 928 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  
(Data must be collected from the Reserve Pit) *ALT INH 12-7-07*  
Chloride content 54,000 ppm Fluid volume 400 bbls  
Dewatering method used Allow to dry and backfill

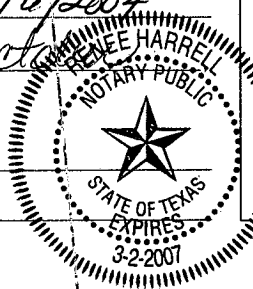
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**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: 10/6/2004

Subscribed and sworn to before me this 6th day of October  
20 04  
Notary Public: Lance 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: Wieland Unit Well #. 4-15  
 Sec. 13 Twp. 13 S. R. 16  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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><i>(Attach Additional Sheets)</i><br><br>Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br>Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(Submit Copy)</i><br><br>List All E. Logs Run:<br><br><b>Microresistivity; DIL; Porosity; CBL</b> | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample<br><br>Name Top Datum<br><br>LKC 3006'<br>Topeka 2910' |
|--|---|

| CASING RECORD <input 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#               | 928'          | Class "A"      | 550          | 3% CC; 2% Gel              |
| Production  | 7-7/8"            | 5-1/2"                    | 15.5#             | 3373'         | Class "A"      | 180          | 2% Gel                     |
|   |                   |                           |                   |               |                |              |                            |

| ADDITIONAL CEMENTING / SQUEEZE RECORD |                  |                |             |                            |
|---------------------------------------|------------------|----------------|-------------|----------------------------|
| Purpose:                              | Depth Top Bottom | Type of Cement | #Sacks Used | Type and Percent Additives |
| ___ Perforate                         |                  |                |             |                            |
| ___ Protect Casing                    |                  |                |             |                            |
| ___ Plug Back TD                      |                  |                |             |                            |
| ___ Plug Off Zone                     |                  |                |             |                            |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br><i>(Amount and Kind of Material Used)</i> |  | Depth         |
|----------------|---|--|--|---------------|
|                |   |  |  |               |
| 4 spf          | 3006' - 3266'   | 7000 gals 15% NEFe HCl + 280 BS  |  | 3006' - 3266' |
| 4 spf          | 2975' - 2982'   | 1000 gals 15% NEFe HCl + 26 BS   |  | 2975' - 2982' |
| 4 spf          | 2910' - 2946'   | 2500 gals 15% NEFe HCl + 114 BS  |  | 2910' - 2946' |
|                |   |  |  |               |

|               |                                    |                               |   |
|---------------|------------------------------------|-------------------------------|---|
| TUBING RECORD | Size Set At<br><b>2-7/8" 3294'</b> | Packer At<br><b>SN @3278'</b> | Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|---------------|------------------------------------|-------------------------------|---|

|   |  |
|---|--|
| Date of First, Resumerd Production, SWD or Enhr.<br><b>First Production - 9/16/2004</b> | Producing Method <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   |
|                                   | 30        | 0       | 78          | N/A           | 33.5 deg. |

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

METHOD OF COMPLETION

Open Hole  Perf.  Dually Comp.  Commingled \_\_\_\_\_  
 Other (Specify) \_\_\_\_\_

Production Interval

RECEIVED  
OCT 12 2004  
KCC WICHITA

DRILLERS WELL LOG

Date Commenced: August 17, 2004  
Date Completed: August 23, 2004

Citation Oil & Gas Corporation  
Wieland Unit #4-15  
165'N & 70'W SE SE NE  
Sec. 1-13S-16W  
Ellis County, Kansas

Elevation: 1870' G.L.  
1875' K.B.

0 - 42' Limestone  
42 - 928' Lime & Shale  
928 - 960' Anhydrite  
960 - 3380' Lime & Shale  
3380' R.T.D.

FORMATION DATA

Anhydrite 928'  
Base Anhydrite 960'

Surface Pipe: Set 24#, used, 8 5/8"  
casing @ 928' with 550 sacks  
Common, 2% Gel., 3% CC.

Production Pipe: Set 15.5#, new,  
5 1/2" @ 3380' with 150 sacks  
Common ASC.

**AFFIDAVIT**

STATE OF KANSAS )  
 ) ss:  
COUNTY OF RUSSELL )

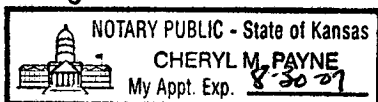
Alan Vonfeldt of lawful age, does swear and state that the facts and statements herein are true and correct to the best of his knowledge.

*Alan Vonfeldt*  
\_\_\_\_\_  
Alan Vonfeldt

Subscribed and sworn to before me this 31st day of August, 2004.

