

CONFIDENTIAL

ORIGINAL 12/19/08

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 33979
Name: Clipper Energy LLC
Address 1: 3838 Oak Lawn
Address 2: _____
City: Dallas State: TX Zip: 75219 + _____
Contact Person: Bill Robinson
Phone: (214) 220-1080 **CONFIDENTIAL**
CONTRACTOR: License # 33724 **DEC 1 9 2008**
Name: Warren Drilling, LLC
Wellsite Geologist: Bill Robinson **KCB**
Purchaser: Coffeyville
Designate Type of Completion:
 New Well _____ Re-Entry _____ Workover
 Oil _____ SWD _____ SIOW
_____ Gas _____ ENHR _____ SIGW
_____ CM (Coal Bed Methane) _____ Temp. Abd.
_____ Dry _____ Other _____
(Core, WSW, Expl., Cathodic, etc.)

If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
_____ Deepening _____ Re-perf. _____ Conv. to Enhr. _____ Conv. to SWD
_____ Plug Back: _____ Plug Back Total Depth
_____ Commingled _____ Docket No.: _____
_____ Dual Completion _____ Docket No.: _____
_____ Other (SWD or Enhr.?) _____ Docket No.: _____

<u>9-30-08</u>	<u>10-6-08</u>	<u>11-14-08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

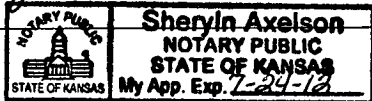
API No. 15 - 15-065-23486-0000
Spot Description: _____
_____se_nw_ne Sec. 33 Twp. 9 S. R. 21 East West
1100 Feet from North / South Line of Section
1600 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Graham
Lease Name: Deyoung Well #: 4
Field Name: Cooper
Producing Formation: Arbuckle
Elevation: Ground: 2313 Kelly Bushing: 2321
Total Depth: 3970 Plug Back Total Depth: 3970
Amount of Surface Pipe Set and Cemented at: 227 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1830 Feet
If Alternate II completion, cement circulated from: 1830
feet depth to: surface w/ 400 sx cmt.

Drilling Fluid Management Plan AFINS 210-09
(Data must be collected from the Reserve Pit)
Chloride content: _____ ppm Fluid volume: _____ bbls
Dewatering method used: _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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

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

Signature: [Signature]
Title: Geologist Date: 12-19-08
Subscribed and sworn to before me this 19th day of December,
20 08.
Notary Public: Sheryln Axelson
Date Commission Expires: 7-24-12



KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received **RECEIVED**
 UIC Distribution **KANSAS CORPORATION COMMISSION**
DEC 22 2008

Operator Name: Clipper Energy LLC Lease Name: Deyoung Well #: 4
 Sec. 33 Twp. 9 S. R. 21 East West County: Graham

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: RAG	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum T/Anhydrite 1729 592 B/KC 3765 -1444
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
surface	12 1/4	8 5/8	23	227	common	160	3%cc + 2% gel
production	7 7/8	5 1/2	14	3970	common	185	500 gals WFR

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
4	3869	natural	na

TUBING RECORD: Size: <u>2 7/8</u> Set At: <u>3869</u> Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr. <u>11-14-08</u>		Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls. <u>10</u>	Gas Mcf <u>0</u>	Water Bbls. <u>50</u>

DISPOSITION OF GAS: <input checked="" type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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December 19, 2008

Kansas Corporation Commission
Finney State Office Building
1300 South Market
Room 2078
Wichita, KS 67202-3802

Re: ACO1 Filings, DeYoung #4
API #15-065-23486

Gentlemen:

Clipper Energy, LLC hereby requests that the information included with this letter be held in confidence for the maximum time allowed.

Sincerely,

A handwritten signature in cursive script that reads "Sheryln Axelson".

Sheryln Axelson
Field Office Secretary

/sda

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 22 2008

CONSERVATION DIVISION
WICHITA, KS

CONFIDENTIAL

DEC 19 2008

KCC

ALLIED CEMENTING CO., LLC.

35018

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

SERVICE POINT:

Russell

DATE <u>12-20-08</u>	SEC <u>33</u>	TWP <u>9</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION	JOB START <u>5:00am</u>	JOB FINISH <u>4:30pm</u>
LEASE <u>Debbins</u>	WELL # <u>4</u>	LOCATION <u>Pako Reoline SW 5 into</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Warren Drilling

TYPE OF JOB Drill job (Bottom Stage)

HOLE SIZE 7-7/8 T.D. 3970

CASING SIZE 5 1/2 IN DEPTH 3970

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL Drill Bit DEPTH 1830

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT 38.57

CEMENT LEFT IN CSG. 38.57

PERFS.

DISPLACEMENT 96BL

OWNER

CEMENT

AMOUNT ORDERED 1856m

EQUIPMENT

PUMP TRUCK CEMENTER Craig

417 HELPER Matt

BULK TRUCK

341 DRIVER Carl G.B.

BULK TRUCK

DRIVER

Soogai WFR-2

COMMON D. 185 @ 12.50/2497.50

POZMIX @

GEL @

CHLORIDE @

ASC @

Soogai WFR-2 @ 1.10 550.00

RECEIVED

KANSAS CORPORATION COMMISSION

DEC 22 2008

CONSERVATION DIVISION

WICHITA, KS

HANDLING 185 @ 2.25 416.25

MILEAGE 110.00

TOTAL 4573.75

REMARKS:

In sensor @ 3931.43ft.

Fixed 185sk common & displaced.

Plug landed 1522PS. Hole.

Released

DRY

Thanks!

