

CONFIDENTIAL

ORIGINAL 12/19/10

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

Name: Warren Drilling LLC

Wellsite Geologist: Bill Robinson

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.: _____

11-16-08 11-21-08 12-18-08

Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 15-137-20495 WOOD

Spot Description: _____

_____nw_____sw_____ne Sec. 27 Twp. 5 S. R. 21 East West

1710 Feet from North / South Line of Section

2310 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: Norton

Lease Name: Schneider Well #: 1

Field Name: Ray, W.

Producing Formation: Reagan

Elevation: Ground: 2205 Kelly Bushing: 2213

Total Depth: 3700 Plug Back Total Depth: 3700

Amount of Surface Pipe Set and Cemented at: 222 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 1792 Feet

If Alternate II completion, cement circulated from: 1792

feet depth to: surface w/ 550 sx cmt.

Drilling Fluid Management Plan: AKJWS 21009
(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: Bill Robinson

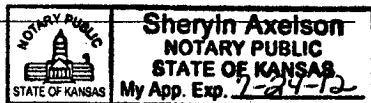
Title: Geologist Date: 12-19-08

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

UIC Distribution

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 22 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Clipper Energy LLC Lease Name: Schneider Well #: 1
 Sec. 27 Twp. 5 S. R. 21 East West County: Norton

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 <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>1803</td> <td>410</td> </tr> <tr> <td>B/KC</td> <td>3584</td> <td>-1371</td> </tr> </table>	Name	Top	Datum	T/Anhydrite	1803	410	B/KC	3584	-1371
Name	Top	Datum								
T/Anhydrite	1803	410								
B/KC	3584	-1371								

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	222	common	160	3%cc + 2% gel
production	7 7/8	5 1/2	14	3700	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	3630	natural	na

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 KANSAS CORPORATION COMMISSION
 DEC 19 2008 DEC 22 2008

TUBING RECORD: Size: <u>2 7/8</u>	Set At: <u>3600</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <u>12-18-08</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>15</u>	Gas Mcf <u>0</u>	Water Bbls. <u>80</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: _____ _____
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ALLIED CEMENTING CO., LLC. 82110

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

SERVICE POINT: Quincy

DATE <u>1/21/08</u>	SEC. <u>27</u>	TWP. <u>S</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION	JOB START <u>8:00</u>	JOB FINISH <u>7:30</u>
LEASE <u>Schneider</u>	WELL # <u>1</u>	LOCATION <u>Upper W. to head of 1E 1W</u>			COUNTY <u>Chester</u>	STATE <u>KS</u>	
OLD OR NEW: (Circle one) <u>NEW</u>				<u>Barrow</u>			

CONTRACTOR Wayne

TYPE OF JOB Production - Top Drive

HOLE SIZE 7 7/8 T.D.

CASING SIZE 5 1/2 DEPTH 1416

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL AV Tool DEPTH 1792'

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT

AMOUNT ORDERED 500 yds, 60/40 1792'
gel 1/4 16ft seal

COMMON	<u>340</u>	@	<u>15.45</u>	<u>5098.50</u>
POZMIX	<u>200</u>	@	<u>8.75</u>	<u>1760.00</u>
GEL	<u>19</u>	@	<u>202.00</u>	<u>39.20</u>
CHLORIDE		@		
ASC		@		
	<u>132 lb 510 seal</u>	@	<u>2.40</u>	<u>319.20</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>57.90</u>	@		<u>57.90</u>
MILEAGE	<u>12.50/mile</u>	@		<u>312.50</u>
TOTAL				<u>8211.10</u>

EQUIPMENT

PUMP TRUCK CEMENTER Alan

122 HELPER Wayne

BULK TRUCK

50 DRIVER Wayne

BULK TRUCK

50 DRIVER Chuck - Russell

REMARKS:

From 2050, Red Hole, mix 530 yds
50% seal, 50% Pozmix, 10% gel, 10% water
4000 Gall H₂O @ 60/40
17' length of 1 1/2" @ 2000 lb tool
Close, cement did circulate
Thank You
Alan, Wayne, Will, Chuck

SERVICE

DEPTH OF JOB 1792'

PUMP TRUCK CHARGE 2011.00

EXTRA FOOTAGE @ _____

MILEAGE @ N/A

MANIFOLD @ _____

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KANSAS CORPORATION COMMISSION
DEC 22 2008
CONSERVATION DIVISION
WICHITA, KS

TOTAL 2011.00

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

CHARGE TO: Cligge Energy LLC

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 Alan Began

SIGNATURE Alan Began

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____

IF PAID IN 30 DAYS

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DEC 19 2008

Alan Began - Allied Cementing
Robert L. Smolin - Pusher for Vision Oil & Gas LLC

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.

