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NOV 13 2010

KCC WICHITA

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Form ACO-1  
June 2009  
Form Must Be Typed  
Form must be Signed  
All blanks must be Filled

OPERATOR License # 30380  
Name HUPFER OPERATING, INC.  
Address 1: P.O. Box 3912  
Address 2: \_\_\_\_\_  
City Shwane State KS Zip 66203  
Contact Person Dennis D. Hupfer  
Phone ( 913 ) 400-3777  
CONTRACTOR License # 31548  
Name Discovery Drilling Co., Inc.  
Wellsite Geologist Jim Musgrove  
Purchaser NCRA

Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     WSW     SWD     SLOW  
 Gas     D&A     ENHR     SIGW  
 OG     GSW     Temp. Abd.  
 CM (Coal Bed Methane)  
 Cathodic     Other (Core, Expl., etc.): \_\_\_\_\_

If Workover/Re entry: Old Well Info as follows:  
Operator \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening     Re-perf.     Conv. to ENHR     Conv. to SWD  
 Conv. to GSW  
 Plug Back: \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_  
 Commingled    Permit #: \_\_\_\_\_  
 Dual Completion    Permit #: \_\_\_\_\_  
 SWID    Permit #: \_\_\_\_\_  
 ENHR    Permit #: \_\_\_\_\_  
 GSW    Permit #: \_\_\_\_\_  
Spud Date or Recompletion Date: 8/9/2010    Date Reached TD: 8/15/2010    Completion Date or Recompletion Date: 8/05/2010

API No. 15 - 009-25,448-00-00  
Spot Description: \_\_\_\_\_  
NW SE SE Sec. 21 Twp. 17 S. R. 14W  East  West  
990 Feet from  North /  South Line of Section  
990 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW  
County: Barton  
Lease Name: MORGENSTERN "B" Well #: 2  
Field Name: Carroll  
Producing Formation: Arbuckle  
Elevation: Ground: 1880 Kelly Bushing: 1888  
Total Depth: 3450 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 853 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.  
(30sk In Rat Hole)(20sk In Mouse Hole)

Drilling Fluid Management Plan  
(Data must be collected from the Reserve Pit)  
Chloride content: 16,000 ppm Fluid volume: 240 bbls  
Dewatering method used: Evaporation  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License #: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Permit #: \_\_\_\_\_

**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.

AFFIDAVIT

I am the affiant and I hereby certify that 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 Dennis D. Hupfer  
Title President Date: Oct. 25, 2010

KCC Office Use ONLY

Letter of Confidentiality Received  
Date: \_\_\_\_\_  
 Confidential Release Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
ALT  I  II  III Approved by: Dlg Date: 11/8/10

Operator Name: HUPFER OPERATING, INC. Lease Name: MORGENSTERN "B" Well #: 2  
 Sec. 21 Twp. 17 S. R. 14W  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 complete copy of all Electric Wire-line 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Anhydrite	844	+1044
Electric Log Run	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Heebner	3044	-1156
Electric Log Submitted Electronically <i>(If no. Submit Copy)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	Toronto	3056	-1168
List All E. Logs Run: <b>Microresistivity, dual inductions, Dual compensated porosity, cement bond.</b>		Brown Lime	3111	-1223
		Lansing	3120	-1232
		Base KC	3344	-1446
		Arbuckle	3364	-1476
		RTD	3449	-1561

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 Pipe	12 1/4	8 5/8	23	853	Common	275	2%Ge1&3%CC
Production St.	7 7/8	5 1/2	15.5	3445.45	50/50Poz	150	

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input checked="" type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	3374 to 3380	Common	35 sxs.	Squeeze water off-common cement

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
3	Arbuckle 3374 to 3380	300 gals. 15% mud acid	3374 to 3380
	3374 to 3380	Squeeze 35 sxs. common	
3	REpPerforate 3371 to 3378	250 gals. 15% NE FE	3371 to 3378

TUBING RECORD:	Size: <u>2-7/8</u>	Set At: <u>3410</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First. Resumed Production, SWD or ENHR. <b>Sept. 5, 2010</b>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil <u>25</u> Bbls.	Gas <u>TSTM</u> Mcf	Water <u>15</u> Bbls.	Gas-Oil Ratio	Gravity <u>37</u>
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DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input checked="" type="checkbox"/> Shut in <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify)	PRODUCTION INTERVAL <u>3371 to 3378</u>
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Hupfer Operating, Inc.  
Morgenstern #B-2  
NW-SE-SE Sec. 21-17-14W  
Barton, Co.

