

CONFIDENTIAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

11/09/09  
ORIGINAL

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 9449  
Name: Great Eastern Energy & Development Corp.  
Address: P.O. Drawer 2436  
City/State/Zip: Midland, TX. 79702  
Purchaser: Sem-Crude  
Operator Contact Person: Bill Robinson  
Phone: (214) 220-1080  
Contractor: Name: Warren Drlg.  
License: 33724  
Wellsite Geologist: Bill Robinson

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. \_\_\_\_\_

10-7-07	10-10-07	10-26-07
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23,352 -00-00  
County: Graham  
    - s/2 - se - se Sec. 28 Twp. 7 S. R. 21  East  West  
330 feet from (S) N (circle one) Line of Section  
630 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE (SE) NW SW  
Lease Name: Berland Well #: 2  
Field Name: WC

Producing Formation: Lansing  
Elevation: Ground: 2074 Kelly Bushing: 2082  
Total Depth: 3700 Plug Back Total Depth: 3698  
Amount of Surface Pipe Set and Cemented at 213 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 1631 Feet  
If Alternate II completion, cement circulated from surface  
feet depth to surface w/ 260 sx cmt.

Drilling Fluid Management Plan AKA NS 31809  
(Data must be collected from the Reserve Pit)  
Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used \_\_\_\_\_  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

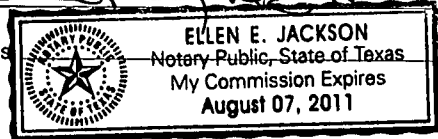
**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information 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: [Signature]  
Title: agent Date: 11-3-07

Subscribed and sworn to before me this 3 day of November, 2007.

Notary Public: [Signature]  
Date Commission Expires: \_\_\_\_\_



**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: RECEIVED  
 Wireline Logs Received KANSAS CORPORATION COMMISSION  
 Geologist Report Received NOV 09 2007  
 UIC Distribution

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Great Eastern Energy & Development Corp. Lease Name: Berland Well #: 2  
 Sec. 28 Twp. 7 S. R. 21  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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input 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>RAG</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>Anhydrite</td> <td>1684</td> <td>398</td> </tr> <tr> <td>B/KC</td> <td>3518</td> <td>-1436</td> </tr> </table> <div style="text-align: center; margin-top: 20px;"> <p><b>CONFIDENTIAL</b>                      NOV 09 2007                      KCC</p> </div>	Name	Top	Datum	Anhydrite	1684	398	B/KC	3518	-1436
Name	Top	Datum								
Anhydrite	1684	398								
B/KC	3518	-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	24	213	Common	160	3% CC + 2% gel
production	7 7/8	5 1/2	14	3698	Common	135	10% salt + 500 gal WFR-2

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		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)	
4	3510-14		A/250 15 %	Depth 3485
4	3474-78		A/250 15 %	3450

TUBING RECORD	Size <u>2 7/8</u>	Set At <u>3450</u>	Packer At <u>na</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>11/3/07</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>30</u>	Gas Mcf <u>-</u>	Water Bbls. <u>50</u>	Gas-Oil Ratio <u>-</u> Gravity

Disposition of Gas  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

RECEIVED  
KANSAS CORPORATION COMMISSION  
NOV 09 2007

# ALLIED CEMENTING CO., INC.

25404

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

NOV 09 2007

SERVICE POINT:

Russell

KCC

DATE <u>10-23-07</u>	SEC. <u>28</u>	TWP. <u>7</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION	JOB START <u>12:30 PM</u>	JOB FINISH <u>1:30 PM</u>
LEASE <u>Bealand</u>	WELL # <u>2</u>	LOCATION <u>Nicodemus 1 N 2 1/4 W 9 N T120</u>			COUNTY <u>GRAHAM</u>	STATE <u>KANSAS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Alliance Well Service  
 TYPE OF JOB OPEN PORT COLLAR (Circ. Cement)  
 HOLE SIZE \_\_\_\_\_ T.D. \_\_\_\_\_  
 CASING SIZE 5 1/2 DEPTH \_\_\_\_\_  
 TUBING SIZE 2 7/8 DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL Port Collar @ DEPTH 1631  
 PRES. MAX 1,000 MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT Total 9.5 BBL

OWNER \_\_\_\_\_  
 CEMENT (USED 260 SK)  
 AMOUNT ORDERED 325 SK 40 6 1/2 Gal  
1/4 # FID-Seal  
2 GAL KCL PER SK.

