

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 32325
Name: POPP OPERATING, INC.
Address 1: PO BOX 187
Address 2: _____
City: HOISINGTON State: KS Zip: 67544 + 0187
Contact Person: RICKEY POPP
Phone: (620) 786-5514
CONTRACTOR: License # 31548
Name: DISCOVERY DRILLING CO., INC
Wellsite Geologist: JASON ALM
Purchaser: _____

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

If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to ENHR Conv. to SWD
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____
1/4/11 1/8/11 1/20/11
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 167-23,680-00-00
Spot Description: _____
SE SW NW SE Sec. 35 Twp. 15 S. R. 14 East West
1,615 Feet from North / South Line of Section
2,090 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: RUSSELL
Lease Name: BATT Well #: 5
Field Name: TRAPP
Producing Formation: ARBUCKLE
Elevation: Ground: 1891' Kelly Bushing: 1899'
Total Depth: 3395' Plug Back Total Depth: 3345'
Amount of Surface Pipe Set and Cemented at: 887 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: _____
feet depth to: _____ w/ _____ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve P.i)
Chloride content: 16,000 ppm Fluid volume: 240 bbls
Dewatering method used: HAUL FREE FLUIDS & EVAPORATION
Location of fluid disposal if hauled offsite:
Operator Name: POPP OPERATING, INC
Lease Name: MICHAELIS A License #: 32325
Quarter SE Sec. 36 Twp. 15 S. R. 14 East West
County: RUSSELL Permit #: D-28,748

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

AFFIDAVIT
I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.
Signature: *Rickey Popp*
Title: PRESIDENT Date: 2/28/11

KCC Office Use ONLY RECEIVED
 Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Dg Date: 3/4/11
MAR 02 2011
KCC WICHITA

Operator Name: POPP OPERATING, INC. Lease Name: BATT Well #: 5
 Sec. 35 Twp. 15 S. R. 14 East West County: RUSSELL

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

| | | | |
|--|--|--|---------------------------------|
| Drill Stem Tests Taken <i>(Attach Additional Sheets)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum | <input type="checkbox"/> Sample |
| Samples Sent to Geological Survey | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Name Top Datum | |
| Cores Taken | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | ANHRDRITE 789' +1020 | |
| Electric Log Run | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | TARIKO 2582' -683 | |
| Electric Log Submitted Electronically <i>(If no, Submit Copy)</i> | <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No | TOPEKA 2786' -887 | |
| List All E. Logs Run: DNL/CDL, DIL, MEL, CBL | | PLATTSMOUTH 2935' -1036 | |
| | | HEEBNER 3017' -1118 | |
| | | L-KC 3083' -1184 | |
| | | ARBUCKLE 3314' -1415 | |

| CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used | | | | | | | |
|---|-------------------|---------------------------|-------------------|---------------|----------------|--------------|----------------------------|
| Report all strings set-conductor, surface, intermediate, production, etc. | | | | | | | |
| Purpose of String | Size Hole Drilled | Size Casing Set (In O.D.) | Weight Lbs. / Ft. | Setting Depth | Type of Cement | # Sacks Used | Type and Percent Additives |
| SURFACE PIPE | 12-1/4" | 8-5/8" | 23# | 887' | COMMON | 320 | 2%GEL&3%CC |
| PRODUCTION CSG | 7-7/8" | 5-1/2" | 14# | 3395' | ECONOBOND | 150 | |
| | | | | | | | |

| 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 | 3314-15' | | |
| | | | |
| | | | |
| | | | |

| | | | | | |
|---|-----------|---------------------|--|---------------|--|
| TUBING RECORD: | | Size: <u>2-7/8"</u> | Set At: <u>3342.29'</u> | Packer At: | Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Date of First, Resumed Production, SWD or ENHR. <u>1/25/11</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. | Gas Mcf | Water Bbls. | Gas-Oil Ratio | Gravity |
| | 24 | | 8 | | 39 |

| | | |
|---|--|--|
| DISPOSITION OF GAS: <input 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 <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____ | PRODUCTION INTERVAL: <u>3314-15</u> |
|---|--|--|