DST #1: Lansing 3117' to 3193' - 30-30-30-30. Recovered 15' drilling mud.  
ISIP 173, FSIP 136, IFP 26-32, FFP 34-36.

DST #2: Arbuckle - 3297' to 3373' - 20-30-15-30. Recovered 20' OCM. ISIP 838,  
FSIP 746, IFP 32-37, FFP 40-42.

DST #3: Arbuckle - 3298' to 3381'. 30-45-30-45. Recovered 180' GIP, 400' slightly  
mud cut gassy oil. ISIP 956, FSIP 937, IFP 41-119, FFP 130-192.

Completion: Perforate Arbuckle 3374 to 3380. Show natural. Acidize w/ 300 gal. 15%  
mud acid. Swab 40 BFPH, 18% oil. Squeeze perforations 3374 to 3380 w/ 35 sxs. common  
cement. Re-Perforate Arbuckle 3371 to 3378. No show natural. Acidize 250 gals. 15%  
NE-FE acid. Swab 8 BFHP, 50% oil. Ran tubing & rods.

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**QUALITY OILWELL CEMENTING, INC.**

740 West Wichita Ave, Russell KS 67665  
 Phone: 785-324-1041 fax: 785-483-1087  
 Email: cementing@ruraltel.net  
 Pratt Location 620-388-5422

Date: 8/10/2010  
 Invoice # 4134

P.O.#:

Due Date: 9/9/2010

Division:

# Invoice

**Contact:**

Hupfer Operating Inc  
 Address/Job Location:  
 Hupfer Operating Inc  
 P.O. Box 216  
 Hays Ks 67601

**Reference:**

MORGENSTERN B-2

**Description of Work:**

Services / Items Included:	Quantity	Price	Item	Quantity	Price
Surface Job	1	\$0.00			
Distance from Job location to Nearest Camp	21	\$180.52			
Premium Gel (Bentonite)	5	\$78.40			
Common-Class A	275	\$3,099.08			
Calcium Chloride	10	\$0.00			
Distance from Job location to Nearest Bulk Plant	21	\$105.63			
Truck Material-Material Service Charge	290	\$499.57			
Baffle Plate Aluminum, 8 5/8"	1	\$86.69			
8 5/8" Top Rubber Plug	1	\$102.10			

**Invoice Terms:** Labor: \$806.87

Net 30

Quoted by: Dave Funk

SubTotal: \$ 5,732.18

Discount Available ONLY if Invoice is Paid &  
 Received within listed terms of invoice: \$ (859.83)

Total: \$ 4,872.36

Tax: \$ 445.98

\$ 5,318.33

Applied Payments:

Balance Due: \$ 5,318.33

**Thank You For Your Business!**

Past Due Invoices are subject to a service charge (annual rate of 24%)

This does not include any applicable taxes unless it is listed.

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# QUALITY OILWELL CEMENTING, INC.

ne 785-483-2025  
il 785-324-1041

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

No. 4134

Date	8-10-2010	Sec.	21	Twp.	17	Range	14	County	Barton	State	Ks	On Location		Finish	6:00 AM
Lease	Morgenstern	Well No.	B-2			Location 281 <sup>st</sup> & 4 <sup>th</sup> Jct, IN to 130 Rd, 1/4 W									
Contractor	Discovery Rig #2							Owner N/S							
Type Job	Surface							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	12 1/4"			T.D. 854'											
Csg.	8 5/8"			Depth 853'											
Tbg. Size	Charge To Huffer operations														
Tool	Street														
Cement Left in Csg.	42'			Shoe Joint 42'			City					State			
Meas Line	Displace 51.66 BBLs			Cement Amount Ordered 275 sacks Common 3% cc 2 1/2 gal											

**EQUIPMENT**

Pumptrk	9	No.	Cementer	Deate	Common	275
			Helper			
Bulktrk	3	No.	Driver	Cisco	Poz. Mix	
			Driver			
Bulktrk	pickup	No.	Driver	Rick	Gel.	5
			Driver			

**JOB SERVICES & REMARKS**

Remarks:	Cement did Circulate.	Hulls
Rat Hole		Salt
Mouse Hole		Flowseal
Centralizers		Kol-Seal
Baskets		Mud CLR 48
D/V or Port Collar		CFL-117 or CD110 CAF 38

Sand	
Handling	290
Mileage	

**FLOAT EQUIPMENT**

Guide Shoe	
Centralizer	
Baskets	
AFU Inserts	
Float Shoe	
Latch Down	
	1- Baffle plate
	1- Rubber plug
Pumptrk Charge	Long Surface
Mileage	21

