

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**WELL PLUGGING RECORD**  
K.A.R. 82-3-117

Form CP-4  
March 2009  
Type or Print on this Form  
Form must be Signed  
All blanks must be Filled

OPERATOR: License #: 34038  
Name: Flatirons Resources LLC  
Address 1: 303 E. 17th Ave  
Address 2: Suite 940  
City: Denver State: CO Zip: 80203 + \_\_\_\_\_  
Contact Person: John Marvin  
Phone: (303) 292-3902  
Type of Well: (Check one)  Oil Well  Gas Well  OG  D&A  Cathodic  
 Water Supply Well  Other: \_\_\_\_\_  SWD Permit #: \_\_\_\_\_  
 ENHR Permit #: \_\_\_\_\_  Gas Storage Permit #: \_\_\_\_\_  
Is ACO-1 filed?  Yes  No If not, is well log attached?  Yes  No  
Producing Formation(s): List All (If needed attach another sheet)  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_

API No. 15 - 065-23496 00 00  
Spot Description: \_\_\_\_\_  
SW NE SE Sec. 36 Twp. 7 S. R. 24  East  West  
1,500 Feet from  North /  South Line of Section  
2,350 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Graham  
Lease Name: Mahoney-Chenoweth Unit Well #: 33-36  
Date Well Completed: 1/2/2009  
The plugging proposal was approved on: \_\_\_\_\_ (Date)  
by: \_\_\_\_\_ (KCC District Agent's Name)  
Plugging Commenced: 1/13/2009  
Plugging Completed: 1/13/2009

Show depth and thickness of all water, oil and gas formations.

| Oil, Gas or Water Records |         | Casing Record (Surface, Conductor & Production) |      |               |            |
|---------------------------|---------|---|------|---------------|------------|
| Formation                 | Content | Casing  | Size | Setting Depth | Pulled Out |
|                           |         |   |      |               |            |
|                           |         |   |      |               |            |
|                           |         |   |      |               |            |
|                           |         |   |      |               |            |

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plugging commenced on 1/13/2009 - 25 sx @ 2070', 100 sx @ 1225', 40 sx @ 310', 10 sx @ 40' rathole w/ 30 sx. total of 205 sx 60/40 pos mix 4% gel and 1/4# flowseal per sx. Job was completed on 1/13/2009 by Allied Cementing

DR

Plugging Contractor License #: 33493 Name: American Eagle Drilling, LLC  
Address 1: 700 S. Washington Address 2: P.O. Box 66  
City: Plainville State: Kansas Zip: 67663 + \_\_\_\_\_  
Phone: (785) 434-2079  
Name of Party Responsible for Plugging Fees: Flatirons Resources LLC  
State of Colorado County, Denver, ss.  
John Marvin  Employee of Operator or  Operator on above-described well,  
(Print Name)

being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

Signature: \_\_\_\_\_

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

KCC WICHITA

ORIGINAL

Form ACO-1  
October 2008  
Form Must Be Typed

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

COPY

OPERATOR: License # 34038  
Name: Flatirons Resources LLC  
Address 1: 303 E. 17th Ave Suite 940  
Address 2: \_\_\_\_\_  
City: Denver State: CO Zip: 80203 + \_\_\_\_\_  
Contact Person: Jeffery Jones  
Phone: ( 303 ) 292-3902 ext 224  
CONTRACTOR: License # 33493  
Name: American Eagle Drilling, LLC  
Wellsite Geologist: Clayton Erickson  
Purchaser: \_\_\_\_\_  
Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SLOW  
 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.: \_\_\_\_\_  
1/2/2009 1/13/2009 P+A 1/12/09  
Spud Date or Date Reached TD Completion Date or Recompletion Date

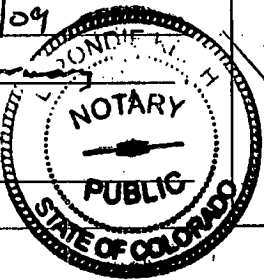
API No. 15 - 065-23496-0200  
Spot Description: \_\_\_\_\_  
SW NW SE Sec. 36 Twp. 7 S. R. 24  East  West  
1,500 Feet from  North /  South Line of Section  
2,800 2,350 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Graham  
Lease Name: Mahoney-Chenoweth Unit Well #: 33-36  
Field Name: Wildcat  
Producing Formation: \_\_\_\_\_  
Elevation: Ground: 2372 Kelly Bushing: 2377  
Total Depth: 3920 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 6 joints Set 262' 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 P+A Alt II NUR  
(Data must be collected from the Reserve Pit) 3-9-09  
Chloride content: 2,800 ppm Fluid volume: \_\_\_\_\_ bbls  
Dewatering method used: evaporation  
Location of fluid disposal if hauled offsite:  
Operator Name: H & C Oil Operating, Inc.  
Lease Name: Waller License No.: 8914  
Quarter NW Sec. 3 Twp. 7 S. R. 20  East  West  
County: Rooks Docket No.: D-24,512

