

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 # 31160  
 Name: Phillips Exploration Company LC  
 Address 1: 1601 N. Sagebrush  
 Address 2: \_\_\_\_\_  
 City: Wichita State: KS Zip: 67230 + \_\_\_\_\_  
 Contact Person: James B. Phillips  
 Phone: ( 316 ) 636-2256  
 CONTRACTOR: License # 33575  
 Name: WW Drilling, LLC  
 Wellsite Geologist: JAMES B. PHILLIPS  
 Purchaser: NCRA  
 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.: \_\_\_\_\_  

<u>10/12/07</u>	<u>10/19/07</u>	<u>11/08/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23353-00-00  
 Spot Description: C-SW  
 \_\_\_\_\_ Sec. 29 Twp. 8 S. R. 22  East  West  
1320 Feet from  North /  South Line of Section  
1320 Feet from  East /  West Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
 County: Graham  
 Lease Name: Fritts Well #: 2-29  
 Field Name: \_\_\_\_\_  
 Producing Formation: Lansing  
 Elevation: Ground: 2195 Kelly Bushing: 2200  
 Total Depth: 3734 Plug Back Total Depth: 3710  
 Amount of Surface Pipe Set and Cemented at: 218 Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set: 1790 Feet  
 If Alternate II completion, cement circulated from: Surface  
 feet depth to: 1790 w/ 400

**Drilling Fluid Management Plan**

(Data must be collected from the Reserve Pit)  
 Chloride content: 500 ppm Fluid volume: 320 bbls  
 Dewatering method used: let dry  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

*AI F2-Dlg - 11/05/09*

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]  
 Title: Agent Date: 11/5/09  
 Subscribed and sworn to before me this 5th day of November,  
 2009.  
 Notary Public: [Signature]  
 Date Commission Expires: 04/21/2012

**KCC Office Use ONLY**

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

**RECEIVED**  
**NOV 05 2009**

**KENDRA DUNAGAN**  
 Notary Public - State of Kansas  
 My Appt. Expires 04/21/12

**KCC WICHITA**

Operator Name: Phillips Exploration Company LC Lease Name: Fritts Well #: 2-29  
 Sec. 29 Twp. 8 S. R. 22  East  West County: Graham

**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 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>Bond/Mirco/Dual Ind/</b>	<input checked="" type="checkbox"/> Log    Formation (Top), Depth and Datum <input 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>anhy</td> <td>1788</td> <td>+412</td> </tr> <tr> <td>Topeka</td> <td>3199</td> <td>-996</td> </tr> <tr> <td>Heebner</td> <td>3412</td> <td>-1212</td> </tr> <tr> <td>Lansing</td> <td>3448</td> <td>-1248</td> </tr> <tr> <td>B/KC</td> <td>3662</td> <td>-1462</td> </tr> </table>	Name	Top	Datum	anhy	1788	+412	Topeka	3199	-996	Heebner	3412	-1212	Lansing	3448	-1248	B/KC	3662	-1462
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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#	218	60/40	200	3% gel 4%cc
long string	7 7/8	5 1/2	14#	3722	60/40	175	3% gel 4%cc
alt #2	7 7/8	5 1/2	14#	1790	60/40	400	3% gel 4%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 spf	3615-3617	750 gal 28%	3617
4 spf	3580-3583	750 gal 15%	3583

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NOV 05 2009

TUBING RECORD: Size: <u>2 3/8</u> Set At: <u>n/a</u> Packer At: <u>n/a</u>		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	KCC WICHITA
Date of First, Resumed Production, SWD or Enhr. <u>11/28/07</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>25</u>	Gas Mcf <u>n/a</u>	Water Bbls. <u>30</u> Gas-Oil Ratio    Gravity <u>38</u>

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 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: as above stated
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# ALLIED

CEMENTING CO., LLC  
Cementing & Acidizing Services

24 S. Lincoln Street  
P.O. Box 31  
Russell, KS 67665-2906

Voice: (785) 483-3887  
Fax: (785) 483-5566

# INVOICE

Invoice Number: 110766

Invoice Date: Oct 23, 2007

Page: 1

**Bill To:**

Phillips Exploration Co LC  
4109 N Ironwood  
Wichita, KS 67226

Customer ID	Well Name# or Customer P.O.	Payment Terms	
PhExpl	Fritts #2-29	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Russell	Oct 23, 2007	11/22/07

Quantity	Item	Description	Unit Price	Amount
240.00	MAT	Common Class A	11.10	2,664.00
160.00	MAT	Pozmix	6.20	992.00
20.00	MAT	Gel	16.65	333.00
100.00	MAT	Flo Seal	2.00	200.00
420.00	SER	Handling	1.90	798.00
65.00	SER	Mileage 420 sx @.09 per sk per mi	37.80	2,457.00
1.00	SER	Production String	955.00	955.00

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NOV 05 2009  
KCC WICHITA

2791.59

ALL PRICES ARE NET, PAYABLE  
30 DAYS FOLLOWING DATE OF  
INVOICE. 1 1/2% CHARGED  
THEREAFTER. IF ACCOUNT IS  
CURRENT, TAKE DISCOUNT OF

