

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Form ACO-1  
September 1999  
Form Must Be Typed

Operator: License # 30458  
 Name: R J M Oil Company, Inc.  
 Address: PO Box 256  
 City/State/Zip: Claffin, Kansas 67525  
 Purchaser: Coffeyville  
 Operator Contact Person: Chris Hoffman  
 Phone: (620) 786-8744  
 Contractor: Name: Royal Drilling, Inc.  
 License: 33905  
 Wellsite Geologist: James C. Musgrove

Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     Temp. Abd.  
 Gas     ENHR     SIGW  
 Dry     Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening     Re-perf.     Conv. to Enhr./SWD  
 Plug Back     Plug Back Total Depth  
 Commingled    Docket No. \_\_\_\_\_  
 Dual Completion    Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?)    Docket No. \_\_\_\_\_

<u>3/28/2008</u>	<u>4/2/2008</u>	<u>4/20/2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 159-22567-00-00  
 County: Rice  
~~36~~ 36 NW NE NW Sec. 18 Twp. 18 S. R. 10  East  West  
475 feet from S / N (circle one) Line of Section  
1750 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW SW  
 Lease Name: Butch Well #: 2  
 Field Name: Roesler  
 Producing Formation: Arbuckle  
 Elevation: Ground: 1755' Kelly Bushing: 1760'  
 Total Depth: 3277' Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 409 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)  
 Chloride content 45000 ppm Fluid volume 600 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: Lawrence P. Mills  
 Title: President Date: 6-12-08  
 Subscribed and sworn to before me this 16th day of JUNE  
20 08  
 Notary Public: Bonnie Jeffrey  
 Date Commission Expires: 9/20/2010

**Bonnie Jeffrey**  
 State Of Kansas  
 Notary Public  
 My Commission Expires

**KCC Office Use ONLY**

Letter of Confidentiality Received

If Denied, Yes  Date: \_\_\_\_\_

Wireline Log Received

Geologist Report Received

UIC Distribution

**RECEIVED**  
 KANSAS CORPORATION COMMISSION

**JUN 18 2008**

Operator Name: R J M Oil Company, Inc. Lease Name: Butch Well #: 2  
 Sec. 18 Twp. 18 S. R. 10  East  West County: Rice

**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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width:100%;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Lansing</td> <td>-1204</td> <td>KB</td> </tr> <tr> <td>Arbuckle</td> <td>-1500</td> <td>KB</td> </tr> </table>	Name	Top	Datum	Lansing	-1204	KB	Arbuckle	-1500	KB
Name	Top	Datum								
Lansing	-1204	KB								
Arbuckle	-1500	KB								

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	23	410	Common	200	2% gel
Production	7 7/8	5 1/2	15.50	3273'	ASC	160	10% salt 5% kalseal

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 <i>(Amount and Kind of Material Used)</i>	Depth

**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
**JUN 18 2008**  
 CONSERVATION DIVISION  
 WICHITA, KS

TUBING RECORD	Size <u>2 7/8</u>	Set At <u>3200</u>	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 checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)		
Estimated Production Per 24 Hours	Oil Bbls. <u>96</u>	Gas Mcf	Water Bbls. <u>00</u>	Gas-Oil Ratio	Gravity <u>40</u>

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) \_\_\_\_\_

# QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1910

Date <b>3-29-08</b>	Sec.	Twp.	Range	Called Out	On Location	Job Start	Finish <b>7:30 AM</b>
Lease <b>Zink Farms</b>	Well No. <b>2</b>		Location <b>Clayton 3E 2S 1/2E</b>		<b>Rice</b> County	KS State	
Contractor <b>Royal Drlg</b>				Owner			
Type Job <b>Surface</b>				To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Hole Size <b>12 1/4</b>	T.D. <b>410</b>		Charge To <b>RJM</b>				
Csg. <b>8 5/8</b>	Depth <b>409</b>		Street				
Tbg. Size	Depth		City				
Drill Pipe	Depth		State				
Tool	Depth		The above was done to satisfaction and supervision of owner agent or contractor.				
Cement Left in Csg. <b>10-15</b>	Shoe Joint						
Press Max.	Minimum						
Meas Line	Displace <b>28#</b>		<b>CEMENT</b>				
Perf.			Amount Ordered <b>190 com 3% CC 2% gel</b>				

EQUIPMENT			Amount Ordered	
Pumptrk <b>5</b>	No.	Cement Helper <b>Dave</b>	Consisting of	
Bulktrk <b>2</b>	No.	Driver <b>Dan</b>	Common <b>190 @ 12.00</b>	<b>2280.00</b>
Bulktrk <b>01</b>	No.	Driver <b>Darin</b>	Poz. Mix	

