

CONFIDENTIAL

ORIGINAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

*kw  
mum  
7/17/08*

*7/17/08*

Operator: License # 33924  
Name: ABARTA Oil & Gas Co., Inc.  
Address: 1000 Gamma Drive, Suite 400  
City/State/Zip: Pittsburgh, PA 15238  
Purchaser: NCRA  
Operator Contact Person: Kenneth J. Fleeman  
Phone: ( 412 ) 963-6443  
Contractor: Name: Royal Drilling, Inc.  
License: 33905  
Wellsite Geologist: James Musgrove

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. \_\_\_\_\_

<u>03/20/08</u>	<u>03/27/08</u>	<u>03/27/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 009-25159-0000  
County: Barton  
SE    NW    SW    SE Sec. 19 Twp. 16 S. R. 14  East  West  
1020 feet from (S) N (circle one) Line of Section  
2280 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Haines Trust Well #: 1  
Field Name: Wildcat

Producing Formation: \_\_\_\_\_  
Elevation: Ground: 1923 Kelly Bushing: 1928  
Total Depth: 3510 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 924 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

Drilling Fluid Management Plan PA NH 8-13-08  
(Data must be collected from the Reserve Pit)  
Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used Evaporation  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

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**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: *James J. Moran*  
Title: Operations Analyst Date: 7/17/08

Subscribed and sworn to before me this 17th day of July, 2008

Notary Public: *Nancy G. Miller*  
Date Commission Expires: 5/16/09

**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
**RECEIVED**  
KANSAS CORPORATION COMMISSION  
JUL 18 2008

COMMONWEALTH OF PENNSYLVANIA  
Notary Seal  
Tracey G. Nutert, Notary Public  
O'Hara Twp., Allegheny County  
My Commission Expires May 16, 2009  
Member, Pennsylvania Association of Notaries

CONSERVATION DIVISION  
WICHITA, KS

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Slide Two

Operator Name: ABARTA Oil & Gas Co., Inc. Lease Name: Haines Trust Well #: 1  
 Sec. 19 Twp. 16 S. R. 14  East  West County: Barton

**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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Anhydrite	924	+1004
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Topeka	2866	-938
List All E. Logs Run:		Heebner	3096	-1168
		Toronto	3113	-1185
		Douglas	3130	-1202
		Lansing	3161	-1233
Dual Induction Micko Log Compensated Density/Neutron PE		Continued on Attached Page		

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	924	CI A	350	3% CC 2% Gel

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

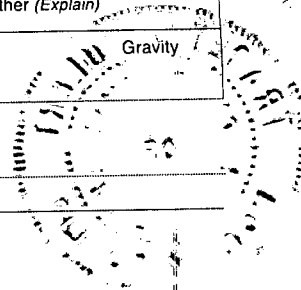
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated		Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>		Depth

TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. Dry		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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity	

Disposition of Gas      METHOD OF COMPLETION      Production Interval

Vented    Sold    Used on Lease       Open Hole    Perf.    Dually Comp.    Commingled

*(If vented, Submit ACO-18.)*       Other (Specify) \_\_\_\_\_



**Log Top Continued**

**Haines Trust #1  
15-009-25159**

<b>Name</b>	<b>Top</b>	<b>Datum</b>
Base Kansas City	3394	-1466
Conglomerate	3399	-1471
Arbuckle	3428	-1497

**CONFIDENTIAL**  
**JUL 17 2008**  
**KCC**

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**

**JUL 18 2008**

**CONSERVATION DIVISION**  
**WICHITA, KS**

CORPORATE OFFICE:  
1000 Gamma Drive, Suite 400  
Pittsburgh, PA 15238  
■ 412-963-6443, FAX 412-963-6498 ■

WEST VIRGINIA OFFICE:  
147 West Main Street, Suite 3  
Bridgeport, WV 26330  
■ 304-842-5446, FAX 304-842-5450 ■

# ABARTA

OIL & GAS COMPANY

KENTUCKY FIELD OFFICE:  
24442 KY.Rt. 32  
Martha, KY 41159  
■ 606-652-4600, FAX 606-652-4602 ■

KENTUCKY GAS PLANT:  
470 Lost Lick Branch Road  
Martha, KY 41159  
■ 606-652-4722, FAX 606-652-4107 ■

July 17, 2008

Kansas Corporation Commission  
130 S. Market – Room 2078  
Wichita, KS 67202

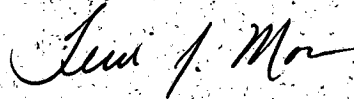
**CONFIDENTIAL**  
JUL 17 2008  
KCC

Dear Sir or Madam:

Please let this letter serve as ABARTA Oil & Gas Co., Inc.'s formal request to hold all enclosed materials regarding the **Haines Trust #1 (15-009-25159)** confidential for the twelve month term.