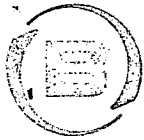
X Signature *Thomas J. N*

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Tax	
Discount	
Total Charge	



**BASIC**  
ENERGY SERVICES

PAGE 1 of 1	CUST NO 1001947	INVOICE DATE 08/24/2010
INVOICE NUMBER <b>1718 - 90391123</b>		

Pratt (620) 672-1201  
 B HUPFER OPERATING INC  
 I PO Box: 3912  
 L SHAWNEE  
 L KS US 66203  
 T  
 O ATTN:

J LEASE NAME Morgenstern B-2  
 O LOCATION  
 B COUNTY Barton  
 S STATE KS  
 I JOB DESCRIPTION Cement-New Well Casing/Pi  
 T  
 E JOB CONTACT

JOB # 40221502	EQUIPMENT # 20920	PURCHASE ORDER NO.	TERMS Net - 30 days	DUE DATE 09/23/2010
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	QTY	U of M	UNIT PRICE	INVOICE AMOUNT
<i>For Service Dates: 08/16/2010 to 08/16/2010</i>				
0040221502				
171802371A Cement-New Well Casing/Pi 08/16/2010 CNW-5 1/2" Longstring				
50/50 POZ	150.00	EA	7.15	1,072.42 T
60/40 POZ	50.00	EA	7.80	389.97 T
Salt	717.00	EA	0.32	233.01 T
Cement Friction Reducer	95.00	EA	3.90	370.47 T
Gilsonite	750.00	EA	0.44	326.60 T
Mud Flush	500.00	EA	0.56	279.48 T
Top Rubber Cement Plug	1.00	EA	68.25	68.25
Guide Shoe-Regular	1.00	EA	162.49	162.49
Flapper Type Insert Float Valves	1.00	EA	139.74	139.74
Turbolizer	8.00	EA	71.50	571.96
5 1/2" Basket	2.00	EA	188.49	376.97
Heavy Equipment Mileage	140.00	MI	4.55	636.96
Proppant & Bulk Delivery Charges	592.00	MI	1.04	615.64
Blending & Mixing Service Charge	200.00	MI	0.91	181.99
Unit Mileage Charge-Pickups, Vans & Cars	70.00	HR	2.76	193.36
Depth Charge; 3001'-4000'	1.00	HR	1,403.90	1,403.90
Plug Container Utilization Charge	1.00	EA	162.49	162.49
Service Supervisor	1.00	HR	113.74	113.74

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PLEASE REMIT TO:	SEND OTHER CORRESPONDENCE TO:	SUB TOTAL	7,299.44
BASIC ENERGY SERVICES, LP	BASIC ENERGY SERVICES, LP	TAX	195.05
PO BOX 841903	PO BOX 10460	INVOICE TOTAL	7,494.49
DALLAS, TX 75284-1903	MIDLAND, TX 79702		

# BASIC

energy services, L.P.

## TREATMENT REPORT

Customer <i>W. F. O'Neal</i>		Lease No.		Date	
Lease <i>MORGENSTEIN</i>		Well # <i>B-2</i>		<i>08-16-10</i>	
Field Order # <i>2371</i>	Station <i>Pratt</i>	Casing <i>5/8"</i>	Depth <i>444'</i>	County <i>BARTON</i>	State <i>KS</i>
Type Job <i>ENW 5 1/2" Gas/Steam</i>			Formation	Legal Description	

PIPE DATA		PERFORATING DATA		FLUID USED	TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP
<i>5 1/2"</i>							
Depth <i>444'</i>	Depth	From	To	Pre Pad	Max		5 Min.
Volume <i>1300</i>	Volume	From	To	Pad	Min		10 Min.
Max Press <i>1300</i>	Max Press	From	To	Frac	Avg		15 Min.
Well Connection <i>20</i>	Annulus Vol.	From	To		HHP Used		Annulus Pressure
Plug Depth <i>410'</i>	Packer Depth	From	To	Flush	Gas Volume		Total Load

Customer Representative			Station Manager <i>DAVE SCOTT</i>			Treater <i>Robert Jullie</i>		
Service Units	<i>1807</i>	<i>32708</i>	<i>20920</i>	<i>19960</i>	<i>19860</i>			
Driver Names	<i>John</i>	<i>Melton</i>		<i>Phye</i>				

