

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 8729  
Name: HERTEL OIL CO. LLC  
Address: 704 EAST 12TH ST.  
City/State/Zip: HAYS, KANSAS 67601  
Purchaser: \_\_\_\_\_

RECEIVED  
3-25-2003  
MAR 25 2003  
KCC WICHITA

API No. 15 - 051-25194-00-00  
County: ELLIS  
Sec. 5 Twp. 11 S. R. 17  East  West  
1043' feet from S / (N) (circle one) Line of Section  
720' feet from E / (W) (circle one) Line of Section

Operator Contact Person: DAVID HERTEL  
Phone: (785) 628-2445  
Contractor: Name: MURFIN DRILLING CO.  
License: 30606  
Wellsite Geologist: RANDALL KILIAN

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE (NW) SW  
Lease Name: GANOUNG Well #: 1-5  
Field Name: BEMIS -SHUTTS  
Producing Formation: NONE  
Elevation: Ground: 2033' Kelly Bushing: 2038'  
Total Depth: 3678' Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 212' 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.

Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SLOW  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_

Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening  Re-perf.  Conv. to Enhr./SWD  
 Plug Back \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_  
 Commingled Docket No. \_\_\_\_\_  
 Dual Completion Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?) Docket No. \_\_\_\_\_

2/5/2003 2/11/2003 2/12/2003  
Spud Date or Date Reached TD Completion Date or Recompletion Date

Drilling Fluid Management Plan *Per to well 3.26.03*  
(Data must be collected from the Reserve Pit)  
Chloride content 58,000 ppm Fluid volume 400 bbls  
Dewatering method used EVAPORATION  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_ East West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

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

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

Signature: [Signature]

Title: co-owner/operator Date: 3-21-2003

Subscribed and sworn to before me this 25<sup>th</sup> day of MARCH

2003  
Notary Public: Arlene M. Brungardt

Date Commission Expires: 3-20-2005

**KCC Office Use ONLY**  
NO Letter of Confidentiality Attached  
If Denied, Yes  Date: \_\_\_\_\_  
YES Wireline Log Received  
YES Geologist Report Received  
\_\_\_\_ UIC Distribution

ARLENE M. BRUNGARDT  
NOTARY PUBLIC  
STATE OF KANSAS  
My Appt. Exp. 3-20-2005

Operator Name: HERTEL OIL CO. LLC Lease Name: GANOUNG Well #: 1-5  
 Sec. 5 Twp. 11 S. R. 17 East  West County: ELLIS

**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  Yes No  
 (Attach Additional Sheets)  
 Samples Sent to Geological Survey  Yes No  
 Cores Taken Yes No  
 Electric Log Run  Yes No  
 (Submit Copy)

Log Formation (Top), Depth and Datum  
 Name Top Datum

List All E. Logs Run:

RECEIVED (see enclosed sheet)

3-25-2003  
 MAR 25 2003

KCC WICHITA

CASING RECORD							
				New	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 PIPE	12 1/4"	8 5/8	23#	212'	COMMON	160	2%GEL&3%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		Acid, Fracture, Shot, Cement Squeeze Record		Depth
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)		

TUBING RECORD	Size	Set At	Packer At	Liner Run
				Yes No

Date of First, Resumed Production, SWD or Enhr.		Producing Method			
		Flowing	Pumping	Gas Lift	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, Sumit ACO-18.)       Other (Specify)

# DRILL STEM TESTS

15-051-23194-00-00

ORIGINAL

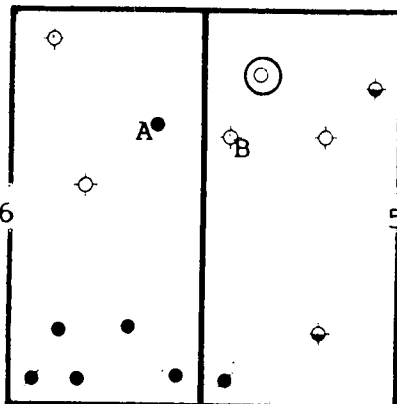
NO	INTERVAL	IFF/TIME	ISIP/TIME	FFP/TIME	FSIP/TIME	IHP/FHP	RECOVERY
1	LKc A-E 3251- 3358'	22# 49# 30"	845# 30"	51# 78# 60"	867# 60"	1654# 1576#	124' Mud
2	LKc H-L 3382- 3495'	20# 32# 30"	754# 30"	33# 41# 60"	799# 60"	1727# 1686#	25' Mud
3	Arb. 3593- 3611'	16# 29# 30"	1089# 30"	31# 42# 30"	1102# 45"	1866# 1805#	10' Oil 10' O,C,Mud
4	Arb. 3606- 3615'						Packer Failure
5	Arb. 3593- 3615'	20# 46# 30"	1072# 30"	50# 82# 60"	1090# 60"	1834# 1837#	10' Oil 124' O,C,Mud 10% Oil
6							
7							
8							

