

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 32446
Name: Merit Energy Company
Address: 13727 Noel Road, Suite 500
City/State/Zip: Dallas, TX 75240
Purchaser: _____
Operator Contact Person: Elizabeth Lyon
Phone: (972) 628-1659
Contractor: Name: Beredco Drilling Company
License: 5147

Wellsite Geologist: _____
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>01/26/06</u>	<u>02/11/06</u>	<u>03/09/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - ¹²⁹~~127~~21767-0000
County: Morton
C NW SW Sec. 3 Twp. 33 S. R. 40 East West
1850.8 feet from N (circle one) Line of Section
619 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Stirrup Enhanced Recovery Unit Well #: 9-7
Field Name: Stirrup

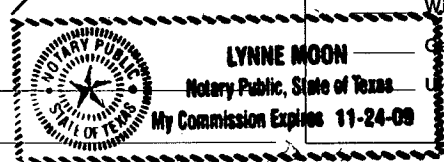
Producing Formation: Morrow "D"
Elevation: Ground: 3224.2 Kelly Bushing: _____
Total Depth: 5532 Plug Back Total Depth: 5354
Amount of Surface Pipe Set and Cemented at _____ Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan AIT I NR
(Data must be collected from the Reserve Pit) 10-30-08
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: [Signature]
Title: Regulatory Analyst Date: 10 April 06
Subscribed and sworn to before me this 11 day of April,
2006
Notary Public: [Signature]
Date Commission Expires: 11/24/09



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

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Original

Operator Name: Merit Energy Company Lease Name: Stirrup Enhanced Recovery Unit Well #: 9-7
Sec. 3 Twp. 33 S. R. 40 [] East [x] West County: Morton

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 [x] No (Attach Additional Sheets)
Samples Sent to Geological Survey [x] Yes [] No
Cores Taken [] Yes [x] No
Electric Log Run [x] Yes [] No (Submit Copy)
List All E. Logs Run:

Table with 3 columns: Name, Top, Datum. Rows include Council Grove (2968), Admire (2750), Wabunsee (2952), Base Heebner (3692), Tornoto (3703), Lansing (2814), Kansas City (4186), Marmaton (4492), Morrow (5108).

Dual Compensated Porosity, Dual Induction

CASING RECORD [x] New [] Used. Report all strings set-conductor, surface, intermediate, production, etc. Table with columns: 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. Rows for Surface and Production.

ADDITIONAL CEMENTING / SQUEEZE RECORD. Table with columns: Purpose, Depth Top Bottom, Type of Cement, #Sacks Used, Type and Percent Additives. Includes options for Perforate, Protect Casing, Plug Back TD, Plug Off Zone.

PERFORATION RECORD - Bridge Plugs Set/Type. Table with columns: Shots Per Foot, Spacity Footage of Each Interval Perforated, Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used), Depth. Includes entries for 5270-5292.

TUBING RECORD. Table with columns: Size, Set At, Packer At, Liner Run [] Yes [] No. Values: 2 7/8, 5150.

Date of First, Resumerd Production, SWD or Enhr. 03/10/06. Producing Method [x] Flowing [] Pumping [] Gas Lift [] Other (Explain).

Estimated Production Per 24 Hours. Table with columns: Oil Bbls., Gas Mcf, Water Bbls., Gas-Oil Ratio, Gravity.

Disposition of Gas [] Vented [] Sold [] Used on Lease (If vented, Submit ACO-18.) METHOD OF COMPLETION [] Open Hole [] Perf. [] Dually Comp. [] Commingled [] Other (Spacity) Production Interval



DATE: 2/27/2006

TREATMENT REPORT

WELL NAME AND NUMBER SERU 9-7	LOCATION 0	CUSTOMER REPRESENTATIVE Bret McCarther	TREATMENT NUMBER 0428 JNEN6MEMYW	
POOL	FORMATION Lower Morrow	JOB DONE THRU <input type="checkbox"/> Tbg <input checked="" type="checkbox"/> Csg <input type="checkbox"/> Ann <input type="checkbox"/> Tbg/Ann	Tbg: ALLOWABLE PRESSURE -	Csg: 3500
COUNTY Morton	STATE KS	AGE OF WELL <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Rework	PACKER TYPE -	PACKER DEPTH 0
TYPE OF SERVICE Conventional Frac		CASING SIZE 5.5 15.5#	CASING DEPTH 5300	TUBING SIZE -
CUSTOMER NAME Merit Energy Company		LINER SIZE -	LINER TOP -	LINER BOTTOM -
ADDRESS PO Box 1293		OPEN HOLE -	CSG. OR ANRL. VOL. 125.96	TBG VOLUME -
CITY, STATE & ZIP CODE Liberal KS 67905		PERFORATED INTERVALS		
REMARKS:		DEPTH	NO. OF HOLES	DEPTH
		5270-5292	88	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

ARRIVED ON LOCATION:

TIME	INJECTION		PRESSURE		REMARKS	
	Rate	BBLS IN	CSG.	TBG.		
					Prime & Test Lines	
					Hold Safety Meeting	
	17	37	72		7.5% MFE Acid	
	33	428	1549		XL-5a Pad	
	33	88	1495		XL-5a 1# 20/40 Brown	
	33	93	1441		XL-5a 2# 20/40 Brown	
	33	135	1364		XL-5a 3# 20/40 Brown	
	33	169	1442		XL-5a 4# 20/40 Brown	
	33	57	1622		XL-5a 4# 20/40 Resin Coated	
	33	50	1766		XL-5a 5# 20/40 Resin Coated	
	33	126	2300		Gelled Water Flush	
					Max Psi 2317	
					Max Rate 33	
					Average Psi 1500	
					Average Rate 32.5	
					ISIP 1395	
					5 MIN 1131	
					10 MIN 1093	
					15 MIN 1067	
					30 MIN NA	
					Total Load 1125 bbl	
					Total Sand 660 sks	
					Total Nitrogen NA	
TIME LEFT LOCATION	AVG. LIQUID INJ. RATE		ISIP	1395	PRODUCTS USED	
	32.5		5 min	1131	B-24	EMS-44
MAX PRESSURE	AVG. PRESSURE		10 min	1093	BA-2	LGB-14
2317	1500		15 min	1067	EGB-16 LT	SG-20
SUPERVISOR	ENGINEER		Reviewed By			
Nelson, Joseph M			Taylor, Daniel			