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>2330</i>					<i>on loc. Satisfactory</i>
					<b>RECEIVED</b>
					<b>NOV 03 2010</b>
					<b>KCC WICHITA</b>
<i>2400</i>					<i>CASING ON BOTTOM</i>
<i>1210</i>					<i>HOOK' IN CIRC</i>
<i>1240</i>	<i>200</i>		<i>12</i>	<i>4.5</i>	<i>1st MUD Flush</i>
			<i>5</i>		<i>1st SPRING</i>
				<i>5.5</i>	<i>mix 150 sk 50/50 pot cont.</i>
			<i>36</i>		<i>cont mix, shut down, work being pump?</i>
					<i>Release Plug</i>
<i>1257</i>				<i>6</i>	<i>1st Prod.</i>
	<i>300</i>		<i>57</i>		<i>1st Prod.</i>
	<i>400</i>		<i>70</i>	<i>4</i>	<i>Flow Prod.</i>
<i>117</i>	<i>1300</i>		<i>81</i>		<i>Shut down flow held.</i>
			<i>6</i>		<i>1st Prod. w/ 30 sk 60/40 pot cont.</i>
			<i>9</i>		<i>1st Prod. w/ 40 sk 60/40 pot cont.</i>
					<i>1st Prod. w/ 40 sk 60/40 pot cont.</i>

# Agreement of Terms and Conditions

All sales of services, products, or materials by Basic Energy Services LP, (hereinafter called BES) to any Customer, unless otherwise set out in writing, are subject to the terms and conditions set out herein.

## Terms:

All Service Charges and materials included in service price list are NET. Unless satisfactory credit has been established, cash payment will be required in advance. Credit Customer agrees to pay BES in its office in Cisco, Texas, for all services and materials on or before the 20th of the following month after the date of the invoice. Customers invoice is considered in default if payment has not been received by the last day of the month following the month in which the invoice is dated and services delivered. Past due accounts will be subject to a charge for interest at the highest rate allowable by law, and if placed in the hands of an attorney for collection, Customer agrees to pay all collection costs, reasonable attorney fees and court costs.

## Taxes:

All prices are exclusive of any Federal, State or Special Taxes imposed on the sale or use of the merchandise and services listed, which taxes will be added to quoted prices where applicable. If payment of any applicable royalty or license fee is required in connection with any service performed by BES for Customer, such royalty or license fee will be billed to the Customer in addition to the price of the services performed.

## Special Pricing Provisions:

All materials listed in the price schedule are F.O.B. our field stock.

All prices are subject to change without notice.

The prices in this price list apply to normal operations. Special jobs under unusual circumstances on jobs requiring unusual mobilization of equipment and/or personnel, such as blowouts, experimental jobs, etc., are to be subject to special price quotations.

Orders for products of special design, size or materials are not subject to cancellation after processing of such order has begun by BES. Equipment altered, made to Customer's specifications, or requiring special handling, is subject to special prices.

If materials or services are ordered and the Customer cancels same after the materials have been prepared, a charge will be made to the Customer for expenses incurred.

Customer states that the well and all support personnel and services not being supplied by BES are ready and in condition to receive the materials and services being supplied by BES. Customer will be subject to a charge for "stand-by" time incurred by BES. For all BES services, stand-by time is all time our equipment is on location prior to commencement of operations or after completion of operations and is not operating for reasons not within the control of BES. Stand-by time is calculated from time of arrival on location or arrival time as scheduled by Customer, whichever is later, and until equipment is released by Customer.

## Towing Charges:

We will make reasonable attempts to get to and from the well under our own power. Should we be unable to do so because of poor or inadequate road conditions, and it becomes necessary to employ a tractor or other pulling equipment, such equipment will be supplied by the customer, or if furnished by us, the cost will be charged to the customer. In either event, Customer assumes liability for any damages arising from such pulling or arising from inadequate access to the well site.

## Product Return:

Any BES Products that have been in the hands of the Customer, if not special or obsolete, will be accepted for credit, subject to our approval and inspection, if they are new unused and in salable condition. The Customer will pay the return freight, and will receive credit at the original purchase price less the original outbound freight. Any material classified or ordered as special is not subject to return or cancellation privileges.