**RECEIVED**  
3-25-2003  
MAR 25 2003

**KCC WICHITA**

## FORMATION TOPS & STRUCTURAL GEOLOGY

R 17 W



REFERRED TO:

- A: HERTEL OIL CO.  
Jaco #1 Ap. N $\frac{1}{2}$  SE NE 6
- B: KAISER-FRANCIS  
Gumble #1 NW SW NW 5
- C: \_\_\_\_\_
- D: \_\_\_\_\_
- E: \_\_\_\_\_

STRATIGRAPHIC MARKERS	SUBJECT WELL			STRUCTURAL POSITION				
	SAMPLE	E. LOG	DATUM	A	B	C	D	E
Anhydrite	1289'	1285'	+ 753	+ 743	+ 757			
Base	1322'	1322'	+ 716	+ 709				
Topeka	2994'	2992'	- 954	- 958	- 956			
Heeb. Sh.	3220'	3217'	-1179	-1182	-1183			
Toronto	3241'	3242'	-1204	-1202	-1203			
Lansing	3264'	3260'	-1222	-1224	-1227			
Base Kc.	3495'	3494'	-1456	-1452				
Cong.	3525'	3524'	-1486	-1480				
Smp. Dolo.	3586'	3584'	-1546	-1544	-1541			
Re. Arb.	3602'	3601'	-1563					
Arb.	3606'	3606'	-1568	-1566	-1563			
T.D.	3678'	3678'	-1640	-1655	-1575			

**ALLIED CEMENTING CO., INC.**

P.O. BOX 31  
 RUSSELL, KS 67665  
 PH (785) 483-3887  
 FAX (785) 483-5566  
 FEDERAL TAX ID# 48-0727860

15-051-25194-00-00

ORIGINAL

\* \* \* \* \*  
 \* I N V O I C E \*  
 \* \* \* \* \*

Invoice Number: 089239

Invoice Date: 02/21/03

Sold Hertel Oil Co.  
 To: 704 E. 12th  
 Hays, KS  
 67601-3440

Cust I.D.....: Hertel  
 P.O. Number...: Ganoung #1  
 P.O. Date.....: 02/21/03

Due Date.: 03/23/03  
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	129.00	SKS	6.6500	857.85	E
Pozmix	86.00	SKS	3.5500	305.30	E
Gel	11.00	SKS	10.0000	110.00	E
Handling	215.00	SKS	1.1000	236.50	E
Mileage (22)	22.00	MILE	8.6000	189.20	E
215 sks @\$ .04 per sk per mi					
Plug	1.00	JOB	520.0000	520.00	E
Mileage pmp trk	22.00	MILE	3.0000	66.00	E
Plug	1.00	EACH	23.0000	23.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 2307.85  
 Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 0.00  
 If Account CURRENT take Discount of \$ 230.79 Payments: 0.00  
 ONLY if paid within 30 days from Invoice Date Total...: 2307.85

RECEIVED  
 3-25-2003  
 MAR 25 2003  
 KCC WICHITA

# ALLIED CEMENTING CO., INC.

10567

Federal Tax I.D.#

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

ORIGINAL  
SERVICE POINT:  
Russell

15-051-25194-00-00

DATE 2-12-03	SEC. 5	TWP. 4	RANGE 17	CALLED OUT 7:30 AM	ON LOCATION 9:30 AM	JOB START 10:30 AM	JOB FINISH Noon
LEASE <u>banding</u>	WELL # 1	LOCATION <u>Cadell-River Rd det</u>			COUNTY <u>Ellis</u>	STATE <u>KANSAS</u>	
OLD OR <u>NEW</u> (Circle one)		3E 2N					

CONTRACTOR Martin Dalg.

TYPE OF JOB Plug

HOLE SIZE 7 7/8 T.D. 3678

CASING SIZE 8 7/8 DEPTH 212

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT \_\_\_\_\_

OWNER SAME

CEMENT AMOUNT ORDERED 213 SKS 60/40

690 GEL

COMMON	<u>129</u>	@	<u>665</u>	<u>857.85</u>
POZMIX	<u>86</u>	@	<u>3.55</u>	<u>305.85</u>
GEL	<u>11</u>	@	<u>10.00</u>	<u>110.00</u>
CHLORIDE		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>215</u>	@	<u>1.40</u>	<u>236.50</u>
MILEAGE	<u>44/SV/MILE</u>			<u>189.20</u>
TOTAL				<u>1698.50</u>

EQUIPMENT

PUMP TRUCK CEMENTER RON

# 221 HELPER

BULK TRUCK DRIVER GLEN

# 362

BULK TRUCK DRIVER \_\_\_\_\_

# \_\_\_\_\_

REMARKS:

1st Plug 25 SKS @ 3575

2nd Plug 25 SKS @ 1325

3rd Plug 100 SKS @ 750

4th Plug 45 SKS @ 265

10 SKS M.H. 150 R.H.

SERVICE

DEPTH OF JOB \_\_\_\_\_

PUMP TRUCK CHARGE 520.00

EXTRA FOOTAGE @ \_\_\_\_\_

MILEAGE 8 5/8 DH. @ 23.00

PLUG 23 @ 3.00 66.00

@ \_\_\_\_\_

@ \_\_\_\_\_

TOTAL 609.00

CHARGE TO: HERTEL Oil Co.

