WELL COMPLETION FORM WELL HISTORY - DESCRIPTION OF WELL & LEASE

| Operator: License # | API No. 15 - 063-21681 00-06 |
|--|---|
| Name: Palomino Petroleum, Inc. | County: Gove |
| Address: 4924 SE 84th St. | SE -NE - NW - Sec. 12 Twp. 15 S. R. 27 ☐ East West |
| City/State/Zip: Newton, KS 67114-8827 | 1150 feet from S / N (circle one) Line of Section |
| Purchaser: None | 2310 feet from E / (W) (circle one) Line of Section |
| Operator Contact Person: Klee R. Watchous | Footages Calculated from Nearest Outside Section Corner: |
| Phone: (_316) 799-1000 | (circle one) NE SE (NW) SW |
| Contractor: Name: Southwind Drilling, Inc. | Lease Name: Cheney-Garvey Well #: 1 |
| License: 33350 | Field Name: None (Wildcat) |
| Wellsite Geologist: Robert A. Schreiber | Producing Formation: None |
| Designate Type of Completion: | Elevation: Ground: 2329 Kelly Bushing: 2339 |
| New Well Re-Entry Workover | Total Depth: 4285' Plug Back Total Depth: |
| Oil SWD Temp. Abd. | Amount of Surface Pipe Set and Cemented at 209 Feet |
| Gas ENHR SIGW | Multiple Stage Cementing Collar Used? |
| Other (Core, WSW, Expl., Cathodic, etc) | If yes, show depth setFeet |
| If Workover/Re-entry: Old Well Info as follows: | If Alternate II completion, cement circulated from |
| Operator: | feet depth tow/sx cmt. |
| Well Name: | 0, |
| Original Comp. Date: Original Total Depth: | Drilling Fluid Management Plan (Data must be collected from the Reserve Pit) |
| Deepening Re-perf Conv. to Enhr./SWD | (Data must be collected from the Reserve Pit) 3-//-08 Chloride content ppm Fluid volume bbls |
| Plug Back Plug Back Total Depth | Dewatering method used |
| Commingled Docket No | |
| Dual Completion Docket No | Location of fluid disposal if hauled offsite: |
| Other (SWD or Enhr.?) Docket No | Operator Name: |
| | Lease Name: License No.: |
| Spud Date or Recompletion Date 11/23/07 Date Reached TD Recompletion Date 11/23/07 Completion Date or Recompletion Date | Quarter Sec TwpS. R East West County: Docket No.: |
| Kansas 67202, within 120 days of the spud date, recompletion, workov Information of side two of this form will be held confidential for a period of 107 for confidentiality in excess of 12 months). One copy of all wireline logs TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells | |
| All requirements of the statutes, rules and regulations promulgated to regul herein are complete and correct to the best of my knowledge. | ate the oil and gas industry have been fully complied with and the statements |
| Signature: Lee Y. Muchawa | KCC Office Use ONLY |
| Title: President Date: February 01, 2008 | Letter of Confidentiality Received |
| Subscribed and sworn to before me this <u>lst</u> day of February | If Denied, Yes Date: RECEIVED |
| • | Wireline Log Received KANSAS CORPORATION COMMISSIO |
| 20 08 Carlo D. Paradol | Geologist Report Received |
| Notary Public: COLO K. FORWELL | UIC Distribution FEB 0 4 2008 |
| Carla R. PenwellNOTARY PUBLIC - State of Kingsas CARLAR. PENWELL My April System 10 1 20 | CONSERVATION DIVISION WICHITA, KS |