## Service Warranty:

There are obviously many conditions in and about the well which we can have no knowledge and over which we can have no control. Therefore, we do not guarantee any particular results from services to be performed hereunder. In interpreting information and making recommendations, either written or oral, as to type or amount of material or service to be furnished, or manner of performance, or in predicting results to be obtained therefrom, BES will give Customer the benefit of its best judgment based on its experience in the field. However, due to the Customer's control of the well the impracticality of providing BES with all the data concerning same, and the necessary reliance of BES upon supporting services, data and facts supplied by others, BES does not guarantee or warrant the accuracy or correctness of any facts, information or data furnished by BES or any interpretation of tests, meter readings, chart information, analysis of research or recommendations made by BES, unless caused by the willful misconduct or gross negligence of BES in the preparation of furnishing of such facts, information or data and NO WARRANTY IS GIVEN CONCERNING THE RECOMMENDATIONS MADE OR SERVICES RENDERED BY THE COMPANY AND NO WARRANTY IS MADE CONCERNING THE RESULTS SOUGHT TO BE OBTAINED THROUGH USE OF MATERIALS RECOMMENDED BY THE COMPANY. The Company's liability for injury to all persons or damage to any property or property rights, including but not limited to reservoir damage sub-surface trespass or drainage, etc., occasioned by reason of materials sold or rented or services performed hereunder shall be limited to those occurring due to the acts of willful misconduct or gross negligence of BES, and Customer agrees to be responsible for and indemnify BES against any loss or damage it may sustain by reason of materials sold or rented or services performed hereunder, unless such loss or damage is caused by the willful misconduct or gross negligence of BES.

## Product Warranty:

BES warrants all materials, products and supplies manufactured or furnished by it to be free from defects in material and workmanship, under normal use and service, when installed, used and serviced in the manner provided and intended, and that it can convey good title thereto. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OR MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BES's liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale of use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on the return to BES or at BES's option, to the allowance to the customer of credit for the cost of such items. In no event shall BES be liable for special, incidental, indirect, punitive or consequential damages.

## Service Conditions:

Because there are so many uncertain and unknown conditions not subject to our control, we can neither be liable for injuries to property or persons not for loss or damage arising from the performance of our services or resulting therefrom.

BES shall not be liable or responsible for a Customer shall defend, indemnify, and save BES harmless, and its officers, agents or employees, from and against any and all claims or causes of action for damage to Customer's property and of the well owner, or any third person, and for bodily injury, sickness or disease, including death resulting thereof, brought by or on behalf of Customer, the well owner, or any third person, arising out of or in connection with BES's performance of services or the furnishing of materials, products and supplies, unless caused by the willful misconduct or gross negligence of BES.

Customer shall also be responsible for and shall defend, indemnify and save BES harmless, and its officers, agents or employees, from and against any and all claims, causes of action and liabilities for damages occur-

ring as a result of sub-surface trespass arising out of any oil well operations or services performed by BES, this provision applying to any claims or legal actions or royalty owners, working interest holders, overriding royalty interest holders, or any other person or concern.

Should any of our equipment, tools or instruments become lost in the well when performing or attempting to perform our services hereunder, it is understood that the Customer shall make reasonable effort to recover the lost equipment. The Customer shall assume the entire responsibility for such fishing operations in the recovery or attempted recovery of any such lost equipment, tools or instruments and if such equipment, tools or instruments are not recovered, Customer shall pay BES its replacement cost unless such loss is due to the sole negligence of BES. If BES's equipment, tools or instruments are damaged in the well, Customer shall pay BES the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of BES.

Work done by BES shall be under the direction, supervision and control of the owner, operator, or his agent and BES will perform the work as an independent contractor and not as an employee or agent of the owner or operator.

The Customer shall at all times have complete care, custody and control of the well, the drilling and production equipment at the well and the premises about the well.

Any delays or failure by BES in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike, labor trouble, accident riot, acts of God, or any contingencies beyond the reasonable control of BES. Disposal of the chemicals used in the performance of this contract is the responsibility of Customer. Customer agrees the chemicals will be disposed of in accordance with all applicable Federal, State and local laws and regulations.

## General Provisions:

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BES reserves the right to change or modify the design of any BES product without obligation to furnish or install such changes or modification on products previously or subsequently sold.

Information regarding our services rendered in Customer's well is held in strict confidence and will be released to others only upon written approval by owner, or when required by Federal, State or Local Laws, Regulations, Orders or Ordinances, or for use as evidence in court proceedings involving the subject matter of services rendered.

Failure to enforce any or all of the herein specified terms or conditions in any particular instance shall not constitute a continuing waiver, or preclude subsequent enforcement thereof.

No employee, representative or agent other than an officer of BES is empowered to alter any of the herein specified terms and conditions.

These terms and condition shall be governed by the laws of the State of Texas, and in case of any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.





