

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

Form ACO-1
September 1999
Form Must Be Typed

Operator: License # KLN 6861
Name: Ron's Oil Operations
Address: 1889 200th Ave
City/State/Zip: Penokee, KS 67659
Purchaser: _____
Operator Contact Person: Ron Nickelson
Phone: (785) 421-2315
Contractor: Name: _____
License: _____
Wellsite Geologist: Ron Nelson

RECEIVED
AUG 26 2003
KCC WICHITA

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. _____

1.27.03 2.2.03 2.2.03
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 065-22877-00-00
County: Graham
S/2 NE NW Sec. 24 Twp. 09 S. R. 24 East West
980 feet from S (N) (circle one) Line of Section
1914 feet from E (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE (NW) SW
Lease Name: College 24 Well #: B-1
Field Name: Glendale SE
Producing Formation: _____
Elevation: Ground: 2421' Kelly Bushing: 2426'
Total Depth: 4330' Plug Back Total Depth: 2087'
Amount of Surface Pipe Set and Cemented at 210 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 2075
feet depth to surface w/ 450 (60/40, 8%) 8 sx cmt.

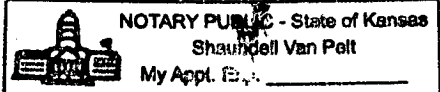
Drilling Fluid Management Plan All 11 OK 11-5-03
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ 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: Harold J. Reelin
Title: _____ Date: _____
Subscribed and sworn to before me this _____ day of _____
20 _____
Notary Public: Shawndell Van Pelt
Date Commission Expires: 3/20/04

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



15-065-22877-0000

Side Two

Operator Name: Ron's Oil Operations Lease Name: College 24 Well #: B-1
 Sec. 24 Twp. 09 S. R. 24 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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum LKC 3770' 1344 <div style="text-align: center; font-weight: bold; font-size: 1.2em;"> RECEIVED AUG 26 2003 KCC WICHITA </div>
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CASING RECORD <input type="checkbox"/> New <input checked="" 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	12 1/4	8 5/8		210	60/40 POZ	140	3% gel 2% cc
Lanstrug-Prod	7 7/8"	4 1/2"	9.5	2087	60/40 POZ	450	8% gel

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	None			

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
	None	Well is idle, has not been completed	

TUBING RECORD		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.			Producing Method <input type="checkbox"/> Flowing <input 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

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	_____

15-065-22877-0000

ORIGINAL

ALLIED CEMENTING CO., INC.
P.O. BOX 31
RUSSELL, KS 67665
PH (785) 483-3887
FAX (785) 483-5566

* INVOICE *

Invoice Number: 089214

Invoice Date: 02/13/03

Sold To: Ron's Oil Operations, Inc
1889 200th Ave.
Penokee, KS
67659-2036

RECEIVED
AUG 26 2003
KCC WICHITA

Cust I.D.....: Ron's
P.O. Number...:
P.O. Date.....: 02/13/03

Due Date.: 03/15/03
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	270.00	SKS	6.6500	1795.50	E
Pozmix	180.00	SKS	3.5500	639.00	E
Gel	31.00	SKS	10.0000	310.00	E
Handling	450.00	SKS	1.1000	495.00	E
Mileage (50)	50.00	MILE	18.0000	900.00	E
450 sks @\$.04 per sk per mi					
Short String	1.00	JOB	1130.0000	1130.00	E
Mileage pmp trk	50.00	MILE	3.0000	150.00	E
Packer Shoe	1.00	EACH	1325.0000	1325.00	E
Latch Down	1.00	EACH	223.0000	223.00	E
Centralizers	6.00	EACH	40.0000	240.00	E
Basket	1.00	EACH	116.0000	116.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 7323.50
Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 0.00
If Account CURRENT take Discount of \$ 732.35 Payments: 0.00
ONLY if paid within 30 days from Invoice Date Total....: 7323.50

pd ck 4515
4-28-03
1000.00

1000.00
7323.50

ALLIED CEMENTING CO., INC. 11362

ORIGINAL

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

SERVICE POINT: R

DATE <u>2/2/03</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START <u>9:00 a.m.</u>	JOB FINISH <u>10:30 a.m.</u>
LEASE <u>College</u>	WELL # <u>I</u>	LOCATION <u>Wakeeny N to Redline</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)		<u>4w 2N 2w</u>					

CONTRACTOR AcA OWNER _____

TYPE OF JOB Short string (Shallow Disposal) CEMENT _____

HOLE SIZE 7 7/8 I.D. 4.320" AMOUNT ORDERED 450 @ 140 5% Gel

CASING SIZE 4 1/2" DEPTH 2,087'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT 28"

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT 32 3/4 Bbl.

