

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

*10/11*  
**ORIGINAL**  
Form KCC-1  
September 1999  
Form Must Be Typed

Operator: License # 6037  
Name: Staab Oil Company  
Address: 1607 Hopewell Rd,  
City/State/Zip: Hays, Kansas 67601  
Purchaser: Coffeyville Resources  
Operator Contact Person: Francis C. Staab  
Phone: (785) 625-5013  
Contractor: Name: Shields Drilling Company  
License: 5184  
Wellsite Geologist: Randy Killian  
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. \_\_\_\_\_  
9-2-08 9-9-08 10-2-08  
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 051-25914 25794-0000  
County: Ellis  
S2NW Sec. 29 Twp. 12 S. R. 17  East  West  
1860 feet from S  (N) (circle one) Line of Section  
1734 feet from E  (W) (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE  SW  
Lease Name: A&A Karlin Well #: 1  
Field Name: Karlin  
Producing Formation: Arbuckle  
Elevation: Ground: 2130 Kelly Bushing: 2135  
Total Depth: 3775 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 226 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set Portcollar 1420 Feet  
If Alternate II completion, cement circulated from 1420  
feet depth to Surface w/ 175 sx cm.  
60-40 690 Gel

Drilling Fluid Management Plan Air II NR  
(Data must be collected from the Reserve Pit) 12-1-08  
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: Francis C. Staab  
Title: Partner Date: \_\_\_\_\_  
Subscribed and sworn to before me this 9 day of October  
2008  
Notary Public: Jody L. Staab  
Date Commission Expires: 6/29/2010

**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
**RECEIVED**  
KANSAS CORPORATION COMMISSION

**NOTARY PUBLIC**  
STATE OF KANSAS  
Jody L. Staab  
NOTARY PUBLIC  
STATE OF KANSAS  
My App. Exp. 6/29/2010

**OCT 15 2008**  
CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Staab Oil Company Lease Name: A&A Karlin Well #: 1  
 Sec. 29 Twp. 12 S. R. 17  East  West County: Ellis

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving Interval tested, lime tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run: <u>Dual Compensated Porosity</u> <u>Dual Induction, Microresivity, Radiation</u> <u>Guard, DST 1 Arb 3707-21 30-45 60-90</u> <u>360ft oil, 30ft OCCM, 180ft OC water</u> <u>IFP26-136, FFP144-218, ISIP908, FSIP814,</u> <u>IHP1805, FHP1753</u>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: right;">Top</th> <th style="text-align: right;">Datum</th> </tr> </thead> <tbody> <tr> <td>Anh</td> <td style="text-align: right;">1366</td> <td style="text-align: right;">+769</td> </tr> <tr> <td>Base</td> <td style="text-align: right;">1403</td> <td style="text-align: right;">+732</td> </tr> <tr> <td>Topeka</td> <td style="text-align: right;">3138</td> <td style="text-align: right;">-1003</td> </tr> <tr> <td>Heebner</td> <td style="text-align: right;">3377</td> <td style="text-align: right;">-1242</td> </tr> <tr> <td>Toronto</td> <td style="text-align: right;">3399</td> <td style="text-align: right;">-1264</td> </tr> <tr> <td>Lansing</td> <td style="text-align: right;">3423</td> <td style="text-align: right;">-1288</td> </tr> <tr> <td>BKC</td> <td style="text-align: right;">3648</td> <td style="text-align: right;">-1513</td> </tr> <tr> <td>Cong</td> <td style="text-align: right;">3664</td> <td style="text-align: right;">-1529</td> </tr> <tr> <td>Arbuckle</td> <td style="text-align: right;">3704</td> <td style="text-align: right;">-1569</td> </tr> <tr> <td>TD</td> <td style="text-align: right;">3779</td> <td style="text-align: right;">-1644</td> </tr> </tbody> </table>	Name	Top	Datum	Anh	1366	+769	Base	1403	+732	Topeka	3138	-1003	Heebner	3377	-1242	Toronto	3399	-1264	Lansing	3423	-1288	BKC	3648	-1513	Cong	3664	-1529	Arbuckle	3704	-1569	TD	3779	-1644
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CASING RECORD <input checked="" type="checkbox"/> New <input checked="" type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs./ Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface Pipe	12 7/8	8 5/8	20 lbs	226	165 Common		
Production Pipe	7 7/8	5 1/2	14 lbs	3775	150 Common		10% CC

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	3706 to 12	NO	

TUBING RECORD	Size <u>2 7/8</u>	Set At <u>3720</u>	Packer At <u>NO</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>10-5-08</u>		Producing Method <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. <u>10</u>	Gas Mcf <u>100</u>	Water Bbls. <u>100</u>	Gas-Oil Ratio <u>24</u>

Disposition of Gas  Vented  Sold  Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