**BASIC**<sup>SM</sup>  
ENERGY SERVICES  
PRESSURE PUMPING & WIRELINE

10244 NE Hwy. 61  
P.O. Box 8613  
Pratt, Kansas 67124  
Phone 620-672-1201

FIELD SERVICE TICKET  
1718 02776 A

DATE \_\_\_\_\_ TICKET NO. \_\_\_\_\_

DATE OF JOB: 9/22/10	DISTRICT: PRATT KS	NEW WELL <input type="checkbox"/>	OLD WELL <input checked="" type="checkbox"/>	PROD <input type="checkbox"/>	INJ <input type="checkbox"/>	WDW <input type="checkbox"/>	CUSTOMER ORDER NO.:		
CUSTOMER: HANPER OPERATING, INC.	LEASE: MORGENSTERN	WELL NO. B-2							
ADDRESS:	COUNTY: BAYCON	STATE: KS							
CITY:	STATE:	SERVICE CREW: KG, KL, MCCARTHY							
AUTHORIZED BY:	JOB TYPE: OUV - DOC SQUEEZE								
EQUIPMENT#	HRS	EQUIPMENT#	HRS	EQUIPMENT#	HRS	TRUCK CALLED	DATE	AM	TIME
17907							9-20	PM	0600
21463	1					ARRIVED AT JOB		PM	0700
19826	1					START OPERATION		AM	0930
19860	1					FINISH OPERATION		PM	1100
						RELEASED		AM	1130
						MILES FROM STATION TO WELL			70

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered).

The undersigned is authorized to execute this contract as an agent of the customer. As such, the undersigned agrees and acknowledges that this contract for services, materials, products, and/or supplies includes all of and only those terms and conditions appearing on the front and back of this document. No additional or substitute terms and/or conditions shall become a part of this contract without the written consent of an officer of Basic Energy Services LP.

SIGNED: \_\_\_\_\_  
(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

ITEM/PRICE REF. NO.	MATERIAL, EQUIPMENT AND SERVICES USED	UNIT	QUANTITY	UNIT PRICE	\$ AMOUNT
C4160	COMMON CEMENT	35 sq.			560.00
C0132	DIESEL CEMENT SUPERMAN	5 gallon			600.00
E100	PICKUP TRUCK	70 mile			297.50
E101	TRUCK TRAILER	140 mile			580.00
E113	BULK DELIVERY	116 TON			184.80
C0204	TRUMP CHEMICAL	1 EACH			2160.00
C0240	BLOND CHEMICAL	35 sq.			49.00
5063	SERVICE SUPERVISOR OIL	1 EACH			175.00
C0500	SQUEEZE MANIPULATOR	1 EACH			430.00

SUB TOTAL 3642.32

CHEMICAL / ACID DATA: **RECEIVED**  
NOV 03 2010  
KCC WICHITA

SERVICE & EQUIPMENT	%TAX ON \$
MATERIALS	%TAX ON \$
TOTAL	

SERVICE REPRESENTATIVE: *H. Lindsey*  
THE ABOVE MATERIAL AND SERVICE ORDERED BY CUSTOMER AND RECEIVED BY: *[Signature]*  
(WELL OWNER OPERATOR CONTRACTOR OR AGENT)

FIELD SERVICE ORDER NO.

# Agreement of Terms and Conditions

All sales of services, products, or materials by Basic Energy Services LP, (hereinafter called BES) to any Customer, unless otherwise set out in writing, are subject to the terms and conditions set out herein.

## Terms:

All Service Charges and materials included in service price list are NET. Unless satisfactory credit has been established, cash payment will be required in advance. Credit Customer agrees to pay BES in its office in Cisco, Texas, for all services and materials on or before the 20th of the following month after the date of the invoice. Customer's invoice is considered in default if payment has not been received by the last day of the month following the month in which the invoice is dated and services delivered. Past due accounts will be subject to a charge for interest at the highest rate allowable by law, and if placed in the hands of an attorney for collection, Customer agrees to pay all collection costs, reasonable attorney fees and court costs.

## Taxes:

All prices are exclusive of any Federal, State or Special Taxes imposed on the sale or use of the merchandise and services listed, which taxes will be added to quoted prices where applicable. If payment of any applicable royalty or license fee is required in connection with any service performed by BES for Customer, such royalty or license fee will be billed to the Customer in addition to the price of the services performed.

## Special Pricing Provisions:

All materials listed in the price schedule are F.O.B. our field stock.

All prices are subject to change without notice.

The prices in this price list apply to normal operations. Special jobs under unusual circumstances on jobs requiring unusual mobilization of equipment and/or personnel, such as blowouts, experimental jobs, etc., are to be subject to special price quotations.