| Operator Name: Palon | nino Petroleum, In- | C. | | Leas | e Name: | Cheney-Ga | rvey | | _ Well #: | | |
|--|---|----------------------------------|------------------------------|------------------------|-------------------|------------------|---------|--------------------|------------------|----------------|------------------------|
| Sec Twp | S. R | ☐ East | ✓ West | Coun | ty: Gove | | | | | | |
| NSTRUCTIONS: Sho ested, time tool open emperature, fluid reco lectric Wireline Logs | and closed, flowing very, and flow rate | g and shut-in s if gas to sur | pressures, v face test, a | whether s long with | shut-in pre | essure read | hed s | tatic level, hydro | static pressu | res, botton | n hole |
| rill Stem Tests Taken | | ✓ Yes | ☐ No | | \[\bar{\cappa}\] | og For | matio | n (Top), Depth a | and Datum | s | ample |
| (Attach Additional Sheets) Samples Sent to Geological Survey ✓ Yes □ No | | | □No | | Nam | - | | | Top | | atum |
| . , | | ✓ No | | Anhy | | | | 1782 | , | ·557) ·523) | |
| lectric Log Run | | ✓ Yes | □ No | | Tope | Anhy. | | | 1816 3323 | , | ·523) 984) |
| (Submit Copy) | | | | | Heet | | | | 3555 | , | 1216) |
| st All E. Logs Run: | | | | | Toro | | | | 3576 | • | 1237) |
| Radiation Guar | rd | | | | LKC | · iio | | | 3597 | • | 1258) |
| tadiation Gadi | · G | | | | ВКС | | | | 3890 | | 1551) |
| | | | | | Marr | naton | | | 3943 | (- | 1604) |
| | | | CASING | RECORD | □ N | ew Use | d | | | | |
| | | Report al | strings set-c | onductor, s | surface, inte | ermediate, pi | oductio | on, etc. | | 1 | |
| Purpose of String | Size Hole Drilled | Size C Set (In | | | eight s. / Ft. | Setting Depth | | Type of Cement | # Sacks Used | | nd Percent Iditives |
| Surface | 12 1/4" | 8 5/8" | | 20# | | 209' | | common | 150 | 2% gel, | 3% c.c. |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | Δ | DDITIONAL | CEMENT | ING / SOI | IEEZE DEC | OPD | | | | |
| Purpose: | Depth | | ············ | | | JEEZE NEC | ONU | T d F | Na & alakki | | * |
| Perforate Protect Casing Plug Back TD Plug Off Zone | Top Bottom | Type of (| Jernerit | #Sack | s Used | | | Type and F | Percent Additive | S | |
| Shots Per Foot | | ON RECORD - Footage of Eacl | | | е | Acid | | ure, Shot, Cemen | | ord | Depth |
| | | | | | | | | | 13-4-1 | | |
| TURING DECOSE | Cinc | 0-14: | | | | | | | | | - |
| TUBING RECORD | Size | Set At | | Packer | Al | Liner Run | | Yes No | | | |
| Date of First, Resumerd | Production, SWD or E | nhr. Pr | oducing Meth | nod | Flowing | g | umping | g Gas Lit | it 🗌 Oth | ner (Explain) | |
| Estimated Production Per 24 Hours | Oil | Bbls. | Gas | Mcf | Wate | er | Bbl | s. 6 | Bas-Oil Ratio | | Gravity |
| Disposition of Gas | METHOD OF C | OMPLETION | | <u> </u> | | Production | Interva | al | | RECEI | \/ED |
| Vented Sold | Used on Lease | | Open Hole Other (Specif | Per | rf. 🔲 [| Dually Comp. | | Commingled | | CORPORAT | ON COMMIS |
| | | | Caron (Opeon | J/ | | | | | F | EB 04 | 2008 |

| Pawnee | 4034 | (-1965) |
|--------------|------|---------|
| Ft. Scott | 4096 | (-1757) |
| Cherokee Sh. | 4118 | (-1779) |
| Cherokee Sd. | 4168 | (-1829) |
| Miss. | 4192 | (-1853) |
| Miss. Dolo. | 4202 | (-1863) |
| LTD | 4285 | (-1946) |

RECEIVED KANSAS CORPORATION COMMISSION

FEB 0 4 2008

CONSERVATION DIVISION WICHITA, KS

NOV 2 9 2007 INVOICE

Invoice Number: 111384

Invoice Date: Nov 27, 2007

Page:

1

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

Voice: Fax:

(785) 483-3887 (785) 483-5566

Bill To:

Palomino Petroleum, Inc. 4924 SE 84th St.