My Commission Expires:  
August 30, 2007

*Cheryl M. Payne*  
\_\_\_\_\_  
Cheryl M. Payne, Notary Public



# ALLIED CEMENTING CO., INC.

16008

Federal Tax I.D. XXXXXXXXXX

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

SERVICE POINT:  
Russell

|                                |               |                    |                               |            |                           |                 |                           |
|--------------------------------|---------------|--------------------|-------------------------------|------------|---------------------------|-----------------|---------------------------|
| DATE <u>3/18/04</u>            | SEC. <u>1</u> | TWP. <u>13</u>     | RANGE <u>16</u>               | CALLED OUT | ON LOCATION <u>1:30pm</u> | JOB START       | JOB FINISH <u>3:15 Am</u> |
| LEASE <u>Wichita</u>           |               | WELL # <u>4-15</u> | LOCATION <u>Corkham 1w 6u</u> |            | COUNTY <u>Russell</u>     | STATE <u>Ka</u> |                           |
| OLD OR <u>NEW</u> (Circle one) |               |                    |                               |            |                           |                 |                           |

RECEIVED

OCT 12 2004

CONTRACTOR Wenfelt

TYPE OF JOB SURFACE

HOLE SIZE 12 1/2 T.D. 928

CASING SIZE 8 3/4 2 1/4 DEPTH 928

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 29

PERFS.

DISPLACEMENT 57.26 bbls

OWNER

CEMENT KCC WICHITA

AMOUNT ORDERED 550lb Com 3-2

EQUIPMENT

PUMP TRUCK CEMENTER Bill

# 345 HELPER Steve

BULK TRUCK

# 362 DRIVER Craig

BULK TRUCK

# 282 DRIVER Gary

|          |                  |   |              |                |
|----------|------------------|---|--------------|----------------|
| COMMON   | <u>550</u>       | @ | <u>7.85</u>  | <u>4317.50</u> |
| POZMIX   |                  | @ |              |                |
| GEL      | <u>10</u>        | @ | <u>11.00</u> | <u>110.00</u>  |
| CHLORIDE | <u>19</u>        | @ | <u>33.00</u> | <u>627.00</u>  |
| ASC      |                  | @ |              |                |
|          |                  | @ |              |                |
|          |                  | @ |              |                |
|          |                  | @ |              |                |
|          |                  | @ |              |                |
|          |                  | @ |              |                |
|          |                  | @ |              |                |
| HANDLING | <u>579</u>       | @ | <u>1.35</u>  | <u>781.65</u>  |
| MILEAGE  | <u>0.8/sk/mi</u> |   |              | <u>1492.15</u> |

REMARKS:

SURFACE set @ 928  
Cemt. w/ 550 lb Com 3% cell 2% bel  
pump plug w/ 57.26 bbls, land plug  
c psc float did hold  
Cemt. did cure

TOTAL ~~6328.30~~  
6328.30

SERVICE

|                    |            |   |             |               |
|--------------------|------------|---|-------------|---------------|
| DEPTH OF JOB       |            |   |             |               |
| PUMP TRUCK CHARGE  |            |   |             | <u>570.00</u> |
| EXTRA FOOTAGE      | <u>628</u> | @ | <u>.50</u>  | <u>314.00</u> |
| MILEAGE            | <u>17</u>  | @ | <u>4.00</u> | <u>68.00</u>  |
| <u>1-85 Rubber</u> |            | @ | <u>1.00</u> | <u>100.00</u> |
|                    |            | @ |             |               |
|                    |            | @ |             |               |

TOTAL ~~1052.00~~  
1052.00

CHARGE TO: Citation Oil & Gas CORP:  
STREET P O BOX 690688  
8223 WILLOW PLACE SOUTH  
CITY HOUSTON STATE TX ZIP 77269-0688

PLUG & FLOAT EQUIPMENT

|                       |  |   |               |               |
|-----------------------|--|---|---------------|---------------|
| MANIFOLD              |  | @ |               |               |
| <u>5-Centralizers</u> |  | @ | <u>55.00</u>  | <u>275.00</u> |
| <u>1-AFU Insert</u>   |  | @ | <u>325.00</u> | <u>325.00</u> |
|                       |  | @ |               |               |
|                       |  | @ |               |               |

TOTAL 600.00

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 \_\_\_\_\_

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

Tom TAYLOR  
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.