If you should have questions or need further information regarding this request, please feel free to contact me at our corporate office location listed above or via email at [tmoore@abartaenergy.com](mailto:tmoore@abartaenergy.com).

Sincerely,



Terri J. Moore  
Operations Analyst

C: File

RECEIVED  
KANSAS CORPORATION COMMISSION

JUL 18 2008

CONSERVATION DIVISION  
WICHITA, KS

# QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1908

Date	3-27-08	Sec.	19	Twp.	16	Range	14	Called Out		On Location	4:30 PM	Job Start	5:00 PM	Finish	7:30 PM
Lease	Haines Tr	Well No.	1	Location	Galatia NE	County	30 <sup>th</sup>	State	KS						
Contractor	Royal Dwy	Owner	M N												
Type Job	plug	To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.													
Hole Size	1 7/8	T.D.	3510												
Csg.		Depth	Charge To Abanta O & Gas Co												
Tbg. Size		Depth	Street												
Drill Pipe		Depth	City State												
Tool		Depth	The above was done to satisfaction and supervision of owner agent or contractor.												
Cement Left in Csg.		Shoe Joint													
Press Max.		Minimum													
Meas Line		Displace													
Perf.			CEMENT												

<b>EQUIPMENT</b>				Amount Ordered	140 @ 4% gel 14/61 100 per sk										
Pumptrk	5	No.	Cementer Helper	Dennis											
Bulktrk	3	No.	Driver	DAN											
Bulktrk		No.	Driver	Dennis											

<b>JOB SERVICES &amp; REMARKS</b>				Gel.											
Pumptrk Charge	Aib plug			Chloride											
Mileage				Hulls											
Footage				Salt											
	Total			Flowseal											

Remarks:															
25 ft															
90 ft @ 975															
10 ft @ 40 w/c plug				Handling											
15 ft Rot hole				Mileage											
					Sub Total										
					Total										
				Floating Equipment & Plugs	E Wood										
				Squeeze Manifold											
				Rotating Head											
RECEIVED															
KANSAS CORPORATION COMMISSION															
JUL 21 2008															
CONSERVATION DIVISION															
WICHITA, KS															
Signature: <i>[Signature]</i>				Tax											
				Discount											
				Total Charge											

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" refers 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

- **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

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

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

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

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 constructed as a warranty by QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data.

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

# QUALITY OILWELL CEMENTING, INC.

Form 15

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1888

Date <u>3-21-08</u>	Sec. <u>19</u>	Twp. <u>16</u>	Range <u>14</u>	Called Out.	On-Location	Job Start <u>4:45 PM</u>	Finish <u>5:15 PM</u>
Lease <u>Haines Trust</u>	Well No. <u>1</u>	Location <u>Galatia 2 1/2 E</u>		Rt County <u>KS</u>		State <u>KS</u>	
Contractor <u>Royal Drilling KS 1</u>				Owner			
Type Job <u>Surface</u>				To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Hole Size <u>12 1/4</u>	T.D. <u>924</u>			Charge To <u>Abaco Oil &amp; Gas Co., Inc</u>			
Csg. <u>8 1/2</u>	Depth			Street			
Tbg. Size	Depth			City			
Drill Pipe	Depth			State			
Tool	Depth			The above was done to satisfaction and supervision of owner agent or contractor.			
Cement Left in Csg. <u>10-15'</u>	Shoe Joint						
Press Max.	Minimum						
Meas Line	Displace <u>57 3/4 Bl</u>			<b>CEMENT</b>			
Perf.				Amount Ordered <u>350 lcs 3 1/2 CC 2 1/2 Gal</u>			
<b>EQUIPMENT</b>				Consisting of			
Pumptrk <u>1</u>	No.	Cementer <u>Steve</u>		Common			
Bulktrk <u>4</u>	No.	Driver <u>Dave D</u>		Poz. Mix			
Bulktrk	No.	Driver <u>Blender</u>		Gel.			
<b>JOB SERVICES &amp; REMARKS</b>				Chloride			
Pumptrk Charge				Hulls			
Mileage				Salt			
Footage				Flowseal			
Total							
Remarks: <u>Cement did Circulate</u>							
				Sales Tax			
				Handling			
				Mileage			
				Sub Total			
				Total			
				Floating Equipment & Plugs / <u>8 1/2 Rubber Plug</u>			
				Squeeze Manifold			
				Rotating Head			
RECEIVED KANSAS CORPORATION COMMISSION JUL 21 2008 CONSERVATION DIVISION WICHITA, KS							
X Signature <u>Dennis Boh</u>				Tax			
				Discount			
				Total Charge			

