

Handwritten: 12/01/08

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 32278
Name: Tengasco, Inc.
Address 1: PO Box 458
Address 2: _____
City: Hays State: KS Zip: 67601 + _____
Contact Person: Gary Wagner
Phone: (785) 625-6374
CONTRACTOR: License # 3349693
Name: American Eagle Rig #2 DRILLING, LLC
Wellsite Geologist: Mike Dair Clayton Erickson
Purchaser: Coffeyville Resources
Designate Type of Completion:
 New Well _____ Re-Entry _____ Workover
 Oil _____ SWD _____ SLOW
_____ Gas _____ ENHR _____ SIGW
_____ CM (Coal Bed Methane) _____ Temp. Abd.
_____ 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. _____ Conv. to SWD
_____ Plug Back: _____ Plug Back Total Depth
_____ Commingled _____ Docket No.: _____
_____ Dual Completion _____ Docket No.: _____
_____ Other (SWD or Enhr.?) _____ Docket No.: _____
9-10-08 9-17-08 11-14-08
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 163-23763-00-00
Spot Description: NE/SE/SW/NW
NE SE SW NW Sec. 21 Twp. 8 S. R. 19 East West
2145 Feet from North / South Line of Section
1155 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Rooks
Lease Name: Zerger Well #: 1
Field Name: Webster
Producing Formation: Arbuckle
Elevation: Ground: 2028' Kelly Bushing: 2035'
Total Depth: 3476' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 267' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1475' Feet
If Alternate II completion, cement circulated from: 1475'
feet depth to: surface w/ 250 sx cmt.

Drilling Fluid Management Plan AH II NCR 1-27-09
(Data must be collected from the Reserve Pit)
Chloride content: 21000 ppm Fluid volume: 210 bbls
Dewatering method used: Hauled to disposal
Location of fluid disposal if hauled offsite:
Operator Name: Tengasco, Inc
Lease Name: Mosher #2 SWD License No.: 32278
Quarter SW Sec. 33 Twp. 8 S. R. 18 East West
County: Rooks Docket No.: D-20839

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: Gary Wagner
Title: Production Manager Date: 11-26-08
Subscribed and sworn to before me this 26th day of Nov
20 08.
Notary Public: Linda K Pfannenstiel
Date Commission Expires: 2/15/2012

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
RECEIVED
KANSAS CORPORATION COMMISSION
Distribution
DEC 01 2008

NOTARY PUBLIC
Linda K. Pfannenstiel
NOTARY PUBLIC
STATE OF KANSAS
My App. Exp. 2/15/2012

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Teigasco, Inc. Lease Name: Zerger Well #: 1
 Sec. 21 Twp. 8 S. R. 19 East West County: Rooks

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Dual Induction, Neutron Density/PE, Micro, CBL/GR	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhydrite</td> <td>1464</td> <td>+571</td> </tr> <tr> <td>Topeka</td> <td>2979</td> <td>-944</td> </tr> <tr> <td>Heebner</td> <td>3184</td> <td>-1149</td> </tr> <tr> <td>Toronto</td> <td>3205</td> <td>-1170</td> </tr> <tr> <td>LKC</td> <td>3222</td> <td>-1187</td> </tr> <tr> <td>BLKC</td> <td>3437</td> <td>-1402</td> </tr> <tr> <td>Arbuckle</td> <td>3471</td> <td>-1436</td> </tr> </table>	Name	Top	Datum	Anhydrite	1464	+571	Topeka	2979	-944	Heebner	3184	-1149	Toronto	3205	-1170	LKC	3222	-1187	BLKC	3437	-1402	Arbuckle	3471	-1436
Name	Top	Datum																							
Anhydrite	1464	+571																							
Topeka	2979	-944																							
Heebner	3184	-1149																							
Toronto	3205	-1170																							
LKC	3222	-1187																							
BLKC	3437	-1402																							
Arbuckle	3471	-1436																							

