

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM**

Form ACO-1
September 1999
Form Must Be Typed

WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 8729
 Name: HERTEL OIL COMPANY, LLC **RECEIVED**
 Address: 704 East 12th Street
 City/State/Zip: Hays, KS 67601 **JUL 06 2004**
 Purchaser: KCC WICHITA
 Operator Contact Person: David Hertel
 Phone: (785) 628-2445
 Contractor: Name: Discovery Drilling Co., Inc.
 License: 31548
 Wellsite Geologist: Kevin Davis
 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. _____

<u>4/19/04</u>	<u>4/26/04</u>	<u>4/27/04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25,287-00-00
 County: Ellis
 16 N & 50 E of
 C E / 2NW SE Sec. 8 Twp. 14 S. R. 17W East West
 KCC 6 P.S. 1990 1985 feet from S (circle one) Line of Section
 1600 1697 feet from E (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Hoffman Well #: 2-8
 Field Name: Younger
 Producing Formation: Arbuckle
 Elevation: Ground: 2009 Kelly Bushing: 2017
 Total Depth: 3610 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 222.19 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set 1213/1210 log _____ Feet
 If Alternate II completion, cement circulated from _____
 feet depth to _____ w/ _____ sx cmt.
 (10sks In Mouse Hole) (15sks In Rat Hole)
Drilling Fluid Management Plan *OK II KCR 2/8/08*
 (Data must be collected from the Reserve Pit)
 Chloride content 12,000 ppm Fluid volume 320 bbls
 Dewatering method used Evaporation
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____
 Lease Name: _____ License No.: _____
 Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
 County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

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

Signature: [Signature]
 Title: co-owner Date: 6-30-2004
 Subscribed and sworn to before me this 30th day of June, 2004
 Notary Public: Arlene M. Brungardt
 Date Commission Expires: 3-20-2005



KCC Office Use ONLY

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

Operator Name: HERTEL OIL COMPANY, LLC Lease Name: HOFFMAN Well #: 2-8
 Sec. 8 Twp. 14 S. R. 17W East West County: Ellis

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:

Log Formation (Top), Depth and Datum Sample
 Name Top Datum

Included----- (see attached sheet)

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	# Sacs Used	Type and Percent Additives
Surface Pipe	12 1/4	8 5/8	20	222.19	Common	150	2%Gel&3%CC
Production St.	7 7/8	5 1/2	15.5	3609	ASC	175	2%Gel
				Port Collar @ 1213'			

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input checked="" type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	Surface/ 1210' port collar	60/40 Poz.	190	6% gel

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
4	3363-3366' Lansing KC	used total 1500 gallons acid	
One/pf.	3563-65'/3568-74'/3578-84' Arb.	used total of 1000 gallons acid	

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 3/8	3581'		<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.			Producing Method		
May 21, 2004			<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
	X 23		X 26		29.5

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)
 METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Arb./ Lansing KC
 Other (Specify)

GENERAL WELL DATA

OPERATOR HERTEL OIL COMPANY

CONTRACTOR DISCOVERY DRILLING

COMMENCED _____

COMPLETED 4-26-04

ELECTRICAL LOG LOGTECH - CDN - DIL - Micro

CASING RECORD:

SURFACE 222' 8 5/8" W 222

PRODUCTION _____

TOTAL DEPTH DRLS. 3610

TOTAL DEPTH LOG _____

*DRILLING MEASURED FROM

FORMATION TOPS & STRUCTURAL POSITION

FORMATION	SAMPLE TOP	ELECTRIC LOG TOP	SUB-SEA DATUM	STRUCTURAL POSITION
ANHYDRITE		1222	+795	1 ↓
B/ ANHY		1262	+755	2 ↑
TOPEKA				
HEEBNER	3281	3278	-1261	FLAT
TORONTO	3298	3297	-1280	2 ↓
LANSING	3325	3323	-1306	FLAT
B/ KC				
ARBUCKLE	3562	3560	-1543	2 ↑
T.D.	3610	3609		

REFERENCE WELL FOR STRUCTURE HERTEL OIL - HOFFMAN #1-8

1666' FSL 2310' FEL See 8

2156

RECEIVED
JUL 06 2004
KCC WICHITA

ALLIED CEMENTING CO., INC. 12161

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

SERVICE POINT:

Oakley

DATE <u>4-19-04</u>	SEC. <u>8</u>	TWP. <u>14s</u>	RANGE <u>17w</u>	CALLED OUT	ON LOCATION <u>2:00 PM</u>	JOB START <u>3:50 PM</u>	JOB FINISH <u>4:15 PM</u>
LEASE <u>Hoffman</u>		WELL # <u>2-8</u>		LOCATION <u>Toulon 1 E 5th Tr</u>		COUNTY <u>Ellis</u>	STATE <u>KS</u>
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Discovery Drly Rig 2

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 223'

CASING SIZE 8 7/8 DEPTH 222'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 13 1/2 Bbls

OWNER S913C

CEMENT AMOUNT ORDERED
150 SKS Con; 3% CC. 222 Gal

COMMON	<u>150 SKS</u>	@	<u>7.65</u>	<u>1147.50</u>
POZMIX		@		
GEL	<u>3 SKS</u>	@	<u>11.00</u>	<u>33.00</u>
CHLORIDE	<u>5 SKS</u>	@	<u>30.00</u>	<u>150.00</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>158 SKS</u>	@	<u>1.25</u>	<u>197.50</u>
MILEAGE	<u>59 / SK / mile</u>			<u>197.50</u>

