

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-1  
September 1999  
Form Must Be Typed

**WELL COMPLETION FORM**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

*Handwritten:* KCC  
7/31/08

Operator: License # 3956  
Name: Brungardt Oil & Leasing, Inc.  
Address: P.O. Box 871  
City/State/Zip: Russell, KS 67665  
Purchaser: None  
Operator Contact Person: Gary L. Brungardt  
Phone: (785) 483-4975  
Contractor: Name: Shields Oil Producers  
License: 5184  
Wellsite Geologist: Brad Hutchison

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. \_\_\_\_\_

7/7/08	7/15/08	
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 163-23744-0000  
County: Rooks  
NE NE NW Sec. 29 Twp. 6 S. R. 18  East  West  
460 feet from S (N) (circle one) Line of Section  
2400 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) (NE) SE NW SW  
Lease Name: Bigge B - Riffe Pool Well #: 1  
Field Name: Unknown

Producing Formation: Arbuckle  
Elevation: Ground: 2067 Kelly Bushing: 2072  
Total Depth: 3630 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 219 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set None Feet  
If Alternate II completion, cement circulated from 219  
feet depth to surface w/ 160 sx cmt.

**Drilling Fluid Management Plan** P+A Alt II NCR  
(Data must be collected from the Reserve Pit) 8-11-08  
Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used \_\_\_\_\_

Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: Brungardt Oil & Leasing, Inc.  
Lease Name: Koelling B License No.: 3956  
Quarter SE/4 Sec. 25 Twp. 10 S. R. 15  East  West  
County: Osborne Docket No.: E-28868

**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.

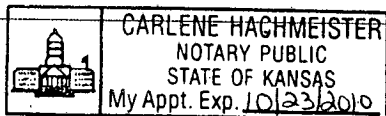
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Gary L. Brungardt  
Title: Owner Date: 7/31/08

Subscribed and sworn to before me this 31<sup>st</sup> day of July  
20 08

Notary Public: Carlene Hachmeister

Date Commission Expires: \_\_\_\_\_



**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received **RECEIVED**  
 UIC Distribution **KANSAS CORPORATION COMMISSION**  
**AUG 01 2008**

Operator Name: Brungardt Oil & Leasing, Inc. Lease Name: Bigge B - Riffe Pool Well #: 1  
 Sec. 29 Twp. 6 S. R. 18  East  West County: Rooks

**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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Log Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	See attached Geologist Report.	
Electric Log Run <i>(Submit Copy)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
List All E. Logs Run:	None		

*Rec'd 23  
all in  
logs  
KCU  
8/4/08*

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 1/2	8 5/8	24	219 226	Common	160	3% gel 5% Chloride

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	SEE	Plugging Report and	Cement Ticket	

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
	Dry Hole		

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WICHITA, KS

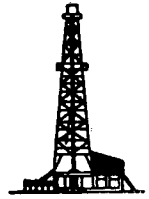
TUBING RECORD		Size	Set At	Packer At	Liner Run	CONSERVATION DIVISION WICHITA, KS	
					<input type="checkbox"/> Yes <input type="checkbox"/> No		
Date of First, Resumerd Production, SWD or Enhr.		Producing Method					
		<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)					
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity		
	Dry	Hole					

Disposition of Gas **METHOD OF COMPLETION** Production Interval

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

# Brungardt Oil & Leasing Inc.

Gary L. Brungardt, Owner  
P.O. Box 871  
213 West Seventh Street  
Russell, Kansas 67665  
(785) 483-4975



July 31, 2008

Kansas Corporation Commission  
130 S. Market, Room 2078  
Wichita, KS 67202

Re: Bigge B - Riffe Pool #1  
API # 15-163-23774-0000  
Rooks County

Dear Sirs:

Please find enclosed the following documents:

- 1. Original and two copies of ACO-1
- 2. Exploration & Production Waste Transfer CDP-5
- 3. Surface and Plugging Cement Tickets
- 4. Drill Stem Test Report
- 5. Copy of Intent to Drill
- 6. Geologist Report
- 7. Well Plugging Application plus well log

If you have any questions, please feel free contact me.

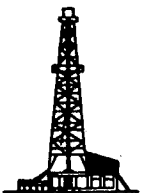
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CONSERVATION DIVISION  
WICHITA, KS

Thank you,

Gary L. Brungardt  
Brungardt Oil & Leasing, Inc.