Newton, KS 67114-8827

Federal Tax I.D.#

| Customer ID | Well Name/# or Customer P.O. | Paymen | Payment Terms | | |
|--------------|------------------------------|--------------|---------------|--|--|
| Palo | Cheney Garvey #1 | Net 30 Days | | | |
| Sales Rep.ID | Camp Location | Service Date | Due Date | | |
| | Oakley | Nov 27, 2007 | 12/27/07 | | |

| Quantity | Item | Description | Unit Price | Amount |
|--------------|--------------|-----------------------------------|------------|----------|
| 120.00 | MAT | Common Class a | 12.60 | 1,512.00 |
| 80.00 | MAT | Pozmix | 6.40 | 512.00 |
| 7.00 | MAT | Gel | 16.65 | 116.55 |
| 50.00 | MAT | Flo Seal | 2.00 | 100.00 |
| 209.00 | SER | Handling | 1.90 | 397.10 |
| 50.00 | SER | Mileage 209 sx @.09 per sk per mi | 18.81 | 940.50 |
| 1.00 | SER | Plug to Abandon | 815.00 | 815.00 |
| 50.00 | SER | Mileage Pump Truck | 6.00 | 300.00 |
| 1.00 | EQP | Dry Hole Plug | 35.00 | 35.00 |
| | | | | |
| ALL PRICES A | RE NET PAYAR | SLF Subtotal | | 4 728 15 |

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

\$ 472.81

ONLY IF PAID ON OR BEFORE

Dec 27, 2007

| Subtotal | 4,728.15 |
|------------------------|----------|
| Sales Tax | 333.33 |
| Total Invoice Amount | 5,061.48 |
| Payment/Credit Applied | |
| TOTAL | 5.061.48 |

RECEIVED KANSAS CORPORATION COMMISSION 5,061.48

FEB 0 4 2008

CONSERVATION DIVISION WICHITA, KS

ALLIEC CEMENTING CO., INC. Federal Tax I.D.?

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

SERVICE POINT:

PRINTED NAME

31811

| KOSS. | LLL, KAI | 15A5 0700 | | | | Oakl | ey |
|---------------------|------------|---------------------------------------|---|--------------|--------------------------------|------------------------------|---------------|
| DATE 11-23-07 | SEC. | TWP. | RANGE 22 | CALLED OUT | ON LOCATION 4,00p,m | | JOB EINISH PA |
| LEASE Garrey | WELL# | 1 | LOCATION 204 | IW SWWN | winte | COUNTY | STATE |
| OLD OR NEW (Cir | cle one) | | | | | | |
| CONTRACTOR -\$ | outhw | aind D | rilling Rig | H/ OWNER | iame | J | |
| TYPE OF JOB | TA | | 0.0 | | | | |
| HOLE SIZE 7 | 18 | T.D | 4317' | CEMENT | | | • |
| CASING SIZE | | | TH | _ AMOUNT OR | DERED 200 | sks wy | 1 4/agel |
| TUBING SIZE | 1/2 11 | | PTH ASSESSED OF THE PERSON OF | 14- FUE | -seaL | | |
| DRILL PIPE 4 TOOL | <i>12</i> | | <u>РТН /800'</u> РТН | | ** | | |
| PRES. MAX | | | NIMUM | COMMON_ | 77 KS | a 12/D | 1512.00 |
| MEAS. LINE | | | DE JOINT | POZMIX | 803KS | _@ 10.60 @ 440 | 512,08 |
| CEMENT LEFT IN | CSG. | | 200111 | GEL | 7 585 | @ 16.65 | 11/255 |
| PERFS. | | | | CHLORIDE | | @ | |
| DISPLACEMENT | | | | ASC | | @ | |
| | EQU | IPMENT | | | | @ | |
| | | | | | | _@ | |
| PUMP TRUCK, (| CEMENT | ER And | (rew) | - | 1 | _@ | - |
| 1177 201 | HELPER | Ala | | Flo-sec | ac 30. | | 100,00 |
| BULK TRUCK | | , , , , , , , , , , , , , , , , , , , | | - | | _@ | |
| # 218 I | ORIVER | ALV: | <i>'</i> h | | | _@ | -24 |
| BULK TRUCK | | | | 17 | | | |
| <u>#</u> I | DRIVER | | | - HANDLING | 209-5/5 | @ 1,90 | 397.10 |
| | | | | MILEAGE _ | 34 SK/mile | <u> </u> | 940,50 |
| | REN | MARKS: | | | | TOTAL | 3578,15 |
| 25 sks @ | 1800 | <i>*</i> | | | | IOIAL | |
| 100 SKS @ | 732 | | | - | SERVIO | TF. | |
| 40 sks @ | ald | | | | | | |
| 10 SES @ | 42 |)' | | DEPTH OF JC | OB 1800 | • | |
| 10 sks | mou | se ho | <u> </u> | PUMP TRUCE | | | 815,00 |
| 15 SKS | Kat | hole | · | EXTRA FOOT | | _ @ | |
| | | | | MILEAGE | 10 miles | @6.00 | 300.00 |
| | | | | - MANIFOLD _ | | _ @ | |
| | | | | | | _ @ | |
| GILL DOD TO | / | 'ha 0 | when last is | | | _@ | |
| CHARGE TO: 🖊 | uom. | 10 /4 | Bleam | _ | | | 111500 |
| STREET | | | | _ | | TOTAL | 1115,00 |
| CITY | ST | ATE | ZIP | | | | |
| CII I | 31/ | A112 | ZIF | | PLUG & FLOAT | EQUIPMEN | T |
| | | | | 8% | | | |
| | | | | Dry ho | le plug | @ | 35,00 |
| | | | | | | @ | |
| To Allied Cementi | ing Co., I | nc. | | | RECEIVED | @ | |
| You are hereby red | | | enting equipment | - KANSAS COI | RECEIVED REPORATION COMMISSION | @ | |
| and furnish cemen | | | | | | @ | |
| contractor to do w | | | | FE | B 0 4 2008 | | |
| done to satisfactio | | | | CONSI | ERVATION DIVISION | TOTAL | 35,00 |
| contractor. I have | read & u | nderstand | the "TERMS AND | | WICHITA, KS | | |
| CONDITIONS" li | sted on th | ne reverse | side. | TAX | | | |
| | | | | TOTAL CHAR | RGE | | |
| | | | | | | | |
| , | | | | DISCOUNT _ | | IF PAII | O IN 30 DAYS |
| SIGNATURE | Faste ! | 11. | • | , | k J Rom | | |
| SIGNATURE | (ANDE! | 1 dXa | ul_ | Frank | V Kam | سرنص | |

