

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-1  
June 2009

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

**WELL COMPLETION FORM**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # 32204  
Name: REDLAND RESOURCES, INC.  
Address 1: 6001 NW 23RD STREET  
Address 2: \_\_\_\_\_  
City: OKLAHOMA CITY State: OK Zip: 73127 + \_\_\_\_\_  
Contact Person: ALAN THROWER  
Phone: ( 405 ) 789-7104  
CONTRACTOR: License # 5929  
Name: DUKE DRILLING  
Wellsite Geologist: MIKE POLLOK  
Purchaser: N/A

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Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     WSW     SWD     SLOW  
 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 #: \_\_\_\_\_

01/21/11	01/25/11	
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 159-22634-00-00  
Spot Description: \_\_\_\_\_  
SW\_NE\_NW\_NW Sec. 8 Twp. 21 S. R. 9  East  West  
360 Feet from  North /  South Line of Section  
760 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: RICE  
Lease Name: FREDERICK Well #: 8-3  
Field Name: ALDEN NW  
Producing Formation: N/A  
Elevation: Ground: 1685' Kelly Bushing: 1693'  
Total Depth: 3100 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 222 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 Pit)  
Chloride content: 6000 ppm Fluid volume: 4320 bbls  
Dewatering method used: TRUCK TO OFFSITE PIT  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: REDLAND RESOURCES, INC.  
Lease Name: WILLIFORD #32-12 License #: 32204  
Quarter SW Sec. 32 Twp. 21 S. R. 9  East  West  
County: RICE Permit #: \_\_\_\_\_

**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: *Alan Thrower*  
Title: PRESIDENT Date: 02/28/11

**KCC Office Use ONLY**

Letter of Confidentiality Received  
Date: \_\_\_\_\_  
 Confidential Release Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
ALT  I  II  III Approved by: Dog Date: 3/4/11

Operator Name: REDLAND RESOURCES, INC. Lease Name: FREDERICK Well #: 8-3

Sec. 8 Twp. 21 S. R. 9  East  West County: RICE

**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 <input checked="" type="checkbox"/> Yes <input 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 Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i>  List All E. Logs Run: <b>MICROLOG, DUAL INDUCTION,                  NEUTRON DENSITY</b>	<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>TOP PENN</td> <td>2390</td> <td>-695</td> </tr> <tr> <td>BS HEEBNER</td> <td>2794</td> <td>-1099</td> </tr> <tr> <td>TOP BROWN</td> <td>2922</td> <td>-1227</td> </tr> <tr> <td>TOP LANSING</td> <td>2959</td> <td>-1264</td> </tr> </table>	Name	Top	Datum	TOP PENN	2390	-695	BS HEEBNER	2794	-1099	TOP BROWN	2922	-1227	TOP LANSING	2959	-1264
Name	Top	Datum														
TOP PENN	2390	-695														
BS HEEBNER	2794	-1099														
TOP BROWN	2922	-1227														
TOP LANSING	2959	-1264														

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	12.25"	8.625"	24#	222'	CLASS H	200	3%CC/2% GEL

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

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TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR.		Producing Method: <input type="checkbox"/> Flowing <input 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

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 type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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# MAP EXPLORATION, INC.

MICHAEL ANTHONY POLLOK, PRES.

P.O. BOX 106 ■ PURCELL, OKLAHOMA 73080  
OFFICE 405/527-6038 ■ HOME 405/527-5200 ■ MOBILE 405/823-4493 ■ FAX 405/527-7629  
■ E-MAIL: mapexpl@aol.com

## GEOLOGICAL REPORT FREDERICK 8-3 NE NW NW SECTION 8 – T21S – R9W RICE COUNTY, KANSAS

### SUMMARY

The above captioned well was drilled to a total depth of 3,103 feet on January 25, 2011. A one-man logging unit was on location from approximately 2,000 feet to TD with one-man mud logging beginning at 2,700 feet to TD. The well was under the geological supervision of the undersigned from approximately 2,800 feet to TD. At TD, Weatherford electric logs were ran that consisted of Dual Induction, Compensated Neutron-Density, and Micro-log. From the data collected while drilling a small hydrocarbon show was encountered in the Lansing Limestone, "B" interval. A drill stem test was run on this section. After complete analysis of all data including the electric logs, the zone was deemed not economically productive. The decision was made to plug and abandon the Frederick 8-3.