*Chd. of  
Lobby she  
said she  
need this  
8/14/08*

*Chd. w/  
Dan - she  
need CP-1  
8/14/08*

# COPY

Form C-1  
October 2007  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

For KCC Use: 6-28-08  
Effective Date: \_\_\_\_\_  
District # 4  
SGA?  Yes  No

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

### NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: June 23 2008  
month day year

OPERATOR: License# 3956 ✓  
Name: Brungardt Oil & Leasing, Inc.  
Address 1: P.O. Box 871  
Address 2: \_\_\_\_\_  
City: Russell State: KS Zip: 67665  
Contact Person: Gary L. Brungardt  
Phone: (785)483-4975  
CONTRACTOR: License# 5184 ✓  
Name: Shields Oil Producers

Spot Description: \_\_\_\_\_  
NE NE NW Sec. 29 Twp. 6 S. R. 18  E  W  
(or, or) 460 feet from  N /  S Line of Section  
2,400 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Rooks  
Lease Name: Bigge B - Riffe Pool Well #: 1  
Field Name: Unknown

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Arbuckle  
Nearest Lease or unit boundary line (in footage): 460'

Ground Surface Elevation: 2067 feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: 150'

Depth to bottom of usable water: 1000'

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 210'

Length of Conductor Pipe (if any): None

Projected Total Depth: 3700'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

Well  Farm Pond  Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

Well Drilled For:  Oil  Gas  
 Enh Rec  Storage  Disposal  
 Seismic; # of Holes \_\_\_\_\_  
 Other: \_\_\_\_\_

Well Class:  Infield  Pool Ext.  Wildcat  Other  
 Mud Rotary  Air Rotary  Cable

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

*Oil & Gas Leases w/pooling clauses submitted.*

#### AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top, which passes surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 6/19/2008 Signature of Operator or Agent: Gary L. Brungardt Title: Owner

**For KCC Use ONLY**  
API # 15 - 163-23744-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per ALT.  I  II  
Approved by: 6-23-08  
This authorization expires: 6-23-09  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

#### Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
  - File Completion Form ACO-1 within 120 days of spud date;
  - File acreage attribution plat according to field proration orders;
  - Notify appropriate district office 48 hours prior to workover or re-entry;
  - Submit plugging report (CP-4) after plugging is completed (within 60 days);
  - Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired Date: \_\_\_\_\_  
Signature of Operator or Agent: \_\_\_\_\_

29  
6  
18



# Shields

Russell, Kansas

## WELL LOG

Operator: Brungardt Oil & Leasing, Inc.  
 Well: Bigge B - Riffe Pool #1  
 Commenced: July 7, 2008  
 Completed: July 15, 2008  
 Contractor: Shields Drilling Co.

Well Description: 460' FNL, 2,400' FWL  
 NW/4 Sec. 29-6S-18W  
 Rooks Co., KS



CASING RECORD		
Size	Run	Pulled
8 5/8"	219'	Cmtd. w/160 sax

Elevation: 2,073'

Treatment:

Production: D & A

Tops:

..... Figures Indicate Bottom of Formations .....

Sand & shale	895'
Sand	1,305'
Sand & redbed	1,604'
Anhydrite	1,634'
Redbed & shale	2,050'
Shale	2,560'
Shale & lime	3,060'
Lime	3,535'
Conglomerate	3,630' RTD

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CONSERVATION DIVISION  
 WICHITA, KS

Notes

# INVOICE

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

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

Invoice Number: 115039  
Invoice Date: Jul 15, 2008  
Page: 1

**Bill To:**  
Brungardt Oil Company  
P. O. Box 871  
Russell, KS 67665

Federal Tax I.D.#: XXXXXXXXXX

*Only - Payment*

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Brung	Bigge"B"-Riffe #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2	Russell	Jul 15, 2008	8/14/08

Quantity	Item	Description	Unit Price	Amount
120.00	MAT	Class A Common	13.50	1,620.00
80.00	MAT	Pozmix	7.55	604.00
7.00	MAT	Gel	20.25	141.75
50.00	MAT	Flo Seal	2.45	122.50
207.00	SER	Handling	2.25	465.75
55.00	SER	Mileage 207 sx @ .10 per sk per mi	20.70	1,138.50
1.00	SER	Rotary Plug	991.00	991.00
55.00	SER	Mileage Pump Truck	7.50	412.50
1.00	EQP	Dry Hole Plug	39.00	39.00

*5274.86 pd 7/18/08  
Ckt 1072  
Figure Disc Price*

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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

\$ 553.50

ONLY IF PAID ON OR BEFORE

Aug 14, 2008

Subtotal	5,535.00
Sales Tax	293.36
Total Invoice Amount	5,828.36
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,828.36</b>

# ALLIED CEMENTING CO., LLC. 042782

Federal Tax I.D. XXXXXXXXXX

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

SERVICE POINT:  
Russell KS

DATE <u>7-15-08</u>	SEC. <u>29</u>	TWP. <u>6</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION	JOB START <u>6:15pm</u>	JOB FINISH <u>7:15pm</u>
Bigge B-Riffe LEASE Pool		WELL # <u>1</u>	LOCATION <u>Stockton KS S North 3 1/2 West</u>	COUNTY <u>Rooks</u>	STATE <u>KS</u>		
<b>OLD OR NEW (Circle one)</b>							

CONTRACTOR Shields Drilling Company Rig #1 OWNER \_\_\_\_\_  
 TYPE OF JOB Rotary Plug  
 HOLE SIZE 7 7/8 T.D. 3630'  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 XH DEPTH 1620'  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

