

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 # 6039  
Name: L. D. DRILLING, INC.  
Address: 7 SW 26 AVE  
City/State/Zip: GREAT BEND, KS 67530  
Purchaser: NCRA  
Operator Contact Person: L. D. DAVIS  
Phone: (620) 793-3051  
Contractor: Name: L. D. DRILLING, INC.  
License: 6039  
Wellsite Geologist: KIM SHOEMAKER

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>11/22/05</u>	<u>11/30/05</u>	<u>12/19/05</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 153-20833-0000  
County: RAWLINS  
30W CNW NE SW Sec. 29 Twp. 5 S. R. 36  East  West  
2310 feet from S / N (circle one) Line of Section  
1620 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: BRINEY "D" Well #: 1  
Field Name: WILDCAT

Producing Formation: ALTAMONT  
Elevation: Ground: 3369' Kelly Bushing: 3374'  
Total Depth: 4766' Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 410 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 3150 Feet  
If Alternate II completion, cement circulated from 3150  
feet depth to SURFACE w/ 4250 sx cmt.  
*API - Dia - 10/22/08*

**Drilling Fluid Management Plan**  
(Data must be collected from the Reserve Pit)  
Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used \_\_\_\_\_  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: RECEIVED  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. 36 Twp. 2006 S. R. \_\_\_\_\_  East  West  
County: KCC WICHITA Docket No.: \_\_\_\_\_

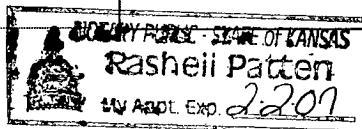
**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information 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: Rasheii Patten  
Title: SEC/TREASURER Date: 3-3-06  
Subscribed and sworn to before me this 3 day of March,  
20 06.  
Notary Public: Rasheii Patten  
Date Commission Expires: 2-02-07

**KCC Office Use ONLY**

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



**ORIGINAL**

Side Two

Operator Name: L. D. DRILLING, INC. Lease Name: BRINEY "D" Well #: 1  
Sec. 29 Twp. 5 S. R. 36  East  West County: RAWLINS

**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

\*\*\* SEE ATTACHED \*\*\*

**SONIC CEMENT BOND LOG, &  
RADIATION GUARD LOG**

**CASING RECORD**  New  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"	23#	410'	COMMON	250	3%CC, 2%GEL
PRODUCTION	7 7/8"	4 1/2"	10.5#	4748'	AA-2/POZMIX	175 / 15	/RATHOLE
BACKSIDE				3150'	A-CON	420	

**ADDITIONAL CEMENTING / SQUEEZE RECORD**

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

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
3	4588 - 4591'	350 GAL 28% MCA ACID	
	BRIDGE PLUG @ 4450'	900 GAL 28% NE ACID	
		1500 GAL 28% NE/OMO	

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	4764'	4519'	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
1/5/06	<input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	2		20		

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

**DAILY DRILLING REPORT**

OPERATOR: L.D. DRILLING, INC. LEASE: BRINEY "D" #1  
 30' W NW NE SW Sec 29-5-36  
 WELLSITE GEOLOGIST: KIM SHOEMAKER Rawlins Co., KS

CONTRACTOR: L.D. DRILLING, INC. ELEVATION: GR: 3369'  
 KB: 3374'

SPUD: 11-21-05 @ 6:15 P.M. PTD: 4950'

SURFACE: Ran 10 Jts. New 23# 8 5/8" Surface Csg. Set @ 410' w/ 250 sx. Common  
 2% Gel, 3% CC DID CIRCULATE. Plug Down @ 2:15 A.M. 11-22-05  
 by Allied Cementing Survey @ 413' (Bulls Eye)