### LANSING LIMESTONE

The top of the Lansing Limestone encountered at 2,959 (-1,264) feet. A two foot drilling break was encountered at the top of the Lansing (B) at 2,979(-1,284) feet. The samples were described as light grey, light brown, brownish grey, slightly friable, slightly fossiliferous, oolitic, very fine micro-crystalline to fine inter-crystalline limestone. A trace of inter-crystalline and vugular porosity could be seen. A yellow fluorescence, a trace of light brown oil staining, good streaming cut, and fair odor were observed. The gas chromatographic registered a slight gas kick of 61 units. A drill stem test was run for further analysis. The results are as follows:

DST#1 (2970-2987) 30-60-60-120  
Recovery: 10' mud  
Flowing pressures: 20-17/15-20  
Shut-in pressures: 41/64

Electric logs indicated a 2 foot zone with an average cross-plotting porosity of 5%.

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## ELECTRIC LOG TOPS

	REDLAND FREDERICK 8-3 NE NW NW 8-T21S-R17W	THOMAS H ALLAN SCHAFER 1 NE SE SW 5-T21S-R9W	PLATCO CORP FREDERICK 1 SE NW 8-T21S-R9W
TOP PENN (Subsea)	2390 (-695)	2386 (-695)	2386 (-694)
BS. HEEBNER (Subsea)	2794 (-1099)	2792 (-1101)	2791 (-1099)
TOP BROWN (Subsea)	2922 (-1227)	2916 (-1225)	2917 (-1225)
TOP LANSING (Subsea)	2959 (-1264)	2950 (-1259)	2953 (-1261)

### CONCLUSION

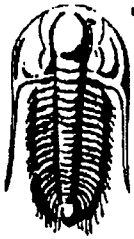
The Frederick 8-3 was drilled as an exploratory well for the development of hydrocarbons in the Lansing "B" interval. After all the data was gathered and analyzed, it was determined that this interval would not be economically productive. A decision was made to deem the well as a "dry hole" and to plug and abandon it.

Respectfully submitted,

*Beth Brock*

Beth Brock  
Petroleum Geotech.  
01/27/11

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**TRILOBITE  
TESTING, INC**

# DRILL STEM TEST REPORT

Redland Resources  
6001 NW 23rd St  
Oklahoma City, OK 73127  
ATTN: David Hickman

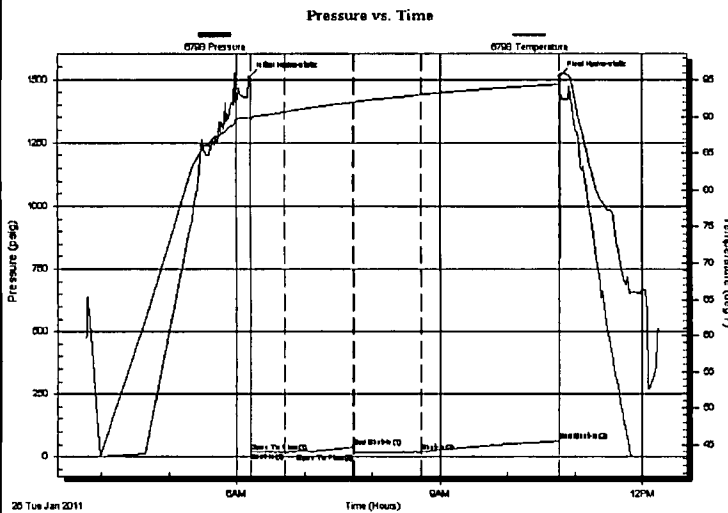
**Frederick #8-3**  
**8-21S-9W**  
Job Ticket: 041577      **DST#: 1**  
Test Start: 2011.01.25 @ 03:47:01