\$ 839.90

ONLY IF PAID ON OR BEFORE

Nov 22, 2007

Subtotal	8,399.00
Sales Tax	232.49
Total Invoice Amount	8,631.49
Payment/Credit Applied	
<b>TOTAL</b>	<b>8,631.49</b>

# ALLIED CEMENTING CO., INC.

25773

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

SERVICE POINT:

Russell

DATE <u>10-18-07</u>	SEC. <u>29</u>	TWP. <u>8</u>	RANGE <u>22</u>	CALLED OUT	ON LOCATION	JOB START <u>8:00 AM</u>	JOB FINISH <u>9:00 AM</u>
LEASE <u>FRITTS</u>	WELL # <u>2-29</u>	LOCATION <u>Hillcity Trl. Park</u>			COUNTY <u>GRAHAM</u>	STATE <u>KANSAS</u>	
OLD OR <u>NEW</u> (Circle one)			<u>1E 1/2 S 1E 3AS 1/2 E 1/4 N</u>				

CONTRACTOR W-W DRLG. Rig #6

TYPE OF JOB PRODUCTION STRING (D-V)

HOLE SIZE 7 7/8 T.D. 3734

CASING SIZE 5 1/2 New csg DEPTH 3733

TUBING SIZE 14# DEPTH

DRILL PIPE DEPTH 1797

TOOL 2-STAGE TOOL DEPTH @ 1803'

PRES. MAX 1500# MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT 43 3/4 BBL

OWNER

CEMENT

AMOUNT ORDERED 400 sk 60/40 6% GEL  
1/4# FIO-Seal  
Per sk

COMMON	<u>200</u>	@	<u>11.40</u>	<u>2664.00</u>
POZMIX	<u>160</u>	@	<u>6.20</u>	<u>992.00</u>
GEL	<u>20</u>	@	<u>16.65</u>	<u>333.00</u>
CHLORIDE		@		
ASC		@		

EQUIPMENT

PUMP TRUCK CEMENTER GLENN

# 398 HELPER GARY

BULK TRUCK

# 362 DRIVER Rocky

BULK TRUCK

# DRIVER

RECEIVED

NOV 05 2009

KCC WICHITA

HANDLING	<u>420</u>	TOTAL SK @	<u>1.90</u>	<u>798.00</u>
MILEAGE	<u>65</u>	TON MILE @		<u>2457.00</u>
TOTAL				<u>7444.00</u>

REMARKS:

"TOP"

DV TOOL ON # 1A JT. (1797) STAGE

OPEN DV TOOL @ 700 #.

Close DV TOOL @ 1500#.

Cement DID CIRCULATE TO SURFACE,

15 sk @ Rathoke

THANKS

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>955.00</u>
EXTRA FOOTAGE	@		
MILEAGE	@		<u>- NC -</u>
MANIFOLD	@		
	@		
	@		
TOTAL			<u>955.00</u>

CHARGE TO: Phillip's Exploration

STREET 4109 Ironwood

CITY Wichita STATE Ks ZIP 67226

PLUG & FLOAT EQUIPMENT

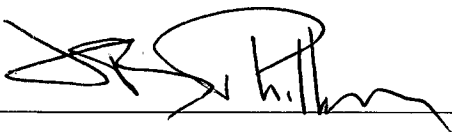
	@		
	@		
	@		
	@		
	@		
TOTAL			

To Allied Cementing Co., Inc.

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

TAX	
TOTAL CHARGE	
DISCOUNT	IF PAID IN 30 DAYS

SIGNATURE



PRINTED NAME

## GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

2. More specifically:

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

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

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



# ALLIED

CEMENTING CO., LLC  
Cementing & Acidizing Services

# INVOICE

24 S. Lincoln Street  
P.O. Box 31  
Russell, KS 67665-2906

Invoice Number: 110765  
Invoice Date: Oct 23, 2007  
Page: 1

Voice: (785) 483-3887  
Fax: (785) 483-5566

<b>Bill To:</b>
Phillips Exploration Co LC 4109 N Ironwood Wichita, KS 67226

Customer ID	Well Name# or Customer P.O.	Payment Terms	
PhExpl	Fritts #2-29	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Russell	Oct 23, 2007	11/22/07

Quantity	Item	Description	Unit Price	Amount
175.00	MAT	Common Class A	11.10	1,942.50
3.00	MAT	Gel	16.65	49.95
17.00	MAT	Salt	19.20	326.40
500.00	MAT	WFR-2	1.00	500.00
195.00	SER	Handling	1.90	370.50
65.00	SER	Mileage 195 sx @.09 per sk per mi	17.55	1,140.75
1.00	SER	Production String	1,610.00	1,610.00
65.00	SER	Mileage Pump Truck	6.00	390.00
1.00	EQP	Two Stage Tool	4,000.00	4,000.00
1.00	EQP	Guide Shoe	170.00	170.00
1.00	EQP	AFU Insert	260.00	260.00
5.00	EQP	Centralizers	50.00	250.00
1.00	EQP	Basket	165.00	165.00

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NOV 05 2009  
KCC WICHITA  
10,482.93

ALL PRICES ARE NET, PAYABLE  
30 DAYS FOLLOWING DATE OF  
INVOICE. 1 1/2% CHARGED  
THEREAFTER. IF ACCOUNT IS  
CURRENT, TAKE DISCOUNT OF

\$ 1117.51

ONLY IF PAID ON OR BEFORE

Nov 22, 2007

Subtotal	11,175.10
Sales Tax	425.34
Total Invoice Amount	11,600.44
Payment/Credit Applied	
<b>TOTAL</b>	<b>11,600.44</b>



## GENERAL TERMS AND CONDITIONS

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—**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.