Production Interval \_\_\_\_\_

# ALLIED CEMENTING CO., LLC. 32840

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

SERVICE POINT: Great Bend  
RUSSELL

DATE <u>9-3-08</u>	SEC. <u>29</u>	TWP. <u>12S</u>	RANGE <u>17W</u>	CALLED OUT <u>9:30 AM</u>	ON LOCATION <u>1:30 PM</u>	JOB START <u>1:30 PM</u>	JOB FINISH <u>2:30 PM</u>
LEASE <u>A-A Karlin</u>		WELL# <u>1</u>	LOCATION <u>F.70 &amp; EXIT 163 7 1/2 W</u>	COUNTY <u>Ellis</u>	STATE <u>KS</u>		
OLD OR <u>NEW</u> (Circle one)			<u>E/S</u>				

CONTRACTOR Shields Rig 1

TYPE OF JOB SURFACE

HOLE SIZE <u>12 1/4</u>	T.D. <u>226'</u>
CASING SIZE <u>8 5/8</u>	DEPTH <u>226'</u>
TUBING SIZE	DEPTH
DRILL PIPE <u>4 1/2</u>	DEPTH
TOOL	DEPTH
PRES. MAX <u>200</u>	MINIMUM <u>50</u>
MEAS. LINE	SHOE JOINT <u>15'</u>
CEMENT LEFT IN CSG. <u>15'</u>	
PERFS.	
DISPLACEMENT <u>FRESH WATER 13 1/2 BBLs</u>	

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Dwayne W</u>
# <u>120</u>	HELPER <u>Alvin R</u>
BULK TRUCK	
# <u>341</u>	DRIVER <u>JEFF W</u>
BULK TRUCK	
#	DRIVER

REMARKS:

Pipe on Bottom Break circulation  
pump 150sx common + 3cc + 2y. gel  
shut down and released and  
disp with 13 1/2 BBLs of fresh water  
shut in cement did circulate

CHARGE TO: Staab oil

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 x Thomas J Engel

SIGNATURE x Thomas J Engel

OWNER Staab oil

CEMENT

AMOUNT ORDERED 150sx common + 3cc + 2y. gel

COMMON <u>150</u>	@ <u>13.50</u>	<u>2025.00</u>
POZMIX	@	
GEL <u>3</u>	@ <u>20.25</u>	<u>60.75</u>
CHLORIDE <u>5</u>	@ <u>51.50</u>	<u>257.50</u>
ASC	@	
	@	
	@	
	@	
	@	
	@	
	@	
	@	
HANDLING <u>158</u>	@ <u>2.25</u>	<u>355.50</u>
MILEAGE <u>158x28x10</u>		<u>442.40</u>
		TOTAL <u>3141.15</u>

SERVICE

DEPTH OF JOB <u>226'</u>		
PUMP TRUCK CHARGE		<u>991.00</u>
EXTRA FOOTAGE	@	
MILEAGE <u>28</u>	@ <u>7.50</u>	<u>210.00</u>
MANIFOLD <u>Head Rent</u>	@ <u>110.00</u>	<u>110.00</u>
	@	
	@	
		TOTAL <u>1311.00</u>

RECEIVED  
KANSAS CORPORATION COMMISSION  
OCT 15 2008  
CONSERVATION DIVISION  
WICHITA, KS

PLUG & FLOAT EQUIPMENT

<u>1-8 5/8 Wooden plug</u>	@ <u>66.00</u>	<u>66.00</u>
	@	
	@	
	@	
	@	
		TOTAL <u>66.00</u>

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 wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

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

# ALLIED CEMENTING CO., LLC. 34591

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

SERVICE POINT:

Russell

DATE <u>9-9-08</u>	SEC. <u>29</u>	TWP. <u>12</u>	RANGE <u>17</u>	CALLED OUT	ON LOCATION	JOB START <u>9:00am</u>	JOB FINISH <u>10:00am</u>
LEASE <u>KARLIN</u>	WELL # <u>1</u>	LOCATION <u>CATHERINE KS. 1W</u>			COUNTY <u>ELLIS</u>	STATE <u>KANSAS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)		<u>3 1/2 N 1/2 E INTO</u>					

CONTRACTOR SHIELDS DRG, Rig #1 OWNER \_\_\_\_\_

TYPE OF JOB Cement PRODUCTION STRING

HOLE SIZE 7 7/8 T.D. 3779-3775 CEMENT

CASING SIZE 5 1/2 New/old DEPTH 3778-3774 AMOUNT ORDERED 175 sx Com. 10% Salt 2% GEL

TUBING SIZE 14.15.5 # DEPTH \_\_\_\_\_

DRILL PIPE 8 3/8 SURFACE DEPTH 226 500 GAL WFR-2 MUD FUSH

TOOL AFU INSERT DEPTH @ 3759-3755

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT 19'

CEMENT LEFT IN CSG. 19'

