

ORIGINAL

Form ACO-1  
September 1999  
Form Must Be Typed

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

4/11/09

Operator: License # 8628  
Name: CREDO PETROLEUM CORPORATION  
Address: 1801 Broadway, Suite 900  
City/State/Zip: Denver, CO 80202  
Purchaser: N/A  
Operator Contact Person: Jack Renfro  
Phone: (303) 297-2200  
Contractor: Name: American Eagle Drilling LLC  
License: 33493  
Wellsite Geologist: Jim Musgrove

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. \_\_\_\_\_  
11/18/08 11/27/08 01/14/09  
Spud Date or 11/27/08 01/14/09  
Recompletion Date Date Reached TD Completion Date or  
Recompletion Date

API No. 15 - 009-25241-0800  
County: Barton  
SE SE NW NW Sec. 9 Twp. 19 S. R. 11  East  West  
1010 feet from S N (circle one) Line of Section  
1220 feet from E W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: HUSLIG CPC Well #: 1-9  
Field Name: AHRENS NORTH, S2  
Producing Formation: LKC  
Elevation: Ground: 1798 Kelly Bushing: 7  
Total Depth: 3402 Plug Back Total Depth: 3388  
Amount of Surface Pipe Set and Cemented at 248 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 515 Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

Drilling Fluid Management Plan AH I NR 5-14-09  
(Data must be collected from the Reserve Pit)  
Chloride content 10,800 ppm Fluid volume 300 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.: \_\_\_\_\_

KANSAS CORPORATION COMMISSION

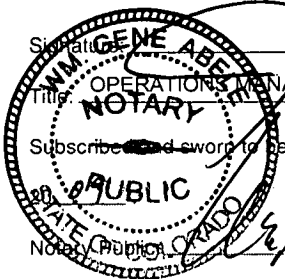
APR 16 2009

RECEIVED

**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: \_\_\_\_\_  
Title: OPERATIONS MANAGER Date: 04/13/2009  
Subscribed and sworn to before me this 13th day of April  
Notary Public \_\_\_\_\_  
Date Commission Expires: 5-25-2011



**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
If Denied, Yes  Date: 5/05/09  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

Operator Name: CREDO PETROLEUM CORPORATION Lease Name: HUSLIG CPC Well #: 1-9  
 Sec. 9 Twp. 19 S. R. 11  East  West County: Barton

**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  
 Topeka 2688 883  
 Lansing 3085 1280  
 ARBUCKLE 3390 1585

KANSAS CORPORATION COMMISSION

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Borehole Compensated Sonic, Microresistivity,  
 Dual Induction, Dual Compensated Porosity

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	# Sacks Used	Type and Percent Additives
SURFACE	12-1/4"	8-5/8"	24	248	REGULAR	200	2%gel, 3%CaCl
PRODUCTION	7-7/8"	5-1/2"	15.5	3401	CLASS A	100	10%SALT, 2% GEL
					COMMON	250	10%GEL

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ Plug Off Zone				

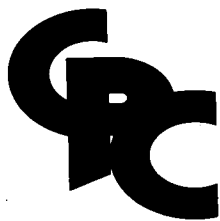
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
2	3085-3158 (18')	750GAL 15%MCA	
2	3225-3292 (16')	1000GAL 15%MCA / 6000GAL 20% NEFE	
	3316 - CIBP		
6	3356-3369 (13')	900GAL 7-1/2%NEFE ; 14,000# 20/40 GEL FRAC	
	3395 - CIBP w/ 1 SACK CMT		

TUBING RECORD	Size Set At	Packer At	Liner Run
2-7/8" 6.5# N80	3311		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr. 01/17/09 Producing Method  Flowing  Pumping  Gas Lift  Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	100	0	0	--	39.5

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



**CREDO PETROLEUM CORPORATION**

April 13, 2009

Kansas Corporation Commission  
Oil & Gas Conservation Division  
130 S. Market – Room 2078  
Wichita, KS 67202

KANSAS CORPORATION COMMISSION

APR 16 2009

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RE: Huslig CPC 1-9  
API # 15-009-25241  
Sec 9-19S-11W  
Barton County, KS

Dear Sir/Madame:

Credo Petroleum Corporation drilled and completed the referenced well. Please find attached Well Completion Forms, cementing tickets, DSTs, copies of all logs, and geologist's well report for the referenced well. Please hold the logs and information on page two of the Well Completion Form confidential for 12 months.

