

Kansas Corporation Commission OIL & GAS CONSERVATION DIVISION

ORIGINAL

October 2008 Form Must Be Typed

WELL COMPLETION FORM WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 33979	API No. 15 - 15-137-20497-2000
Name: Clipper Energy LLC	Spot Description:
Address 1: _3838 Oak Lawn	c _sw _se _nw _sec. 26 _twp. 5 _s. R. 21 _ ☐ East
Address 2:	2310 Feet from A North / South Line of Section
City: Dallas State: TX zip: 75219 +	Feet from East / West Line of Section
Contact Person: Bill Robinson	Footages Calculated from Nearest Outside Section Corner:
Phone: (214) 220-1080 CONFIDENTIAL	□ NE ØNW ØSE □SW
CONTRACTOR: License # 33724 DEC 9 3 2008	County: Norton
Name: Warren Drilling, LLC	Lease Name: Kemper Well #: 2
Wellsite Geologist: Bill Robinson KCC	Field Name: Ray, W.
Purchaser: Coffeyville	Producing Formation: Reagan
Designate Type of Completion:	Elevation: Ground: 2242 Kelly Bushing: 2250
New Weil Re-EntryWorkover	Total Depth: 3763 Plug Back Total Depth: 3763
✓ Oil SWD SIOW	Amount of Surface Pipe Set and Cemented at: 222 Feet
Gas ENHR SIGW	Multiple Stage Cementing Collar Used? ✓ Yes ☐ No
CM (Coal Bed Methane) Temp. Abd.	If yes, show depth set: 1916 Feet
Dry Other(Core, WSW, Expl., Cathodic, etc.)	If Alternate II completion, cement circulated from: 1916
If Workover/Re-entry: Old Well Info as follows:	feet depth to: surface w/ 550 sx cmt.
Operator:	Drilling Fluid Management Plan AHA J 350 9
Well Name:	(Data must be collected from the Reserve Pit)
Original Comp. Date: Original Total Depth:	Chloride content: ppm Fluid volume: bbls
Deepening Re-perf Conv. to Enhr Conv. to SWD	Dewatering method used:
Plug Back: Plug Back Total Depth	
Commingled Docket No.:	Location of fluid disposal if hauled offsite:
Dual Completion	Operator Name:
Other (SWD or Enhr.?) Docket No.:	Lease Name: License No.:
<u>11-25-08</u> <u>11-29-08</u> <u>12-15-08</u>	QuarterSecTwpS. R East West
Spud Date or Date Reached TD Completion Date or Recompletion Date	County: Docket No.:
Kansas 67202, within 120 days of the spud date, recompletion, workover or or of side two of this form will be held confidential for a period of 12 months if rec	the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information quested in writing and submitted with the form (see rule 82-3-107 for confidenell report shall be attached with this form. ALL CEMENTING TICKETS MUST rm with all temporarily abandoned wells.
are complete and correct to the best of my knowledge.	he oil and gas industry have been fully complied with and the statements herein
Signature:	KCC Office Use ONLY
Title: Geologist Date: 12-19-02	John of Confidentially Barrier
Subscribed and sworn to before me this 23rd day of Olcember	Letter of Confidentiality Received If Denied, Yes Date:
20 08	Wireline Log Received
$\lambda_{k,\alpha}$, $\lambda_{k,\alpha}$, $\lambda_{k,\alpha}$	Geologist Report Received RECEIVED
Notary Public: <u>XINITYIN UXULSON</u>	UIC Distribution KANSAS CORPORATION COMMISSION
Date Commission Expires: 7-24-12 SheryIn A	
H NOIANTE	1916 I UE 3 1 2000
STATE OF K	ANSAS

My App. Exp.

Side Two

Operator Name: Clip	per Energy LLC	<u> </u>	Lease Na	_{ame:} Kemper		Well #: _2		
Sec. <u>26</u> Twp. <u>5</u>			County:	Norton		100 m 100 m 100 m		
time tool open and clos	sed, flowing and shu s if gas to surface to	est, along with final cha	r shut-in pressu	ire reached static I	evel, hydrostatic	pressures, bottom	hole temperature, fluid	
Orill Stem Tests Taken	heats)	☐ Yes ☑ No	***	✓ Log Form	nation (Top), Dep	oth and Datum	Sample	
·	,	√l Ves □ No		Name	•	Тор	Datum	
Samples Sent to Geological Survey Cores Taken Electric Log Run (Submit Copy)				T/Anhydrite B/KC	rdrite 1833 3614		417 -1364	
List All E. Logs Run:								
			NG RECORD	New Used				
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weigh Lbs. / F	t Setting	Туре с		Type and Percent Additives	
surface	12 1/4	8 5/8	23	222	commor		3%cc + 2% gel	
production	7 7/8	5 1/2	14	3763	commor	n 175	500 gals WFR	
· · · · · · · · · · · · · · · · · · ·								
Purpose:	Depth			S / SQUEEZE RECO				
Perforate Protect Casing Plug Back TD Plug Off Zone	Top Bottom	Type of Cement	#Sacks U	sea	туре	and Percent Additive	S	
Shots Per Foot		ION RECORD - Bridge P		Acid		ement Squeeze Reco	ord Depth	
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4	3659			natura			na	
			:			CON	FIDENTIAL	
TUBING RECORD: 2 7	Size:	Set At: 3634	Packer At:	Liner Run:	Yes [EC 2 3 2008	
Date of First, Resumed F		hr. Producing M	_	Flowing P	umping 🔲 G	Sas Lift Oth	KCC ner (Explain)	
Estimated Production Per 24 Hours	Oil 8	Bbls. Gas	Mcf	Water 80	Bbls.	Gas-Oil Ratio	Gravity 32	
DISPOSITIO			METHOD OF C	_	_			
✓ Vented Sold	Used on Lease	Open Hole	Perf.	Dually Comp.	Commingled			

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



December 23, 2008

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

Re: ACO1 Filings, Kemper #2 API #15-137-20497

Gentlemen:

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

Sincerely, Sheryln ayelson

Sheryln Axelson Field Office Secretary

/sda

CONFIDENTIAL

DEC 2 3 2008

KCC

RECEIVED KANSAS CORPORATION COMMISSION

DEC 3 1 2008

CONSERVATION DIVISION WICHITA, KS

ALLIED CEMENTING CO., LLC. 64.71

REMIT TO P.O. B RUSSI	OX 31 ELL, KANSAS 676	65		SER	VICE POINT:	55-61
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CONSERVATION DIVISION WICHITA, KS

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. 34672

REMIT TO P.O. B	OX 31 ELL, KANSA	<u> </u>	65	The		SE	RVICE POINT	4)
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CONSERVATION DEVISION WICHTEL ICS

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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.
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- 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. 034965

DATE //-24-08 Kemper LEASE OLD OR NEW Cir CONTRACTOR V TYPE OF JOB SIR HOLE SIZE 12	26 /5 WELL# 2	S 6766	RANGE	CALLED OUT	ON LOCATION	JOB START 8:15 pm	JOB FINISH 8:450m
LEASE OLD OR NEW Cir CONTRACTOR V TYPE OF JOB SW HOLE SIZE 12	26 /5 WELL# 2	VP.		CALLED OUT	ON LOCATION	JOB START	JOB FINISH
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CONSERVATION DIVIGIOS

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.