STREET \_\_\_\_\_

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

RECEIVED  
ZIP  
MAR 25 2003  
3-25-2003  
KCC WICHITA

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 Louis McKenna

Louis McKenna  
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.**

P.O. BOX 31  
 RUSSELL, KS 67665  
 PH: (785) 483-3887  
 FAX: (785) 483-5566  
 FEDERAL TAX ID# 48-0727860

**ORIGINAL**

\* I N V O I C E \*

15-051-25194-00-00

Invoice Number: 089202

Invoice Date: 02/13/03

Sold Hertel Oil Co.  
 To: 704 E. 12th  
 Hays, KS  
 67601-3440

Cust I.D.....: Hertel  
 P.O. Number...: Ganoung #1-5  
 P.O. Date.....: 02/13/03

Due Date.: 03/15/03  
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	6.6500	1064.00	E
Gel	3.00	SKS	10.0000	30.00	E
Chloride	5.00	SKS	30.0000	150.00	E
Handling	160.00	SKS	1.1000	176.00	E
Mileage (23)	23.00	MILE	6.4000	147.20	E
160 sks @\$ .04 per sk per mi					
Surface	1.00	JOB	520.0000	520.00	E
Mileage pmp trk	23.00	MILE	3.0000	69.00	E
Plug	1.00	EACH	45.0000	45.00	E

All Prices Are Net, Payable 30 Days Following  
 Date of Invoice. 1 1/2% Charged Thereafter.  
 If Account CURRENT take Discount of \$ 220.12  
 ONLY if paid within 30 days from Invoice Date

Subtotal: 2201.20  
 Tax.....: 0.00  
 Payments: 0.00  
 Total....: 2201.20

RECEIVED  
 3-25-2003  
 MAR 25 2003  
 KCC WICHITA

*take discount*

# ALLIED CEMENTING CO., INC.

10566

Federal Tax I.D.#

ORIGINAL  
SERVICE POINT:

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

*Russell*

15-051-25194-00-00

2-6-03

DATE <u>2-5-03</u>	SEC. <u>5</u>	TWP. <u>11</u>	RANGE <u>17</u>	CALLED OUT <u>10:30 PM</u>	ON LOCATION <u>12:01 AM</u>	JOB START <u>2:00 AM</u>	JOB FINISH <u>2:15 AM</u>
LEASE <u>GANOUNG</u>	WELL # <u>#1-5</u>	N. HAYS LOCATION <u>TURKVILLE CAFE</u>		COUNTY <u>ELLIS</u>	STATE <u>KANSAS</u>		
OLD OR NEW (Circle one)			<u>2 1/2 N 1/2 E INTO</u>				

CONTRACTOR MURFIN DRLG Rig #8 OWNER Same

TYPE OF JOB SURFACE

HOLE SIZE 12 1/4 T.D. 213

CASING SIZE 8 5/8 DEPTH 212

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'-20'

PERFS.

DISPLACEMENT 12 3/4 BBL

EQUIPMENT

PUMP TRUCK # 177 CEMENTER [Signature]

HELPER Down

BULK TRUCK # 213 DRIVER

BULK TRUCK # DRIVER

CEMENT

AMOUNT ORDERED 160 SK Com.

2 90 GEL

3 90 C/C

COMMON	<u>160</u>	@	<u>665</u>	<u>1064.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>10.00</u>	<u>30.00</u>
CHLORIDE	<u>5</u>	@	<u>30.00</u>	<u>150.00</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>160</u>	@	<u>140</u>	<u>176.00</u>
FRORAGE	<u>44/SK</u>	@	<u>1.00</u>	<u>147.20</u>
TOTAL				<u>1567.20</u>

RECEIVED

3-25-2003  
MAR 25 2003

KCC WICHITA

REMARKS:

SERVICE

Cement Circ.

THANKS

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>520.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>23</u>	@	<u>3.00</u>
PLUG	<u>8 5/8 wooden</u>	@	<u>15.00</u>
		@	
		@	
TOTAL			<u>634.00</u>

CHARGE TO: HEATEL Oil Co.

STREET \_\_\_\_\_

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

FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		

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 Louis McKeinn

Louis McKeinn  
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.