

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
CONTRACTOR: License # 33724 DEC 10 2008
Name: Warren Drilling, LLC
Wellsite Geologist: Bill Robinson KCC
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.: _____

11-15-08	11-20-08	12-8-08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

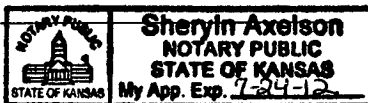
API No. 15 - 15-065-23508 - 0008
Spot Description: _____
SE SW NE Sec. 33 Twp. 9 S. R. 21 East West
2045 Feet from North / South Line of Section
1670 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Graham
Lease Name: Deyoung Well #: 5
Field Name: Cooper
Producing Formation: Arbuckle
Elevation: Ground: 2293 Kelly Bushing: 2301
Total Depth: 3934 Plug Back Total Depth: 3942
Amount of Surface Pipe Set and Cemented at: 221 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1734 Feet
If Alternate II completion, cement circulated from: 1734
feet depth to: surface w/ 450 sx cmt.

Drilling Fluid Management Plan ATTN: 240-09
(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: B. Robinson
Title: Geologist Date: 12-15-08
Subscribed and sworn to before me this 19th day of December,
2008.
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
 UIC Distribution
RECEIVED
KANSAS CORPORATION COMMISSION
DEC 22 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Clipper Energy LLC Lease Name: Deyoung Well #: 5
 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: <p style="text-align: center;">RAG</p>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>T/Anhydrite</td> <td>1768</td> <td>533</td> </tr> <tr> <td>B/KC</td> <td>3738</td> <td>-1437</td> </tr> </table>	Name	Top	Datum	T/Anhydrite	1768	533	B/KC	3738	-1437
Name	Top	Datum								
T/Anhydrite	1768	533								
B/KC	3738	-1437								

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	221	common	160	3%cc + 2% gel
production	7 7/8	5 1/2	14	3942	common	175	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	3843	natural	na
		CONFIDENTIAL	
		RECEIVED DEC 19 2008 KANSAS CORPORATION COMMISSION	
		KCC	
		DEC 22 2008	

TUBING RECORD:	Size: <u>2 7/8</u>	Set At: <u>3818</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CONSERVATION DIVISION WICHITA, KS
Date of First, Resumed Production, SWD or Enhr. <u>12-8-08</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 Bbbls. <u>15</u>	Gas Mcf <u>0</u>	Water Bbbls. <u>30</u>	Gas-Oil Ratio	Gravity <u>32</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: _____ _____
--	---	--

ALLIED CEMENTING CO., LLC. 034952

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

SERVICE POINT:
Russell KS

DATE <u>11-15-08</u>	SEC. <u>33</u>	TWP. <u>9</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION	JOB START <u>2:30am</u>	JOB FINISH <u>3:00am</u>
LEASE <u>DeYoung</u>	WELL # <u>5</u>		LOCATION <u>Falco KS VC Redline Rd & Church</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>
OLD OR <u>NEW</u> (Circle one)			<u>of God 1/4 West South rate</u>				

CONTRACTOR Vision Oil & Gas Rig #14

OWNER _____

TYPE OF JOB _____

HOLE SIZE 12 1/4 T.D. 221

CASING SIZE 8 5/8 23' DEPTH 221

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 13.11 Bbl

EQUIPMENT _____

PUMP TRUCK # 409 CEMENTER John Roberts
HELPER Robert

BULK TRUCK # 396 DRIVER Chad

BULK TRUCK # _____ DRIVER _____

REMARKS:

Est. circulation Mix 160 sk cement
Displace w/ 13.11 Bbl H₂O
Cement did circulate!
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. Mickel

CEMENT AMOUNT ORDERED 160 com 3% cc 2% Gel

COMMON	<u>160</u>	@	<u>13⁵⁰</u>	<u>2160⁰⁰</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>20²⁵</u>	<u>60⁷⁵</u>
CHLORIDE	<u>6</u>	@	<u>51⁵⁰</u>	<u>309⁰⁰</u>
ASC		@		

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

HANDLING	<u>169</u>	@	<u>2²⁵</u>	<u>380²⁵</u>
MILEAGE	<u>.10⁰⁰/sk/mile</u>			<u>929⁵⁰</u>
TOTAL				<u>3839⁵⁰</u>

SERVICE _____

DEPTH OF JOB				
PUMP TRUCK CHARGE				<u>991⁰⁰</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>55</u>	@	<u>7⁰⁰</u>	<u>385⁰⁰</u>
MANIFOLD		@		

<u>3839⁵⁰</u>	
<u>1376⁰⁰</u>	
<u>66⁰⁰</u>	
<u>\$5281⁵⁰</u>	TOTAL <u>1376⁰⁰</u>

PLUG & FLOAT EQUIPMENT

	@	
	@	
<u>8 5/8 Wooden Plug</u>	@	<u>66⁰⁰</u>
	@	
	@	
TOTAL		<u>66⁰⁰</u>

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 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. 35095