11/21/05 Move in, Rig up, and Set Surface Csg.  
 11/22/05 413' WOC - Drilled Plug 10:15 A.M.  
 11/23/05 1661' Drilling  
 11/24/05 2850' Rig check (Thanksgiving)  
 11/25/05 3670' Drilling (will Displace @ 3726')  
 11/26/05 4195' Drilling  
 11/27/05 4446' Drilling  
 11/28/05 4583' Drilling Ahead  
 Circulated due to weather conditions-Testing 6:30 pm  
 11/29/05 4602' go back to bottom after DST #2  
 11/30/05 4670' Drilling  
 12/01/05 4766' Lay Down Drill Pipe  
 4751' LTD by Log Tech  
 Will run 4 1/2" Production Casing to Altomont C  
  
 Ran 112 jts New 10.5# 4 1/2" Casing, Tally 4743.14'  
 Set @ 4748' KB, 18' off Bottom  
 w/175 sx AA-2, 15 sx 60/40 Pozmix in Rathole  
 by Acid Service, Plug Down 1:45 P.M. 12/1/05

DST #1 4527 - 4580' Altomont B

TIMES: 30-45-45-60  
 BLOW: 1st Open: blt to 2"  
 2nd Open 1/2 blo decrease to 1/4"  
 RECOVERY: 40'gip, 20'ocm, 10% oil  
 IFP: 30-30' ISIP: 122  
 FFP: 35-37 FSIP: 193  
 TEMP: 132 degrees HP: 2238 - 2216

DST #2 4576 - 4602' Altomont C

TIMES: 30-45-45-60  
 BLOW: 1st Open: Slid 20' to btm 1 1/2 blo dec to 1/2"  
 2nd Open Weak blo died in 3 min flush tool  
 received weak surge  
 RECOVERY: 100' soc m 5% oil w/muddy oil on tool  
 Shut in pressure appear to be communicating  
 w/ near by production  
 IFP: 71-72 ISIP: 446  
 FFP: 72-73 FSIP: 426  
 TEMP: 124 degrees HP: 2204 - 2202

DST #3 4610 - 4645' Pawnee

TIMES: 30-45-45-60  
 BLOW: 1st Open: 1 1/4"blo decrease to 1"  
 2nd Open Slight blo died in 20 min  
 RECOVERY: 10' oil speckled mud  
 IFP: 35-36 ISIP: 55  
 FFP: 35-36 FSIP: 48  
 TEMP: 132 degrees HP: 2272 - 2237

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**DAILY DRILLING REPORT**

OPERATOR: L.D. DRILLING, INC. LEASE: BRINEY "D" #1  
30' W NW NE SW Sec 29-5-36  
WELLSITE GEOLOGIST: KIM SHOEMAKER Rawlins Co., KS  
CONTRACTOR: L.D. DRILLING, INC. ELEVATION: GR: 3369'  
KB: 3374'  
SPUD: 11-21-05 @ 6:15 P.M. PTD: 4950'

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**DST #4 4722 - 4766' Johnson Sand**

TIMES: 30-45-45-60 IFP: 33-186 ISIP: 1064  
BLOW: 1st Open: bb 12 min FFP: 196-373 FSIP: 1067  
2nd Open: bb 22 min TEMP: 153 degrees  
RECOVERY: 40' vsocwm, 190' oil, 10' water, 89 mud, 250' wcm, 40% water, 60% mud 490' water  
780' ff

**SAMPLE TOPS:**

**LOG TOPS:**

Anhy	TOP	3069'	3068	+306
	BASE	3111'	3107	+267
Wab	3921	(-547)	3922	(-548)
Heebner	4201	(-827)	4200	(-826)
Lansing	4255	(-881)	4255	(-881)
M. Creek	4375	(-1001)	4375	(-1001)
Stark	4457	(-1083)	4453	(-1079)
Base Kansas City	4511	(-1137)	4510	(-1136)
Marm	4520	(-1146)	4520	(-1146)
Altomont	4535	(-1161)	4439	(-1165)
Altomont B	4569	(-1195)	4570	(-1196)
Altomont C	4585	(-1211)	4587	(-1213)
Pawnee	4630	(-1256)	4633	(-1259)
Fort Scott	4686	(-1312)	4688	(-1314)
Cherokee	4709	(-1335)	4711	(-1337)
Johnson Sand	4754	(-1380)		Not Readable

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INVOICE NO.
Date 12-1-05
Customer ID

Subject to Correction

**FIELD ORDER** 11781

CHARGE

L.D. Drlg Inc

Lease Briney	Well # D-1	Legal 29-5s-36w
County Rawlins	State KS	Station Pratt
Depth	Formation TP = 4743' 10.5ppf	Shoe Joint 20'
Casing 4 1/2	Casing Depth 4743	TD 4766
Customer Representative Bill Owens	Treater D Scott	Job Type wildcat longstring N.W.