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

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

No. 4679

| Date | Sec. | Twp. | Range | County | State | On Location | Finish |
|--|--|-----------------------|--|------------------------------------|--------|-------------|---------|
| 1-5-11 | 35 | 15 | 14 | Russell | Kansas | | 8:00 AM |
| Lease <i>Beatt</i> | Well No. <i>5</i> | | Location <i>Russell S. to Co. line 1/4 E 1/4</i> | | | | |
| Contractor <i>Discovery Drilling Rig 2</i> | Owner | | | To Quality Oilwell Cementing, Inc. | | | |
| Type Job <i>Surface</i> | You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed. | | | | | | |
| Hole Size <i>12 1/4</i> | T.D. <i>887</i> | | Charge To <i>Popp Operating, Inc.</i> | | | | |
| Csg. <i>5 3/8 231b</i> | Depth <i>887</i> | | Street | | | | |
| Tbg. Size | Depth | | City | | | | |
| Tool | Depth | | State | | | | |
| Cement Left in Csg. <i>42.72</i> | Shoe Joint <i>42.72</i> | | The above was done to satisfaction and supervision of owner agent or contractor. | | | | |
| Meas Line | Displace <i>53 3/4</i> | | Cement Amount Ordered <i>320 Common</i> | | | | |
| EQUIPMENT | | | | <i>3 Gall Label</i> | | | |
| Pumptrk <i>5</i> | No. | Cementer <i>Steve</i> | Common <i>320</i> | | | | |
| Bulktrk <i>10</i> | No. | Driver <i>Brendan</i> | Poz. Mix | | | | |
| Bulktrk | No. | Driver <i>Lisco</i> | Gel. <i>6</i> | | | | |
| JOB SERVICES & REMARKS | | | | Calcium <i>12</i> | | | |
| Remarks: | | | | Hulls | | | |
| Rat Hole | | | | Salt | | | |
| Mouse Hole | | | | Flowseal | | | |
| Centralizers | | | | Kol-Seal | | | |
| Baskets | | | | Mud CLR 48 | | | |
| D/V or Port Collar | | | | CFL-117 or CD110 CAF 38 | | | |
| <i>Cement did Circulate</i> | | | | Sand | | | |
| | | | | Handling <i>338</i> | | | |
| | | | | Mileage | | | |
| FLOAT EQUIPMENT | | | | | | | |
| | | | | Guide Shoe | | | |
| | | | | Centralizer | | | |
| | | | | Baskets | | | |
| | | | | AFU Inserts | | | |
| | | | | Float Shoe | | | |
| | | | | Latch Down | | | |
| <i>Thank You</i> | | | | Pumptrk Charge <i>Baffle Plate</i> | | | |
| | | | | <i>5 3/8 Rubber Plug</i> | | | |
| | | | | Mileage <i>Long Surface</i> | | | |
| | | | | Tax | | | |
| | | | | Discount | | | |
| | | | | Total Charge | | | |
| X Signature <i>Tom Wickliffe</i> | | | | | | | |

RECEIVED
MAR 02 2011

KCC WICHITA

| | | |
|---------------------------------------|-----------------------------|--------------------------------------|
| Customer Popp Operating Inc | Lease No. | Date 1-9-11 |
| Lease BATT | Well # 1-5 | |
| Field Order # 03165A | Station Pratt | Casing 5 1/2" |
| Type Job 5 1/2" Long string | Depth 3395' | County Russell |
| | Formation TD 3395 | State Ks |
| | | Legal Description 35-15-14 |