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Desc: MERIT

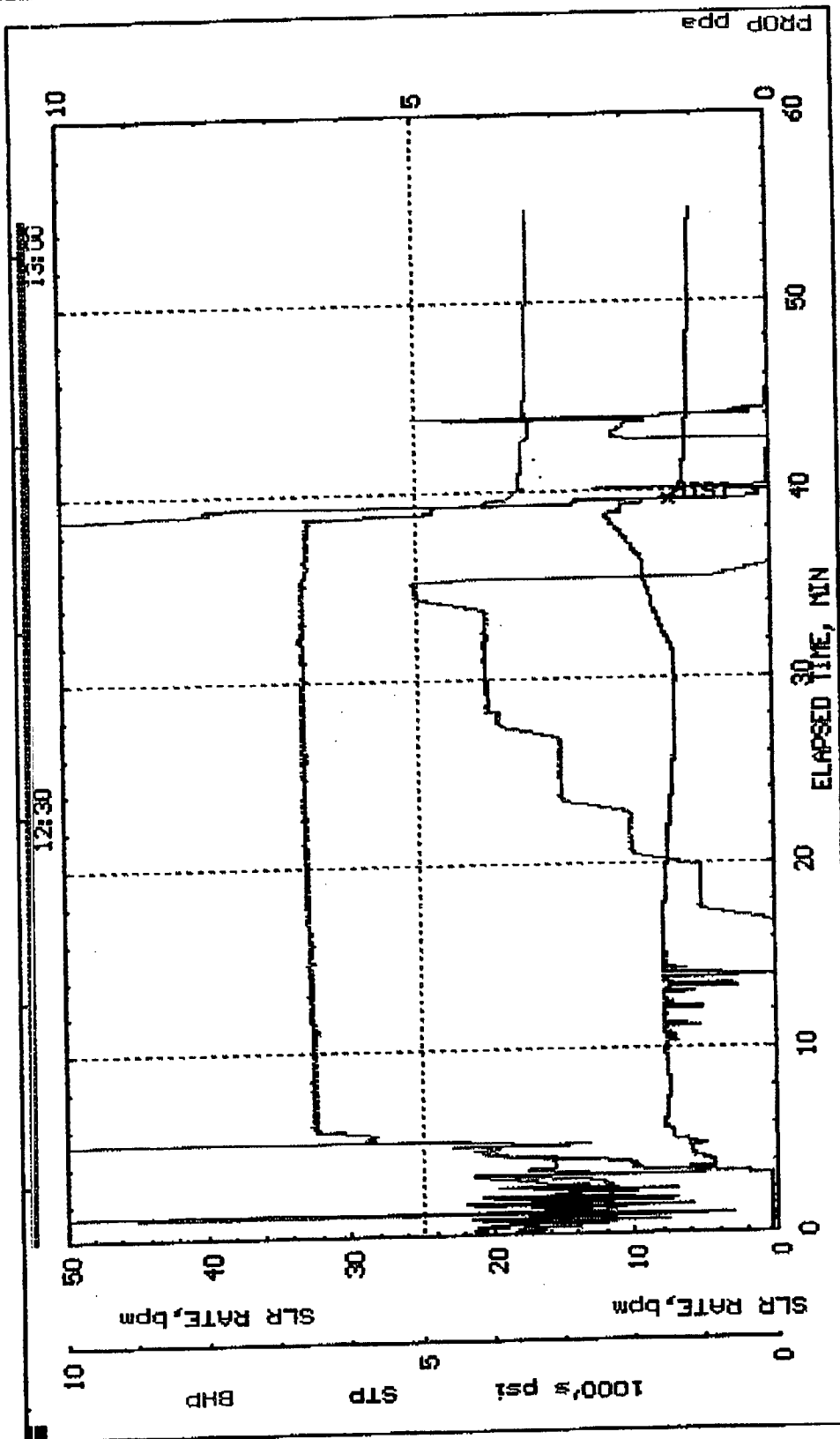
SERU #9-7

Lower Morrow

XL-5a

5 1/2 Csg Perfs@5270-5292

PAGE : 3-G (2/27/2006 13:04:08) Data stored in C:\SMARTS\MERIT17.DAT



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HALLIBURTON

Cementing Job Summary

The Road to Excellence Starts with Safety

Sold To #: 303833		Ship To #: 2461785		Quote #:		Sales Order #: 4217278					
Well Name: SERU			Well #: #9-7		API/UWI #:						
Field:		City (SAP): UNKNOWN		County/Parish: Morton		State: Kansas					
Contractor: BEREDCO			Rig/Platform Name/Num: BEREDCO1								
Job Purpose: Cement Multiple Stages											
Well Type: Development Well				Job Type: Cementing							
Sales Person: BAILEY, ANDREW			Srvc Supervisor: BUTTRY, CHAD			MBU ID Emp #: 317429					
Job Personnel											
HES Emp Name		Exp Hrs	Emp #	HES Emp Name		Exp Hrs	Emp #	HES Emp Name		Exp Hrs	Emp #
BELLOWS, BRIAN Ray		20.0	366449	BUTTRY, CHAD Lucas		20.0	317429	COBLE, RANDALL Gene		20.0	347700
DAVIS, TYCE Evan		20.0	106304	LOPEZ, CARLOS		20.0	321975	WILTSHIRE, MERSHEK T		20.0	195811
Equipment											
HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way				
10219237	50 mile	10415642	50 mile	10717476	50 mile	54218	50 mile				
77031	50 mile	D0312	50 mile								
Job Hours											
Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours			
TOTAL		Total is the sum of each column separately									
Job Times											
Formation Name				Date				Time		Time Zone	
Formation Depth (MD) Top		Bottom		Called Out		12 - Feb - 2006		03:00		CST	
Form Type		BHST		On Location		12 - Feb - 2006		06:30		CST	
Job depth MD		5532 ft		Job Depth TVD		5532 ft		Job Started			
Water Depth		Wk Ht Above Floor		8 ft		Job Completed					
Perforation Depth (MD) From		To		Departed Loc							
Well Data											
Description	New / Used	Max pressure	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft
8 5/8" Surface Casing	Used		8.625	8.163	24	STC	J-55	0	1560		
7 7/8" Open Hole				7.875				1560	5400		
5 1/2" Production Casing	Used		5.5	4.95	15.5		J-55	0	5400		
Multiple Stage Cementer	Used							2700	2700		
Sales/Rentals Party (HES)											
Description							Qty	Qty uom	Depth	Supplier	
SHOE,FLOAT,5 1/2 8RD,2 3/4 SUPER SEAL							1	EA			
SHOE,FLOAT,5 1/2 8RD,2 3/4 SUPER SEAL							1	EA			
CLR,FLT,5-1/2 8RD,14-23PPF,2-3/4							0	EA			
CLR,FLT,5-1/2 8RD,14-23PPF,2-3/4							0	EA			
CMTR,TY P ES,5-1/2 8RD 14-17LBS/FT							1	EA			
CMTR,TY P ES,5-1/2 8RD 14-17LBS/FT							1	EA			
PLUG SET - FREE FALL - 5-1/2 8RD &							1	EA			
PLUG SET - FREE FALL - 5-1/2 8RD &							1	EA			
CENTRALIZER ASSY - TURBO - API -							11	EA		RECEIVED APR 14 2006	
CENTRALIZER ASSY - TURBO - API -							11	EA			
COLLAR-STOP-5 1/2"-W/DOGS							1	EA		KCC WICHITA	
COLLAR-STOP-5 1/2"-W/DOGS							1	EA			
KIT,HALL WELD-A							1	EA			

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Monday, February 13, 2006 02:33:00

Prosl #:

82252 ioc06 v 2

7.00.248

HALLIBURTON

Cementing Job Summary

Description	Qty	Qty uom	Depth	Supplier
KIT,HALL WELD-A	1	EA		
COV,LOCK RING GRV,5-1/2 ES CMTR	1	EA		
BSKT,CEM,5 1/2 CSG,SLIP-ON,STL BWS,CANV	1	EA		

Tools and Accessories													
Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					Packer					Top Plug			
Float Shoe					Bridge Plug					Bottom Plug			
Float Collar					Retainer					SSR plug set			
Insert Float										Plug Container			
Stage Tool										Centralizers			

Miscellaneous Materials													
Gelling Agt	Conc	Surfactant	Conc	Acid Type	Qty	Conc	%						
Treatment Fld	Conc	Inhibitor	Conc	Sand Type	Size	Qty							

Fluid Data

Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	Scavenger Slurry	POZ PREMIUM PLUS 50/50 - SBM (14239)	025	sacks	10	5.29	34.11		34.11
	5 %	POTASSIUM CHLORIDE 2% (100001585)							
	5 %	CAL-SEAL 60, BULK (100064022)							
	6 lbm	GILSONITE, BULK (100003700)							
	0.5 %	HALAD(R)-322, 50 LB (100003646)							
	0.5 lbm	D-AIR 3000 (101007446)							
	0.5 lbm	FLOCELE - 3/8, 25 LB SK (100005049)							
	34.114 Gal	FRESH WATER							
2	Primary Cement Slurry	POZ PREMIUM PLUS 50/50 - SBM (14239)	170	sacks	13.2	1.62	7.14		7.14
	5 %	POTASSIUM CHLORIDE 5% (100001585)							
	5 %	CAL-SEAL 60, BULK (100064022)							
	6 lbm	GILSONITE, BULK (100003700)							
	0.5 %	HALAD(R)-322, 50 LB (100003646)							
	0.5 lbm	D-AIR 3000 (101007446)							
	0.5 lbm	FLOCELE - 3/8, 25 LB SK (100005049)							
	7.14 Gal	FRESH WATER							
3	FRESH WATER		66.00	bbl	8.33	.0	.0	6.0	
4	WATER BASED MUD		65.00	bbl				6.0	

Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density uom	Yield uom	Mix Fluid uom	Rate uom	Total Mix Fluid uom
1	Lead Cement Slurry	MIDCON-2 CEMENT PREMIUM PLUS - SBM (15079)	120	sacks	11.4	2.94	18.08		18.08
	2 %	CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
	0.5 lbm	FLOCELE - 3/8, 25 LB SK (100005049)							
	0.1 %	WG-17, 50 LB SK (100003623)							
	18.081 Gal	FRESH WATER							

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HALLIBURTON

Cementing Job Summary

Stage/Fluid									
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
2	Tail Cement Slurry	GMT - PREMIUM PLUS CEMENT (100012205)	175	sacks	14.8	1.35	6.36		6.36
	2 %	CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
	0.25 lbm	FLOCELE - 3/8, 25 LB SK (100005049)							
	6.356 Gal	FRESH WATER							
3	FRESH WATER		65.00	bbl	8.33	.0	.0	6.0	
Calculation Values		Pressures			Volumes				
Displacement		Shut In: Instant		Lost Returns		Cement Slurry		Pad	
Top Of Cement		5 Min		Cement Returns		Actual Displacement		Treatment	
Frac Gradient		15 Min		Spacers		Load and Breakdown		Total Job	
Rates									
Circulating		Mixing		Displacement		Avg. Job			
Cement Left In Pipe	Amount	40 ft	Reason	Shoe Joint					
Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID		
The Information Stated Herein Is Correct				Customer Representative Signature					

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Activity Description	Date/Time	Cmnt	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Jobing	Crack	
Pump Displacement	02/12/2006 20:42		6	131			100	
Displ Reached Cmnt	02/12/2006 21:00						245	
Bump Plug	02/12/2006 21:14		2				1500	SLOW RATE LAST 10 BBL TO 2 BPM
Release Tool	02/12/2006 21:15							
Open MSC	02/12/2006 21:30						555	
Circulate Well	02/12/2006 21:30							RIG CIRCULATE W/PUMP TIL 2ND STAGE
Start Job	02/13/2006 01:29							
Next Stage	02/13/2006 01:30							2ND STAGE OF DV LS
Pump Lead Cement	02/13/2006 01:30						181	
Pump Tail Cement	02/13/2006 01:43						91	
Drop Plug	02/13/2006 01:53						12	
Clean Lines	02/13/2006 01:54						50	
Pump Displacement	02/13/2006 01:57						91	
Displ Reached Cmnt	02/13/2006 02:03						219	
Other	02/13/2006 02:08						572	SLOW RATE LAST 10 BBL OF DISP
Bump Plug	02/13/2006 02:10						750	
Close MSC	02/13/2006 02:11						2552	
End Job	02/13/2006 02:13							
Post-Job Safety Meeting (Pre Rig-Down)	02/13/2006 02:16							

