

*Amended*

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 # 33019  
 Name: Rosewood Resources, Inc.  
 Address: 2711 N. Haskell Ave., Suite 2800, LB 22  
 City/State/Zip: Dallas, TX 75201  
 Purchaser: \_\_\_\_\_  
 Operator Contact Person: Tom Roelfs  
 Phone: (785) 332-0374  
 Contractor: Name: Advanced Drilling Technologies LLC  
 License: 33532  
 Wellsite Geologist: Steven VonFeldt  
 Designate Type of Completion:  
 New Well    \_\_\_ Re-Entry    \_\_\_ Workover  
 \_\_\_ Oil    \_\_\_ SWD    \_\_\_ SLOW    \_\_\_ 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>5/26/2006</u>	<u>5/28/2006</u>	<u>5/28/2006</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 181-20413-0000  
 County: Sherman  
 SE \_\_\_ NW \_\_\_ SE \_\_\_ SW \_\_\_ Sec. 7S Twp. 9 S. R. 39  East  West  
671 feet from S / N (circle one) Line of Section  
1808 feet from E / W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW SW  
 Lease Name: Knudson Well #: 24-7  
 Field Name: Goodland  
 Producing Formation: Niobrara  
 Elevation: Ground: 3705 Kelly Bushing: 3717  
 Total Depth: 1140' Plug Back Total Depth: 1136'  
 Amount of Surface Pipe Set and Cemented at 301' csg @ 314' 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 ML*  
*(Data must be collected from the Reserve Pit)* **11-25-08**  
 Chloride content 5000 ppm Fluid volume 200 bbls  
 Dewatering method used Evaporation  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_ Sec. \_\_\_ Twp. \_\_\_ S. R. \_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**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: Dannell Gerwe  
 Title: Production Asst Date: 3/18/08  
 Subscribed and sworn to before me this 18 day of March,  
2008.  
 Notary Public: Kathy Roelfs  
 Date Commission Expires: 6-3-09

**KCC Office Use ONLY**

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

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**MAR 21 2008**

**NOTARY PUBLIC - State of Kansas**  
**KATHY ROELFS**  
 My Appt. Exp. 6-3-09

CONSERVATION DIVISION  
 WICHITA, KS

Operator Name: Rosewood Resources, Inc. Lease Name: Knudson Well #: 24-7  
 Sec. 7S Twp. 9 S. R. 39  East  West County: Sherman

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

Drill Stem Tests Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Attach Additional Sheets)  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 (Submit Copy)  List All E. Logs Run:  <b>Platform Express Resistivity, Porosity, Density ML-GR</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum  Niobrara 920' KB
--	--

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	9 1/2 "	7"	17#	314'	Neat	81	
Production	6 1/4"	4 1/2"	10.5#	1136.40'	Neat	55	2% cal.

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
2	922' to 952'	Frac w/48,140gals of Mavfoam & 100,960#	
		16/30 Badger Sand	

TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		none				
Date of First, Resumerd Production, SWD or Enhr. 3/7/2008			Producing Method			
			<input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity	
	none	16				

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 \_\_\_\_\_

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 KANSAS CORPORATION COMMISSION  
**MAR 21 2008**  
 CONSERVATION DIVISION  
 WICHITA, KS

RECEIVED

SEP 25 2006

KCC WICHITA

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Operator Contact Person: Tom Roelfs  
Phone: (785) 332-0374  
Contractor: Name: Advanced Drilling Technologies LLC  
License: 33532  
Wellsite Geologist: Steven VonFeldt

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. \_\_\_\_\_

5/26/2006	5/28/2006	5/28/2006
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SE  NW  SE  SW  Sec. 7S Twp. 9 S. R. 39  East  West  
671 feet from (S) N (circle one) Line of Section  
1808 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW (SW)  
Lease Name: Knudson Well #: 24-7