EQUIPMENT

PUMP TRUCK CEMENTER Dean

373-281 HELPER Fuzzy

BULK TRUCK

218 DRIVER Mike

BULK TRUCK

DRIVER

RECEIVED

TOTAL 1725.50

REMARKS:

JUL 06 2004

SERVICE

Cement did circulate

Thank you

DEPTH OF JOB

PUMP TRUCK CHARGE 520.00

EXTRA FOOTAGE @

MILEAGE 25 miles @ 4.00 100.00

PLUG 8 7/8 Surface @ 45.00

@

@

TOTAL 665.00

CHARGE TO: Hertel Oil Co LLC

STREET

CITY STATE ZIP

FLOAT EQUIPMENT

@

@

@

@

@

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 Thomas ALM

Thomas ALM

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.

16865

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

SERVICE POINT: R

DATE <u>4/26/04</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION <u>10:30p.m.</u>	JOB START	JOB FINISH <u>2:15 A.M.</u>
LEASE <u>Hoffman</u>	WELL# <u>2-8</u>	LOCATION <u>Toulon 1E 54W T10</u>			COUNTY <u>Ellis</u>	STATE <u>Ks</u>	
<input checked="" type="radio"/> OLD <input type="radio"/> NEW (Circle one)							

CONTRACTOR Discovery #2
 TYPE OF JOB Longstring (Production)
 HOLE SIZE 7 7/8" I.D. 3 1/2"
 CASING SIZE 5 1/2" DEPTH 3609'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 15.95'
 CEMENT LEFT IN CSG. Insert @ 3593
 PERFS. _____
 DISPLACEMENT 86 Bbl

OWNER _____
 CEMENT AMOUNT ORDERED 175 ASC 2% Gel
500 Gal. WFR-2

EQUIPMENT
 PUMP TRUCK CEMENTER Paul
 # 366 HELPER Shane
 BULK TRUCK
 # 222 DRIVER Rufus
 BULK TRUCK
 # _____ DRIVER _____

COMMON	@		
POZMIX	@		
GEL	3	@	11.00
CHLORIDE	@		33.00
ASC	175	@	9.50
WFR-2	500 gals	@	1.00
		@	500.00
		@	
		@	
		@	
		@	
		@	
HANDLING	178	@	12.00
MILEAGE	54/54/MILE		195.00
			222.50
			195.00
			2613.80

REMARKS:

Pumped 500 Gal. Flash followed by 150sx ASC. Displaced plug. Plug landed. Float held.

153x Rat
105x mouse

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			1130.00
EXTRA FOOTAGE	@		
MILEAGE	22	@	4.00
Plug 5 1/2 TRP	@		50.00
	@		
	@		

CHARGE TO: Hertel Oil

STREET _____ RECEIVED _____ TOTAL 1268.00
 CITY _____ STATE _____ ZIP JUL 06 2004

Ordered KCC WICHITA 5 1/2" PLUG & FLOAT EQUIPMENT

MANIFOLD	@		
Guide shoe	@		150.00
APU Insert	@		235.00
Cent. 7	@	40.00	280.00
Basket 1	@		128.00
Port collar - 10"	@		1500.00
			TOTAL 2293.00

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

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 Thomas Alm

Thomas Alm
 PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall refer to 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.

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—**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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(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.

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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.

ALLIED CEMENTING CO., INC.

15589

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

SERVICE POINT: R

DATE <u>5/12/04</u>	REF.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH <u>12:00 PM</u>
LEASE <u>Hoffman</u>	WELL # <u>2</u>	LOCATION <u>Hays old 40 &</u>			COUNTY <u>Ellis</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)		<u>Toulon Elev: 1E 14 SW</u>					

CONTRACTOR Leons Cable Tool

TYPE OF JOB port collar

HOLE SIZE _____ T.D. _____

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL 1210 DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 250 @ 6% gal used 190

COMMON	<u>114</u>	@	<u>765</u>	<u>872.10</u>
POZMIX	<u>76</u>	@	<u>4.00</u>	<u>304.00</u>
GEL	<u>10</u>	@	<u>11.00</u>	<u>110.00</u>
CHLORIDE		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>263</u>	@	<u>1.25</u>	<u>328.75</u>
MILEAGE	<u>5 & 1/4 / mile</u>			<u>263.00</u>
TOTAL				<u>1877.85</u>

EQUIPMENT

345 Dave

PUMP TRUCK CEMENTER Steve

HELPER _____

BULK TRUCK DRIVER _____

DRIVER Gary

REMARKS:

port collar to 1210 KB
tested casing @ 700 psi
& held. opened tool
& mixed ~~190~~ 190 gal
cement & circ to surface
closed tool & rechecked
@ 700 psi. Ran 7 TB &
air hole clean

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 650.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 20 @ 4.00 80.00

PLUG _____ @ _____

_____ @ _____

_____ @ _____

TOTAL 730.00

CHARGE TO: Hertel Oil Co

STREET _____

CITY _____ STATE _____ ZIP _____

RECEIVED

JUL 06 2004

KCC WICHITA

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

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]

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

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.