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Sold To #: 303833

Ship To #: 2461785

Prpsl #: 82252 jop06 v

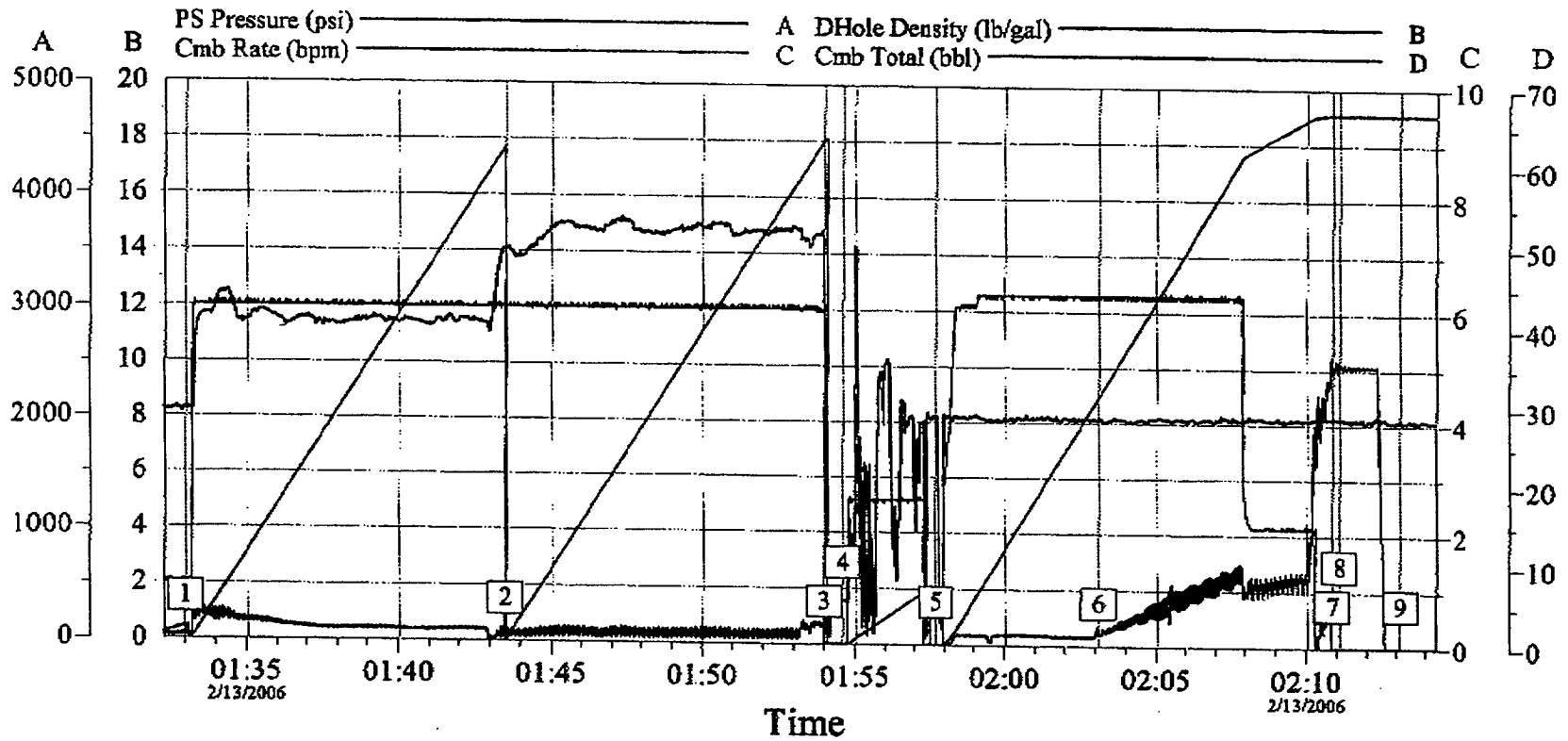
Sales Order #:

4217278

SUMMIT Version: 7.00.248

Mondav. Februarv 13, 2006 02:20:00

MERIT ENERGY CO.



Event Log

1 Pump Lead Cement	01:33:01	2 Pump Tail Cement	01:43:30	3 Drop Top Plug	01:53:59
4 Clean Lines	01:54:35	5 Pump Displacement	01:57:42	6 Displ Reached Cement	02:03:05
7 Bump Plug	02:10:52	8 Close MSC	02:11:06	9 End Job	02:13:07

Customer: MERIT ENERGY CO.
Well Desc: SERU 9-7

Job Date: 2-13-06
Job Type: 5 1/2 DV LS 2ND STAGE

Ticket #: 4217278

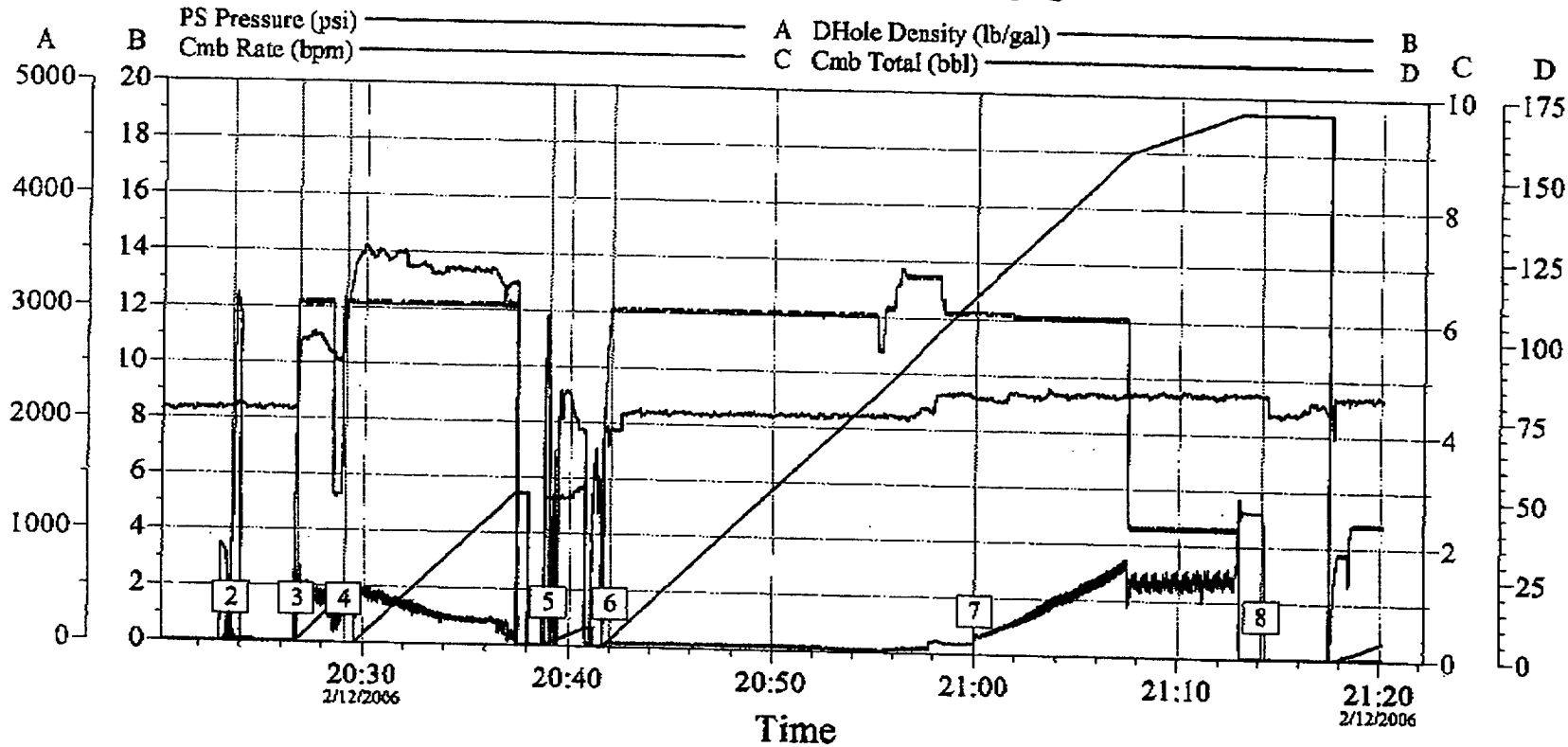
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13-Feb-06 02:21

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MERIT ENERGY CO



Event Log

1	START JOB	20:19:58	2	TEST LINES	20:23:32	3	PUMP LC	20:26:46
4	PUMP TC	20:29:04	5	DROP PLUG	20:39:02	6	PUMP DISPLACEMENT	20:42:04
7	LIFT CEMENT	21:00:01	8	BUMP PLUG	21:14:10			

Customer: MERIT ENERGY
Well Desc: SERU 9-7

Job Date: 2-12-06
Job Type: 5 1/2 DV LONGSTRING 1ST STAGE

Ticket #: 4217278

CemWin v1.7.2
12-Feb-06 21:23

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HALLIBURTON

Work Order Contract

Order Number

4217278

Halliburton Energy Services, Inc.
Houston, Texas 77066

TO: HALLIBURTON ENERGY SERVICES, INC. - YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICE PERSONNEL TO DELIVER, OPERATE, MAINTAIN AND/OR REPAIR AS AN INDEPENDENT CONTRACTOR TO CUSTOMER LISTED BELOW AND DELIVER AND SELL PRODUCTS, SUPPLIES AND MATERIALS FOR THE PURPOSE OF SERVING:

Well No. #9-7	Firm or Lease SERU	County Morton	State Kansas	Well Permit Number
Customer MERIT ENERGY COMPANY		Well Owner		Job Purpose Cement Multiple Stages

THIS WORK ORDER MUST BE SIGNED BEFORE WORK IS COMMENCED

A. **CUSTOMER REPRESENTATION** - Customer warrants that the well is in proper condition to receive the services, equipment, products, and materials to be supplied by Halliburton Energy Services, Inc. (hereinafter "Halliburton").