Sincerely,

CREDO PETROLEUM CORPORATION

*Jack Renfro mdh*  
Jack Renfro  
Operations Manager

JR/mdh

Enclosures: As stated

# ALLIED CEMENTING CO., LLC.

33597

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

SERVICE POINT:  
Great Bend

DATE <u>11-18-08</u>	SEC <u>9</u>	TWP. <u>19s</u>	RANGE <u>11W</u>	CALLED OUT <u>11:30am</u>	ON LOCATION <u>12:30pm</u>	JOB START <u>4:45</u>	JOB FINISH <u>5:15 pm</u>
LEASE <u>Huslig</u>		WELL # <u>1-9</u>	LOCATION <u>Ellinwood, 3N to 40rd, 1/2 E, 9/10</u>			COUNTY <u>Barton</u>	STATE <u>KS</u>
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR American Eagle #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 250'

CASING SIZE 8 5/8 DEPTH 247'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX 400psi MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT 40ft

CEMENT LEFT IN CSG. 40ft

PERFS. \_\_\_\_\_

DISPLACEMENT Freshwater

OWNER Credo

CEMENT

AMOUNT ORDERED 200sx Common, 3% CC, 2% gel

COMMON	<u>200 net</u>	@	<u>13.50</u>	<u>2700.00</u>
POZMIX		@		
GEL	<u>4 net</u>	@	<u>20.25</u>	<u>81.00</u>
CHLORIDE	<u>6 net</u>	@	<u>51.50</u>	<u>309.00</u>
ASC		@		

KANSAS CORPORATION COMMISSION

APR 16 2009

RECORDED

HANDLING	<u>210 net</u>	@	<u>2.25</u>	<u>472.50</u>
MILEAGE	<u>210 net 10 IS</u>			<u>315.00</u>
TOTAL				<u>3877.50</u>

REMARKS:

pipe on bottom, break circulation, mix 200sx, 3% cc, 2% gel, shut down, Release plug, displace with 13 bbls Fresh-water, Shut down, close in, Rig down, Cement did circulate

SERVICE

DEPTH OF JOB <u>250'</u>		<u>99.00</u>
PUMP TRUCK CHARGE		
EXTRA FOOTAGE	@	
MILEAGE <u>15</u>	@	<u>7.00 103.00</u>
MANIFOLD <u>head Rent</u>	@	<u>110.00 110.00</u>
TOTAL <u>1205.00</u>		

CHARGE TO: Credo

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

Thank you.

To Allied Cementing Co., LLC.  
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Leonard E. Marti

SIGNATURE Leonard E. Marti

PLUG & FLOAT EQUIPMENT

<u>8 5/8" Rubber plug</u>	@	<u>110.00</u>	<u>110.00</u>
<u>8 5/8" Texas pattern shoe</u>	@	<u>307.00</u>	<u>307.00</u>
<u>2-Centralizers</u>	@	<u>60.00</u>	<u>120.00</u>
<u>1-Baffle plate</u>	@	<u>148.00</u>	<u>148.00</u>

TOTAL 685.00

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, 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., LLC. 32963

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

SERVICE POINT: Great Bend, Ks

DATE <u>11-28-08</u>	SEC. <u>9</u>	TWP. <u>19</u>	RANGE <u>11</u>	CALLED OUT <u>6:00 AM</u>	ON LOCATION <u>7:00 AM</u>	JOB START <u>11:30 AM</u>	JOB FINISH <u>1:30 PM</u>
LEASE <u>Huslig</u>	WELL # <u>1-9</u>	LOCATION <u>Ellinwood, Ks - 3N to 40Rd</u>			COUNTY <u>Barton</u>	STATE <u>Barton Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>1/2 E, S/5</u>				

CONTRACTOR American Eagle #1 OWNER Credo Petroleum

TYPE OF JOB Production string - Bottom stage

HOLE SIZE 7 7/8" T.D. 3402' CEMENT AMOUNT ORDERED 100 sx ASC 10% Salt

CASING SIZE 5 1/2" 15.5 # DEPTH 3413.76' 2% Gel, 5# Kd seal per sack

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL DV Tool DEPTH 721'

PRES. MAX 1800 # MINIMUM 0

MEAS. LINE \_\_\_\_\_ SHOE JOINT 40.11

CEMENT LEFT IN CSG. 40.11

PERFS. \_\_\_\_\_

DISPLACEMENT 81 1/2 BBLS 63 water

EQUIPMENT 18 1/2 Rigmud

PUMP TRUCK CEMENTER Rick H.

# 187 HELPER Alvin R.

BULK TRUCK \_\_\_\_\_

# 341 DRIVER Ron H.

BULK TRUCK \_\_\_\_\_

# 482-112 DRIVER Bob K.

COMMON <del>100</del>	@ <del>20.25</del>	
POZMIX	@	
GEL <u>2</u>	@ <u>20.25</u>	<u>40.50</u>
CHLORIDE	@	
ASC <u>100</u>	@ <u>16.70</u>	<u>1670.00</u>
<u>500 # Kol-Seal</u>	@ <u>0.85</u>	<u>425.00</u>
<u>500 gal WFR II</u>	@ <u>1.10</u>	<u>550.00</u>
<u>Salt 4sx</u>	@ <u>21.25</u>	<u>85.00</u>
	@	
	@	
	@	
	@	
HANDLING <u>106</u>	@ <u>2.25</u>	<u>238.50</u>
MILEAGE <u>106 x 10 x 15</u>	@	<u>300.00</u>
		<u>3309.00</u>

**REMARKS:**

pipe on bottom, break Circulation, drop ball pump ball thru at 600# PSI. pump 5 BBLS of water, 500 gal WFR II 5 BBLS of water, mixed 100 sx ASC 10% Salt, 2% Gel, 5# Kol-seal per sack shut down, wash pump & lines, Released plug and displaced with 83 BBLS of water, 18 1/2 BBLS of Mud. Land plug to 1800 #, Released and held. Drop duct, wait 10 mins. open tool with 500# PSI Break Circulation.

