

CONFIDENTIAL ORIGINAL

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE
CONSERVATION DIVISION
WICHITA, KS

Operator: License # 5614
Name: Hutchinson Oil Co.
Address: P.O. Box 521
City/State/Zip: Derby, Kansas 67037
Purchaser: High Sierra Crude Oil & Marketing, LLC
Operator Contact Person: Steve Hutchinson
Phone: (316) 788-5440
Contractor: Name: Sterling Drilling Company
License: #5142
Wellsite Geologist: Josh Austin

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FEB 08 2008

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. _____
11/01/07 11/10/07 12/20/07
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 185-23482-0000
County: Stafford
SW SE SE Sec. 24 Twp. 23 S. R. 13 East West
330 feet from (S) / N (circle one) Line of Section
1210 feet from (E) / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Schlochtermeyer Well #: 1-24
Field Name: Wildcat
Producing Formation: Lansing KC
Elevation: Ground: 1882' Kelly Bushing: 1891'
Total Depth: 3928' Plug Back Total Depth: 3913'
Amount of Surface Pipe Set and Cemented at 307KB 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 ALFINH 10-10-08
(Data must be collected from the Reserve Pit)
Chloride content 5,000 ppm Fluid volume 480 bbls
Dewatering method used Pull fluids after cutting Hutch Salt, after displacing system and at TD.
Location of fluid disposal if hauled offsite: _____
Operator Name: Bob's Hauling Service
Lease Name: Siefkes License No.: 33779
Quarter NW Sec. 13 Twp. 22 S. R. 12 East West
County: Stafford Docket No.: D-22209

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: [Signature]
Title: Owner/Operator Date: 2/07/08
Subscribed and sworn to before me this 7th day of February,
2008.
Notary Public: Lindsay R. Boatright
Date Commission Expires: 07/02/2011

LINDSAY R. BOATRIGHT
Notary Public - State of Kansas
My Appt. Expires 07-02-2011

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

Operator Name: Hutchinson Oil Co. Lease Name: Schlochtermeier Well #: 1-24
 Sec. 24 Twp. 23 S. R. 13 East West County: Stafford

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 Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Compensated Density-Dual Induction

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Anhydrite	727	+1164
B/ Anhydrite	747	+1144
Heebner	3278	-1387
Lansing	3439	-1548
Bkc	3689	-1798
Viola	3786	-1895
Simp. Shale	3867	-1976
RTD	3930	-2039
LTD	3928	-2037

CASING RECORD <input checked="" 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	# Sacjs Used	Type and Percent Additives
Surface	12 1/4 inch	8 5/8ths	20#	307	Common	300	3%cc & 2%gel
Production	7 7/8th	4.5	10.50#	3928	ASC	235	CD31-Gas Block

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 (Amount and Kind of Material Used)	Depth
4spf	3514-19	250 Gals. MCA	3520'

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8ths	3550'	NA	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
January 1st 2008	<input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	25	TSIM	2	25to1	38°

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

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled

Production Interval Other (Specify) _____

Hutchinson Oil Co.

Wm. S. Hutchinson
P.O. Box 521
Derby, Kansas 67037

Telephone 316-788-5440
Fax 316-788-3384

February 8th 2008

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 15 2008
CONSERVATION DIVISION
WICHITA, KS

Kansas Corporation Commission
130 So. Market - Room #2078
Wichita, Kansas 67202

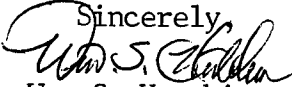
CONFIDENTIAL
FEB 08 2008
KCC

RE: SCHLOCHTERMEIER #1-24
API No. 15-185-23482-0000
330' FSL & 1210' FEL of
of SE/4 Sec.24-23S-13W in
Stafford Co., Kansas

Dear Sirs:

Hutchinson Oil Co. spudded the above referenced well on the 1st of November, 2007. Hutchinson Oil Co. is requesting that all Wireline E-logs, Geologist Well Report, Drill-stem Test Reports pertaining to this well and all information on side two (2) of the ACO-1 Well Completion Form be held confidential for a period of twelve (12) months.

I would like to take this time to say thank-you for all of your assistance on this request. If you have any questions, please call me at 316-788-5440.