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

– **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

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

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

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

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 constructed as a warranty by QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data.

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



2984

**JAMES C. MUSGROVE**

Petroleum Geologist

P.O. Box 215

212 Main St.

Clafin, KS 67525

Office (620) 588-4250

Res. Clafin (620) 587-3444

Abarta Oil & Gas Inc.  
Haines Trust #1  
SE-NW-SW-SE; Section 19-16s-14w  
Barton County, Kansas  
Page No. 1

**Dry and Abandoned**

**CONFIDENTIAL**  
JUL 17 2008

**Contractor:** Royal Drilling Company (Rig #1)

**Commenced:** March 20, 2008

**Completed:** March 27, 2008

**Elevation:** 1928' K.B.; 1926' D.F.; 1923' G.L.

**Casing Program:** Surface; 8 5/8" @ 924'  
Production; none.

**Samples:** Samples saved and examined 2600' to the Rotary Total Depth.

**Drilling Time:** One (1) foot drilling time recorded and kept 2600' to the Rotary Total Depth.

**Measurements:** All depths measured from the Kelly Bushing.

**Formation Testing:** There were three (3) Drill Stem Test ran by Trilobite Testing Co.

**Electric Log:** By Superior Well Services; Dual Induction Log, Compensated Density/Neutron Porosity Log and Micro Log.

**Gas Detector:** None.

RECEIVED  
KANSAS CORPORATION COMMISSION

JUL 18 2008

CONSERVATION DIVISION  
WICHITA, KS

<u>Formation</u>	<u>Log Depth</u>	<u>Sub-Sea Datum</u>
Anhydrite	924	+1004
Topeka	2866	-938
Heebner	3096	-1168
Toronto	3113	-1185
Douglas	3130	-1202
Lansing	3161	-1233
Base Kansas City	3394	-1466
Conglomerate	3399	-1471
Arbuckle	3425	-1497
Rotary Total Depth	3510	-1582
Log Total Depth	3510	-1582

(All tops and zones corrected to Electric Log measurements.)

**SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.**

**TOPEKA SECTION**

- 2866-2876' Limestone; tan, yellow, oolitic, dense.
- 3040-3050' Limestone; gray, fossiliferous, chalky, spotty black tarry stain, no show of free oil and no odor (poor visible porosity).
- 3058-3068' Limestone; white, gray, few fossiliferous, chalky, poor visible

porosity.

**TORONTO SECTION**

3113-3130' Limestone; gray, white, oolitic, few medium crystalline, chalky, poor visible porosity, no shows.

**LANSING SECTION**

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**3471-3176'**  
**KCC**

3161-3171' Limestone; gray, oolitic, slightly cherty, poor visible porosity, trace brown and black stain, no show of free oil and no odor in fresh samples.

Limestone; gray, white, fine to medium crystalline, chalky, few cherty, trace gray boney chert.

3180-3180' Limestone; gray, white, fossiliferous, slightly chalky, brown and dark brown stain, trace of free oil and odor samples broken, few with scattered sub oomoldic and vuggy type porosity.

3194-3200' Limestone; gray, white, fossiliferous, few sub oomoldic, trace gray, black and brown stain, weak show of free oil and questionable odor in fresh samples.

**Drill Stem Test #1** **3166-3207'**

**Times: 30-30-45-60**

**Blow: Strong**

**Recovery: 800' gas in pipe**  
**96' mud cut gassy watery oil**  
**(10% gas, 55% oil, 10% water, 25% mud)**  
**62' mud cut gassy water**  
**(10% gas, 65% water, 25% mud)**  
**62' muddy water**

**Pressures: ISIP 665 psi**  
**FSIP 669 psi**  
**IFP 15-56 psi**  
**FFP 59-110 psi**  
**HSH 1574-1547 psi**

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3210-3226' Limestone; gray, slightly cherty (dense), trace gray chert.