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12-1/4"	8-5/8"	23#	267'	Com	250	3%CC,2%Gel
Production	7-7/8"	5-1/2"	14#	3473'	ASC	150	2% Gel

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input checked="" type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	0-1475'	60/40 Poz	250	6% Gel, 1/4# flocele/sx

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
6	3472-73'		

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 01 2008

CONSERVATION DIVISION
WICHITA, KS

TUBING RECORD: Size: <u>2-7/8"</u> Set At: <u>3455'</u> Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr. <u>11-14-08</u>		Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls. <u>3</u>	Gas Mcf _____	Water Bbls. <u>175</u> Gas-Oil Ratio _____ Gravity _____

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input checked="" type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>Arbuckle 3472-76'</u>
---	--	--

ALLIED CEMENTING CO., LLC. 34595

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

SERVICE POINT:

*Russell KS.
9-11-08*

DATE 9-10-08	SEC. 21	TWP. 8 S	RANGE 19 W	CALLED OUT	ON LOCATION	JOB START 1:30 AM	JOB FINISH 2:00 AM
LEASE ZERGER WELL # 1		LOCATION ZURICH 7N 1W 1/2 N 1/4 E			COUNTY HOOKS	STATE KANSAS	
OLD OR NEW (Circle one) NEW							

CONTRACTOR **AMERICAN EAGLE Rig # 2**

TYPE OF JOB **Cement Surface**

HOLE SIZE **12 1/4** T.D. **268**

CASING SIZE **8 5/8** NEW DEPTH **262**

TUBING SIZE **2 3/4** DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. **2.0'**

PERFS.

DISPLACEMENT **16 / BBL**

OWNER _____

CEMENT AMOUNT ORDERED **175 Com.**

3% CC

2% GEL

COMMON _____ @ _____

POZMIX ' _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER **Garrett**

398 HELPER **Garrett**

BULK TRUCK DRIVER **MIKE**

BULK TRUCK DRIVER

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 01 2008
CONSERVATION DIVISION
WICHITA, KS

HANDLING _____

MILEAGE _____

TOTAL _____

REMARKS:

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

Cement Circulated

THANK'S

CHARGE TO: **TENGASCO INC.**

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

8 5/8 Plug _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

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.

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME _____

SIGNATURE *Larry Wagner*

GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

—SERVICE CONDITIONS AND LIABILITIES:

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

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

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

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

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

WARRANTIES:

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

2. More specifically:

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

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

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

ALLIED CEMENTING CO., LLC. 32009

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

SERVICE POINT:
ONELE, KS

DATE 9-17-08	SEC. 21	TWP. 8	RANGE 19	CALLED OUT	ON LOCATION 7:30am	JOB START 11:30am	JOB FINISH 13:00pm
LEASE Zergok	WELL # #1	LOCATION Zurich 7n. W. 1/2n		COUNTY Rooks	STATE KS		
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR American Eagle	OWNER SAME
TYPE OF JOB Production String 5'2	CEMENT
HOLE SIZE 7 7/8 T.D.	AMOUNT ORDERED 180 ASC 2 1/2 gal
CASING SIZE 5"2 14" DEPTH 3472'	500 gal WTR II
TUBING SIZE	
DRILL PIPE	
TOOL PORT COLLAR #49 DEPTH 1475'	
PRES. MAX	COMMON
MEAS. LINE	POZMIX
CEMENT LEFT IN CSG.	GEL 3 @ 20.00 62.40
PERFS.	CHLORIDE @ 3348.10
DISPLACEMENT 84.20 PALS	ASC 180 @ 18.00 3240.00

EQUIPMENT

PUMP TRUCK	CEMENTER	Fuzzie
# 431	HELPER	Kully
BULK TRUCK		
# 347	DRIVER	Dustin
BULK TRUCK		
#	DRIVER	