Field Name: Goodland  
Producing Formation: Niobrara  
Elevation: Ground: 3705 Kelly Bushing: 3717  
Total Depth: 1140' Plug Back Total Depth: 1136'  
Amount of Surface Pipe Set and Cemented at 301' csg @ 314' 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**  
(Data must be collected from the Reserve Pit)  
Chloride content 5000 ppm Fluid volume 200 bbls  
Dewatering method used Evaporation  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

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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: Tom Roelfs  
Title: Production Asst. Date: 9-22-06  
Subscribed and sworn to before me this 22nd day of September,  
2006.  
Notary Public: Janet S. Jensen  
JANET S. JENSEN  
NOTARY PUBLIC  
STATE OF KANSAS  
My App. Exp. 8/24/2008

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

Operator Name: Rosewood Resources, Inc. Lease Name: Knudson Well #: 24-7  
 Sec. 7S Twp. 9 S. R. 39  East  West County: Sherman

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

Drill Stem Tests Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  <b>Platform Express Resistivity, Porosity, Density ML-GR</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Niobrara 920' KB  <div style="text-align: center; font-weight: bold; font-size: 1.2em;">                     RECEIVED                      SEP 25 2006                      KCC WICHITA                 </div>
--	--

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
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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 <i>(Amount and Kind of Material Used)</i>	Depth
2	922' to 952'		

TUBING RECORD	Size	Set At	Packer At	Liner Run
none				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	none				

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

**SCHAAL DRILLING, CO.**  
**PO BOX 416**  
**BURLINGTON, CO. 80807**  
**719-346-8032**  
**FIELD REPORT**  
**SURFACE CASING, DRILLING AND CEMENTING**

DRILLING DATE 5-26-06

WELL NAME & LEASE # Knudson 24-7

MOVE IN, RIG UP, DIG PITS ETC. DATE 5-25-06 TIME 5:00 AM PM

SPUD TIME 8:30 AM PM SHALE DEPTH 245 TIME 11:45 AM PM

HOLE DIA. 9 1/2 FROM 0 TO 306 TD TIME 12:30 AM PM

CIRCULATE, T.O.O.H., SET 300.72 FT CASING 313.72 KB FT DEPTH

7 JOINTS 7 OD #/FT 14 15.5 17 20 23

PUMP 81 SAC CEMENT 500 GAL.DISP. CIRC. 1 BBL TO PIT

PLUG DOWN TIME 2:30 AM PM DATE 5-26-06

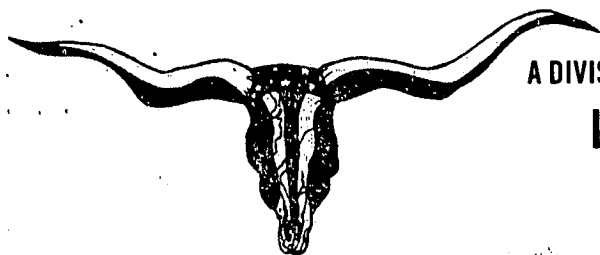
CEMENT LEFT IN CSG. 50' TYPE: PORTLAND CEMENT I/II ASTM C 150  
CENTRALIZER 1 CEMENT COST \$ 999.00

ELEVATION 3705  
+12KB 3717

PIPE TALLY

1. 42.44  
2. 42.87  
3. 43.08  
4. 43.10  
5. 43.18  
6. 42.75  
7. 43.30  
8.  
9.  
10.  
11.  
12.  
13.  
TOTAL 300.72

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**SEP 25 2006**  
**KCC WICHITA**



A DIVISION OF ADVANCED DRILLING TECHNOLOGIES, LLC.

# LONGHORN CEMENTING CO.

P.O. BOX 203 YUMA, COLORADO 80759  
 Phone: 970-848-0799 Fax: 970-848-0798

FIELD SERVICE TICKET  
AND INVOICE

0604

DATE 5-28-06 TICKET NO.