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

DISPLACEMENT 9 3/4 / BBL

COMMON	<u>175</u>	@ <u>13.50</u>	<u>2362.50</u>
POZMIX		@	
GEL	<u>3</u>	@ <u>20.25</u>	<u>60.75</u>
CHLORIDE		@	
ASC		@	
<u>Salt 16</u>		@ <u>21.25</u>	<u>340.00</u>
<u>WFR2 - 500</u>		@ <u>1.10</u>	<u>550.00</u>
		@	
		@	
		@	
		@	
HANDLING	<u>194</u>	@ <u>2.25</u>	<u>436.50</u>
MILEAGE	<u>SK/mi/10</u>		<u>485.00</u>
TOTAL			<u>4234.75</u>

EQUIPMENT

PUMP TRUCK CEMENTER GLENN

# 398 HELPER GARY

BULK TRUCK

# 345 DRIVER DOUG

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

PORT COLLAR ON #57 JT. (1420)  
Ran 5 1/2 CSG & Set 1 ft off Bottom  
@ 3774. AFU INSERT @ 3755. Circ. 1 HR  
Cement near line, displaced @ TOTAL OF 930  
& Plug did NOT LAND. Ran wireline to @  
15 SX @ Rat hole 3760  
10 SX @ mousehole 3750  
THANKS 12:00 PM

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>1957.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>257</u>	@ <u>7.00</u>	<u>1800.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL			<u>2144.50</u>

CHARGE TO: STAAB Oil Company

STREET \_\_\_\_\_

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

RECEIVED  
KANSAS CORPORATION COMMISSION  
OCT 15 2008  
CONSERVATION DIVISION  
WICHITA, KS

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.

Weatherford

PLUG & FLOAT EQUIPMENT

Guide Shoe			<u>186.00</u>
AFU INSERT	@		<u>285.00</u>
6-CENTRALIZERS	@ <u>55.00</u>		<u>330.00</u>
1-BASKET	@ <u>181.00</u>		<u>181.00</u>
1-BLUE PORT COLLAR	@		<u>1917.00</u>
1-T.R.P.	@		<u>71.00</u>
TOTAL			<u>2970.00</u>

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

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

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

PRINTED NAME Thomas Engel

SIGNATURE Thomas Engel

# ALLIED CEMENTING CO., LLC. 32226

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

SERVICE POINT:  
Russell

DATE <u>9/24/08</u>	SEC. <u>29</u>	TWP. <u>12</u>	RANGE <u>17</u>	CALLED OUT	ON LOCATION	JOB START <u>2:00 PM</u>	JOB FINISH <u>3:00 PM</u>
LEASE <u>KARL W</u>		WELL # <u>AA-1</u>	LOCATION <u>Catherine 1w 3 1/2 N</u>		COUNTY <u>Ellis</u>	STATE <u>Ks</u>	

OLD OR  NEW (Circle one)

CONTRACTOR F+PROCS

TYPE OF JOB P.C.

HOLE SIZE 7 7/8 T.D.

CASING SIZE 5 1/2 DEPTH

TUBING SIZE 2 3/8 DEPTH

DRILL PIPE DEPTH

TOOL DANS DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT

**EQUIPMENT**

PUMP TRUCK CEMENTER Bill

# 417 HELPER Chris Howe

BULK TRUCK

# 473 DRIVER mike ic

BULK TRUCK

# DRIVER

OWNER

CEMENT

AMOUNT ORDERED

350 ph 60/40-6 1/2" Flt

Used 175 ph

COMMON	<u>105</u>	@	<u>13.50</u>	<u>1417.50</u>
POZMIX	<u>70</u>	@	<u>7.50</u>	<u>525.00</u>
GEL	<u>9</u>	@	<u>20.25</u>	<u>182.25</u>
CHLORIDE		@		
ASC		@		
<u>FLOSEA</u>	<u>44 lbs</u>	@	<u>2.45</u>	<u>107.80</u>
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>359</u>	@	<u>2.25</u>	<u>807.75</u>
MILEAGE	<u>SK/mi</u>		<u>1.10</u>	<u>877.50</u>
<b>TOTAL</b>				<u>3937.80</u>

**REMARKS:**

B P e 2700 Test e 1000"  
P.C. 11420' open tool, Est Cine  
Cont. w/ 175 ph 60/40-6 1/2" Flt  
Dis place 7 1/2 bbls  
Close tool - test 1000' OK  
Ran 5 1/2 b wash clear w/ 18 bbls  
pull tubing

**SERVICE**

DEPTH OF JOB				
PUMP TRUCK CHARGE			<u>1179.00</u>	
EXTRA FOOTAGE		@		
MILEAGE	<u>25</u>	@	<u>7.50</u>	
MANIFOLD		@		
		@		
		@		
<b>TOTAL</b>				<u>1346.50</u>

CHARGE TO: STARR OIL

STREET \_\_\_\_\_

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

**PLUG & FLOAT EQUIPMENT**

	@			
	@			
	@			
	@			
	@			
<b>TOTAL</b>				_____

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 \_\_\_\_\_

SIGNATURE [Signature]

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 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.