58195

# ALLIED CEMENTING CO., INC.

16013

Federal Tax I.D. # [REDACTED]

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

SERVICE POINT:

Russell

|                                |                    |                              |                 |            |                            |                 |                           |
|--------------------------------|--------------------|------------------------------|-----------------|------------|----------------------------|-----------------|---------------------------|
| DATE <u>8/23/04</u>            | SEC. <u>1</u>      | TWP. <u>13</u>               | RANGE <u>16</u> | CALLED OUT | ON LOCATION <u>1:00 AM</u> | JOB START       | JOB FINISH <u>6:20 AM</u> |
| Wielder Unit LEASE             | WELL # <u>4-15</u> | LOCATION <u>Gorham 1W 6N</u> |                 |            | COUNTY <u>Ellis</u>        | STATE <u>KS</u> |                           |
| OLD OR <u>NEW</u> (Circle one) |                    |                              |                 | RECEIVED   |                            |                 |                           |

CONTRACTOR Vonfeldt Dalg  
 TYPE OF JOB Long Strips  
 HOLE SIZE 7 3/8 T.D. 3380  
 CASING SIZE 5 1/2 15 1/2 DEPTH  
 TUBING SIZE DEPTH  
 DRILL PIPE DEPTH  
 TOOL DEPTH  
 PRES. MAX MINIMUM  
 MEAS. LINE SHOE JOINT  
 CEMENT LEFT IN CSG. 39.68  
 PERFS.  
 DISPLACEMENT 79.40

EQUIPMENT

PUMP TRUCK CEMENTER Bill  
 # 345 HELPER Dave  
 BULK TRUCK  
 # DRIVER CRAIG  
 BULK TRUCK  
 # DRIVER

REMARKS:  
Pipe cost 3334.94  
Shoe Jt. 39.68  
Insert cost 3394.94 Pump 5bbls water  
Pump 500 Gal wear Cement w/ 180lb  
Cement. Pump plug w/ 7.7bbls of water  
Land plug @ 1100 psi Float did hold  
150lb RH  
100lb MH

CHARGE TO: Citation Oil & Gas  
 STREET P.O. BOX 690688  
 8223 WILLOW PLACE SOUTH  
 CITY HOUSTON STATE TX ZIP 77269-0688

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

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED  
205 lb ASC 2 9/16  
3 9/16 CD-37 Detormen

|          |                        |   |              |                |
|----------|------------------------|---|--------------|----------------|
| COMMON   | <u>205 ASC</u>         | @ | <u>9.80</u>  | <u>2009.00</u> |
| POZMIX   |                        | @ |              |                |
| GEL      | <u>4</u>               | @ | <u>11.00</u> | <u>44.00</u>   |
| CHLORIDE |                        | @ |              |                |
| ASC      |                        | @ |              |                |
|          | <u>CD-31 144 lb</u>    | @ | <u>5.50</u>  | <u>792.00</u>  |
|          | <u>Detormen 25 lbs</u> | @ | <u>5.25</u>  | <u>131.25</u>  |
|          |                        | @ |              |                |
|          |                        | @ |              |                |
|          |                        | @ |              |                |
|          |                        | @ |              |                |
|          |                        | @ |              |                |
| HANDLING | <u>213</u>             | @ | <u>1.35</u>  | <u>287.55</u>  |
| MILEAGE  | <u>.05 / 94 mi</u>     |   |              | <u>276.75</u>  |
|          |                        |   |              | <u>181.05</u>  |
|          |                        |   |              | <u>3447.50</u> |
|          |                        |   |              | <u>3444.85</u> |

SERVICE

|                   |                         |   |              |                 |
|-------------------|-------------------------|---|--------------|-----------------|
| DEPTH OF JOB      |                         |   |              |                 |
| PUMP TRUCK CHARGE |                         |   |              | <u>1,180.00</u> |
| EXTRA FOOTAGE     |                         | @ |              |                 |
| MILEAGE           | <u>17</u>               | @ | <u>4.00</u>  | <u>68.00</u>    |
|                   | <u>1-Sj Rubber plug</u> | @ | <u>60.00</u> | <u>60.00</u>    |
|                   |                         | @ |              |                 |
|                   |                         | @ |              |                 |

TOTAL 1308.00

## PLUG &amp; FLOAT EQUIPMENT

|                         |  |   |               |               |
|-------------------------|--|---|---------------|---------------|
| MANIFOLD                |  | @ |               |               |
| <u>12-Centridizers</u>  |  | @ | <u>50.00</u>  | <u>600.00</u> |
| <u>1-Float Shoe AFU</u> |  | @ | <u>263.00</u> | <u>263.00</u> |
| <u>1-Insert A</u>       |  | @ | <u>235.00</u> | <u>235.00</u> |
| <u>1-BAKEN LOCAL</u>    |  | @ | <u>30.00</u>  | <u>30.00</u>  |

TOTAL 1128.00

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME

5

# 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.

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