B. **PRICE AND PAYMENT** - The services, equipment, products, and/or materials to be supplied hereunder are priced in accordance with Halliburton's current price list. All prices are exclusive of taxes. If Customer does not have an approved open account with Halliburton, all sums due are payable in cash at the time of performance of services or delivery of equipment, products or materials. If Customer has an approved open account, invoices are payable on the twentieth day after the date of invoice. Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, Customer agrees to pay attorney fees of 20% of the unpaid account, or Halliburton's actual attorneys fees, whichever is greater, plus all collection and court costs. Customer agrees that the amount of attorney fees set out herein are reasonable and necessary.

C. **RELEASE AND INDEMNITY** - Customer agrees to RELEASE Halliburton Group from any and all liability for any and all damages whatsoever to property of any kind owned by, in the possession of, or leased by Customer and those persons and entities Customer has the ability to bind by contract or which are co-interest owners or joint ventures with Customer. Customer also agrees to DEFEND, INDEMNIFY, AND HOLD Halliburton Group HARMLESS from and against any and all liability, claims, costs, expenses, attorney fees and damages whatsoever for personal injury, illness, death, property damage and loss resulting from:

loss of well control, services to control a wild well whether underground or above the surface, reservoir or underground damage, including loss of oil, gas, other mineral substances or water, surface damage arising from underground damage; damage to or loss of the well bore; subsurface trespass or any action in the nature thereof; fire, explosion, subsurface pressure, radioactivity, and pollution and contamination and its cleanup and control.

CUSTOMER'S RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS obligations will apply even if the liability and claims are caused by the sole, concurrent, active or passive negligence, fault, or strict liability of one or more members of the Halliburton Group, the unseaworthiness of any vessel or any defect in the data, products, supplies, materials or equipment furnished by any member or members of the Halliburton Group whether in the design, manufacture, maintenance or marketing thereof or from a failure to warn of such defect. "Halliburton Group" is defined as Halliburton Energy Services, Inc., its parent, subsidiary, and affiliated companies, insurers and subcontractors and all their officers, directors, employees, consultants and agents. CUSTOMER'S RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS obligations apply whether the personal injury, illness, death, property damage or loss is suffered by one or more members of the Halliburton Group, Customer, or any other person or entity. Customer agrees to support such obligations assumed herein with liability insurance with limits of not less than \$500,000. Customer agrees to name Halliburton Group as named additional insured on all of its general liability policy(s). Customer agrees that its liability under this Contract is not limited by the amounts of its insurance coverage, except where and as may be required by applicable local law for the provisions of this Contract to be enforceable.

D. **EQUIPMENT LIABILITY** - Customer shall at its risk and expense attempt to recover any Halliburton Group equipment lost or lodged in the well. If the equipment is recovered and repairable, Customer shall pay the repair costs, unless caused by Halliburton's sole negligence. If the equipment is not recovered or is irreparable, Customer shall pay the replacement cost, unless caused by Halliburton's sole negligence. If a radioactive source becomes lost or lodged in the well, Customer shall meet all requirements of Section 39.15(a) of the Nuclear Regulatory Commission regulations and any other applicable laws or regulations concerning retrieval or abandonment and shall permit Halliburton to monitor the recovery or abandonment efforts all at no risk or liability to Halliburton Group. Customer shall be responsible for damage to or loss of Halliburton group equipment, products, and materials while in transit aboard Customer-supplied transportation, even if such is arranged by Halliburton at Customer's request, and during loading and unloading from such transport. Customer will also pay for the repair or replacement of Halliburton group equipment damaged by corrosion or abrasion due to well effluents.

E. **LIMITED WARRANTY** - Halliburton warrants only title to the equipment, products, and materials supplied under this Contract and that same are free from defects in workmanship and materials for thirty (30) days from the date of delivery. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR OTHERWISE BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. Halliburton's sole liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale, lease or use of any equipment, products, or materials is expressly limited to the replacement of such on their return to Halliburton or, at Halliburton's option, to the allowance to Customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, consequential, or punitive damages. Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, HALLIBURTON IS UNABLE TO GUARANTEE THE EFFECTIVENESS OF THE EQUIPMENT, MATERIALS, OR SERVICE, NOR THE ACCURACY OF ANY CHART INTERPRETATION, RESEARCH ANALYSIS, JOB RECOMMENDATION OR OTHER DATA FURNISHED BY HALLIBURTON GROUP. Halliburton personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Halliburton Group shall not be liable for and CUSTOMER SHALL INDEMNIFY HALLIBURTON GROUP AGAINST ANY DAMAGES ARISING FROM THE USE OF SUCH INFORMATION, even if such is contributed to or caused by the active or passive negligence, fault or strict liability of any member or members of Halliburton Group. Halliburton also does not warrant the accuracy of data transmitted by electronic process, and Halliburton will not be responsible for accidental or intentional interception of such data by third parties.

F. **GOVERNING LAW** - The validity, interpretation and construction of this Contract shall be determined by the laws of the jurisdiction where the services are performed or the equipment or materials are delivered.

G. **DISPUTE RESOLUTION** Customer and Halliburton agree that any dispute that may arise out of the performance of this Contract shall be resolved by binding arbitration by a panel of three arbitrators under the rules of the American Arbitration Association. The arbitration will take place in Houston, TX.

H. **SEVERABILITY** - If any provision or part thereof of this Contract shall be held to be invalid, void, or of no effect for any reason, such holding shall not be deemed to affect the validity of the remaining provisions of this Contract which can be given effect, without the invalid provision or part thereof, and to this end, the provisions of this Contract are declared to be severable. Customer and Halliburton agree that any provision of this Contract that is unenforceable or void under applicable law will be modified to achieve the intent of the parties hereunder to the greatest extent allowed by applicable law.

I. **MODIFICATIONS** - Customer agrees that Halliburton shall not be bound by any modifications to this Contract, except where such modification is made in writing by a duly authorized executive officer of Halliburton. Requests for modifications should be directed to the Vice President - Legal, 4100 Clinton Drive, Houston, TX, 77020.

I HAVE READ AND UNDERSTAND THIS WORK ORDER CONTRACT WHICH CONTAINS RELEASE AND INDEMNITY LANGUAGE WHICH CUSTOMER ACKNOWLEDGES

IS CONSPICUOUS AND AFFORDS FAIR AND ADEQUATE NOTICE AND I REPRESENT THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT. I AM SIGNING THIS WORK ORDER CONTRACT WITH THE UNDERSTANDING THAT ITS TERMS AND CONDITIONS WILL NOT APPLY TO THE EXTENT THEY CONFLICT WITH TERMS AND CONDITIONS OF A SIGNED MASTER SERVICE CONTRACT BETWEEN THE PARTIES.

SIGNED:

CUSTOMER Authorized Signatory

DATE:

TIME:

A.M./P.M.

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APR 14 2006

KCC WICHITA

HALLIBURTON

Field Ticket

Field Ticket Number: 4217278		Field Ticket Date: Monday, February 13, 2006	
Bill To: MERIT ENERGY COMPANY 13727 NOEL ROAD SUITE 500 DALLAS, TX 75240		Job Name: Cement Multiple Stages, MERIT ENERGY COMPANY, SERU, #9-7 Order Type: Streamline Order (ZOH) Well Name: SERU #9-7 Company Code: 1100 Customer PO No.: NA Shipping Point: Liberal, KS, USA Hwy 54 West Sales Office: Eastern BD Well Type: Oil Well Category:	
Ship To: MERIT ENERGY COMPANY SERU, #9-7 2481785 UNKNOWN, KS			