CEMENT  
AMOUNT ORDERED 200 6940 4% gel 1/4" Flo

**EQUIPMENT**

PUMP TRUCK CEMENTER John Roberts  
 # 409 HELPER Travis  
 BULK TRUCK  
 # 473 DRIVER Doug  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>120</u>	@	<u>13.50</u>	<u>1620.00</u>
POZMIX	<u>80</u>	@	<u>7.55</u>	<u>604.00</u>
GEL	<u>7</u>	@	<u>20.25</u>	<u>141.75</u>
CHLORIDE		@		
ASC		@		
<u>Flo seal 50 lbs</u>		@	<u>2.45</u>	<u>122.50</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>207</u>	@	<u>2.25</u>	<u>465.75</u>
MILEAGE	<u>87/mi-10</u>			<u>1138.50</u>
				<b>TOTAL</b> <u>4092.50</u>

**REMARKS:**

25sk @ 1620'  
100sk @ 970'  
40sk @ 270'  
10sk @ 40'  
15sk Rathole  
10sk Mousehole

**SERVICE**

DEPTH OF JOB \_\_\_\_\_  
 PUMP TRUCK CHARGE \_\_\_\_\_ 991.00  
 EXTRA FOOTAGE @ \_\_\_\_\_  
 MILEAGE 55 @ 7.50 412.50  
 MANIFOLD @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_

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TOTAL 1403.50

CHARGE TO: Brungardt Oil & Leasing Inc.  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

CONSERVATION DIVISION  
WICHITA, KS  
**PLUG & FLOAT EQUIPMENT**

@ \_\_\_\_\_  
 @ \_\_\_\_\_  
8 7/8 Dry Hole Plug @ 39.00  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_  
**TOTAL** 39.00

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.

SALES TAX (If Any) \_\_\_\_\_  
 TOTAL CHARGES \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME Thomas Engel  
 SIGNATURE [Signature]

## 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.





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

*Drly.*

# INVOICE

Invoice Number: 114915  
 Invoice Date: Jul 8, 2008  
 Page: 1

**Bill To:**  
 Brungardt Oil Company  
 P. O. Box 871  
 Russell, KS 67665

Federal Tax I.D.#: XXXXXXXXXX

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Brung	BisseB/RiffePool#1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2	Russell	Jul 8, 2008	8/7/08

Quantity	Item	Description	Unit Price	Amount
160.00	MAT	Class A Common	13.50	2,160.00
3.00	MAT	Gel	20.25	60.75
5.00	MAT	Chloride	51.50	257.50
168.00	SER	Handling	2.25	378.00
55.00	SER	Mileage 168 sx @ .10 per sk per mi	16.80	924.00
1.00	SER	Surface	991.00	991.00
55.00	SER	Mileage Pump Truck	7.50	412.50
1.00	EQP	Wooden Plug	66.00	66.00

*Pay now dis. price  
4859.63*

*PA 7/11/08  
CCL/1009*

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 AUG 01 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

**\$ 524.97**

ONLY IF PAID ON OR BEFORE

**Aug 7, 2008**

Subtotal	5,249.75
Sales Tax	134.85
Total Invoice Amount	5,384.60
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,384.60</b>

# ALLIED CEMENTING CO., LLC. 32154

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT: Russell

DATE <u>7-8-08</u>	SEC. <u>29</u>	TWP. <u>6</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION	JOB START <u>8:00am</u>	JOB FINISH <u>8:30am</u>
LEASE <u>Bisse B/R/De Pool</u>	WELL # <u>1</u>	LOCATION <u>Stockton 5N ERD</u>			COUNTY <u>ROCK</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>			<u>3 1/2 W. S into</u>				

CONTRACTOR Shields  
 TYPE OF JOB Surface  
 HOLE SIZE \_\_\_\_\_ T.D. 222  
 CASING SIZE 8 5/8 20# DEPTH 222  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED 160 SK

CEMENT LEFT IN CSG. 15'  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 13 1/2 BK

COMMON	<u>160</u>	@	<u>13.50</u>	<u>2160.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>20.25</u>	<u>60.75</u>
CHLORIDE	<u>5</u>	@	<u>51.50</u>	<u>257.50</u>
ASC		@		

EQUIPMENT  
 PUMP TRUCK CEMENTER Craig  
 # 366 HELPER Bob  
 BULK TRUCK  
 # 345 DRIVER Rocky  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

HANDLING	<u>168</u>	@	<u>2.25</u>	<u>378.00</u>
MILEAGE	<u>110/sk/mile</u>			<u>924.00</u>
TOTAL				<u>3,780.25</u>

REMARKS:

Cement Circulated!

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE				<u>991.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>110/sk/mile</u>	@	<u>2.50</u>	<u>412.50</u>

RECEIVED  
KANSAS CORPORATION COMM

AUG 01 2008

CONSERVATION DIVISION  
WICHITA, KS

TOTAL 1403.50

CHARGE TO: Brunyard Oil  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PLUG & FLOAT EQUIPMENT

<u>1 8 5/8 wooden plug</u>				<u>66.00</u>
		@		
		@		
		@		
		@		

TOTAL 66.00

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.

SALES TAX (If Any) \_\_\_\_\_  
 TOTAL CHARGES \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME Thomas Engel  
 SIGNATURE Thomas Engel

## 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.