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: [Signature]  
Title: Managing Director Date: 2/3/09  
Subscribed and sworn to before me this 3rd day of February  
20 09.  
Notary Public: [Signature]  
Date Commission Expires: 3-28-10



KCC Office Use ONLY  
 Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

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KANSAS CORPORATION COMMISSION  
CONSERVATION DIVISION  
WICHITA, KS  
NOV 01 2010  
KCC WICHITA

Operator Name: Flatirons Resources LLC Lease Name: Mahoney-Chenoweth Unit Well #: 33-36  
 Sec. 36 Twp. 7 S. R. 24  East  West County: Graham

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

Drill Stem Tests Taken  Yes  No  
 (Attach Additional Sheets)

Samples Sent to Geological Survey  Yes  No

Cores Taken  Yes  No

Electric Log Run  Yes  No  
 (Submit Copy)

List All E. Logs Run: *WCD 3 logs w/ ACOI.  
 MICRO RESIST. LOG; DIL; DWAL  
 COMPSD. POROSITY LOG*

| <input checked="" type="checkbox"/> Log | Formation (Top), Depth and Datum | <input type="checkbox"/> Sample |
|---|----------------------------------|---------------------------------|
| Name                                    | Top                              | Datum                           |
| Anhydrite- top                          | 2131                             | 370                             |
| Heebner                                 | 3572                             | -1071                           |
| Lansing                                 | 3607                             | -1106                           |
| Base/Kansas City                        | 3803                             | -1302                           |
| TD                                      | 3880                             | -1379                           |

*WCD*

| 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                     | 23#               | 262'          | common         | 175          | 2% gel 3%CaCl              |
|   |                   |                           |                   |               |                |              |                            |
|   |                   |                           |                   |               |                |              |                            |

| 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<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br>(Amount and Kind of Material Used) | Depth |
|----------------|---|---|-------|
|                |   |   |       |
|                |   |   |       |
|                |   |   |       |
|                |   |   |       |

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**FEB 05 2009**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

TUBING RECORD: Size: \_\_\_\_\_ Set At: \_\_\_\_\_ Packer At: \_\_\_\_\_ Liner Run:  Yes  No

Date of First, Resumed Production, SWD or Enhr. \_\_\_\_\_ Producing Method:  Flowing  Pumping  Gas Lift  Other (Explain) \_\_\_\_\_

| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | Gas-Oil Ratio | Gravity |
|-----------------------------------|-----------|---------|-------------|---------------|---------|
|                                   |           |         |             |               |         |

| DISPOSITION OF GAS:   | METHOD OF COMPLETION:   | PRODUCTION INTERVAL: |
|---|---|----------------------|
| <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease<br>(If vented, Submit ACO-18.) | <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled<br><input type="checkbox"/> Other (Specify) _____ | _____                |

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**KCC WICHITA**

# ALLIED CEMENTING CO., LLC. 034993

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

SERVICE POINT:  
Russell KS

|   |                |                     |                 |  |             |                          |                           |
|---|----------------|---------------------|-----------------|--|-------------|--------------------------|---------------------------|
| DATE <u>1-6-09</u>  | SEC. <u>36</u> | TWP. <u>7</u>       | RANGE <u>24</u> | CALLED OUT                                   | ON LOCATION | JOB START <u>11:45am</u> | JOB FINISH <u>12:15pm</u> |
| LEASE <u>Mahoney-Chenoweth</u>                              |                | WELL # <u>33-36</u> |                 | LOCATION <u>Hill City 3 West to 240 rd 2</u> |             | COUNTY <u>Graham</u>     | STATE <u>KS</u>           |
| OLD OR <input checked="" type="checkbox"/> NEW (Circle one) |                |                     |                 | North to SRd 3 West North into.              |             |                          |                           |

CONTRACTOR American Eagle Drilling #3 OWNER \_\_\_\_\_

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 262' CEMENT AMOUNT ORDERED 175 com 3% CC 2% Gel

CASING SIZE 8 5/8 DEPTH 262'

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

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

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

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

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

CEMENT LEFT IN CSG. 15'

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

DISPLACEMENT 15.73 Bbl

EQUIPMENT

PUMP TRUCK CEMENTER John Roberts

# 409 HELPER Travis

BULK TRUCK \_\_\_\_\_

# 378 DRIVER Neale

BULK TRUCK \_\_\_\_\_

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

REMARKS:

Est circulation.

Mix 175 sk cement

Displace w/ 15.73 Bbl Hal

Cement did circulate!

