

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

Operator: License # 31900
Name: Nor-West Kansas Oil, L.L.C.
Address: RR 2, Box 14,
City/State/Zip: WaKeeney, Kansas 67672
Purchaser: N/A
Operator Contact Person: Patrick G. Wanker, Sec.-Treas.,
Phone: (785) 743-2769
Contractor: Name: WW Drilling
License: 33575
Wellsite Geologist: Kitt Noah
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. _____
06/02/05 06/12/05 06/12/05
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 065-23066-00-00
County: Graham
W/2 W/2 SW SE Sec. 10 Twp. 7 S. R. 22 East West
690 feet from (S) / N (circle one) Line of Section
2,510 feet from (E) / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Pauline Trust Well #: 1
Field Name: Unknown
Producing Formation: Lansing-Kansas City
Elevation: Ground: 2,207' Kelly Bushing: 2,212'
Total Depth: 3,821 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 DV-Tool set 1,824 Feet
If Alternate II completion, cement circulated from 219
feet depth to cellar _____ w/ 150 COM., 3%CC; 2% GEL sx cm.
ALT 2 - Dig - 10-17-08

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 1,700 ppm Fluid volume 600 bbls
Dewatering method used Chemical Mud
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter: _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____
RECEIVED
FEB 14 2006
KCC WICHITA

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: [Handwritten Signature]
Title: Sec.-Treas., Date: 02/10/06
Subscribed and sworn to before me this 10th day of February
20 06.
Notary Public: [Handwritten Signature]
Date Commission Expires: 9/9/08

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

MARY ANN SCHNEIDER
NOTARY PUBLIC
STATE OF KANSAS
My Appt Exp. _____

ORIGINAL

Side Two

Operator Name: Nor-West Kansas Oil Co. Lease Name: Pauline Trust Well #: 1
Sec. 10 Twp. 7 S. R. 22 East West County: Graham

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 checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Andydrite	1,800'	+412
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Topeka	3,208'	-996
List All E. Logs Run:		Toronto	3,431'	-1,219
		Base K.C.	3,643'	-1,431
		Arbuckle	3,754'	-1,542

Sonic; Micro; Frac Finder; Compensated Density Neutron; Dual Induction.

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#	219	COM	150	3% CC; 2 % GEL

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate				
<input checked="" type="checkbox"/> Protect Casing	3,821'	Common	473	180 sacks POZ; 23 sacks GEL
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone	1,824' DV-Tool	Common	150	2% CC; 3% GEL

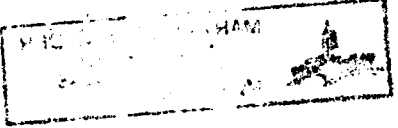
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
Four	"I" Zone @ 3,594' to 3598'	1,000 gal. 15% NE/FE	3,594' - 3,598'

TUBING RECORD		Size	Set At	Packer At	Liner Run
2 7/8"			3,770'		<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 Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity
	35		2	99% oil - 1% water	34

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 _____



INC.

* INVOICE *

PAID JUL
#2035

7.5.09 +
7.7.10 -
02
7,060.74 *

Invoice Number: 097276

Invoice Date: 06/24/05

RECEIVED
FEB 14 2006
KCC WICHITA

Sold Nor West Kansas Oil LLC
To: R. R. #2, Box 14
WaKeeney, KS
67672

Cust. I.D.....: NorWKS
P.O. Number...: Pauline TR #1
P.O. Date.....: 06/24/05

Due Date.: 07/24/05
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	270.00	SKS	10.0000	2700.00	T
Pozmix	180.00	SKS	4.7000	846.00	T
Gel	23.00	SKS	14.0000	322.00	T
FloSeal	103.00	LBS	1.7000	175.10	T
Handling	473.00	SKS	1.6000	756.80	E
Mileage	70.00	MILE	28.3800	1986.60	E
473 sks @.06 per sk per mi					
Top Stage	1.00	JOB	785.0000	785.00	E

All Prices Are Net, Payable 30 Days Following	Subtotal:	7571.50
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	224.39
If Account CURRENT take Discount of \$ <u>757.15</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	7795.89

7795.89
757.15

7038.74

INC.