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—**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.



REMIT TO  
 RR 1 BOX 90 D  
 HOXIE KS 67740

SCHIPPERS OIL FIELD SERVICE L.L.C.

117

DATE <i>10/12/07</i> REC.	RANGE/TWP. <i>29-8-22</i>	CALLED OUT <i>5:00 PM</i>	ON LOCATION <i>6:30 PM</i>	JOB START	JOB FINISH
LEASE <i>Fritts #2</i>	WELL # <i>#2-29</i>		COUNTY <i>GH</i>	STATE <i>KS</i>	

CONTRACTOR <i>W W #6</i>	OWNER <i>Phillips Exploration Company L.C.</i>			
TYPE OF JOB <i>Surface</i>				
HOLE SIZE <i>12 1/4</i>	T.D. <i>219</i>	CEMENT	<i>180</i>	
CASING SIZE <i>8 5/8</i>	DEPTH	AMOUNT ORDERED		
TUBING SIZE	DEPTH			
DRILL PIPE	DEPTH			
TOOL	DEPTH			
PRES. MAX	MINIMUM	COMMON	<i>180</i>	@ <i>11.90</i> <i>2142.00</i>
DISPLACEMENT <i>12 bbl</i>	SHOE JOINT	POZMIX		@
CEMENT LEFT IN CSG. <i>15 ft</i>		GEL	<i>3</i>	@ <i>16.50</i> <i>49.50</i>
PERFS		CHLORIDE	<i>6</i>	@ <i>46.50</i> <i>279.00</i>
		ASC		@
EQUIPMENT				@
				@
PUMP TRUCK				@
# <i>P1</i>	<i>Tarrod</i>			@
BULK TRUCK				@
# <i>B1</i>	<i>Chris</i>			@
BULK TRUCK				@
#				@
		HANDLING	<i>189</i>	@ <i>1.90</i> <i>359.10</i>
		MILEAGE	<i>35</i>	@ <i>17.00</i> <i>595.00</i>
		TOTAL		

RECEIVED  
 NOV 05 2009  
 KCC WICHITA

REMARKS	SERVICE <i>Surface</i>		
<i>Plug Down</i>	DEPT OF JOB <i>219</i>	@	
<i>8:15 PM</i>	PUMP TRUCK CHARGE <i>1</i>	@ <i>815.00</i>	<i>815.00</i>
	EXTRA FOOTAGE	@	
	MILEAGE <i>35</i>	@ <i>6.00</i>	<i>210.00</i>
	MANIFOLD	@	
		@	
	TOTAL		

CHARGE TO: <i>Phillips</i>	
STREET	STATE <i>KS</i>
CITY	ZIP <i>67740</i>

To: Schippers Oil Field Service LLC  
 You are hereby requested to rent cementing equipment and furnish staff to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

PLUG & FLOAT EQUIPMENT	
	@
	@
	@
	@
	@
	@
	TOTAL <i>4449.95</i>
TAX <i>GH county 5.55</i>	<i>137.11</i>
TOTAL CHARGE	<i>4587.06</i>
DISCOUNT (IF PAID IN 20 DAYS)	<del>500.00</del> <i>550.44</i>

SIGNATURE *Mark Herskowitz* PRINTED NAME *MARK HERSKOWITZ*

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "SOS" shall mean Schippers Oil Field Services, 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 SOS 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 SOS, refunded directly to CUSTOMER. For purposes of this paragraph, SOS and CUSTOMER agrees 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 SOS's current price schedule are F.O.B. SOS'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 SOS shall be added to the quoted prices charged to CUSTOMER.

--**TOWING CHARGES:** SOS will make a reasonable attempt to get to and from each job site using its own equipment. Should SOS 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 SOS, 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 SOS for the expenses incurred by SOS as a result of the cancellation.

--**DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set for in SOS'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. SOS carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond SOS'S control, SOS 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 SOS, 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 spill, 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 SOS'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 SOS or its employees.

2. With respect to any of SOS'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 SOS at the landing. CUSTOMER shall either recover the lost item without cost to SOS or reimburse SOS the current replacement cost of the item unless the loss or damage results from the sole negligence of SOS or its employees.

3. SOS 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. SOS warrants all merchandise manufacture 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. SOS'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, as its option, for any merchandise which is determined by SOS to be defective. THIS IS THE SOLE WARRANTY OF SOS 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 SOS 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 SOS 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 SOS or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by SOS, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of SOS or its employees in the preparation or furnishing of such facts, information or data.

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