DATE OF JOB	DISTRICT	NEW WELL <input checked="" type="checkbox"/>	OLD WELL <input type="checkbox"/>	PROD <input type="checkbox"/>	INJ <input type="checkbox"/>	WDW <input type="checkbox"/>	CUSTOMER ORDER NO.:
CUSTOMER <u>Rosewood</u>	LEASE <u>Krudson</u>	24-7		WELL NO.			
ADDRESS	COUNTY	STATE					
CITY	STATE	SERVICE CREW <u>Dud</u>		EQUIPMENT <u>#112</u>			
AUTHORIZED BY							
TYPE JOB: <u>longhorns</u>	DEPTH	FT.	CEMENT DATA: BULK <input type="checkbox"/>	SAND DATA: SACKS <input type="checkbox"/>	TRUCK CALLED		DATE AM TIME
	SACKS	BRAND	TYPE	% GEL	ADMIXES	ARRIVED AT JOB	
SIZE HOLE:	DEPTH	FT.	<u>55</u>	<u>1-11</u>		AM PM	
SIZE & WT. CASTING <small>NEW OR USED</small> <u>4 1/2</u>	DEPTH	FT.				START OPERATION	
SIZE & WT. D PIPE OR TUBING	DEPTH	FT.				AM PM	
TOP PLUGS	TYPE:	WEIGHT OF SLURRY:		LBS. / GAL.	LBS. / GAL.	FINISH OPERATION	
		VOLUME OF SLURRY				AM PM	
		SACKS CEMENT TREATED WITH <u>2</u> % OF <u>KCL</u>				RELEASED	
		MAX DEPTH <u>1136.40</u> FT.		MAX PRESSURE	P.S.I.	MILES FROM STATION TO WELL	

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered).

The undersigned is authorized to execute this contract as an agent of the customer. As such, the undersigned agrees and acknowledges that this contract for services, materials, products, and/or supplies includes all of and only these terms and conditions appearing on the front and back of this document. No additional or substitute terms and/or conditions shall become a part of this contract without written consent or an officer of Advanced Drilling Technologies, LLC.

SIGNED: \_\_\_\_\_  
(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

ITEM / PRICE REF. NUMBER	MATERIAL, EQUIPMENT AND SERVICES USED	UNIT	QUANTITY	UNIT PRICE	\$ AMOUNT
001-2	Death Charge Contract Mileage 1/2 per Contract				4000 00
200-2	Accu Seal Float Valve		1		267 07
200-4	Latch Down Pallets Plug		1		226 00
200-6	4 1/2 Contractor		7		250 88
200-8	4 1/2 Separator		8		278 40
300-11	7" Contractor		1		36 44
400-2	clay stay		2.5		118 12
400-4	KCL		100 lb		26 58
					<del>5203</del> 59
300-12	5 1/2 Cement Bucket		1		39 85
1135	Mud Flush 10.1				5243 44
1136	Cement 12.1				
1137	Displacement 18.0				
1138	Bump Plug @ 1500 psi				

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ACID DATA:			
	GALLONS	%	ADDITIVES
HCL			
HCL			

SUB TOTAL			
SERVICE & EQUIPMENT	% TAX ON \$		
MATERIALS	% TAX ON \$		
TOTAL			

THANK YOU

SERVICE REPRESENTATIVE: <u>[Signature]</u>	THE ABOVE MATERIAL AND SERVICE ORDERED BY CUSTOMER AND RECEIVED BY: <u>[Signature]</u>
FIELD SERVICE ORDER NO.	(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

**A DIVISION OF ADVANCED DRILLING TECHNOLOGIES, LLC.  
LONGHORN CEMENTING CO.**

All sales of services, products, or materials by Longhorn Cementing Co., (hereinafter called LCC to any Customer, unless otherwise set out in writing, are subject to the terms and conditions set out herein.

**Terms:**

All service charges and materials included in service price list are NET. Unless satisfactory credit has been established, cash payment will be required in advance. Credit Customer agrees to pay LCC in its office in Yuma, CO for all services and materials on or before the 20th of the following month after the date of the invoice. Customers invoice is considered in default if payment has not been received by the last day of the month following the month in which the invoice is dated and services delivered. Past due accounts will be subject to a charge for interest at the highest rate allowable by law, and if placed in the hands of an attorney for collection, Customer agrees to pay all collection costs, reasonable attorney fees and court costs.