JOB SERVICES & REMARKS				
Pumptrk Charge <b>250.00</b>			Gel. <b>4 @ 18.00</b>	<b>72.00</b>
Mileage <b>29 @ 6.00</b>		<b>174.00</b>	Chloride <b>6 @ 50.00</b>	<b>300.00</b>
Footage			Hulls	
			Salt	
		<b>Total 1024.00</b>	Flowseal	

Remarks:				
			Sales Tax	
			Handling <b>200 @ 2.00</b>	<b>400.00</b>
			Mileage <b>84 per sk per mi 1c</b>	
			Sub Total	<b>1024.00</b>
			Total	
			Floating Equipment & Plugs <b>8 5/8 wand on</b>	<b>72.00</b>
			Squeeze Manifold	
			Rotating Head	

Signature <b>Howe Bury</b>	<b>RECEIVED</b> KANSAS CORPORATION COMMISSION	Tax	<b>171.61</b>
	<b>JUN 18 2008</b>	Discount	<b>(461.00)</b>
	CONSERVATION DIVISION WICHITA KS	Total Charge	<b>4322.61</b>

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

– **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

– **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

– **DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 constructed as a warranty by QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

# QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1911

Date <u>4-3-08</u>		Sec.	Twp.	Range	Called Out	On Location	Job Start <u>4:00pm</u>	Finish <u>4:30AM</u>	
Lease <u>Butch</u>		Well No. <u>2</u>		Location <u>Claffin 3E25 1/2 E</u>		<u>Rice</u> County	KS State		
Contractor <u>Royal Dalg</u>				Owner					
Type Job <u>prod string 3217</u>				To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.					
Hole Size <u>7 7/8</u>		T.D.			Charge To <u>RTM Oil Co</u>				
Csg. <u>5 1/2</u>		Depth			Street				
Tbg. Size		Depth			City				
Drill Pipe		Depth			State				
Tool		Depth			The above was done to satisfaction and supervision of owner agent or contractor.				
Cement Left in Csg. <u>20'</u>		Shoe Joint							
Press Max.		Minimum							
Meas Line <u>.0238 15.5</u>		Displace			500 gal mud clear 48 CEMENT 3/4 of 1% CD-110				
Perf.					Amount Ordered <u>160 com 10% salt 5% Ret-Seal</u>				
<b>EQUIPMENT</b>									
Pumptrk <u>5</u>	No.	Cementer <u>Dave D</u>		Consisting of					
Bulktrk <u>2</u>	No.	Driver <u>Blake</u>		Common <u>160 @ 12<sup>00</sup></u>				<u>1920<sup>00</sup></u>	
Bulktrk <u>pu</u>	No.	Driver <u>Davin</u>		Poz. Mix					
<u>Good Br</u> JOB SERVICES & REMARKS				Gel. <u>1 @ 18<sup>00</sup></u>					<u>18<sup>00</sup></u>
Pumptrk Charge <u>prod string</u>		<u>1600<sup>00</sup></u>		Chloride					
Mileage <u>29 @ 6<sup>00</sup></u>		<u>174<sup>00</sup></u>		Hulls <u>Cal-scol 4 @ 22<sup>00</sup></u>					<u>88<sup>00</sup></u>
Footage				Salt <u>30 @ 11<sup>25</sup></u>					<u>337<sup>50</sup></u>
		Total <u>1774</u>		Flowseal <u>Mud Clear-48 500gal @</u>					<u>550<sup>00</sup></u>
Remarks:				<u>CID 110 112 @ 7<sup>50</sup></u>					<u>840<sup>00</sup></u>
<u>plug that hole @ 15 ft</u>				Sales Tax					
<u>1 mouse hole 105L</u>				Handling <u>195 @ 2<sup>00</sup></u>					<u>390<sup>00</sup></u>
Floor Held				Mileage <u>84 per ch per mile</u>					<u>452<sup>40</sup></u>
				Sub Total					<u>1774.00</u>
				Total					
				Floating Equipment & Plugs <u>5 1/2 Rubber</u>					<u>63<sup>00</sup></u>
				Squeeze Manifold <u>1 Guide shoe</u>					<u>169<sup>00</sup> 175<sup>00</sup></u>
				Rotating Head <u>yes</u>					<u>75<sup>00</sup></u>
				RECEIVED <u>L R Fu Inc</u>					<u>250<sup>00</sup></u>
				KANSAS CORPORATION COMMISSION					
				<u>2 Baskets</u>					<u>350<sup>00</sup></u>
				<u>4 turbs part</u>					<u>585<sup>00</sup></u>
				JUN 18 2008					
				CONSERVATION DIVISION					<u>330.27 Tax</u>
				WICHITA, KS					<u>(787.00) Discount</u>
X Signature <u>[Signature]</u>				Total Charge					<u>787.00</u>

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(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 QUALITY'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 QUALITY or its employees.

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(C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.