## GENERAL INFORMATION:

Formation: **Lansing/KC**  
Deviated: No Whipstock:                      ft (KB)  
Time Tool Opened: 06:12:31  
Time Test Ended: 12:14:46  
Interval: **2970.00 ft (KB) To 2987.00 ft (KB) (TVD)**  
Total Depth: 2987.00 ft (KB) (TVD)  
Hole Diameter: 7.88 inches Hole Condition: Good  
Test Type: Conventional Bottom Hole  
Tester: Leal Cason  
Unit No: 45  
Reference Elevations: 1693.00 ft (KB)  
1685.00 ft (CF)  
KB to GR/CF: 8.00 ft

**Serial #: 6798**      **Inside**  
Press@RunDepth: 19.87 psig @ 2971.00 ft (KB)      Capacity: 8000.00 psig  
Start Date: 2011.01.25      End Date: 2011.01.25      Last Calib.: 2011.01.25  
Start Time: 03:47:02      End Time: 12:14:46      Time On Btm: 2011.01.25 @ 06:11:16  
Time Off Btm: 2011.01.25 @ 10:46:46

**TEST COMMENT:** IF: Weak Blow , 1 1/2 inches  
SI: Weak Blow back  
FF: Weak Blow , 1 1/2 inches  
FSI: No Blow back



## PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1509.64	89.86	Initial Hydro-static
2	20.10	89.43	Open To Flow (1)
31	17.10	90.68	Shut-In(1)
92	40.57	92.02	End Shut-In(1)
93	15.34	92.00	Open To Flow (2)
152	19.87	93.06	Shut-In(2)
275	64.47	94.50	End Shut-In(2)
276	1513.25	95.82	Final Hydro-static

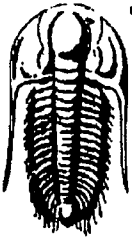
## Recovery

Length (ft)	Description	Vdume (bbl)
10.00	Mud	0.14

## Gas Rates

Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

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TESTING, INC**

**DRILL STEM TEST REPORT**

**FLUID SUMMARY**

Redland Resources

**Frederick #8-3**

6001 NW 23rd St  
Oklahoma City, OK 73127

**8-21S-9W**

Job Ticket: 041577

**DST#: 1**

ATTN: David Hickman

Test Start: 2011.01.25 @ 03:47:01

**Mud and Cushion Information**

Mud Type: Gel Chem

Cushion Type:

Oil API:

deg API

Mud Weight: 9.00 lb/gal

Cushion Length:

ft

Water Salinity:

ppm

Viscosity: 47.00 sec/qt

Cushion Volume:

bbl

Water Loss: 11.18 in<sup>3</sup>

Gas Cushion Type:

Resistivity: ohm.m

Gas Cushion Pressure:

psig

Salinity: 8000.00 ppm

Filter Cake: 0.20 inches

**Recovery Information**

Recovery Table

Length ft	Description	Volume bbl
10.00	Mud	0.140

Total Length: 10.00 ft      Total Volume: 0.140 bbl

Num Fluid Samples: 0

Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

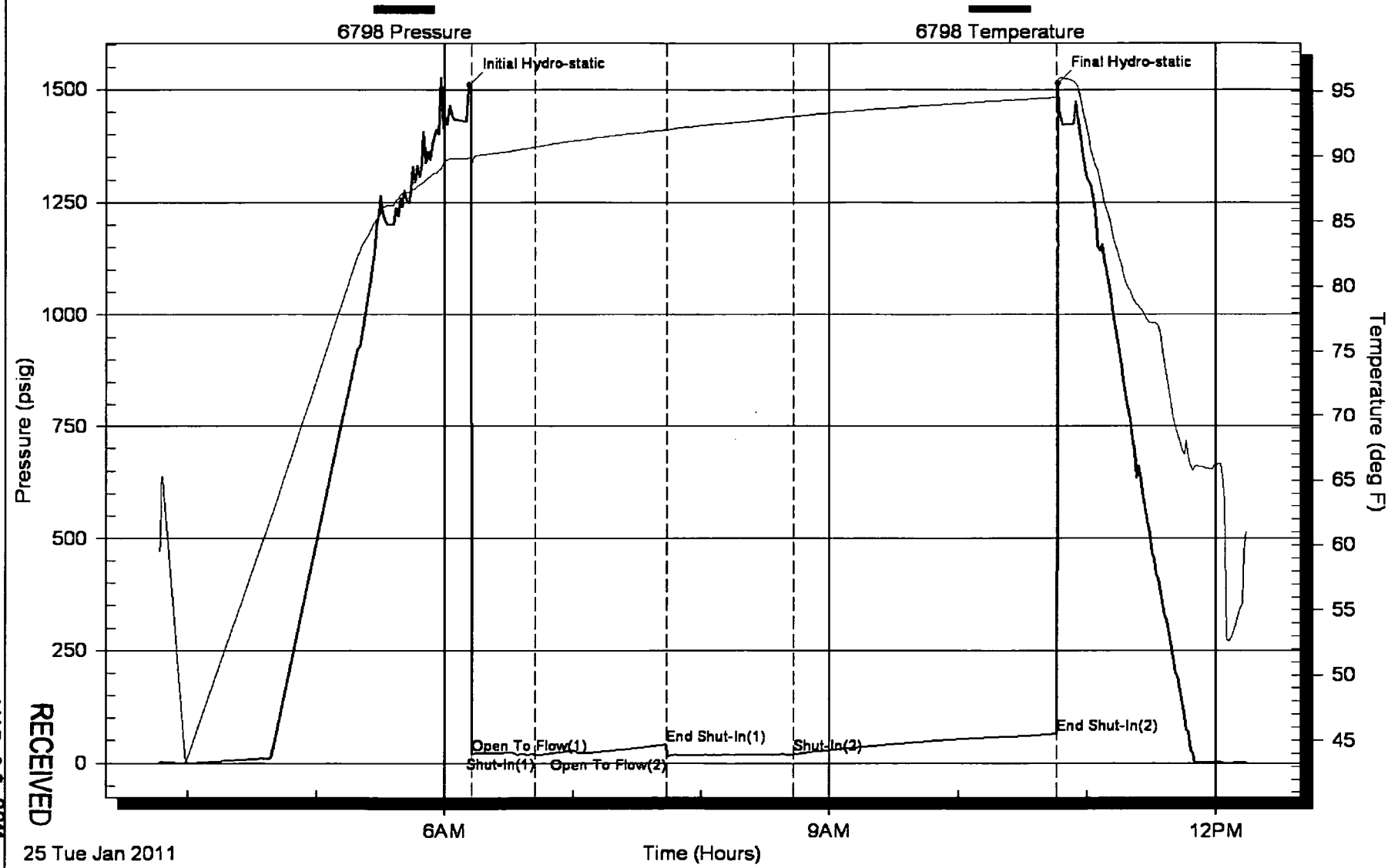
Recovery Comments:

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### Pressure vs. Time



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# ALLIED CEMENTING CO., LLC. 040618

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

SERVICE POINT:  
Medicine Lodge, KS

DATE <u>1-26-2011</u>	SEC. <u>8</u>	TWP. <u>215</u>	RANGE <u>9W</u>	CALLED OUT <u>2:30AM</u>	ON LOCATION <u>5:30AM</u>	JOB START <u>9:00AM</u>	JOB FINISH <u>10:00AM</u>
Febr. ck LEASE	WELL # <u>8-3</u>	LOCATION <u>L9n8den ks 21 n to stop</u>			COUNTY <u>Rice</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)		SIGN, follow BkTP across bridge <u>1/4 mile, 1/4 W, 1/4 N, 1/4 S</u>					

CONTRACTOR Duke #2  
 TYPE OF JOB Rotary plug  
 HOLE SIZE 7 7/8 T.D.  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 DEPTH 1175'  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 2 water, 10 mud

OWNER Redlens Resources  
 CEMENT AMOUNT ORDERED 155 sy 60' 40' 496 601

EQUIPMENT  
 PUMP TRUCK CEMENTER Derin F.  
 # 414-302 HELPER Ron G  
 BULK TRUCK # 341 DRIVER TWS Gresham  
 BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>A 93 sy</u>	@ <u>15 45</u>	<u>1436 05</u>
POZMIX	<u>62 sy</u>	@ <u>8 00</u>	<u>496 00</u>
GEL	<u>6 sy</u>	@ <u>20 00</u>	<u>124 00</u>
CHLORIDE	_____	@ _____	_____
ASC	_____	@ _____	_____
HANDLING	<u>161</u>	@ <u>2 40</u>	<u>386 40</u>
MILEAGE	<u>30-10/161</u>		<u>483 00</u>
TOTAL			<u>2927 00</u>