CHARGE TO: Flatirons Resources 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 \_\_\_\_\_

SIGNATURE Don Morris

**SERVICE**

DEPTH OF JOB \_\_\_\_\_

PUMP TRUCK CHARGE \_\_\_\_\_ 991.00

EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE 45 @ 7.00 315.00

MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

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TOTAL 1306.00

FEB 05 2009

CONSERVATION DIVISION & FLOAT EQUIPMENT  
WICHITA, KS

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

8 5/8 Wood Plug @ 66.00

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL 66.00

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

TOTAL CHARGES \_\_\_\_\_

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

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## 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.

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# ALLIED CEMENTING CO., LLC. 034997

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

SERVICE POINT:  
Russell KS

|  |                |                     |                 |   |             |                          |                           |
|--|----------------|---------------------|-----------------|---|-------------|--------------------------|---------------------------|
| DATE <sup>09</sup> <u>1-12-09</u>  | SEC. <u>36</u> | TWP. <u>7</u>       | RANGE <u>24</u> | CALLED OUT                                  | ON LOCATION | JOB START <u>7:15 am</u> | JOB FINISH <u>8:00 pm</u> |
| LEASEE <u>Mahoney - Chenoweth</u>  |                | WELL # <u>33-36</u> |                 | LOCATION <u>Hill City KS 3 West 2 North</u> |             | COUNTY <u>Graham</u>     | STATE <u>KS</u>           |
| <input checked="" type="checkbox"/> OLD OR <input type="checkbox"/> NEW (Circle one) |                |                     |                 | <u>3 West North into.</u>                   |             |                          |                           |

CONTRACTOR American Eagle #3  
 TYPE OF JOB  Rotary Plug  
 HOLE SIZE 7 7/8 T.D. 3920'  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 XH DEPTH 2070'  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED 205 69/40 4 1/2 Gal 1/4 # F10

EQUIPMENT  
 PUMP TRUCK CEMENTER John Roberts  
 # 409 HELPER Travis  
 BULK TRUCK DRIVER Mike  
 # 396  
 BULK TRUCK DRIVER \_\_\_\_\_  
 # \_\_\_\_\_

|          |                      |   |              |                      |
|----------|----------------------|---|--------------|----------------------|
| COMMON   | <u>123</u>           | @ | <u>13.50</u> | <u>1660.50</u>       |
| POZMIX   | <u>82</u>            | @ | <u>7.55</u>  | <u>619.10</u>        |
| GEL      | <u>7</u>             | @ | <u>20.25</u> | <u>141.75</u>        |
| CHLORIDE |                      | @ |              |                      |
| ASC      |                      | @ |              |                      |
|          | <u>Fla Seal 51 #</u> | @ | <u>2.45</u>  | <u>124.95</u>        |
|          |                      | @ |              |                      |
|          |                      | @ |              |                      |
|          |                      | @ |              |                      |
|          |                      | @ |              |                      |
|          |                      | @ |              |                      |
| HANDLING | <u>205</u>           | @ | <u>2.25</u>  | <u>461.25</u>        |
| MILEAGE  | <u>10/hrs/mile</u>   |   |              | <u>922.50</u>        |
|          |                      |   |              | TOTAL <u>3930.05</u> |

REMARKS:  
25 sk @ 2070'  
100 sk @ 1225'  
40 sk @ 310'  
10 sk @ 40'  
Rathole 30 sk

SERVICE  
 DEPTH OF JOB \_\_\_\_\_  
 PUMP TRUCK CHARGE \_\_\_\_\_ 990.00  
 EXTRA FOOTAGE @ \_\_\_\_\_  
 MILEAGE 45 @ 7.00 315.00  
 MANIFOLD @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_

CHARGE TO: Flatirons Resources LLC  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 FEB 05 2009  
 TOTAL 1305.00

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.

CONSERVATION DIVISION  
 WICHITA, KS PLUG & FLOAT EQUIPMENT  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_  
Dry Hole Plug @ 39.00  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 TOTAL 39.00

PRINTED NAME \_\_\_\_\_  
 SIGNATURE Don Morris

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

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 KCC WICHITA

## 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:**

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.

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KOC WICHITA



## Flatirons Resources LLC

Kansas Corporation Commission  
Oil & Gas Conservation Division  
130 S. Market  
Room 2078 Wichita, Kansas 67202

October 28, 2010

While completing the annual well inventory form we found that we were missing the CP-4 for the Mahoney-Chenoweth Unit 33-36.

I have provided the CP-4 with this letter and ask that this be recorded.

If this is insufficient please let me know the proper procedure for correcting the problem.

Sincerely,

Sharon Wells  
Sr. Engineering Technician

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