| PIPE DATA | | PERFORATING DATA | | FLUID USED | | TREATMENT RESUME | | |
|--------------------------------|--------------|--------------------------|------------------------------------|-----------------------------|---------------------------|-----------------------|--------------------|--|
| Casing Size " 5 1/2" | Tubing Size | Shots/Ft 355Ks | Acid 60/40 P02 scavenger | RATE 14.40 #501 | PRESS 13.8 #/sq | ISIP 5 Min. | RECEIVED | |
| Depth 3395 | Depth | From 150 | To 150 | Max 13.8 #/sq | Min | 10 Min. | MAR 02 2011 | |
| Volume 81.34 RB | Volume | From | To | Pad | Avg | 15 Min. | KSC WICHITA | |
| Max Press # 1330 | Max Press | From | To | Frac | HHP Used | Annulus Pressure | | |
| Well Connection P.C. | Annulus Vol. | From | To | Flush Misc 2% KCL | Gas Volume | Total Load | | |
| Plug Depth 3351 | Packer Depth | From | To | | | | | |

| | | |
|--|----------------------------------|-------------------------|
| Customer Representative R. C. K Popp | Station Manager Scotty | Treater Allen |
| Service Units 28443 19990 19905 19859 21010 | | |
| Driver Names Worth M. Ke Mottal Bradley Mitchell | | |

| Time | Casing Pressure | Tubing Pressure | Bbls. Pumped | Rate | Service Log |
|------|-----------------|-----------------|--------------|------|--|
| 1200 | " | | | | Francis esp. Discovery Drly #2 |
| 1205 | | | | | on loc. Discuss Safet, Setup Plan Job |
| 1300 | | | | | Rig circ. & start out at 10:10 |
| 1323 | | | | | into F (hole w/ collar - by down Kelly. Rig up to Run 5 1/2 esp. 14# |
| 500 | | | | | Start 5 1/2 cas. Shoe Joint 43.97 |
| 945 | | | 8 | 5 | Cent - 1-2-3-5-6-7-8-10 |
| 1000 | | | 40 | 5 | Bucket Pin #7 - Pin #8 |
| 1015 | 1500 | | 8 1/4 | | Casing @ 3395 Hook up trace & Rotate. |
| 1130 | | | | | Mix + pump 355Ks 60/40 P02 scavenger @ 15 |
| | | | | | Mix + pump 150sk Econo Bond @ 13.8 # |
| | | | | | Finish mix & wash out Pump + Line. |
| | | | | | Drop Latch down Plug. Start Disp. |
| | | | | | caught lift PST w/ 58 bbls out |
| | | | | | Plug down |
| | | | | | Release PST OK |
| | | | | | Plug Rat Hole w/ 30sk 60/40 |
| | | | | | Plug Mouse Hole w/ 20sk 60/40 |
| | | | | | washup + Ruckup Equip. |
| | | | | | Job complete |
| | | | | | Superior Loggers came out + Ran |
| | | | | | Tool To Bottom - Every thing OK. |

Agreement of Terms and Conditions

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

Terms:

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

Taxes:

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

Special Pricing Provisions:

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

All prices are subject to change without notice.

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

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

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

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

Towing Charges:

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

Product Return:

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

Service Warranty:

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

Product Warranty:

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

Service Conditions:

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

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

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

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

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

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

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

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

General Provisions:

Wherever the initials BES appear in this document, they are intended solely to be an abbreviation of Basic Energy Services LP, and are used in substitution of such full name as if the full name were set out in each instance.

Any modifications of this document by the Customer, and all additional or different terms included in the Customer's purchase order or any other document responding to this document, are hereby objected to BY REQUESTING ANY OF THE GOODS AND SERVICES SET FORTH HEREIN BUYER AGREES TO ALL THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT.

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

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

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

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

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

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Terms:

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

Taxes:

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

Special Pricing Provisions:

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

All prices are subject to change without notice.

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

Towing Charges:

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

Product Return:

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

Service Warranty:

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

Product Warranty:

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

Service Conditions:

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

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

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

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

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

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

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

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

General Provisions:

Wherever the initials BES appear in this document, they are intended solely to be an abbreviation of Basic Energy Services LP, and are used in substitution of such full name as if the full name were set out in each instance.

Any modifications of this document by the Customer, and all additional or different terms included in the Customer's purchase order or any other document responding to this document, are hereby objected to BY REQUESTING ANY OF THE GOODS AND SERVICES SET FORTH HEREIN BUYER AGREES TO ALL THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT.

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

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

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

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

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