Sincerely,

Wm. S. Hutchinson

FEB 15 2008

CONSERVATION DIVISION
WICHITA, KS

Schlochtermeyer #1-24
330' FSL & 1210' FEL of Sec.24,
23South, 13West Stafford Co., KS
API#15-185-23482-0000

DST #1 2930-2960 Misrun (Packer Failure)

DST #2 3457-3520 30-45-45-60 Strong blow BOB in 10 seconds. GTS in 8 mins.
Gauged 67 MCF on 1st opening, 2nd opening gauged 70 MCF. Recovered
465' WM&GO 15%W-15%M-20%G & 50%Oil. ISIP 1206.62-FSIP 1160.28,
IFP 91-122, FFP 140-165. IHP 1719-FHP 1646, BHT 111 degrees.

DST #3 3568-3610 30-45-45-60 Strong blow BOB in 2 seconds. GTS in 2 mins.
Gauged 615 MCF on 1st opening, 2nd opening gauged 507 MCF. Recovered
392' fluid, 124' 10%O-10%M-15%G & 65%W, 62' 5%O-5%W-25%G & 65%M,
124' 20%G-30%W & 50%M, 82' 10%G-20%W & 70%M. ISIP 964-FSIP924, IFP
185-165, FFP 152-178. IHP 1773-FHP 1709, BHT 118 degrees.

DST #4 3612-3660 30-45-45-60 Weak blow 4 inches on 1st opening, 2nd opening
Weak blow 4 inches. Recovered 124' WM 62'-30%M-70%W & 62'-30%W-70%M
ISIP 721-FSIP 680 IFP 24-47 FFP 46-65. IHP 1461 FHP 1761, BHT 108 degrees.

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FEB 08 2008

KCC

ALLIED CEMENTING CO., INC.

30913

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

CONFIDENTIAL
FEB 08 2008

SERVICE POINT:
Great Bend

DATE <u>11-1-07</u>	SEC <u>26</u>	TWP <u>23</u>	RANGE <u>13</u>	CALLED OUT <u>9:00 PM</u>	ON LOCATION <u>9:30 PM</u>	JOB START <u>11:30 PM</u>	JOB FINISH <u>12:30 AM</u>
Schlumberger		WELL # <u>1-24</u>	LOCATION <u>St John, 20 to 50th Rd</u>		COUNTY <u>Stafford</u>	STATE <u>Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>2 1/4 E, N/S</u>				

CONTRACTOR Stirling #4

TYPE OF JOB Surface job

HOLE SIZE <u>12 1/4"</u>	T.D. <u>310'</u>
CASING SIZE <u>8 7/8"</u>	DEPTH <u>310'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX <u>200# r/s</u>	MINIMUM <u>0</u>
MEAS. LINE	SHOE JOINT <u>15'</u>
CEMENT LEFT IN CSG. <u>15'</u>	
PERFS.	
DISPLACEMENT <u>18.75 BBLs of freshwater</u>	

OWNER Hutchinson oil

CEMENT

AMOUNT ORDERED 300 SX Common 3% CC
2% Gel

COMMON	<u>300</u>	@	<u>11.10</u>	<u>3330.00</u>
POZMIX		@		
GEL	<u>6</u>	@	<u>16.65</u>	<u>99.90</u>
CHLORIDE	<u>9</u>	@	<u>46.60</u>	<u>419.40</u>
ASC		@		

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 15 2008

CONSERVATION DIVISION
WICHITA, KS

HANDLING	<u>315</u>	@	<u>1.90</u>	<u>598.50</u>
MILEAGE	<u>24, 9, 315</u>	@		<u>680.40</u>
TOTAL				<u>5128.20</u>

EQUIPMENT

PUMP TRUCK # <u>181</u>	CEMENTER <u>Rick H.</u>
	HELPER <u>David S.</u>
BULK TRUCK # <u>344</u>	DRIVER <u>Gailen D.</u>
BULK TRUCK #	DRIVER

REMARKS:

pipe on bottom, broke Circulation, mixed
300 SX Common 3% CC, 2% Gel. shutdown
* Released plug and displaced with 18.75 BBLs
of freshwater and shut in. ~~circulation~~

Cement did Circulate.

SERVICE

DEPTH OF JOB	<u>310'</u>			
PUMP TRUCK CHARGE				<u>815.00</u>
EXTRA FOOTAGE	<u>10</u>	@	<u>.65</u>	<u>6.50</u>
MILEAGE	<u>24</u>	@	<u>6.00</u>	<u>144.00</u>
MANIFOLD		@		
<u>Head Rent</u>		@		<u>100.00</u>

CHARGE TO: Hutchinson oil

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL 1065.50

PLUG & FLOAT EQUIPMENT

<u>1-8 1/2 Wooden plug</u>				<u>60.00</u>
	@			
	@			
	@			
	@			

TOTAL 60.00

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE X Larry S. Saloga

SIGNATURE X Larry S. Saloga
PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

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

ALLIED CEMENTING CO., INC.