3228-3231' Limestone; white, cream, chalky, poor visible porosity.

3234-3240' Limestone; gray, white, fossiliferous, chalky, trace brown and golden brown stain, no show of free oil and faint odor in fresh samples.

3256-3272 Limestone; tan, buff, oolitic, oomoldic, good oomoldic porosity, brown and golden brown stain, trace of free oil and no odor in fresh samples.

3296-3300' Limestone; tan, sub oomoldic, chalky, no shows.

3308-3316' Limestone; gray, white, sub oomoldic, chalky, few oolitic, no shows.

3323-3333' Limestone; gray/white, oolitic, chalky, poor gray and brown stain, poorly developed porosity, no free oil and no odor in fresh samples.

3340-3351' Limestone; white and gray, fossiliferous/oolitic, chalky, poor visible porosity, trace poor golden brown stain, no show of free oil and no odor in fresh samples, trace limestone, white, chalky, gray stain, no show of free oil.

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3369-3378  
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Limestone; gray, cream, fossiliferous, oolitic, chalky, poor brown stain, no show of free oil or odor in fresh samples.

**CONGLOMERATE SECTION**

3399-3425 Varied colored; boney and opaque chert in matrix of brick red and maroon shale.

3413-3415 Trace sand, medium grained, sub-rounded, calcerous, poor to fair intergranular porosity, no shows.

3415-3425 Chert, white, gray, weathered, brown edge staining, no shows Of free oil or odor.

**ARBUCKLE SECTION**

3425-3430 Dolomite, white and gray, medium crystalline, fair shale, black spotty stain, no show of free oil and no odor in fresh samples.

3430-3439 Dolomite, cream, white, medium crystalline, fair coarse crystalline, fair intercrystalline porosity, trace iron pyrite, b brown stain, show of free oil and faint to fair odor in fresh samples.

**Drill Stem Test #2 3386-3441'**

**Times: 30-30-30-30**  
**Blow: Weak**  
**Recovery: 5' mud with oil spots**  
**Pressures: ISIP 235 psi**  
**FSIP 92 psi**  
**IFP 32-52 psi**  
**FFP 33-33 psi**  
**HSH 1741-1669 psi**

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3446-3459' Dolomite; as above, sandy, spotty brown stain, trace of free oil and faint odor, plus iron pyrite.

3454-3470' Dolomite; white, coarse crystalline, good intercrystalline porosity, black spotty stain, no show of free oil and no odor in fresh samples.

3470-3480' Dolomite; as above, glauconitic, no shows.

3480-3490' Dolomite; as above, few cherty.  
3490-3500' Dolomite; white, finely crystalline, sandy, few sucrosic (barren).  
3500-3510' Dolomite; as above, highly sandy, dolomite, gray, white and pink,  
finely crystalline, few cherty, no shows.

Rotary Total Depth 3510 (-1582 0)  
Log Total Depth 3510 (-1582)

Remarks: On the positive analysis of the Electric Log, it was decided to run Drill  
Stem Test #3. **CONFIDENTIAL**

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Drill Stem Test #3 3428-3275' (Straddle Test)

Times: 30-30-45-45

Blow: Fair (5 ½ inches)

Recovery: 5' very slightly oil cut muddy water  
(3# oil, 65% water, 32% mud)  
90' muddy water

Pressures: ISIP 846 psi  
FSIP 840 psi  
IFP 18-36 psi  
FFP 37-61 psi  
HSH 1721-1724 psi

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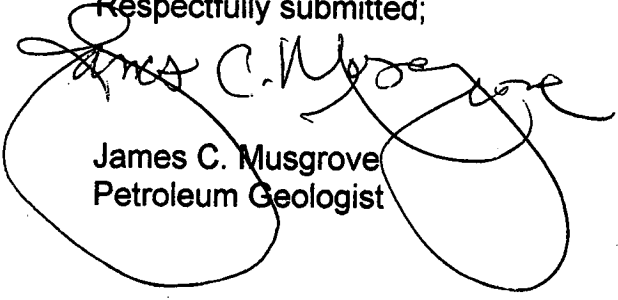
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**Recommendations:**

On the basis of the negative Drill Stem Test and low structural position, it was recommended by all parties involved, that the Haines Trust #1 be plugged and abandoned at the Rotary Total Depth 3510.

Respectfully submitted;

  
James C. Musgrove  
Petroleum Geologist