EQUIPMENT

PUMP TRUCK CEMENTER Paul

177 HELPER Bill

BULK TRUCK _____

362 DRIVER Glen

BULK TRUCK _____

_____ DRIVER _____

COMMON 270 @ 6.45 1745.00

POZMIX 180 @ 3.55 639.00

GEL 31 @ 10.00 310.00

CHLORIDE _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING 450 @ 1.40 630.00

MILEAGE 4 1/2/sk/mile 900.00

RECEIVED

AUG 26 2003

KCC WICHITA SERVICE

TOTAL 4139.00

REMARKS:

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 1130.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 50 @ 3.00 150.00

PLUG _____ @ _____

_____ @ _____

_____ @ _____

TOTAL 1280.00

CHARGE TO: Ron's Oil

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

4 1/2

Packer shoe 1 @ _____ 1325.00

Latch down Assem. 1 @ _____ 223.00

Centralizer 4 @ 40.00 160.00

Basket 1 @ _____ 116.00

_____ @ _____

TOTAL 1904.00

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

[Handwritten Signature]

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.

P.O. BOX 34
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

ORIGINAL

 * INVOICE *

Invoice Number: 089069

Invoice Date: 01/29/03

Sold To: Ron's Oil Operations, Inc
 1889 200th Ave.
 Penokee, KS
 67659-2036

RECEIVED

AUG 26 2003

KCC WICHITA

Cust I.D.....: Ron's
 P.O. Number...: College 24 B-1
 P.O. Date.....: 01/29/03

Due Date.: 02/28/03
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	84.00	SKS	7.8500	659.40	E
Pozmix	56.00	SKS	3.5500	198.80	E
Gel	3.00	SKS	10.0000	30.00	E
Chloride	5.00	SKS	30.0000	150.00	E
Handling	140.00	SKS	1.1000	154.00	E
Mileage (50)	50.00	MILE	5.6000	280.00	E
140 sks @\$.04 per sk per mi					
Surface	1.00	JOB	520.0000	520.00	E
Mileage pmp trk	50.00	MILE	3.0000	150.00	E
Plug	1.00	EACH	45.0000	45.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 2187.20
 Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 0.00
 If Account CURRENT take Discount of \$ 218.72 Payments: 0.00
 ONLY if paid within 30 days from Invoice Date Total....: 2187.20

*pd ck 4458
 2.7.03
 \$1908.48*

190848

ALLIED CEMENTING CO., INC.

09536

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665ORIGINAL
SERVICE POINT:

Oakley

DATE <u>1-24-03</u>	SEC. <u>24</u>	TWP. <u>9s</u>	RANGE <u>24w</u>	CALLED OUT	ON LOCATION <u>8:40 PM</u>	JOB START <u>10:10 PM</u>	JOB FINISH <u>10:30 PM</u>
LEASE <u>College 24</u>	WELL # <u>B-1</u>	LOCATION <u>Wakneey N Red Line Rd 4w 2N</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR <u>A+A Dtg</u>	OWNER <u>same</u>
TYPE OF JOB <u>Surface</u>	
HOLE SIZE <u>12 1/4</u>	T.D. <u>215</u>
CASING SIZE <u>8 5/8</u>	DEPTH <u>214</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG. <u>15'</u>	
PERFS.	
DISPLACEMENT <u>13 Bbls</u>	
EQUIPMENT	

PUMP TRUCK # <u>191</u>	CEMENTER <u>Dean</u>
BULK TRUCK # <u>361</u>	HELPER <u>Andrew</u>
BULK TRUCK #	DRIVER <u>Jarrod</u>
BULK TRUCK #	DRIVER