Material	Description	QTY	UOM	Base Amt	Unit Amt	Gross Amount	Discount	Net Amount
392189	CMT MULTIPLE STAGES BOM	1	JOB	0.00	0.00	0.00		0.00
1	ZI-MILEAGE FROM NEAREST HES BASE./UNIT <i>Number of Units</i>	100 1	MI	0.00	7.28	728.00	45%	400.40
2	MILEAGE FOR CEMENTING CREW./ZI <i>Number of Units</i>	100 1	MI	0.00	4.28	428.00	46%	238.40
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 9400	EA FT	0.00	4,845.00	4,845.00	45%	2,564.75
16	MULTIPLE STAGE CEMENTING <i>Number of Units</i>	1 1	STG	0.00	3,098.00	3,098.00	45%	1,978.90
132	PORT. DAG W/CEM/WB; ACQUIRE W/HES, ZI <i>NUMBER OF DAYS</i>	1 1	JOB	0.00	1,280.00	1,280.00	45%	704.00
142	AXIAL FLOW MIXER, W/O ADC, /JOB, ZI <i>NUMBER OF JOBS</i>	1 1	EA	0.00	886.00	886.00	45%	486.75
74038	ZI /PLUG CONTAINER RENTAL-1ST DAY <i>DAYS OR FRACTION (MIN)</i>	1 1	EA	1,028.00	0.00	1,028.00	45%	684.30
14239	PCZ PREMIUM PLUS 50/50	185	SK	0.00	21.84	4,288.80	45%	2,342.34
16079	MIXOON 2 PREMIUM PLUS	120	SK	0.00	37.47	4,496.40	45%	2,473.02
100005063	CALCIUM CHLORIDE HI TEST PLT	7	SK	0.00	166.80	1,167.60	45%	642.18
100006049	FLXCELE	202	LB	0.00	6.36	1,082.72	45%	609.50
100012206	PREMIUM PLUS CEMENT	175	SK	0.00	31.28	5,470.50	45%	3,008.77
100064022	CAJ SEAL 60	9	SK	0.00	79.78	692.02	45%	375.11
100003700	GILSONITE	1170	LB	0.00	1.11	1,288.70	45%	714.28
100003646	HAI AD-322	82	LB	0.00	14.42	1,182.44	45%	650.34
101007448	D-AIR 3000	98	LB	0.00	7.82	768.38	45%	421.50
100001585	KCL POTASSIUM CHLORIDE	881	LB	0.00	1.00	861.00	45%	473.65
100003923	WG-17-GELLING AGENT	12	LB	0.00	36.73	440.76	45%	242.42
79400	ZI MILEAGE, CMT MTL5 DEL/RET MIN <i>NUMBER OF TONS</i>	60 24.35	MI	0.00	2.49	3,031.58	45%	1,667.37
3965	HANDLEDUMP SVC CHRGS, CMT&ADDITIVES, ZI <i>NUMBER OF EACH</i>	575 1	CF	0.00	4.08	2,346.00	45%	1,290.30
7	ENVIRONMENTAL SURCHARGE, /JOB, ZI	1	JOB	0.00	104.00	104.00		104.00
88586	ZI FUEL BURCHG-HEAVY TRKS >1 1/2 TON <i>Number of Units</i>	100 1	MI	0.00	0.33	33.00		33.00
88954	ZI FUEL BURCHG-CARS/PICKUPS <1 1/2 TON <i>Number of Units</i>	100 1	MI	0.00	0.11	11.00		11.00
87806	ZI FUEL BURCHG-CMT & CMT ADDITIVES <i>NUMBER OF TONS</i>	80 22.06	TNM	0.00	0.11	121.28		121.28

Field Ticket Number: 4217278

Field Ticket Date: Monday, February 13, 2006

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Material	Description	Qty	UOM	Base Amt	Unit Amt	Subs Amount	Discount	Net Amount
372887	CMT PSL - DOT Vehicle Charge, CMT	3	EA	0.00	179.30	537.90		537.90
100004885	RHOE,FLOAT,5 1/2 BRD,2 3/4 SUPER SEAL	1	EA	0.00	581.44	581.44	45%	326.29
100004789	CLR,PLT,5-1/2 BRD,14-28PPF,2-3/4	0	EA	0.00	692.98	0.00	45%	0.00
100004886	CMTR,TY P ES,5-1/2 BRD 14-17LB9/FT	1	EA	0.00	5,007.88	5,007.88	45%	3,304.22
100004872	PLUG SET - FREE FALL - 5-1/2 BRD &	1	EA	0.00	838.97	838.97	49%	461.43
100004482	CENTRALIZER ASSY - TURBO - AFI -	11	EA	0.00	138.97	1,528.67	45%	840.77
100004839	COLLAR-STOP-5 1/2"-W/DOGS	1	EA	0.00	60.45	60.45	45%	33.25
100005048	NYT,HALL WELD-A	1	EA	0.00	81.97	81.97	45%	28.68
101482882	COV,LOCK RING GRV,5-1/2 ES CMTR	1	EA	0.00	380.68	380.68		380.68
100004814	ESKT,CEM,5 1/2 C8G,SLIP-ON,BTL BWS,OMV	1	EA	0.00	327.23	327.23	45%	178.98
Halliburton Rep: CHAD BUTTRY				Totals	USD	50,279.13	22,088.80	28,192.53

Customer Agent:
Halliburton Approval

CUSTOMER HEREBY ACKNOWLEDGES RECEIPT OF THE MATERIALS AND SERVICES DESCRIBED ABOVE AND ON THE ATTACHED DOCUMENTS.

X
Customer Signature: _____

FIELD TICKET TOTAL: USD 28,192.53

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Field Ticket Number: 4217278

Field Ticket Date: Monday, February 13, 2006
2 of 2

HALLIBURTON

Cementing Job Log

The Road to Excellence Starts with Safety

Sold To #: 303833	Ship To #: 2461785	Quote #:	Sales Order #: 4217278
Customer: MERIT ENERGY COMPANY		Customer Rep:	
Well Name: SERU	Well #: #9-7	API/UWI #:	
Field:	City (SAP): UNKNOWN	County/Parish: Morton	State: Kansas
Legal Description:			
Lat: N 0 deg. OR N 0 deg. 0 min. 0 secs.		Long: E 0 deg. OR E 0 deg. 0 min. 0 secs.	
Contractor: BEREDCO		Rig/Platform Name/Num: BEREDCO1	
Job Purpose: Cement Multiple Stages			Ticket Amount: \$ 28,192.53
Well Type: Development Well		Job Type: Cementing	
Sales Person: BAILEY, ANDREW		Srvc Supervisor: BUTTRY, CHAD	MBU ID Emp #: 317429

Activity Description	Date/Time	Circ	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Timing	Casing	
Call Out	02/12/2006 03:00							
Depart Yard Safety Meeting	02/12/2006 05:25							
Arrive at Location from Service Center	02/12/2006 06:30							
Safety Meeting - Assessment of Location	02/12/2006 06:30							
Safety Meeting	02/12/2006 06:45							
Rig-Up Equipment	02/12/2006 07:00							
Rig-Up Completed	02/12/2006 07:30							
Wait on Customer or Customer Sub-Contractor Equip	02/12/2006 07:30							STARTED PULLING DP OUT/ STARTED RUNNING CASING TO 5332
Circulate Well	02/12/2006 17:00							
Wait on Customer or Customer Sub-Contractor Equip	02/12/2006 17:30							START RUNNING CASING AFTER CIRCULATING
Casing on Bottom	02/12/2006 18:00							
Circulate Well	02/12/2006 19:00							
Start Job	02/12/2006 20:19							
Test Lines	02/12/2006 20:23						3100	
Pump Lead Cement	02/12/2006 20:26		6	23			700	
Pump Tail Cement	02/12/2006 20:29		6	49			679	
Drop Plug	02/12/2006 20:39						23	

Sold To #: 303833

Ship To #: 2461785

Prpsl #: 82252 jop06 v

Sales Order #: 4217278

SUMMIT Version: 7.00.248

Mondav, Februarv 13, 2006 02:20:00

2

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KCC WICHITA

**WORK ORDER CONTRACT
AND PRE-TREATMENT DATA**



ATTN TO:
SERVICE ORDER NO.

JNEN6MEMYW

DISTRICT Seminole OK 0428

DATE 2/27/2006

TO: CUDD PUMPING SERVICE, INC. YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICEMEN TO DELIVER AND OPERATE THE SAME

AS AN INDEPENDENT CONTRACTOR TO: Merit Energy Company
(CUSTOMER)

AND DELIVER AND SELL PRODUCTS, SUPPLYS, AMD MATERIALS FOR THE PURPOSE OF SERVICING

THE FOLLOWING INFORMATION WAS FURNISHED BY THE CUSTOMER OF HIS AGENT

WELL NAME AND NUMBER SERU 9-7	RRC NUMBER -	CASING SIZE 5.5 15.5#	CASING DEPTH 5300	TUBING SIZE -	TUBING DEPTH -
FIELD	FORMATION Lower Morrow	LINER SIZE -	LINE TOP -	LINER BOTTOM -	TOTAL DEPTH 5300
COUNTY Morton	STATE KS	OPEN HOLE -	G&G. ANRL COL 125.96	TBG VOLUME -	STATIC BHT, -
TYPE OF SERVICE CNFC	AGE OF WELL NEW WELL <input checked="" type="checkbox"/> RERWORK <input type="checkbox"/>	ALLOWABLE PRESSURE		PACKER TYPE -	PACKER DEPTH 0
TYPE OF WELL OIL <input checked="" type="checkbox"/> A GAS <input checked="" type="checkbox"/> B WATER <input type="checkbox"/> C INJ <input type="checkbox"/> D		PERFORATED INTERVALS			
CUSTOMER REPRESENTATIVE Bret McCarther		5270-5292	88	-	-
		-	-	-	-
		-	-	-	-

PREVIOUS TREATMENT: DATE _____ TYPE _____ MATERIALS _____

CUSTOMER OR HIS AGENT WARRANTS THE WELL IS IN PROPER CONDITION TO RECEIVE THE PRODUCTS, SUPPLIES, MATERIALS, AND SERVICE

TREATMENT INSTRUCTIONS:

TREAT THRU TUBING ANNULUS CASING TUBING / ANNULUS

HYDROLIC HORSEPOWER ORDERED _____

THIS CONTRACT MUST BE SIGNED BEFORE WORK IS COMMENCED

As consideration, the above-named Customer agrees:

a) To pay Cudd Pumping Service, Inc. in accord with the rates and terms stated in Cudd Pumping Service, Inc.'s current price list. Invoices are payable NET 30 after date of invoice. Upon Customer's default payment of Customer's account by the last day of the month following the month in which the invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% annum. In the event it becomes necessary to employ attorneys to enforce collection of said account, Customer agrees to pay all collection cost and attorney fees in the amount of 25% of the amount of the unpaid account.

b) To defend, indemnify, release and hold harmless Cudd Pumping Service, Inc., its divisions, subsidiaries, parent and affiliated companies and the officers, directors, employees, agents, and servants of all them from and against any claims, liability, expenses, attorney's fees, and cost of defense to the extent permitted by law for: 1. Damage to property owned by, in the possession of, or leased by Customer, and / or the well owner (if different from customer), including, but not limited to, surface and subsurface damage. The term "well owner" shall include working and royalty interest owners. 2. Reservoir, formations, or well loss or damage, subsurface trespass or any action in the nature thereof. 3. Persons injury or death or property damage (including, but not limited to, damage to the reservoir, formations, or well) or any damages whatsoever, growing out of or in any connected with or resulting from pollution, subsurface pressure, losing control of the well and / or a well blowout or the use of radioactive material.

The defense, indemnity, release and hold harmless obligations of Customer provided for in this Section b) and Section c) below shall apply to claims or liability even if caused or contributed to by Cudd Pumping Service, Inc.'s negligence, strict liability, or operated, or furnished by Cudd Pumping Service, Inc. or any defect in the data, products, supplies, materials, or equipment of Cudd Pumping Service, Inc. whether the preparation, design, manufacture, distribution, or marketing thereof, or from a failure to warn any person of such defect. Such defense, indemnity, release and hold harmless obligations of Customer shall not apply where the claims or liability are caused by the gross negligence or willful misconduct of Cudd Pumping Service, Inc. The term "Cudd Pumping Service, Inc." as used in said Sections b) and c) shall mean Cudd Pumping Service, Inc. its divisions, subsidiaries, parent and affiliated companies, and the officers, directors, employees, agent and servants of all of them.

c) That because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, Cudd Pumping Service, Inc. is unable to guarantee the effectiveness of the products, supplies, or materials, nor the results of any treatment or service, nor the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by Cudd Pumping Service, Inc. Cudd Pumping Service, Inc. personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Cudd Pumping Service, Inc. shall be liable for and Customer shall indemnify Cudd Pumping Service, Inc. against any damages arising from the use of such information.

d) That Cudd Pumping Service, Inc. warrants only title to the products, supplies and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY; FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. Cudd Pumping Service, Inc.'s liability and Customer's exclusive remedy in and cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on their return to Cudd Pumping Service, Inc., or, at Cudd Pumping Service, Inc.'s option, to the allowance to the Customer of credit for the cost of such items. In no event shall Cudd Pumping Service, Inc. be liable for special, incidental, indirect, punitive or consequential damages.

e) To waive the provisions of the Deceptive Trade Practices — Consumer Protection Act, to the extent permitted by fair. We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to service furnished under this contract.

f) That this contract shall be governed by the law of the state where services are performed or materials are furnished.

g) That Cudd Pumping Service, Inc. shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized executive officer of Cudd Pumping Service, Inc.

I HAVE READ AND UNDERSTAND THIS CONTRACT AND REPRESENT THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT.

SIGNED X Bret McCarther
DATE 2/27/2006 TIME AM 10:00 AM
 PM

RECEIVED
APR 14 2006
KCC WICHITA



Equipment And Service Order

ESO No. JNEN6MEMYW ESO Date: 02/27/2006

Cudd Pumping Services
P O Box 910080
Dallas TX 75391

Bill To: Merit Energy Company	Customer No. 10350	Well Owner Name: MERIT
P. O. Box 1293	Lease Name: SERU	Well Name: SERU
Liberal KS 67901	Well No: 9-7	County: MORTON KS State: KS Country: USA Region: MID CONTINENT O.C.S.G. No:
Customer AFE NO:	Customer PO:	Job: JOB060582242001
Customer Representative: Brett McCarther	Date From: 02/27/2006	Date To: 02/27/2006
	Work Location In Casing	District: 0428
	Well Location: LAND	Well Type: NEW
	Type of Operation: Conventional Frac	CPCI By: Mike Nelson

Prod. ID	Description	Qty	UOM	Unit Price	List Price	Disc/Sur	Total
0428-119-9625	1 SB Excel White	16500	LB	\$0.41	\$0.90	-55.00%	\$6,682.50
0428-119-9540	2 Brady 20-40 Mesh Sand	495	CWT	\$8.87	\$19.70	-55.00%	\$4,388.18
0428-119-7891	3 7.5% HCL Acid	1500	GAL	\$1.04	\$2.30	-55.00%	\$1,552.50
0428-119-9910	4 Actlvator (W)	25	GAL	\$57.38	\$127.50	-55.00%	\$1,434.38
0428-119-9345	5 B-24 Biocide	15	LB	\$39.47	\$87.70	-55.00%	\$591.98
0428-119-9361	6 BA 2	300	LB	\$1.67	\$3.70	-55.00%	\$499.50
0428-119-7250	7 Bulk delivery service charge	4950	T/M	\$1.50	\$2.50	-40.00%	\$7,425.00
0428-119-7118	8 Computer monitoring van	1	EA	\$1,385.10	\$3,078.00	-55.00%	\$1,385.10
0428-119-A9102	9 Computer Proportioner 21-25BPM	1	EA	\$1,346.76	\$2,992.80	-55.00%	\$1,346.76
0428-119-9996	10 D.O.T. Surcharge	10	UNT	\$136.70	\$138.70		\$1,387.00
0428-119-A9490	11 EGB 16 LT	60	LB	\$24.08	\$53.50	-55.00%	\$1,444.50
0428-119-7888	12 EMS-44	122	GAL	\$34.16	\$75.90	-55.00%	\$4,166.91
0428-119-5181	13 Engineer, land	1	MIN	\$1,015.80	\$1,015.80		\$1,015.80
0428-119-9987	14 Fuel Surcharge	8	EA	\$100.00	\$100.00		\$800.00
0428-119-7172	15 Ground manifold	1	EA	\$772.92	\$1,717.60	-55.00%	\$772.92
0428-119-9180	16 Heavy Equip. mileage	1650	MIL	\$6.10	\$6.10		\$10,065.00
0428-119-9232	17 Laboratory testing, field	6	HR	\$83.12	\$184.70	-55.00%	\$498.69
0428-119-7110	18 Liquid additive system	1	EA	\$1,108.08	\$1,846.80	-40.00%	\$1,108.08
0428-119-7459	19 MAI 28	2	GAL	\$32.18	\$71.50	-55.00%	\$64.35
0428-119-7841	20 MFE Acid Conversion Chrg.	1500	GAL	\$0.27	\$0.60	-55.00%	\$405.00
0428-119-9016	21 Frac Pump Charge	3	MIN	\$2,700.00	\$6,000.00	-55.00%	\$8,100.00
0428-119-7571	22 MNE N34 (Non Ionic)	2	GAL	\$18.88	\$41.90	-55.00%	\$37.71
0428-119-9255	23 Overnight Subsistence	10	EA	\$128.40	\$128.40		\$1,284.00
0428-119-7468	24 Potassium Chloride	8500	LB	\$0.36	\$0.80	-55.00%	\$3,060.00
0428-119-8700	25 Proppant pumping, 20/40 Sand,	25172	GAL	\$0.05	\$0.10	-55.00%	\$1,132.74
0428-119-9155	26 Radioactive sand densiometer	1	EA	\$249.36	\$554.10	-55.00%	\$249.35
0428-119-9143	27 Sand hulk (250K)	1	EA	\$900.00	\$2,000.00	-55.00%	\$900.00
0428-119-9482	28 SG-20	458	GAL	\$22.77	\$50.80	-55.00%	\$10,428.66
0428-119-7220	29 Transport delivery service	6	HR	\$75.00	\$125.00	-40.00%	\$450.00
0428-119-7122	30 Valve rental 3"	2	EA	\$193.95	\$431.00	-55.00%	\$387.90

http://127.0.0.1:89/Sub_0/MobileESO/ESOPages.nsf/ESORreport?OpenForm&REPORT ... 2/27/2006
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KCC WICHITA