* I N V O I C E *

PAID JUL
#2035

7,15.88 +
7,15.15 -
7,050.74 *

Invoice Number: 097276

Invoice Date: 06/24/05

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To: R. R. #2, Box 14
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Due Date.: 07/24/05
Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	270.00	SKS	10.0000	2700.00	T
Pozmix	180.00	SKS	4.7000	846.00	T
Gel	23.00	SKS	14.0000	322.00	T
FloSeal	103.00	LBS	1.7000	175.10	T
Handling	473.00	SKS	1.6000	756.80	E
Mileage	70.00	MILE	28.3800	1986.60	E
473 sks @.06 per sk per mi					
Top Stage	1.00	JOB	785.0000	785.00	E

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 157.15
ONLY if paid within 30 days from Invoice Date

Subtotal: 7571.50
Tax.....: 224.39
Payments: 0.00
Total....: 7795.89

7795.89
157.15
7038.74

FORM #F9000 58276

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.

TOTAL _____
TAX _____
TOTAL CHARGE ~~7795.89~~ _____
DISCOUNT ~~157.15~~ _____ IF PAID IN 30 DAY
PRINTED NAME _____

SIGNATURE Pauline TR

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 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.

, INC.

*
* I N V O I C E *
*

PAID JUL 4 2005
#2035

3,697.3 +
332.19 -
8,765.14 *

Invoice Number: 097275

Invoice Date: 06/24/05

Sold Nor West Kansas Oil LLC
To: R. R. #2, Box 14
WaKeeney, KS
67672

RECEIVED
FEB 14 2006
KCC WICHITA

Cust. I.D.....: NorWKS
P.O. Number...: Pauline TR #1
P.O. Date.....: 06/24/05

Due Date.: 07/24/05
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Gel	3.00	SKS	14.0000	42.00	T
ASC	150.00	SKS	11.6500	1747.50	T
WFR-2	500.00	GAL	1.0000	500.00	T
Handling	153.00	SKS	1.6000	244.80	E
Mileage	70.00	MILE	9.1800	642.60	E
153 sks @.06 per sk per mi					
Bottom Stage	1.00	JOB	1320.0000	1320.00	E
Mileage pmp trk	70.00	MILE	5.0000	350.00	E
Guide Shoe	1.00	EACH	160.0000	160.00	T
AFU Insert	1.00	EACH	235.0000	235.00	T
Centralizers	10.00	EACH	50.0000	500.00	T
Baskets	2.00	EACH	140.0000	280.00	T
OV Tool	1.00	EACH	3300.0000	3300.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$932.19
ONLY if paid within 30 days from Invoice Date

Subtotal: 9321.90
Tax.....: 375.43
Payments: 0.00
Total....: 9697.33

9697.33
932.19

8765-14

ALLIED CEMENTING CO., INC. 19630

TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Oakley

DATE <u>6-11-05</u>	SEC. <u>10</u>	TWP. <u>7s</u>	RANGE <u>22w</u>	CALLED OUT	ON LOCATION <u>10:00PM</u>	JOB START <u>2:15PM</u>	JOB FINISH <u>2:50AM</u>
LEASE <u>Pan line Trust</u>	WELL # <u>1</u>	LOCATION <u>Hill City 4E-SV-1/2E-N1S</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR W-W Drlg Co
 TYPE OF JOB Two Stage (Bottom)
 HOLE SIZE 7 7/8 T.D. 3820'
 CASING SIZE 5 1/2 119 DEPTH 3819'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL DV-Tool DEPTH 1824'
 PRES. MAX 1200# MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 24.43'
 CEMENT LEFT IN CSG. 24.43
 PERFS. _____
 DISPLACEMENT 45 Bbls water - 43 Bbls mud