**Taxes:**

All prices are exclusive of any Federal, State, or Special Taxes imposed on the sale of use of the merchandise and services listed, which taxes will be added to quoted prices where applicable. If payment of any applicable royalty or license fee is required in connection with any service preformed by LCC or Customer in addition to the price of the services preformed.

**Special Pricing Provisions:**

All materials listed in the price schedule are FOB our field stock. All prices are subject to change without notice. The prices in this price list apply to normal operations, Special jobs under unusual circumstances on jobs requiring unusual mobilization of equipment and/or personnel such as blowouts, experimental jobs, etc. are to be subject to special pricing quotes. Orders for products or special design, size or materials are not subject to cancellation after processing of such order has begun by LCC. Equipment altered, made to Customer's specifications or requiring special handling, is subject to special pricing.

Customer states that the well and all support personnel and services not being supplied by LCC are ready and in condition to receive the materials and services supplied by LCC. Customer will be subject to a charge for "stand-by" time incurred by LCC. For all LCC services, "standby" time incurred by LCC. For all LCC services stand by time is all time our equipment is on location prior to commencement of operations or after completion of operations and is not operating for reasons not within the control of LCC. Stand-by time is calculated from time of arrival on location or arrival time as scheduled by Customer, which ever is later and until equipment is released by customer.

**Towing Charges:**

We will make reasonable attempts to get to and from the well under our own power. Should we be unable to do so because of poor or inadequate road conditions, and it becomes necessary to employ a tractor or other pulling equipment, such equipment will be supplied by the customer or if furnished by us, the cost will be charged to the customer. In either event, Customer assumes liability for any damages arising from such pulling or arising from inadequate access to the well site.

**Product Return:**

Any LCC products that have been in the hands of the Customer, if not special or obsolete, will be accepted for credit, subject to our approval and inspection, if they are new unused and in salable condition. The Customer will pay the return freight, and will receive credit at the original purchase price, less the original outbound freight. Any material classified or ordered as special is not subject to return or cancellation privileges.

**Service Warranty**

There are obviously many conditions in and about the well which we can have no knowledge and over which we can have no control. Therefore, we do not guarantee any particular results from services to be preformed hereunder. In interpreting information and making recommendations, either written or oral, as to type or amount of materials or service to be furnished, or manner of performance or in predicting results to be obtained therefrom, LCC will give customer the benefit of its best judgement based on its own experience in the field. However, due to Customer control of the well the impracticality of providing LCC with all the data concerning same, and the necessary reliance of LCC upon supporting services, data, and facts supplied by others. LCC does not guarantee or warrant the accuracy or correctness of any facts, information or data furnished by LCC or any interpretation of tests, meter readings, chart information, analysis of research or recommendations made by LCC unless caused by the willful misconduct or gross negligence of LCC in the preparation of furnishing such facts information, or date and **NO WARRANTY IS GIVEN CONCERNING THE RECOMMENDATIONS MADE OR SERVICES RENDERED BY THE COMPANY AND NO WARRANTY IS MADE CONCERNING THE RESULTS SOUGHT TO BE OBTAINED THROUGH USE OF MATERIALS RECOMMENDED BY THE COMPANY.** The Company's liability for injury to all persons or damage to any property or property rights, including but not limited to reservoir damage, sub surface trespass or drainage, etc. occasioned by reason of materials sold rented or services preformed hereunder shall be limited to those occurring due to the acts of will misconduct or gross negligence on LCC, and customer agrees to be responsible for and indemnify LCC against and loss or damage it may sustain by reason of materials sold or rented or services preformed hereunder, unless such loss or damage is caused by the willful misconduct or gross negligence of LCC.