CEMENT AMOUNT ORDERED	<u>140 SKS 60/40 39cc 29cc</u>	
COMMON	<u>84 SKS @ 7.85</u>	<u>659.40</u>
POZMIX	<u>56 SKS @ 3.55</u>	<u>198.80</u>
GEL	<u>3 SKS @ 10.00</u>	<u>30.00</u>
CHLORIDE	<u>5 SKS @ 30.00</u>	<u>150.00</u>
	@	
	@	
	@	
	@	
	@	
HANDLING	<u>140 SKS @ 1.10</u>	<u>154.00</u>
MILEAGE	<u>4¢/SK/mile</u>	<u>280.00</u>

RECEIVED

TOTAL 1472.20

AUG 26 2003

KCC WICHITA

SERVICE

REMARKS:

Cement did circulate.

Thank you

DEPTH OF JOB	<u>214'</u>
PUMP TRUCK CHARGE	<u>520.00</u>
EXTRA FOOTAGE	@
MILEAGE	<u>50 miles @ 3.00</u> <u>150.00</u>
PLUG	<u>8 5/8 Surface Plug @ 45.00</u>
	@
	@

TOTAL 715.00

CHARGE TO: Ron's Oil operating Inc

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.

SIGNATURE _____

TAX _____

TOTAL CHARGE 2787.20

DISCOUNT _____ IF PAID IN 30 DAYS

Daniel Anderson
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 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.
 P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

ORIGINAL

 *
 * **I N V O I C E** *
 *

Invoice Number: 089213

Invoice Date: 02/13/03

Sold Ron's Oil Operations, Inc
 To: 1889 200th Ave.
 Penokee, KS
 67659-2036

RECEIVED
AUG 26 2003
KCC WICHITA

Cust I.D.....: Ron's
 P.O. Number...: College #1 248.1
 P.O. Date.....: 02/13/03

Due Date.: 03/15/03
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	72.00	SKS	6.6500	478.80	E
Pozmix	48.00	SKS	3.5500	170.40	E
Gel	8.00	SKS	10.0000	80.00	E
Handling	120.00	SKS	1.1000	132.00	E
Mileage (50)	50.00	MILE	4.8000	240.00	E
120 sks @\$.04 per sk per mi					
Plug	1.00	JOB	250.0000	250.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 1351.20
 Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 0.00
 If Account CURRENT take Discount of \$ 135.12 Payments: 0.00
 ONLY if paid within 30 days from Invoice Date Total....: 1351.20

135.12
 \$ 1216.08

228.09
Pd 4478
ck 1216.08

ALLIED CEMENTING CO., INC. 11361

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

ORIGINAL
SERVICE POINT *R*

DATE <u>2/2/03</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION <u>2:00 p.m.</u>	JOB START	JOB FINISH <u>3:00 p.m.</u>
LEASE <u>College</u>	WELL # <u>1</u>	LOCATION <u>W Keeny N to Redline</u>			COUNTY <u>Graham</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one) <u>NEW</u>				<u>4W 2W 2W</u>			

CONTRACTOR A+A

TYPE OF JOB Plug Back

HOLE SIZE 7 7/8 T.D. 4330'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 120 100/40 8 1/2 Gel

EQUIPMENT

PUMP TRUCK CEMENTER 3:W

127 HELPER _____

BULK TRUCK DRIVER Shane

213 DRIVER _____

BULK TRUCK DRIVER _____

COMMON	<u>72</u>	@	<u>66⁰⁰</u>	<u>478⁰⁰</u>
POZMIX	<u>48</u>	@	<u>35⁰⁰</u>	<u>170⁴⁰</u>
GEL	<u>8</u>	@	<u>10⁰⁰</u>	<u>80⁰⁰</u>
CHLORIDE		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>120</u>	@	<u>140</u>	<u>132⁰⁰</u>
MILEAGE	<u>44/SK</u>		<u>1/MI</u>	<u>240⁰⁰</u>
	<u>50</u>			
RECEIVED			TOTAL	<u>1161²⁰</u>

REMARKS:

Plug back from 4330' - 3600'
to run 2000' 4 1/2" CSG.

AUG 2 6 2003 SERVICE

KCC WICHITA

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 250⁰⁰

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

PLUG _____ @ _____

_____ @ _____

_____ @ _____

TOTAL 250⁰⁰

CHARGE TO: Ron's Oil

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

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.

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE David R. Service

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.