AFE Number	PO Number
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Materials Received by **X Bill Owens**

Product Code	QUANTITY	MATERIAL, EQUIPMENT and SERVICES USED	UNIT PRICE	AMOUNT	ACCOUNTING	
					CORRECTION	AMOUNT
D205	175 sk.	AA-7				
D203	15 sk.	60-40 po2				
C221	824 Lbs	Salt fine for Cmt				
C243	42 Lbs	Defoamer				
C312	124 Lbs	Gas Blok				
C321	875 Lbs	Gilsonite				
C244	50 Lbs	Friction Reducer				
F142	1 Eq	Top Swiper Plug 4 1/2"				
F190	1 Eq	Guide Shoe				
F230	1 Eq	ISFV w/Fill				
F100	6 Eq	Centralizers				
F120	1 Eq	Cmt Basket				
F260	1 Eq	Port Collar				
E100	2 Eq	Trk mi 460 mi 1way				
E101	1 Eq	Pickup mi 230 mi 1way				
E104	2047 +m	Bulk Delv Chg				
E107	190 sk	Cmt Serv Chg				
R210	1 Eq	Pump Charge				
R701	1 Eq	Cmt Head Rental				
Discounted Price =			12,669.53			

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As consideration, the Customer agrees:

a) To pay ACID SERVICES, LLC in accord with the rates and terms stated in ACID SERVICES, LLC's current price list. Invoices are payable NET 30 after date of invoice. Upon Customers' 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% per 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 the unpaid account.

b) To defend, indemnify, release and hold harmless ACID SERVICES, LLC, its divisions, subsidiaries, parent and affiliated companies and the officers, directors, employees, agents and servants of all of them from and against any claims, liability, expenses, attorney's fees, and costs 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, formation, or well loss or damage, subsurface trespass or any action in the nature thereof.
3. Personal injury of death or property damage ( including, but not limited to, damage to the reservoir, formation or well), or any damages whatsoever, growing out of or in any way 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 amount of this invoice is due and payable at ACID SERVICES, LLC, Dept. No. 1131, Tulsa, Oklahoma 74182. All terms of the Service Order with customer are incorporated herein and made a part hereof by reference.

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 ACID SERVICES, LLC's negligence, strict liability, or operated, or furnished by ACID SERVICES, LLC or any defect in the data, products, supplies, materials, or equipment of ACID SERVICES, LLC 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 ACID SERVICES, LLC. The term "ACID SERVICES, LLC" as used in said Sections b) and c) shall mean ACID SERVICES, LLC, its divisions, subsidiaries, parent and affiliated companies, and the officers, directors, employees, agents 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, ACID SERVICES, LLC 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 ACID SERVICES, LLC. ACID SERVICES, LLC personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that ACID SERVICES, LLC shall not be liable for and Customer shall indemnify ACID SERVICES, LLC against any damages from the use of such information.

d) That ACID SERVICES, LLC 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. Acid Services LLC'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 ACID SERVICES, LLC or, at ACID SERVICES, LLC's option, to the allowance to the Customer of credit for the cost of such items. In no event shall ACID SERVICES, LLC 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 law. 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 ACID SERVICES, LLC 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 manager of ACID SERVICES, LLC.