**SERVICE**

DEPTH OF JOB <u>3413.76'</u>	
PUMP TRUCK CHARGE	<u>1957.00</u>
EXTRA FOOTAGE	@ _____
MILEAGE <u>15</u>	@ <u>7.00</u> <u>105.00</u>
MANIFOLD	@ _____
<u>Head Rent</u>	@ <u>110.00</u> <u>110.00</u>
	@ _____

CHARGE TO: Credo Petroleum

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

KANSAS CORPORATION COMMISSION  
APR 16 2009  
**RECEIVED**

**PLUG & FLOAT EQUIPMENT**

<u>5 1/2" DV Tool</u>	@ <u>4380.00</u>	<u>4380.00</u>
<u>1- AFU Float shoe</u>	@ <u>515.00</u>	<u>515.00</u>
<u>1- Latch down Assembly</u>	@ <u>449.00</u>	<u>449.00</u>
<u>10 - Centralizers</u>	@ <u>55.00</u>	<u>550.00</u>
<u>2 - Baskets</u>	@ <u>181.00</u>	<u>362.00</u>
<u>1 - Limit clamps</u>	<u>27.00</u>	<u>27.00</u>
		<u>6283.00</u>

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME Leonard E. Most

SIGNATURE Leonard E. Most

\_\_\_\_\_

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, 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., LLC. 32964

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

SERVICE POINT:  
Great Bend, Ks

DATE <u>11-28-08</u>	SEC. <u>9</u>	TWP <u>19</u>	RANGE <u>11</u>	CALLED OUT <u>6:00 AM</u>	ON LOCATION <u>7:00 AM</u>	JOB START <u>2:00 PM</u>	JOB FINISH <u>3:00 PM</u>
LEASE <u>Husling</u>	WELL # <u>1-9</u>	LOCATION <u>Ellinwood, Ks - 3N to 40rd</u>			COUNTY <u>Barton</u>	STATE <u>Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>1/2 E, 5/3</u>				

CONTRACTOR American Eagle #1

TYPE OF JOB Production string - Top stage

HOLE SIZE 7 7/8" T.D. 3402'

CASING SIZE 5 1/2" 15 1/2# DEPTH 721'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX 1000# MINIMUM 0

MEAS. LINE \_\_\_\_\_ SHOE JOINT -

CEMENT LEFT IN CSG. -

PERFS. \_\_\_\_\_

DISPLACEMENT 17.15 BBLs of water

OWNER Credo Petroleum

CEMENT AMOUNT ORDERED 250 sx 60/40 4% Gel  
1/2# Flo-seal

COMMON	<u>150</u>	@	<u>13.50</u>	<u>2,025.00</u>
POZMIX	<u>100</u>	@	<u>7.55</u>	<u>755.00</u>
GEL	<u>10</u>	@	<u>20.25</u>	<u>202.50</u>
CHLORIDE		@		
ASC		@		
Flo-seal	<u>62 1/2 #s</u>	@	<u>2.45</u>	<u>153.12</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>260</u>	@	<u>2.25</u>	<u>585.00</u>
MILEAGE	<u>260 x .10 x 15</u>	=		<u>390.00</u>
TOTAL				<u>4,110.62</u>

**EQUIPMENT**

PUMP TRUCK CEMENTER Pick H.

# 181 HELPER Alvin R.

BULK TRUCK

# 482-112 DRIVER Bob R.

BULK TRUCK

# #341 DRIVER Ron H.

**REMARKS:**

pipe on bottom, break circulation, pump  
5 BBLs of freshwater. Shut down, plug  
Rat hole with 30 sx 60/40 4% Gel 1/2# Flo-seal.  
Hook to casing and mix 220 sx 60/40 4% Gel  
1/2# Flo-seal. Shut down wash pump & lines.  
Released plug and displaced with 17.15 BBLs  
of fresh water and landed plug and closed tool  
at 1000# PSI, Released and held.  
Cement did circulate.

**SERVICE**

DEPTH OF JOB	<u>721'</u>
PUMP TRUCK CHARGE	<u>991.00</u>
EXTRA FOOTAGE <u>421'</u>	@ <u>.75</u> <u>315.75</u>
MILEAGE	@ _____
MANIFOLD	@ _____
<u>Head Rent</u>	@ <u>110.00</u> <u>110.00</u>
KANSAS CORPORATION COMMISSION	@ _____

CHARGE TO: Credo Petroleum

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

APR 16 2009

TOTAL 1,416.75

**RECEIVED**

**PLUG & FLOAT EQUIPMENT**

_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____

TOTAL \_\_\_\_\_

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

To Allied Cementing Co., LLC.  
You are hereby requested to rent cementing equipment  
and furnish cementer and helper(s) 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 and understand the "GENERAL  
TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Leonard E. Morti

SIGNATURE [Signature]



## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, 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.

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