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.



24 S. Lincoln Street P.O. Box 31

Russell, KS 67665-2906

(785) 483-3887 (785) 483-5566 RECEIVED

NOV 2 1 2007

INVOICE

Invoice Number: 111204

Invoice Date: Nov 16, 2007

Page: 1

Bill To:

Voice:

Fax:

Palomino Petroleum, Inc. 4924 SE 84th St.

Newton, KS 67114-8827

Federal Tax I.D.#:

| Customer ID | Well Name/# or Customer P.O. | Payment Terms | | | |
|--------------|------------------------------|---------------|-------------|--|--|
| Palo | Cheney Garkey #1 | Net 30 | Net 30 Days | | |
| Sales Rep ID | Camp Location | Service Date | Due Date | | |
| | Oakley | Nov 16, 2007 | 12/16/07 | | |

| Quantity | Item | Description | Unit Price | Amount |
|----------|------|-----------------------------------|------------|----------|
| 150.00 | MAT | Common Class a | 12.60 | 1,890.00 |
| 3.00 | MAT | Gel | 16.65 | 49.95 |
| 5.00 | MAT | Chloride | 46.60 | 233.00 |
| 158.00 | SER | Handling | 1.90 | 300.20 |
| 50.00 | SER | Mileage 158 sx @.09 per sk per mi | 14.22 | 711.00 |
| 1.00 | SER | Surface | 815.00 | 815.00 |
| 50.00 | SER | Mileage Pump Truck | 6.00 | 300.00 |
| 1.00 | SER | Manifold Head Rental | 100.00 | 100.00 |
| 1.00 | EQP | Wooden Surface Plug | 60.00 | 60.00 |
| | | | | |
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| | | | | |

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

445.91

ONLY IF PAID ON OR BEFORE

Dec 16, 2007

| Subtotal | • | 4,459.15 |
|------------------------|----------|----------|
| Sales Tax | | 157.42 |
| Total Invoice Amount | | 4,616.57 |
| Payment/Credit Applied | | |
| TOTAL | RECEIVED | 4,616.57 |

KANSAS CORPORATION COMMISSION

FEB 0 4 2008

CONSERVATION DIVISION WICHITA, KS

ALLIEC CEMENTING CO., INC. Federal Tax I.D.