COMMON	<u>156 SK</u>	@ <u>11.10</u>	<u>1731.60</u>
POZMIX	<u>104 SK</u>	@ <u>6.20</u>	<u>644.80</u>
GEL	<u>15 SK</u>	@ <u>16.65</u>	<u>249.75</u>
CHLORIDE		@	
ASG FID-Seal	<u>65 LB</u>	@ <u>2.00</u>	<u>130.00</u>
KCL	<u>2 Gal</u>	@ <u>25.00</u>	<u>50.00</u>
		@	
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>344 Total SK</u>	@ <u>1.90</u>	<u>653.60</u>
MILEAGE	<u>77 Ton Mile</u>	@ <u>.09¢</u>	<u>220.95</u>
TOTAL			

EQUIPMENT

PUMP TRUCK CEMENTER GRNN  
 # 298 HELPER GARY  
 BULK TRUCK  
 # 362 DRIVER CHRIS  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

Port Collar @ 1631' - Test Csg To 1,000# (HELD)  
OPEN PORT COLLAR

SERVICE

DEPTH OF JOB \_\_\_\_\_  
 PUMP TRUCK CHARGE \_\_\_\_\_ 955.00  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE 77 @ 6.00 462.00  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

CHARGE TO: CLIPPER ENERGY  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

\$6534.61 AFTER DISCOUNT TOTAL  
 BEFORE TAX.

RECEIVED  
 KANSAS CORPORATION COMMISSION

NOV 09 2007

CONSERVATION DIVISION  
 WICHITA, KS

TOTAL \_\_\_\_\_

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

SIGNATURE Jack [Signature]

Jack [Signature]  
 PRINTED NAME

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.

## 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 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., INC.

25764

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

CONFIDENTIAL  
NOV 09 2007

SERVICE POINT:

DATE <u>10-10-07</u>	SEC. <u>28</u>	TWP. <u>7</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION <u>MID-NITE</u>	JOB START <u>11:10-11-07</u>	JOB FINISH <u>5:40 AM</u>
LEASE <u>BERLAND</u>	WELL # <u>2</u>	LOCATION <u>Nicodemus 1/4 W 1 N T&amp;D T</u>			COUNTY <u>GRAHAM</u>	STATE <u>Kansas</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)				<u>2W + N INTO</u>			

CONTRACTOR WARREN Dala Rig # 14

TYPE OF JOB PRODUCTION STRING

HOLE SIZE 7 7/8 T.D. 3900

CASING SIZE 5 1/2 14" DEPTH 3698

TUBING SIZE NEW DEPTH

DRILL PIPE DEPTH

TOOL LATCH DN. Plug Assy DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT 11.95

CEMENT LEFT IN CSG. 11.95

PERFS.

DISPLACEMENT 90.15/882

EQUIPMENT

PUMP TRUCK	CEMENTER <u>CLYDE</u>
# <u>398</u>	HELPER <u>GARY</u>
BULK TRUCK	
# <u>410</u>	DRIVER <u>CHRIS</u>
BULK TRUCK	
#	DRIVER

REMARKS:

PORT COLLAR ON # 49 JT.

LAND LATCH - Plug @ 1400# (HOLD)

15 SK @ Rathoe

THANK'S

CHARGE TO: CLIPPER ENERGY

STREET \_\_\_\_\_

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

RECEIVED  
KANSAS CORPORATION COMMISSION

NOV 09 2007

CONSERVATION DIVISION  
WICHITA, KS

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.