30982

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

CONFIDENTIAL

FEB 08 2008

SERVICE POINT:

11-10-07 *M.O.B.*

DATE <i>11-9-07</i>	SEC <i>24</i>	TWP. <i>23</i>	RANGE <i>13</i>	CALLED OUT <i>7:00 AM</i>	ON LOCATION <i>12:00 PM</i>	JOB # <i>878</i>	JOB # <i>978</i>
schlochtermier				LOCATION <i>St John 3N 27E N/S</i>		COUNTY <i>Stassord</i>	STATE <i>K.S.</i>
LEASE				WELL # <i>1-24</i>		RECEIVED	
OLD OR <input checked="" type="radio"/> NEW (Circle one)				KANSAS CORPORATION COMMISSION			

CONTRACTOR *Sterling Rig # 4*

TYPE OF JOB *4 1/2 side job*

HOLE SIZE *7 7/8* T.D. *3930 ft*

CASING SIZE *4 1/2* DEPTH *3922 ft*

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX *1500** MINIMUM *700**

MEAS. LINE _____ SHOE JOINT *16.0"*

CEMENT LEFT IN CSG. *16.0"*

PERFS. _____

DISPLACEMENT *62.1 bbl*

OWNER _____

FEB 15 2008

CEMENT CONSERVATION DIVISION
WICHITA, KS

AMOUNT ORDERED *235 sk ASC*

5" Hulsal Pr/sk .0025 CD 31

.0070 Mas Blac w De Former

500 gal w/SRI

EQUIPMENT

PUMP TRUCK CEMENTER *Mike M.*

181 HELPER *Randy P.*

BULK TRUCK

357 DRIVER *Steve T*

BULK TRUCK

_____ DRIVER _____

COMMON	@		
POZMIX	@		
GEL		<i>4.44</i>	@ <i>16.65</i> <i>64.60</i>
CHLORIDE	@		
ASC		<i>235.06</i>	@ <i>13.75</i> <i>3236.25</i>
<i>GAS BLOCK</i>		<i>150*</i>	@ <i>8.90</i> <i>1335.00</i>
<i>ACD-31</i>		<i>165*</i>	@ <i>7.50</i> <i>1237.50</i>
<i>D-FOAM</i>		<i>47*</i>	@ <i>7.20</i> <i>338.40</i>
<i>SALT</i>		<i>15.00</i>	@ <i>19.20</i> <i>288.00</i>
<i>KOL SEAL</i>		<i>1175</i>	@ <i>.70</i> <i>822.50</i>
<i>AS FLUSH</i>		<i>500</i>	@ <i>1.00</i> <i>500.00</i>
	@		
	@		
HANDLING		<i>297.00</i>	@ <i>1.90</i> <i>564.30</i>
MILEAGE		<i>297</i>	@ <i>24</i> <i>646.52</i>

REMARKS:

*Rig was having Down Drill Pipe when get here
run casing in the hole
circulate the hole with Rig mud pump
mix + pump mud flush down mix cement
+ plug flat hole then pump the cement
down the pipe then wash up +
Displace plug down with water
float held at 1500**

SERVICE

DEPTH OF JOB	<i>3922 ft</i>		
PUMP TRUCK CHARGE			<i>1610.00</i>
EXTRA FOOTAGE		@	
MILEAGE	<i>24</i>	@	<i>6.00</i> <i>144.00</i>
MANIFOLD	<i>HEAD RENT</i>	@	<i>100.00</i> <i>100.00</i>
<i>Rotating Head</i>	<input checked="" type="checkbox"/>	@	<i>100.00</i> <i>100.00</i>
<i>Pres chart</i>	<input checked="" type="checkbox"/>	@	<i>NC</i>

CHARGE TO: *Hutchinson oil*

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL *1954.00*

PLUG & FLOAT EQUIPMENT

<i>1-4 1/2 Muddeshoe</i>	@	<i>150.00</i>	<i>150.00</i>
<i>1-4 1/2 Insert</i>	@	<i>225.00</i>	<i>225.00</i>
<i>8-4 1/2 Centralizers</i>	@	<i>45.00</i>	<i>360.00</i>
<i>1-4 1/2 Rubber plug</i>	@	<i>55.00</i>	<i>55.00</i>

TOTAL *790.00*

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *Joe Miller*

PRINTED NAME

Thank You

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.

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—**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.