**Product Warranty:**

LCC warrants all materials, products and supplies manufactured or furnished by it to be free from defects in material and workmanship, under normal use and service, when installed, used and serviced in the manner provided and intended, and that it can convey good title thereto. **THERE ARE NO WARRANTIES, EXPRESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE.** LCC's liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach, or warranty or otherwise) arising out of the sale of use of any products, supplies, or materials expressly limited to the replacement of such products, supplies, or materials on the return to LCC or at LCC's option, to the allowance to the customer or credit for the cost of such items. In no event shall LCC be liable for special, incidental, indirect, punitive or consequential damages.

**Service Conditions:**

Because there are so many uncertain and unknown conditions not subject to our control, we can neither be liable for injuries to property or persons not for loss or damage arising from the performance of our services or result in therefrom. LCC shall not be liable or responsible for a Customer shall defend, indemnity, and save LCC harmless, and its officers agents or employees, from and against any all claims, or causes of action for damage to Customer's property and of the well owner or any third person, and for bodily injury, sickness, disease, including death resulting thereof, brought by or on behalf of Customer, the well owner, or any third person, arising out of or in connection with LCC performance or services or the furnishing of materials, products, and supplies, unless caused by the willful misconduct or gross negligence of LCC.

Customer shall also be responsible for and, shall defend indemnity and save LCC harmless, and it's officers, agents to employees from and against any and all claims, causes of action and liabilities for damages occurring as a result of sub-surface trespass arising out of any oil well operations or service preformed by LCC, this provision applying to any

claims or legal actions or royalty interest holders, or any other person or concern.

Should any of our equipment, tools, or instruments become lost in the well when preforming or attempting to preform our service hereunder, it is understood that the Customer shall make reasonable effort to recover the lost equipment. The Customer shall assume the entire responsibility for such fishing operations in the recovery or attempted recovery, Customer shall pay LCC its replacement cost unless such loss is due to the sole negligence of LCC. If LCC equipment, tools or instruments are damaged in the well, Customer shall pay LCC its replacement cost unless such loss is due to the sole negligence of LCC.

Work done by LCC shall be under the direction, supervision, and control of the owner, operator, or his agent and LCC will preform the work as an independent contractor and not as an employee or agent of the owner or operator.

The customer shall at all times have complete care, custody, and control of the well, the drilling, and production equipment at the well and the premises about the well.

And delays or failure by LCC in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike, labor trouble, accident riot, acts of God, or any contingencies beyond the reasonable control of LCC. Disposal of the chemicals used in the performance of this contract is the responsibility of Customer. Customer agrees the chemicals will be disposed of in accordance with all applicable Federal, State, and local laws and regulations.

**General Provisions**

Wherever the initials LCC appear in this document, they are intended solely to be an abbreviation of Longhorn Cement Co., and are used in substitution of such full name as if the full name were set out in each instance. Any modifications of this document by the customer, and all additional or different terms included in the Customers purchase order or any other document responding to this document, are hereby objective to **BY REQUESTING ANY OF THE GOOD AND SERVICE SET FORTH HEREIN BUYER AGREES TO ALL THE TERMS AND CONDITION CONTAINED IN THIS DOCUMENT.**

LCC reserves the right to change or modify the design of any LCC product without obligation to furnish or install such changes or modification on products previously or subsequently sold.

Information regarding our services rendered in Customer's well is held in strict confidence and will be released to others only upon written approval by owner, or when required by Federal, State, or Local Laws, Regulations, Orders or Ordinances, or for use as evidence in court proceedings involving the subject matter of services rendered.

Failure to enforce any or all of the herein specified terms or conditions in any particular instance shall not constitute a continuing waiver, or preclude enforcement thereof.

No employee, representative, or agent other than an office of LCC is empowered to alter any of the herein specified terms and conditions.

These terms and conditions shall be governed by the laws of the State of CO and in case of any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

All orders for service and materials are deemed to have been made at, and all invoices will be payable to Longhorn Cementing Co., in Yuma County Colorado.