**REMARKS:**

1st plug - 1175' loss hole, pump 8 bbls water, 9 bags mix 35% of cement, Displace 2 bbls water 10 bbls of mud, 2nd plug - 750', loss hole, pump 20 bbls water, 3 bags mix 35% of cement, Displace 6 bbls of water, 3rd plug - 270' - loss hole, pump 3 bbls water, 3 bags mix 35% of cement, Displace 1 bbl of water, 4th plug - 60' loss hole, mix 25% of cement, 5th plug - mix 15% of cement - mouse hole mix 10% of cement.

CHARGE TO: Redlens Resources  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**SERVICE**

DEPTH OF JOB	<u>1175'</u>		
PUMP TRUCK CHARGE	<u>1017 00</u>		
EXTRA FOOTAGE	_____	@ _____	_____
MILEAGE	<u>30</u>	@ <u>7 00</u>	<u>210 00</u>
MANIFOLD	_____	@ _____	_____
TOTAL			<u>1227 00</u>

**PLUG & FLOAT EQUIPMENT**

<u>8 5/8</u>			
<u>1-Wooden plug</u>	RECEIVED @		<u>68 00</u>
	<u>MAR 03 2011</u>		
	KCC WICHITA		
TOTAL			<u>68 00</u>

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.

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

PRINTED NAME X David Hickman

SIGNATURE X David Hickman

Thank you!!!



## 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. 038646

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

SERVICE POINT: MB

DATE <u>1-21-11</u>	SEC <u>8</u>	TWP <u>21</u>	RANGE <u>9</u>	CALLED OUT <u>3:00 PM</u>	ON LOCATION <u>4:00 PM</u>	JOB START <u>7:00 AM</u>	JOB FINISH <u>4:00 PM</u>
LEASE <u>Pine De Rek</u>		WELL # <u>8-3</u>		LOCATION <u>Aldon 2w 1/2 4/5</u>		COUNTY <u>Rice</u>	STATE <u>KS</u>
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Duke Rig # 2

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 223 ft

CASING SIZE 2 1/4 \* 8 1/2 DEPTH 222 ft

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 15 ft

PERFS. \_\_\_\_\_

DISPLACEMENT 13 bbl

OWNER \_\_\_\_\_

CEMENT AMOUNT ORDERED 200 sk Comm

32 cc 28 gal

50# Sugar

COMMON	<u>200</u>	@	<u>13.50</u>	<u>2700.00</u>
POZMIX		@		
GEL	<u>4</u>	@	<u>20.25</u>	<u>81.00</u>
CHLORIDE	<u>7</u>	@	<u>51.50</u>	<u>360.50</u>
ASC		@		
<u>Sugar</u>	<u>50#</u>	@	<u>1.10</u>	<u>55.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>200</u>	@	<u>2.25</u>	<u>450.00</u>
MILEAGE	<u>200 x 30 x .10</u>			<u>600.00</u>

EQUIPMENT

PUMP TRUCK CEMENTER Mike M

# 2221 HELPER Boby

BULK TRUCK

# 482 DRIVER CA

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

Rig was still Drilling when got here  
start out of the hole  
run surface pipe  
circulate the hole  
mix cement + Displace it  
Down cement did  
circulate to surface

TOTAL 4,246.50

**SERVICE**

DEPTH OF JOB	<u>222 ft</u>		
PUMP TRUCK CHARGE			<u>990.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>30</u>	@	<u>7.00</u> <u>210.00</u>
MANIFOLD		@	
		@	
		@	

TOTAL 1200.00

CHARGE TO: Redhand Resources

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

<u>1-8 1/2 Basket</u>	@	<u>221.00</u>	<u>221.00</u>
RECEIVED			
MAR 03 2011			
KCC WICHITA			
			TOTAL <u>221.00</u>

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.

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES ~~4246.50~~

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME DAVID HICKMAN

SIGNATURE David Hickman

Thank you CA

## 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.