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

SERVICE POINT:

PRINTED NAME

31806

| RUSS. | CLL, KA | NSAS U/U |)5 | | | Oak | -ey |
|-----------------------|------------|------------|-------------------------|--------------------|--------------------------------------|---------------------|--------------|
| DATE //- 14-07 | SEC. | TWP. | RANGE 27w | CALLED OUT | ON LOCATION 3100 Pin | JOB START | JOB FINISH |
| LEASE Carvey | WELL# | 1 | LOCATION | ulnter Os iw si | www into | COUNTY | STATE |
| OLD OF NEW (Cir | | | | | U W W JAIU | 1001 | 1/30 |
| | - A | | × 1/3 / | n #1 | | _ | |
| CONTRACTOR | South | wind | Drilling 18 | OWNER | Same | | |
| TYPE OF JOB | yr Fac | | 211 | CEMEN | T | | |
| | <i>5</i> 4 | T.D | | CEMEN | 1 TODDEDED 150 | checon | 1 |
| TUBING SIZE | <u> </u> | DEI | <u>тн 208, 43</u> тн | — 3% C | rordered <u>150</u> C 2% gel | 35 40% | |
| DRILL PIPE | | DEI | | | - rogec | | |
| TOOL | | DEI | | | | | |
| PRES. MAX | | | NIMUM | COMMO | N_150 SKS | @ 12.60 | 1890,00 |
| MEAS. LINE | | | DE JOINT | POZMIX | | _ | |
| CEMENT LEFT IN | CSG. | 15' | | GEL | 3 545 | | -49,95 |
| PERFS. | | | | CHLORII | DE 555 | @ 46.66 | 233,00 |
| DISPLACEMENT | | 2.57 | BBL | ASC | | | |
| | EQU | IPMENT | | | | _ @ | |
| | | | | 71111 | | @ | |
| PUMP TRUCK (| CEMENT | ER Ano | (rece) | | Parks | _ @ | |
| 4 4 | HELPER | Ala. | | | | _ @ | - |
| BULK TRUCK | | | | | | _ @ | |
| # 394 | DRIVER | Laren | e | | | _ @ | |
| BULK TRUCK | | | | | | | - |
| <u>#</u> I | DRIVER | | | HANDI II | NG 158 S45 | -@ /.C 2 | 300,20 |
| | | | | MILEAG | E 94 St mile | ະ <u>ກະກວ</u> | 7/1.00 |
| | RE | MARKS: | | | | TOTAL | 3184,15 |
| Cement d | id c | circul | cte | | SERVI | | |
| | | · · · · · | 47.0 | DEPTH C | OF IOR | | |
| | | | | | RUCK CHARGE | | 815,00 |
| | | / | | | FOOTAGE | @ | 0/0/100 |
| | | Thai | K you | | E 50 miles | @6,00 | 300.00 |
| | | | <u> </u> | | LD head rental | | 100-00 |
| | | | | • | | | |
| • | | - 1 | | • | | _ @ | |
| CHARGE TO: Pa | brin | o Peti | oleum | | | | |
| STREET | | | | | | TOTAL | 1215,00 |
| | | • | | | | | |
| CITY | ST | ATE | ZIP | 85g | PLUG & FLOAT | Γ EQUIPMEN | ΝΤ |
| | | | | wooden | sustace plu | J @ | 60.00 |
| | | | | | | _ @ | |
| To Allied Cement | | | • | | | | |
| You are hereby re- | | | | nt Kansa | RECEIVED AS CORPORATION COMMISSION | _@ | |
| and furnish cemer | | | | | | | • ———— |
| contractor to do w | | | | | FEB 0 4 2008 | | 60.00 |
| done to satisfactio | | | | or | | TOTAL | 60-00 |
| contractor. I have | | | | ND TAX | CONSERVATION DIVISION WICHITA, KS | | |
| CONDITIONS" li | sted on t | ne reverse | side. | 1/1/1 | - 4 | - | |
| | | | | TOTAL C | HARGE | | |
| ~ | _ | | | DISCOUN | NT | IF PAI | D IN 30 DAYS |
| SIGNATURE # | a. 1 | 10- | | | KT. R | | |
| SIGNATURE //C | (VYD) \ | MIXO | uco_ | TANK | 1K 11. 18 | 1 110 | |

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.