RECEIVED
KANSAS CORPORATION HANDLING
MILEAGE 193
DEC 01 2008
CONSERVATION DIVISION
WICHITA, KS
MILEAGE 10 x str mile

REMARKS:

Mix 500 gal WTR mix 15.00
in RH. Mix 165 gals ASC 2 1/2 gal
wash out pump & lines. Displace
plus 90 insert 1.54 200'
hand place 1300' float hold
plus down @ 17:00am
Thanks Fuzzie & crew

DEPTH OF JOB	3472'
PUMP TRUCK CHARGE	2011.00
EXTRA FOOTAGE	@
MILEAGE 51	@ 7.00 357.00
MANIFOLD thread	@ 113.00
	@
	@
TOTAL	2481.00

CHARGE TO: Tengasco Inc
STREET _____
CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

From Russell

1 - A-U Insert	@	293.00
1 - Guide shoe	@	192.00
5 - Centralizers	@ 57.00	285.00
1 - Basket	@	186.00
1 - Port collar (L)	@	1969.00
TOTAL		2925.00

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 Ray Payne

SALES TAX (If Any) _____
TOTAL CHARGES _____
DISCOUNT _____ IF PAID IN 30 DAYS

GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

—SERVICE CONDITIONS AND LIABILITIES:

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

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

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

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

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

WARRANTIES:

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

2. More specifically:

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

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

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

ALLIED CEMENTING CO., LLC. 32197

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

SERVICE POINT: Russell

DATE <u>9-24-08</u>	SEC. <u>21</u>	TWP. <u>8</u>	RANGE <u>19</u>	CALLED OUT	ON LOCATION	JOB START <u>11:30 am</u>	JOB FINISH <u>11:30 am</u>
LEASE <u>Zercos</u>		WELL # <u>1</u>	LOCATION <u>Zurch 7N 1W</u>			COUNTY <u>Ruby</u>	STATE <u>KS</u>
<input type="radio"/> OLD <input checked="" type="radio"/> OR NEW (Circle one)			<u>1/2 N Finto</u>				

CONTRACTOR <u>Fiber Well Service</u>	OWNER _____
TYPE OF JOB <u>Port Callar Circulate Cement</u>	
HOLE SIZE <u>7 1/8</u> T.D. _____	CEMENT <u>Used 250 sks</u>
CASING SIZE <u>5 1/2</u> DEPTH _____	AMOUNT ORDERED <u>300 lbs. 062.001</u>
TUBING SIZE <u>2 3/4</u> DEPTH _____	<u>1/2" 5 1/2"</u>
DRILL PIPE DEPTH _____	
TOOL JOINT DEPTH <u>1475'</u>	
PRES. MAX <u>1000 psi</u> MINIMUM _____	COMMON _____ @ _____
MEAS. LINE SHOE JOINT _____	POZMIX _____ @ _____
CEMENT LEFT IN CSG. _____	GEL _____ @ _____
PERFS. _____	CHLORIDE _____ @ _____
DISPLACEMENT <u>7.5 bbl</u>	ASC _____ @ _____

EQUIPMENT

PUMP TRUCK # <u>358</u>	CEMENTER <u>Steve</u>
BULK TRUCK # <u>478</u>	HELPER <u>Robert</u>
BULK TRUCK # _____	DRIVER <u>Mike + Chad</u>
BULK TRUCK # _____	DRIVER _____

RECEIVED
 KANSAS CORPORATION COMMISSION
DEC 01 2008
 CONSERVATION DIVISION
 WICHITA, KS

REMARKS:

Tested tools to 1000 psi.
Created Port Callar mixed
250 sks to circulate cement.
Displaced 7.5 bbl. Closed
Port Callar. Tested tools to
1000 psi. Released & Ran
5 ft. Washed clean & came
out of hole

CHARGE TO: Fargaro Inc

STREET _____

CITY _____ STATE _____ ZIP _____

Thanks!

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]

HANDLING _____ @ _____

MILEAGE _____ @ _____

TOTAL _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

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.