Customer Copy

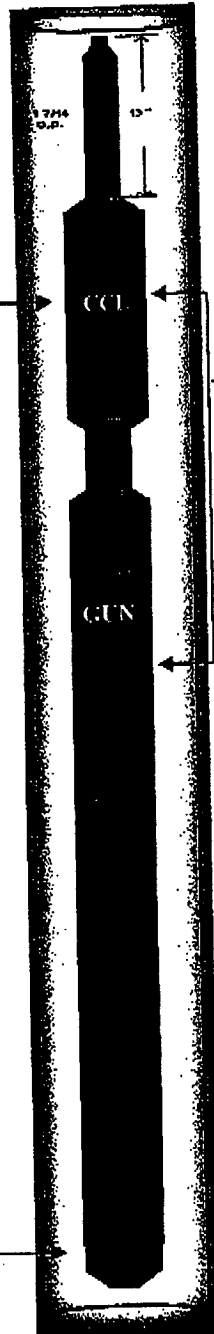
PERFORATING DATA SHEET

CASING COLLARS

TOTAL LENGTH OF GUN

FLUID LEVEL _____

P.B.T.D. _____



CCL @ 5268
~~5275~~

STANDOFF = 2.0

TOP SHOT @ 5270

BOTTOM SHOT @ 5292

TOTAL FEET = 22

SPF = 4

TOTAL SHOTS = 88

GM. PER SHOT = 19

PHASING = 60



CUSTOMER: MERIT ENERGY
LEASE: SERU 9-7
COUNTY: MORTON
STATE: KANSAS

RECEIVED
APR 14 2006
KCC WICHITA

HALLIBURTON

Work Order Contract

Order Number

4228211

Halliburton Energy Services, Inc.
Houston, Texas 77056

TO: HALLIBURTON ENERGY SERVICES, INC. - YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICE PERSONNEL TO DELIVER AND OPERATE THE SAME AS AN INDEPENDENT CONTRACTOR TO CUSTOMER LISTED BELOW AND DELIVER AND SET PRODUCTS, SUPPLIES AND MATERIALS FOR THE PURPOSE OF SERVICING:

Well No. 9-7	Farm or Lease SERU	County Morton	State Kansas	Well Permit Number
Customer MERIT ENERGY COMPANY	Well Owner MERIT ENERGY COMPANY	Job Purpose 625A Cased Hole Service		

I do do not require IDP (Instrument Protection). Not offered

THIS WORK ORDER MUST BE SIGNED BEFORE WORK IS COMMENCED

A. CUSTOMER REPRESENTATION - Customer warrants that the well is in proper condition to receive the services, equipment, products, and materials to be supplied by Halliburton Energy Services, Inc. (hereinafter "Halliburton").

B. PRICE AND PAYMENT - The services, equipment, products, and/or materials to be supplied hereunder are priced in accordance with Halliburton's current price list. All prices are exclusive of taxes. If Customer does not have an approved open account with Halliburton, all sums due are payable in cash at the time of performance of services or delivery of equipment, products or materials. If Customer has an approved open account, invoices are payable on the twentieth day after the date of invoice. Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, Customer agrees to pay attorney fees of 20% of the unpaid account, or Halliburton's actual attorneys fees, whichever is greater, plus all collection and court costs. Customer agrees that the amount of attorney fees set out herein are reasonable and necessary.

C. RELEASE AND INDEMNITY - Customer agrees to RELEASE Halliburton Group from any and all liability for any and all damages whatsoever to property of any kind owned by, in the possession of, or leased by Customer and those persons and entities Customer has the ability to bind by contract or which are co-interest owners or joint ventures with Customer. Customer also agrees to DEFEND, INDEMNIFY, AND HOLD Halliburton Group HARMLESS from and against any and all liability, claims, costs, expenses, attorney fees and damages whatsoever for personal injury, illness, death, property damage and loss resulting from:

loss of well control; service to control a wild well whether underground or above the surface; reservoir or underground damage, including loss of oil, gas, other mineral substances or water; surface damage arising from underground damage; damage to or loss of the well bore; subsurface trespass or any action in the nature thereof; fire; explosion; subsurface pressure; radioactivity; and pollution and contamination and its cleanup and control.

CUSTOMER'S RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS obligations will apply even if the liability and claims are caused by the sole, concurrent, active or passive negligence, fault, or strict liability of one or more members of the Halliburton Group, the unworkworthiness of any vessel or any defect in the data, products, supplies, materials or equipment furnished by any member or members of the Halliburton Group whether in the design, manufacture, maintenance or marketing thereof or from a failure to warn of such defect. "Halliburton Group" is defined as Halliburton Energy Services, Inc., its parent, subsidiary, and affiliated companies, insurers and subcontractors and all Halliburton officers, directors, employees, consultants and agents. Customer's RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS obligations apply whether the personal injury, illness, death, property damage or loss is suffered by one or more members of the Halliburton Group, Customer, or any other person or entity. Customer agrees to support such obligations assumed herein with liability insurance with limits of not less than \$200,000. Customer agrees to name Halliburton Group as named additional insured on all of its general liability policy(s). Customer agrees that its liability under this Contract is not limited by the amounts of its insurance coverage, except where and as may be required by applicable local law for the provisions of this Contract to be enforceable.

D. EQUIPMENT LIABILITY - Customer shall at its risk and expense attempt to recover any Halliburton Group equipment lost or lodged in the well. If the equipment is recovered and repairable, Customer shall pay the repair costs, unless caused by Halliburton's sole negligence. If the equipment is not recovered or is irreparable, Customer shall pay the replacement cost, unless caused by Halliburton's sole negligence. If a radioactive source becomes lost or lodged in the well, Customer shall meet all requirements of Section 39.15(a) of the Nuclear Regulatory Commission regulations and any other applicable laws or regulations concerning retrieval or abandonment and shall permit Halliburton to monitor the recovery or abandonment efforts all at no risk or liability to Halliburton Group. Customer shall be responsible for damage to or loss of Halliburton group equipment, products, and materials while in transit aboard Customer-supplied transportation, even if such is arranged by Halliburton at Customer's request, and during loading and unloading from such transport. Customer will also pay for the repair or replacement of Halliburton group equipment damaged by corrosion or abrasion due to well effluents.

E. LIMITED WARRANTY - Halliburton warrants only title to the equipment, products, and materials supplied under this Contract and that same are free from defects in workmanship and materials for thirty (30) days from the date of delivery. **THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR OTHERWISE BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE.** Halliburton's sole liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale, lease or use of any equipment, products, or materials is expressly limited to the replacement of such on their return to Halliburton or, at Halliburton's option, to the allowance to Customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, consequential, or punitive damages. Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, **HALLIBURTON IS UNABLE TO GUARANTEE THE EFFECTIVENESS OF THE EQUIPMENT, MATERIALS, OR SERVICE, NOR THE ACCURACY OF ANY CHART INTERPRETATION, RESEARCH ANALYSIS, JOB RECOMMENDATION OR OTHER DATA FURNISHED BY HALLIBURTON GROUP.** Halliburton personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Halliburton Group shall not be liable for and **CUSTOMER SHALL INDEMNIFY HALLIBURTON GROUP AGAINST ANY DAMAGES ARISING FROM THE USE OF SUCH INFORMATION, even if such is contributed to or caused by the active or passive negligence, fault or strict liability of any member or members of Halliburton Group.** Halliburton also does not warrant the accuracy of data transmitted by electronic process, and Halliburton will not be responsible for accidental or intentional interception of such data by third parties.

F. GOVERNING LAW - The validity, interpretation and construction of this Contract shall be determined by the laws of the jurisdiction where the services are performed or the equipment or materials are delivered.

G. DISPUTE RESOLUTION - Customer and Halliburton agree that any dispute that may arise out of the performance of this Contract shall be resolved by binding arbitration by a panel of three arbitrators under the rules of the American Arbitration Association. The arbitration will take place in Houston, TX.

H. SEVERABILITY - If any provision or part thereof of this Contract shall be held to be invalid, void, or of no effect for any reason, such holding shall not be deemed to effect the validity of the remaining provisions of this Contract which can be given effect, without the invalid provision or part thereof, and to this end, the provisions of this Contract are declared to be severable. Customer and Halliburton agree that any provision of this Contract that is unenforceable or void under applicable law will be modified to achieve the intent of the parties hereunder to the greatest extent allowed by applicable law.

I. MODIFICATIONS - Customer agrees that Halliburton shall not be bound by any modifications to this Contract, except where such modification is made in writing by a duly authorized executive officer of Halliburton. Requests for modifications should be directed to the Vice President - Legal, 4100 Clinton Drive, Houston, TX, 77020.

I HAVE READ AND UNDERSTAND THIS WORK ORDER CONTRACT WHICH CONTAINS RELEASE AND INDEMNITY LANGUAGE WHICH CUSTOMER ACKNOWLEDGES IS CONSPICUOUS AND AFFORDS FAIR AND ADEQUATE NOTICE AND I REPRESENT THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT. I AM SIGNING THIS WORK ORDER CONTRACT WITH THE UNDERSTANDING THAT ITS TERMS AND CONDITIONS WILL NOT APPLY TO THE EXTENT THEY CONFLICT WITH TERMS AND CONDITIONS OF A SIGNED MASTER SERVICE CONTRACT BETWEEN THE PARTIES.

SIGNED: _____
CUSTOMER Authorized Signatory

DATE: _____

TIME: _____ A.M./P.M.