# TREATMENT REPORT

Customer ID		Date	
Customer L.D. Drlg Inc		12-1-05	
Lease Briney	Lease No.	Well # D-1	

Field Order # 11981	Station Pratt KS	Casing 4 1/2	Depth 4743	County Rawlins	State KS
Type Job Longstring u.w. wildcat			Formation	Legal Description 29-55-36w	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 4 1/2	Tubing Size	Shots/Ft P.C. @	3146'	Acid		RATE	PRESS 2600	ISIP
Depth 4723	Depth PBTD	From Top J	To 38 <sup>th</sup>	Pre Pad		Max		5 Min.
Volume 175	Volume	From	To 1.44	Pad 175 sk. AA-2 10% Salt		Min		10 Min.
Max Press 2000	Max Press	From	To 15.4	Frac 5 <sup>#</sup> G.I. 3 F.R. 25 A.F.		Avg-		15 Min.
Well Connection	Annulus Vol.	From	To			HHP Used		Annulus Pressure
Plug Depth	Packer Depth	From	To	Flush		Gas Volume		Total Load

Customer Representative Bill Owens	Station Manager D. Scott	Treater Scotty			
Service Units	124	380	457	346	501

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
					On loc w/ Trk. Safety mtg
					G.S. Bottom ISFV Top S.J.
					Cent 1.4-7-10-13-37 Basket 38 <sup>th</sup>
					Port Collar Top J+ 38 = 3146
					Csg on Bottom Drop Ball + Circ w/Rig
					No mud flush lost Circ.
1315	300		42	5	St mixing cent @ 15.4 ppg 175 sk.
1325	0		10	5	Close In Wash Pump line
1339	100			7	Release Plug + St Disp w/H <sub>2</sub> O
1398	300		63	5	63 Bbl. Disp Oct Lift Pump
1345	1100		75	0	Plug Down + ps. Test Csg
1346	0				Release ps. Hold
					Good Circ Thru Job
					Plug R.H. w/15 sk. Pot

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KCC WICHITA  
Job Complete  
Thank You  
Scotty

# ALLIED CEMENTING CO., INC.

21777

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT:

Ogkley

DATE 11-22-05	SEC 29	TWP 5	RANGE 36w	CALLED OUT	ON LOCATION 12:15 AM	JOB START 1:45 AM	JOB FINISH 2:15 AM
LEASE Briney "D"	WELL# 1	LOCATION Brewster 16 N 1/4 W 1/4 N			COUNTY Rawlins	STATE KS	
OLD OR <u>NEW</u> (Circle one)				E J N I N			

CONTRACTOR L D Drlg  
 TYPE OF JOB Surface  
 HOLE SIZE 8 3/4 T.D. 413  
 CASING SIZE 8 3/4 DEPTH 413  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. 15'  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 25 1/4 Bbls

OWNER Same  
 CEMENT AMOUNT ORDERED 250 sks Com 3% LL 7 1/2 601

EQUIPMENT  
 PUMP TRUCK CEMENTER Dean  
 # 102 HELPER Walt  
 BULK TRUCK DRIVER Mike  
 # 218  
 BULK TRUCK DRIVER \_\_\_\_\_  
 # \_\_\_\_\_

COMMON \_\_\_\_\_ @ \_\_\_\_\_  
 POZMIX \_\_\_\_\_ @ \_\_\_\_\_  
 GEL \_\_\_\_\_ @ \_\_\_\_\_  
 CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_  
 ASC \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
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 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 HANDLING \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

REMARKS:

Cement did Circulate.  
 \_\_\_\_\_  
 \_\_\_\_\_  
Thank you

CHARGE TO: L D Drlg Inc  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TOTAL \_\_\_\_\_

SERVICE

DEPTH OF JOB 413'  
 PUMP TRUCK CHARGE \_\_\_\_\_  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

PLUG & FLOAT EQUIPMENT

\_\_\_\_\_ @ RECEIVED  
 \_\_\_\_\_ @ MAR 6 2006  
 \_\_\_\_\_ @ KCC WICHITA  
 \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

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

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE B. L. Drlg

Bill Drlg  
 PRINTED NAME



## GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

2. More specifically:

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

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

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