Orders for products of special design, size or materials are not subject to cancellation after processing of such order has begun by BES. Equipment altered, made to Customer's specifications, or requiring special handling, is subject to special prices.

If materials or services are ordered and the Customer cancels same after the materials have been prepared, a charge will be made to the Customer for expenses incurred.

Customer states that the well and all support personnel and services not being supplied by BES are ready and in condition to receive the materials and services being supplied by BES. Customer will be subject to a charge for "stand-by" time incurred by BES. For all BES services, stand-by time is all time our equipment is on location prior to commencement of operations or after completion of operations and is not operating for reasons not within the control of BES. Stand-by time is calculated from time of arrival on location or arrival time as scheduled by Customer, whichever is later, and until equipment is released by Customer.

## Towing Charges:

We will make reasonable attempts to get to and from the well under our own power. Should we be unable to do so because of poor or inadequate road conditions, and it becomes necessary to employ a tractor or other pulling equipment, such equipment will be supplied by the customer, or if furnished by us, the cost will be charged to the customer. In either event, Customer assumes liability for any damages arising from such pulling or arising from inadequate access to the well site.

## Product Return:

Any BES Products that have been in the hands of the Customer, if not special or obsolete, will be accepted for credit, subject to our approval and inspection, if they are new unused and in salable condition. The Customer will pay the return freight, and will receive credit at the original purchase price less the original outbound freight. Any material classified or ordered as special is not subject to return or cancellation privileges.

## Service Warranty:

There are obviously many conditions in and about the well which we can have no knowledge and over which we can have no control. Therefore, we do not guarantee any particular results from services to be performed hereunder. In interpreting information and making recommendations, either written or oral, as to type or amount of material or service to be furnished, or manner of performance, or in predicting results to be obtained therefrom, BES will give Customer the benefit of its best judgment based on its experience in the field. However, due to the Customer's control of the well the impracticality of providing BES with all the data concerning same, and the necessary reliance of BES upon supporting services, data and facts supplied by others, BES does not guarantee or warrant the accuracy or correctness of any facts, information or data furnished by BES or any interpretation of tests, meter readings, chart information, analysis of research or recommendations made by BES, unless caused by the willful misconduct or gross negligence of BES in the preparation of furnishing of such facts, information or data and NO WARRANTY IS GIVEN CONCERNING THE RECOMMENDATIONS MADE OR SERVICES RENDERED BY THE COMPANY AND NO WARRANTY IS MADE CONCERNING THE RESULTS SOUGHT TO BE OBTAINED THROUGH USE OF MATERIALS RECOMMENDED BY THE COMPANY. The Company's liability for injury to all persons or damage to any property or property rights, including but not limited to reservoir damage sub-surface trespass or drainage, etc., occasioned by reason of materials sold or rented or services performed hereunder shall be limited to those occurring due to the acts of willful misconduct or gross negligence of BES, and Customer agrees to be responsible for and indemnify BES against any loss or damage it may sustain by reason of materials sold or rented or services performed hereunder, unless such loss or damage is caused by the willful misconduct or gross negligence of BES.

## Product Warranty:

BES warrants all materials, products and supplies manufactured or furnished by it to be free from defects in material and workmanship, under normal use and service, when installed, used and serviced in the manner provided and intended, and that it can convey good title thereto. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OR MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BES's liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale of use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on the return to BES or at BES's option, to the allowance to the customer of credit for the cost of such items. In no event shall BES be liable for special, incidental, indirect, punitive or consequential damages.

## Service Conditions:

Because there are so many uncertain and unknown conditions not subject to our control, we can neither be liable for injuries to property or persons nor for loss or damage arising from the performance of our services or resulting therefrom.

BES shall not be liable or responsible for a Customer shall defend, indemnify, and save BES harmless, and its officers, agents or employees, from and against any and all claims or causes of action for damage to Customer's property and of the well owner, or any third person, and for bodily injury, sickness or disease, including death resulting therefrom, brought by or on behalf of Customer, the well owner, or any third person, arising out of or in connection with BES's performance of services or the furnishing of materials, products and supplies, unless caused by the willful misconduct or gross negligence of BES.

Customer shall also be responsible for and shall defend, indemnify and save BES harmless, and its officers, agents or employees, from and against any and all claims, causes of action and liabilities for damages occur-

ring as a result of sub-surface trespass arising out of any oil well operations or services performed by BES, this provision applying to any claims or legal actions or royalty owners, working interest holders, overriding royalty interest holders, or any other person or concern.