32.95

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

SERVICE POINT:

Udell, Ks

DATE <u>12/22/08</u>	SEC. <u>27</u>	TWP. <u>5</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION <u>Udell, Ks</u>	JOB START <u>6:30 pm</u>	JOB FINISH <u>6:20 pm</u>
LEASE <u>Schneider</u>	WELL # <u>21</u>	LOCATION <u>Bygones 1/2 mi. N to Road End 1 E</u>			COUNTY <u>Udell</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)			<u>IN E & N - W 1/4</u>				

CONTRACTOR Udell #2 - Bottom Stage
 TYPE OF JOB Production
 HOLE SIZE 7 7/8 T.D. 3700
 CASING SIZE 5 1/2 - 1416 DEPTH
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DU DEPTH 1792
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT 12 1/2
 CEMENT LEFT IN CSG.
 PERFS.
 DISPLACEMENT 4511.0 455 Mod = 90

OWNER Same
 CEMENT
 AMOUNT ORDERED 175 SK, Com
500 gal WFR II

EQUIPMENT
 PUMP TRUCK CEMENTER Alan
 # 423 HELPER Wayne
 BULK TRUCK
 # 507 DRIVER Chuck - Russell
 BULK TRUCK
 # 594 DRIVER W. J.

COMMON 175 SK @ 15 45 2703 25
 POZMIX @
 GEL @
 CHLORIDE @
 ASC @
500 gal WFR II @ 12 1/2 635 1/2
 @
 @
 @
 @
 @
 HANDLING 175 @ 2 1/2 410 1/2
 MILEAGE 100 SK/mile 1057 1/2
 TOTAL 4803 1/2

REMARKS:

Mix 500 gal WFR II Mix 175 SK
Com. P. place. Pld. to catch down
in 1/2 hr. @ 11:00 - 145% API Mod
@ 500 gal WFR and 1400 lbs.
1/2 hr. hold. Dec 22 10:00 am
run 1/2 hr. @ 12:00 hrs. Circulate
for 2 hrs.
Thank you
Alan, Wayne, W. J., Chuck

SERVICE

DEPTH OF JOB 3700
 PUMP TRUCK CHARGE 201 1/2
 EXTRA FOOTAGE @
 MILEAGE 60 @ 2 1/2 150 1/2
 MANIFOLD 113 1/2
 RECEIVED
 KANSAS CORPORATION COMMISSION

DEC 22 2008

CONSERVATION DIVISION
WICHITA, KS

TOTAL 2544 1/2

CHARGE TO: Cligger Foreign, LLC
 STREET
 CITY STATE ZIP

PLUG & FLOAT EQUIPMENT

New float shoe -1 @ 529 1/2
Centralizers -10 @ 57 1/2 570 1/2
Basket -1 @ 186 1/2 186 1/2
RV Tool -1 @ 4500 00
catch down 115 -1 @ 462 1/2

TOTAL 6247 1/2

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 Alan Spindel
 SIGNATURE Alan Spindel

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

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DEC 19 2008

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(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. 034966

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

SERVICE POINT:
Russell KS

DATE <u>11-17-08</u>	SEC. <u>27</u>	TWP. <u>5</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION	JOB START <u>8:30am</u>	JOB FINISH <u>9:00am</u>
LEASE <u>Schneider</u>	WELL# <u>1</u>		LOCATION <u>Bogue Hwy 18 & 24 15 North to</u>		COUNTY <u>Norton</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>dead end 1 East 1 North 1/4 East North &</u>			<u>West into.</u>	

CONTRACTOR Vision Oil & Gas Services Rig # 2
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 232'
 CASING SIZE 8 5/8 23" DEPTH 222'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT 13.18 Bbl

EQUIPMENT
 PUMP TRUCK CEMENTER John Roberts
 # 409 HELPER Travis
 BULK TRUCK
 # 481 DRIVER Chad
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:
Est. Circulation - Mix 160 sk cement
Displace w/ 13.18 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 Robert L. Sanders
 SIGNATURE [Signature]

OWNER _____
 CEMENT
 AMOUNT ORDERED 160 com 3% cc 2% Gel
 COMMON 160 @ 13.50 2160.00
 POZMIX _____ @ _____
 GEL 3 @ 20.25 60.75
 CHLORIDE 5 @ 51.50 257.50
 ASC _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING 168 @ 2.25 378.00
 MILEAGE .104/sk/mile 1008.00
 TOTAL 3864.25

SERVICE
 DEPTH OF JOB _____
 PUMP TRUCK CHARGE 991.00
 EXTRA FOOTAGE @ _____
 MILEAGE 60 @ 7.00 420.00
 MANIFOLD RECEIVED @ _____
 KANSAS CORPORATION COMMISSION @ _____
 _____ @ _____
 DEC 22 2008
 CONSERVATION DIVISION WICHITA, KS
 TOTAL 1411.00

PLUG & FLOAT EQUIPMENT
 _____ @ _____
8 5/8 Wooden Plug @ 66.00 66.00
 _____ @ _____
 _____ @ _____
 _____ @ _____
 TOTAL 66.00

SALES TAX (If Any) ~~CONFIDENTIAL~~
 TOTAL CHARGES DEC 19 2008
 DISCOUNT _____
 KCC IF PAID IN 30 DAYS

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.