SIGNATURE Cliff [Signature]

OWNER \_\_\_\_\_

CEMENT

AMOUNT ORDERED 135 SK Com. 10% SALT

10 GAL KCL

500 GAL WFR<sup>2</sup> MUD FLUSH

COMMON <u>135 SK</u>	@ <u>11.10</u>	<u>1498.50</u>
POZMIX	@	
GEL	@	
CHLORIDE	@	
ASC	@	
<u>SALT 12 SK PRECAST</u>	@ <u>19.20</u>	<u>230.40</u>
<u>WFR-2 FLUSH</u>	@ <u>1.00</u>	<u>500.00</u>
<u>KCL 10 GAL PER GAL</u>	@ <u>25.00</u>	<u>250.00</u>
	@	
	@	
	@	
	@	
HANDLING <u>147 TOTAL SK</u>	@ <u>1.90</u>	<u>279.30</u>
MILEAGE <u>82 Ton Mile</u>	@ <u>.094</u>	<u>1084.86</u>
TOTAL		

SERVICE

DEPTH OF JOB		
PUMP TRUCK CHARGE		<u>1610.00</u>
EXTRA FOOTAGE	@	
MILEAGE <u>82</u>	@ <u>6.00</u>	<u>492.00</u>
MANIFOLD	@	
	@	
	@	

\$8703.56

AFTER DISCOUNT TOTAL \_\_\_\_\_

BEFORE TAX

PLUG & FLOAT EQUIPMENT

* <u>Blue Port Collar</u>		<u>1750.00</u>
<u>Float Shoe</u>	@	<u>263.00</u>
<u>12 Centralizers</u>	@ <u>50.00</u>	<u>600.00</u>
<u>2 BASKETS</u>	@ <u>165.00</u>	<u>330.00</u>
<u>LATCH Down Plug Assy</u>	@	<u>410.00</u>
	@	

TOTAL \_\_\_\_\_

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

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

SIGNATURE Joel [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., INC.

28020

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

SERVICE POINT: Russell

DATE <u>10-2-07</u>	SEC <u>20</u>	TWP. <u>25</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION	JOB START	JOB FINISH <u>1:15 a.m.</u>
LEASE <u>Boyer</u>		WELL # <u>2</u>		LOCATION <u>Wadeville 2W IN</u>		COUNTY <u>Clatsop</u>	STATE <u>KS</u>
OLD OR NEW (Circle one) <u>NEW</u>				1W IN			

CONFIDENTIAL  
NOV 09 2007

CONTRACTOR Western Drilling Ry # 14  
 TYPE OF JOB Swabber  
 HOLE SIZE 2 1/2 T.D. 213  
 CASING SIZE 4 1/2 DEPTH 213  
 TUBING SIZE DEPTH  
 DRILL PIPE DEPTH  
 TOOL DEPTH  
 PRES. MAX MINIMUM  
 MEAS. LINE SHOE JOINT  
 CEMENT LEFT IN CSG. 15  
 PERFS.  
 DISPLACEMENT 12 1/2 gal

OWNER  
 CEMENT KCC  
 AMOUNT ORDERED 160 Cu 3500 2361

EQUIPMENT  
 PUMP TRUCK CEMENTER Case  
 # 366 HELPER Etha Roberts  
 BULK TRUCK  
 # DRIVER Mike D.  
 BULK TRUCK  
 # DRIVER

COMMON @  
 POZMIX 8% @  
 GEL @  
 CHLORIDE @  
 ASC @  
 @  
 @  
 @  
 @  
 @  
 @  
 @  
 @  
 @  
 HANDLING @  
 MILEAGE

REMARKS: \_\_\_\_\_ TOTAL \_\_\_\_\_

Great job!

SERVICE

DEPTH OF JOB  
 PUMP TRUCK CHARGE  
 EXTRA FOOTAGE @  
 MILEAGE @  
 MANIFOLD @  
 @  
 @

CHARGE TO: Cliper Energy  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TOTAL \_\_\_\_\_

RECEIVED  
KANSAS CORPORATION COMMISSION

NOV 09 2007

CONSERVATION DIVISION  
WICHITA, KS

PLUG & FLOAT EQUIPMENT

@  
 @  
8 1/2 inch float plug @  
 @  
 @

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.

Thanks,

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

SIGNATURE Terry J. Curtis

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.