Should any of our equipment, tools or instruments become lost in the well when performing or attempting to perform our services hereunder, it is understood that the Customer shall make reasonable effort to recover the lost equipment. The Customer shall assume the entire responsibility for such fishing operations in the recovery or attempted recovery of any such lost equipment, tools or instruments and if such equipment, tools or instruments are not recovered, Customer shall pay BES its replacement cost unless such loss is due to the sole negligence of BES. If BES's equipment, tools or instruments are damaged in the well, Customer shall pay BES the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of BES.

Work done by BES shall be under the direction, supervision and control of the owner, operator, or his agent and BES will perform the work as an independent contractor and not as an employee or agent of the owner or operator.

The Customer shall at all times have complete care, custody and control of the well, the drilling and production equipment at the well and the premises about the well.

Any delays or failure by BES in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike, labor trouble, accident riot, acts of God, or any contingencies beyond the reasonable control of BES. Disposal of the chemicals used in the performance of this contract is the responsibility of Customer. Customer agrees the chemicals will be disposed of in accordance with all applicable Federal, State and local laws and regulations.

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# BASIC

energy services, L.P.

## TREATMENT REPORT

Customer <b>HAFFER OPERATIONS INC</b>	Lease No. <b>WORBENSTERN</b>	Date <b>9-20-10</b>
Lease <b>WORBENSTERN</b>	Well # <b>B-2</b>	
Field Order # <b>2116</b>	Station <b>PRATT, KS</b>	Casing <b>31</b>
Type Job <b>CNW - DOC SQUEEZE</b>	Depth <b>3438</b>	County <b>BARBON</b>
	Formation <b>ALB.</b>	State <b>KS</b>
		Legal Description <b>21-17-74</b>

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP	
<b>2 1/2</b>	<b>2 1/8</b>			Pre Pad	Max		5 Min.	
Depth	Depth	From <b>3374</b>	To <b>3380</b>	Pad	Min		10 Min.	
Volume	Volume	From	To	Frac	Avg		15 Min.	
Max Press	Max Press	From	To		HHP Used		Annulus Pressure	
Well Connection	Annulus Vol.	From	To	Flush	Gas Volume		Total Load	
Plug Depth	Packet Depth	From	To					

Customer Representative <b>DENNIS</b>	Station Manager <b>SCOTT</b>	Treater <b>COUSLEY</b>
Service Units <b>9907</b>	<b>27463</b>	<b>19826-19860</b>
Driver Names <b>KG</b>	<b>KIEVER</b>	<b>MICRAH</b>

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<b>1900</b>					<b>CW LOCATION</b>
					<b>PERFS - 3374-80 PKR-3322</b>
					<b>PSE ANN</b>
		<b>500</b>	<b>6</b>	<b>1 1/2</b>	<b>INT. RATE TBG - 1 1/2 BPM - 500'</b>
		<b>600</b>	<b>4</b>	<b>1 1/2</b>	<b>PUMP 4 bbl. DIESEL SPACER</b>
		<b>700</b>	<b>9</b>	<b>1 1/2</b>	<b>PUMP 35 SK DOC CEMENT</b>
		<b>800</b>	<b>4</b>	<b>1 1/2</b>	<b>PUMP 4 bbl. DIESEL SPACER</b>
		<b>800</b>	<b>0</b>	<b>1 1/2</b>	<b>START H2O FLUSH</b>
		<b>1000</b>	<b>20 1/2</b>	<b>1 1/2</b>	<b>CEMENT 15 PERFS</b>
		<b>2000</b>	<b>24 1/2</b>	<b>1 1/2</b>	<b>STOP - 2000' - 4 1/2' CMT.</b>
		<b>2000</b>			<b>STACKING 20 STAKES</b>
					<b>RELEASE BSU - HEAD</b>
					<b>RELEASE PACKER</b>
<b>1000</b>	<b>400</b>		<b>22</b>	<b>2</b>	<b>REVERSE OUT 4 bbl CMT.</b>
					<b>RUN 3 TEST 10 SUB</b>
<b>1030</b>	<b>300</b>		<b>30</b>	<b>2</b>	<b>REVERSE CLEAN</b>
					<b>PULL 3 TEST 10 SUB</b>
					<b>SET PKR</b>
<b>1100</b>		<b>500</b>			<b>PSE SQUEEZE TO 500'</b>
		<b>500</b>			<b>STOP ON TBC - 500'</b>
<b>1130</b>					<b>JOB COMPLETE</b>

RECEIVED  
NOV 13 2010  
KCC WICHITA