RECEIVED

APR 14 2006

KCC WICHITA

HALLIBURTON

Field Ticket

Field Ticket Number: 4228211	Field Ticket Date: Tuesday, February 21, 2006
Ship To: MERIT ENERGY COMPANY PO BOX 2913 LIBERAL, KS 67901	Job Name: 7549 - CEMENT & CASING EVAL BOM, MERIT ENERGY COMPANY (303833), Streamline Order (ZOH) Order Type: Streamline Order (ZOH) Well Name: SERU 9-7 Company Code: 1100 Customer PO No.: NA Shipping Point: Liberal, KS, USA Hwy 54 West Sales Office: Eastam BD
Ship To: MERITENERG SE/U 9-7, MORTON SERU 2461785	Well Type: Well Category:

Material	Description	QTY	UOM	Base Amt	Unit Amt	Gross Amount	Discount	Net Amount
		1	JOB	0.00	0.00	0.00		0.00
7549	Cement & Casing Eval BOM	1	EA	0.00	2,096.00	2,096.00	76%	503.04
4983	CH Land Service Charge	1	EA	0.00	6.74	1,748.00	76%	419.62
4982	Service Units Mileage Charge Number of Units	200	MI	0.00	5.14	1,028.00	76%	248.72
4987	Pickup or Car Mileage Charge Number of Units	200	MI	0.00	0.13	29.00		26.00
86671	LG- FUEL SURCHG CARS/PICKUPS <1 1/2 TON Number of Units	200	MI	0.00	0.40	60.00		60.00
87032	LG- FUEL SURCHG HEAVY TRUCKS >1 1/2 TON Number of Units	200	MI	0.00	148.00	148.00		148.00
4966	Environmental Protection Surcharge	1	EA	0.00	215.20	215.20		215.20
573337	L&P PSL - DOT Vehicle Charge	1	EA	0.00	0.21	1,136.94	76%	272.87
98346	LG-CH-LAND SERVICE DEPTH CHG DEPTH OR LENGTH FEET/METERS (FTM)	5414	FT	0.00	0.29	1,570.08	76%	376.81
5530	Joint Catcher/Gauge Other/Subseq runs DEPTH OR LENGTH FEET/METERS (FTM)	5414	FT	0.00	582.00	582.00	76%	139.68
20043	Catch/Gge Ring-Subseq Flat	1	EA	0.00	0.21	1,136.94	76%	272.87
5148	Gamma Ray in Combo Depth	5414	FT	0.00	0.21	1,839.68	76%	393.62
5149	Gamma Ray in Combo Survey	7808	FT	0.00	0.65	3,519.10	76%	844.68
5382	CBL Cement Bond Log MSG Depth	5414	FT	0.00	0.69	5,075.20	76%	1,218.05
5383	CBL Cement Bond Log MSG Survey	7808	FT	0.00	0.28	1,481.76	76%	355.62
166947	3 1/8 IN-4 IN Slickgun Casing Guns Depth	5292	FT	0.00	334.00	7,348.00	76%	1,763.52
98328	3 1/8IN-4IN Slickgun Casing Guns 4 SPF DEPTH FEET/METERS (FTM) NUMBER OF SHOTS	1 5292 22	EA FT	0.00	839.00	639.00	76%	201.88
5080	LG-CH-FULL RISER BOPI/PACKOFF NUMBER OF DAYS	1 1	EA	0.00	2,651.00	2,651.00	76%	636.24
4964	White Heat Express Service Charge	1	EA	0.00				
Totals						USD		
						32,318.88	24,207.28	8,111.60

Halliburton Rep: BRENT McCARTER
 Customer Agent:
 Halliburton Approval:

RECEIVED

APR 11

KCC WICHITA

Field Ticket Date: Tuesday, February 21, 2006
 1 of 2

Field Ticket Number: 4228211

Material	Description	QTY	UOM	Base Amt	Unit Amt	GA	Amount	Dis. Amt	Net Amount
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CUSTOMER HEREBY ACKNOWLEDGES RECEIPT OF THE MATERIALS AND SERVICES DESCRIBED ABOVE AND ON THE ATTACHED DOCUMENTS.

FIELD TICKET TOTAL : USD 8,111.60

X _____
Customer Signature

RECEIVED
APR 14 2006
KCC WICHITA

Field Ticket Number: 4228211

Field Ticket Date: Tuesday, February 21, 2006
2 of 2



STINGER

WELLHEAD PROTECTION INC.

SERVICE ORDER

№72505

CUSTOMER <i>Merit Energy</i>	DATE <i>2-27-06</i>
MAILING ADDRESS: <i>333 W. Main Suite 400</i>	WELL OWNER AND DESCRIPTION <i>Merit Energy</i>
CITY, STATE <i>Andover OK</i>	333 W. Main <i>Serv 9-7</i>
ZIP CODE <i>73401</i>	<i>Merton CO</i>
TYPE OF SERVICE: <i>Casing saver 5 1/2 15.5 7 1/16 SK.</i>	CUSTOMER ORDER NUMBER
INSTRUCTIONS <i>Supply and casing saver for slickwater frac with (cold) service OK.</i>	CUSTOMER AUTHORIZATION TO PERFORM WORK <i>* [Signature]</i>
<i>Rate 25ppm. band 66k Max 5K</i>	AUTHORIZED SIGNATURE

PRICE REF	QUANTITY	MATERIALS & EQUIPMENT USED	UNIT PRICE	AMOUNT	DO NOT WRITE IN THIS SPACE
3000	1	Base Charge	9570 ⁰⁰	9570 ⁰⁰	
1100	212	Mileage	5 ⁰⁰	1060 ⁰⁰	
1700	1	Abrasion Charge	825 ⁰⁰	825 ⁰⁰	
1227	1	3/4 Prompt Valve	2145 ⁰⁰	2145 ⁰⁰	
17001	1	Pipe Operator	1320 ⁰⁰	1320 ⁰⁰	
			1137	14920 ⁰⁰	
			-72%	10742 ⁰⁰	
			Total \$	4177 ⁰⁰	

	DATE	HOUR	UNIT NO.	EMPLOYEES
TIME REQUESTED	<i>2-27-06</i>	<i>9:00 A.M.</i>	<i>1015</i>	<i>Rickie</i>
TIME ARRIVED	<i>2-27-06</i>	<i>9:00 A.M.</i>		<i>Keith</i>
TIME ELAPSED	<i>2-27-06</i>			
OTHER INFO.				

STINGER REPRESENTATIVE
Heard [Signature]

RECEIPT OF MATERIALS & SERVICES ON THE ORDER IS HEREBY ACKNOWLEDGED

* *[Signature]*
CUSTOMER SIGNATURE

MJ BROGDIN CONSULTING
CASING AND CEMENT REPORT

CASING CEMENT REPORT FORM								DATE	2/12/2006
OPERATOR:		MERIT ENERGY						TOOLPUSHER	PAUL SMITH
WELL NAME:		SERU 9-7						TD.	5,532
COUNTY & STATE		MORTON KS.						HOLE SIZE	7 7/8
GROUND ELEV:								CSG SIZE	5 1/2
KB ELEV:								CSG. COST / FT	
								T. Csg w/threads	5,544.24
CASING DESCRIPTION	JTS	SIZE	WT	GRADE	THREAD	LENGTH	TOP DEPTH	BOTTOM DEPTH	
burton Super Seal 2 Guide Shoe		5 1/2				0.60	5,532.00	5,532.00	
	1	5 1/2	15.50	J-65	ST&C	39.61	5,492.39	5,502.63	
Collar Stop		5 1/2							
	137	5 1/2	15.50	J-65	ST&C	5,493.49	0.00	5,493.49	
TOTAL							5,633.60		
FLOAT EQUIPMENT								CASING COST \$	
Halfburton Super Seal Float Shoe								F/EQUIP. COST \$	
Collar Stop Type P ES Cementer								CEMENT COST \$	
								TOTAL JOB COST \$	
								28,132.63	
CENTRALIZER DETAIL									
TYPE @	Std. Bow Spring @ 1,3,5,7,8,9,11,13,15,78,78,82,84,86.								
Cement Basket # 73 DV Tool # 74									
SPACER/ SLURRY/ DISPLACEMENT									
VOLUME	DENSITY	YIELD	WTR/SK6						
1st Scav 25 Sacks 50/50 POZ PP	10	5.11	32.68						
5% KCL-6% Calseal-6#Gilsomite-5% Halad-322-5% D-Air 3000-1/4# Flocele									
1st Tail 170 Sacks 50/50 POZ PP 6% KCL-5% Calseal-6# Gilsomite-5% Halad-322-5% D-Air 3000-1/4# Flocele	19.2	1.81	7.01						
2nd Lead 120 Sacks Midcon PP 2% CC-5% Flocele-1% FWCA									
	11.4	2.84	18.08						
2nd Tail 175 Sacks Prem Plus 2%CC-25% Flocele									
	14.8	1.35	6.36						
CIRCULATION/ RETURNS		FINAL LIFT PSI			PLUG LANDING PSI				
BBL/SKS TO SURFACE		0	EST TOP OF CEMENT		FLOATS HELD Yes				
PUMP TIME		MIXING TIME			EST PBTD 6635				
VENDOR	Haliburton			LOCATION	Liberal		PHONE		
CEMENTER				SUPERVISOR	Chad Buttry		PHONE		
VENDOR PERFORMANCE/ COMPANY									
TOT. Csg. Del. (MERIDIAN)		NO JTS	WT	GRADE	FTG	COND			
Tot. Csg. Transf.		NO JTS	WT	GRADE	FTG	COND			
Tot. Csg. Ren		5532.6	NO JTS 137	WT 16.5	GRADE J-65	FTG	COND		
Csg. Returned to stock		NO JTS	WT	GRADE	FTG	COND			
Csg. Returned to stock		NO JTS	WT	GRADE	FTG	COND			
WELLSITE SUPERVISOR Richard Turner									

RECEIVED
APR 14 2006
KCC WICHITA