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

SERVICE POINT:
Russell

DATE <u>11-22-08</u>	SEC. <u>33</u>	TWP. <u>9S</u>	RANGE <u>21W</u>	CALLED OUT	ON LOCATION	JOB START <u>2:30 PM</u>	JOB FINISH <u>3:30 PM</u>
LEASE <u>De Young</u>	WELL# <u>5</u>	LOCATION <u>Patrol + Redline Rd</u>			COUNTY <u>Barber</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>		<u>4 1/2 5 in.</u>					

CONTRACTOR V. Dilling R. #14
 TYPE OF JOB Producing Stage 750 Stage
 HOLE SIZE 2 7/8 T.D. 3950
 CASING SIZE 5 1/2 14 # DEPTH 3941.68
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL D.V. Tool DEPTH 1733.87
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 9.12
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT 42.30 bbl

EQUIPMENT

PUMP TRUCK CEMENTER Shane
 # 351 HELPER Gay
 BULK TRUCK _____
 # 394 DRIVER Derry Dalling
 BULK TRUCK _____
 # _____ DRIVER _____

REMARKS:
3 1/2" hole 30 sks
Make hole 15 sks
Landed plug 15:00 pm
D.V. Tool Closed

CHARGE TO: Chippa 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 Joel Hawthorn
 SIGNATURE Joel Hawthorn

OWNER _____
 CEMENT AMOUNT ORDERED 450 60% C.C.G 1 1/4 # FL

COMMON	<u>270</u>	@	<u>13.50</u>	<u>3645.00</u>
POZMIX	<u>180</u>	@	<u>7.55</u>	<u>1359.00</u>
GEL	<u>23</u>	@	<u>20.25</u>	<u>465.75</u>
CHLORIDE		@		
ASC		@		
<u>Flt Seal 112</u>		@	<u>2.45</u>	<u>274.40</u>
RECEIVED KANSAS CORPORATION COMMISSION				
DEC 22 2008				
CONSERVATION DIVISION WICHITA, KS				
HANDLING	<u>473</u>	@	<u>2.25</u>	<u>1064.25</u>
MILEAGE	<u>110/11 mile</u>			<u>2365.00</u>
TOTAL				<u>9173.40</u>

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____ 1159.00
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 50 @ 9 _____
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____

TOTAL 1159.00

10332.40
-102 1033.24
9299.15 PLUG & FLOAT EQUIPMENT

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

CONFIDENTIAL
 DEC 19 2008
KCC

Thanks!

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 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.

35094

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

SERVICE POINT: Russell

DATE <u>11-21-08</u>	SEC <u>33</u>	TWP <u>9S</u>	RANGE <u>21W</u>	CALLED OUT	ON LOCATION	JOB START <u>11:00 am</u>	JOB FINISH <u>12:00 pm</u>
LEASE <u>DeYoung</u>	WELL# <u>5</u>	LOCATION <u>Palco + Red line Rd</u>			COUNTY <u>Graham</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one) <u>NEW</u>				<u>4 W Sinto</u>			

CONTRACTOR Vision Drilling Right 14
 TYPE OF JOB Production String Bottom Stage
 HOLE SIZE 7 7/8 T.D. 3950
 CASING SIZE 5 1/2 14" DEPTH 3941.63'
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL D.V. Tool 50 DEPTH 1733.87
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT 9.12'
 CEMENT LEFT IN CSG. 9.12'
 PERFS.
 DISPLACEMENT 95.95

EQUIPMENT

PUMP TRUCK CEMENTER Shane
 # 398 HELPER Gary
 BULK TRUCK
 # 410 DRIVER C.H.
 BULK TRUCK
 # 399 DRIVER Jerry (Oakley)

REMARKS:

Insert @ 3932.51
Landel Plug @ 1300 ft.
Floater - Hold!
See Sol Log!

CHARGE TO: Clippor 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 Joel Lawhorn
 SIGNATURE Joel Lawhorn

OWNER _____

CEMENT
 AMOUNT ORDERED 175 sks Neat
500 Gal WFR-2

COMMON <u>175</u>	@ <u>13.50</u>	<u>2362.50</u>
POZMIX	@	
GEL	@	
CHLORIDE	@	
ASC	@	
<u>WFR-2 500 Gal</u>	@ <u>1.10</u>	<u>550.00</u>
RECEIVED KANSAS CORPORATION COMMISSION		
DEC 22 2008		
CONSERVATION DIVISION WICHITA, KS		
HANDLING <u>175</u>	@ <u>2.25</u>	<u>393.75</u>
MILEAGE <u>10/54/mi</u>		<u>875.00</u>
		TOTAL <u>4181.25</u>

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____ 1952.00
 EXTRA FOOTAGE @ _____
 MILEAGE 50 @ 7.00 350.00
 MANIFOLD @ _____
 @ _____

12706.05
-105
1270.67
#11,435.63
 PLUG & FLOAT EQUIPMENT

<u>D.V. Tool</u>	<u>Wagon</u>	<u>4300.00</u>
<u>AEU Float</u>	<u>Shoe @</u>	<u>515.00</u>
<u>9x Turbolizers</u>	<u>T</u>	@ <u>77.00</u> <u>693.00</u>
<u>1x Basket</u>		@ <u>186.00</u>
<u>Latch down Assembly</u>		@ <u>449.00</u>
		TOTAL <u>6218.00</u>

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

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.