OWNER Same

CEMENT AMOUNT ORDERED
150SKS ASC 2% Gel
500 gals WFR-2

COMMON	@		
POZMIX	@		
GEL		<u>3SKS</u>	@ <u>14.00</u> <u>42.00</u>
CHLORIDE	@		
ASC		<u>150SKS</u>	@ <u>11.65</u> <u>1747.50</u>
	@		
<u>WFR-2 500gals</u>	@	<u>1.00</u>	<u>500.00</u>
	@		
	@		
	@		
	@		
	@		
HANDLING		<u>153SKS</u>	@ <u>1.60</u> <u>244.80</u>
MILEAGE		<u>69 / SK Mile</u>	<u>642.60</u>
			TOTAL <u>3176.90</u>

EQUIPMENT

PUMP TRUCK CEMENTER Dean
 # 373-281 HELPER Andrew
 BULK TRUCK # 218 DRIVER ALAN
 BULK TRUCK # 394 DRIVER Jarrod

REMARKS:

Pump 500gal WFR-2 Followed w/ 175SKS ASC 2% Gel. wash Pump & Line Release Plug Pump 45 Bbls Water + 43 Bbls Mud. Pump Pressure 800# Plug Land at 1200# Float Held

Thank you

CHARGE TO: North-West Kansas Oil LLC
 STREET _____
 CITY _____ STATE _____ ZIP _____

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]

SERVICE

DEPTH OF JOB	<u>3819'</u>	
PUMP TRUCK CHARGE		<u>1320.00</u>
EXTRA FOOTAGE	@	
MILEAGE	<u>70 Miles</u>	@ <u>5.00</u> <u>350.00</u>
MANIFOLD	@	
	@	
	@	
RECEIVED		
FEB 14 2006		
KCC WICHITA		
		TOTAL <u>1670.00</u>

5 1/2 PLUG & FLOAT EQUIPMENT

<u>Guide Shoe</u>	@	<u>160.00</u>	
<u>AFU Insert</u>	@	<u>235.00</u>	
<u>10 - Centralizers</u>	@	<u>50.00</u> <u>500.00</u>	
<u>2 - Baskets</u>	@	<u>140.00</u> <u>280.00</u>	
<u>1 - DV-Tool</u>	@	<u>3300.00</u>	
			TOTAL <u>4475.00</u>

TAX _____
 TOTAL CHARGE [scribble]
 DISCOUNT [scribble] IF PAID IN 30 DAY

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 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 cement 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 an 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 recommendation 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.

ALLIED CEMENTING CO., INC. 19999

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

SERVICE POINT: Oakley

DATE <u>6-3-05</u>	SEC. <u>10</u>	TWP. <u>7S</u>	RANGE <u>22W</u>	CALLED OUT	ON LOCATION <u>NOON</u>	JOB START	JOB FINISH <u>2:30pm</u>
LEASE <u>Payline Trust</u>	WELL# <u>1</u>	LOCATION <u>Hill City, 4E-SN-1/4E</u>		COUNTY <u>Graham</u>	STATE <u>Kan</u>		
OLD OR NEW (Circle one)				<u>M.S.</u>			

CONTRACTOR W-W Dels Co

TYPE OF JOB Sur Face

HOLE SIZE 12 1/4 T.D. 220'

CASING SIZE 8 5/8 DEPTH 219'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 13 - BBL

EQUIPMENT

PUMP TRUCK CEMENTER Walt

102 HELPER

BULK TRUCK

315 DRIVER Mike

BULK TRUCK

DRIVER

OWNER Same

CEMENT

AMOUNT ORDERED 150 SKS COM
3% CC - 2% LCL

COMMON @

POZMIX @

GEL @

CHLORIDE @

ASC @

HANDLING @

MILEAGE @

RECEIVED
FEB 14 2006
KCC WICHITA

REMARKS:

TOTAL _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 670.00

EXTRA FOOTAGE @ _____

MILEAGE miles @ 5.00

MANIFOLD @ _____

@ _____

@ _____

CHARGE TO: Nor-West Kansas Oil, LLC

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

8 5/8

1 - Surface Plug @ _____

@ _____

@ _____

@ _____

@ _____

TOTAL _____

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.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Bill Wilson

Bill Wilson
PRINTED NAME

THANKS! Good Job.

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.