CHARGE TO: Clipper

STREET

CITY STATE ZIP

SERVICE

DEPTH OF JOB

PUMP TRUCK CHARGE 1987.00

EXTRA FOOTAGE @

MILEAGE 60 @ 7.50 450.00

MANIFOLD @

TOTAL 2407.00

4573.75
+ 2407.00
+ 24 27.00
\$12,457.75

PLUG & FLOAT EQUIPMENT

1 5/8 Guide shoe 186.00

1 Drill Tool @ 1500.00

Wrench down Assembly @ 407.00

6 Turbodrills @ 77.00 462.00

TOTAL 5477.00

To Allied Cementing Co., LLC.

You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Joel Hawthorn

SIGNATURE Joel Hawthorn

SALES TAX (If Any)

TOTAL CHARGES

DISCOUNT **CONFIDENTIAL** PAID IN 30 DAYS

DEC 19 2008

KCC

GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

—SERVICE CONDITIONS AND LIABILITIES:

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

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

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

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

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

WARRANTIES:

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

2. More specifically:

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

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

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

ALLIED CEMENTING CO., LLC.

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

SERVICE POINT:
Kansas

DATE <i>10-1-08</i>	SEC. <i>23</i>	TWP. <i>9</i>	RANGE <i>21</i>	CALLED OUT	ON LOCATION	JOB START <i>11:15 AM</i>	JOB FINISH <i>12:15 PM</i>
LEASE <i>Drilling</i>		WELL # <i>11</i>	LOCATION <i>Water 13520 4 S</i>		COUNTY <i>Phillips</i>	STATE <i>Kansas</i>	
OLD OR NEW (Circle one)							

CONTRACTOR *W. Ryan Dale Ditch #14*

TYPE OF JOB *SURFACE*

HOLE SIZE *13 1/2* T.D. *227*

CASING SIZE *5 1/2* DEPTH *227*

TUBING SIZE DEPTH

DRILL PIPE *4 1/2* DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. *15'*

PERFS.

DISPLACEMENT *13 1/2 / BBL*

OWNER

CEMENT

AMOUNT ORDERED *1600 lb Cement*

21 gal

3200

COMMON @

POZMIX @

GEL @

CHLORIDE @

ASC @

@

@

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 22 2008

CONSERVATION DIVISION
WICHITA, KS

HANDLING @

MILEAGE @

EQUIPMENT

PUMP TRUCK CEMENTER *Gary*

398 HELPER *Gary*

BULK TRUCK

410 DRIVER *Mike*

BULK TRUCK

DRIVER

REMARKS:

Cement Circulated

THANKS

CHARGE TO: *CLIPPER ENERGY*

STREET

CITY STATE ZIP

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME

SIGNATURE *Robert W. A.*

TOTAL

SERVICE

DEPTH OF JOB

PUMP TRUCK CHARGE

EXTRA FOOTAGE @

MILEAGE @

MANIFOLD @

@

@

TOTAL

PLUG & FLOAT EQUIPMENT

@

@

@

@

@

TOTAL

SALES TAX (If Any)

TOTAL CHARGES

DISCOUNT

CONFIDENTIAL PAID IN 30 DAYS

DEC 19 2008

KCC

GENERAL TERMS AND CONDITIONS

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—**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.

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

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

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

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

WARRANTIES:

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

2. More specifically:

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

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

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

ALLIED CEMENTING CO., LLC.

35019

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

SERVICE POINT:

Russell

DATE <u>10-20-08</u>	SEC <u>33</u>	TWP. <u>9</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION	JOB START <u>10:30am</u>	JOB FINISH <u>7:30pm</u>
LEASE <u>Young</u>	WELL # <u>4</u>	LOCATION <u>Palco Redline SW Sinto</u>			COUNTY <u>Cochran</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Warren Drilling #14

TYPE OF JOB Production String Top Stage

HOLE SIZE 7 7/8 T.D.

CASING SIZE 5 1/2 147 DEPTH

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DV Tool #51 DEPTH 1830

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT 44' 252

EQUIPMENT

PUMP TRUCK CEMENTER Craig

417 HELPER Matt

BULK TRUCK

396 DRIVER Neale/Chad

BULK TRUCK

DRIVER

REMARKS:

DV Tool 1830
Keystone 30 SK
Mixed HOOSK + cement circulated!
Displaced plug + landed 1500 PSI.
Released by
THANKS!

OWNER

CEMENT

AMOUNT ORDERED 400 60% 60% 60%

COMMON 240 @ 13.50 3240.00

POZMIX 160 @ 7.55 1208.00

GEL 24 @ 20.25 486.00

CHLORIDE @

ASC @

Flo Seal " 100lbs @ 2.45lb 245.00

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 22 2008
CONSERVATION DIVISION
WICHITA, KS

HANDLING 428 SK @ 2.25 963.00

MILEAGE 1000/mile 2368.00

TOTAL 8710

8710.00
159.00
\$ 9869.00

SERVICE

DEPTH OF JOB

PUMP TRUCK CHARGE 1159.00

EXTRA FOOTAGE @

MILEAGE @

MANIFOLD @

TOTAL 1159.00

PLUG & FLOAT EQUIPMENT

@

@

@

@

@

TOTAL

SALES TAX (If Any)

TOTAL CHARGES

DISCOUNT IF PAID IN 30 DAYS

CHARGE TO: Client

STREET

CITY STATE ZIP

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Joel Hawthorn

SIGNATURE Joel Hawthorn

CONFIDENTIAL

DEC 19 2008

KCC

GENERAL TERMS AND CONDITIONS

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

—**TERMS:** Unless satisfactory credit has been established, CUSTOMER must tender full cash payment to 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.