

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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

ORIGINAL

OPERATOR: License # 32432  
Name: LaVeta Oil & Gas  
Address 1: P.O. Box 780  
Address 2: \_\_\_\_\_  
City: Middleburg State: VA Zip: 20118  
Contact Person: Martin Ziegler  
Phone: (620) 546-4559  
CONTRACTOR: License # 33323  
Name: Petromark Drilling LLC  
Wellsite Geologist: Bruce Reed  
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 #: \_\_\_\_\_

6/1/11	6/6/11	6/6/11
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 185-23677-0000  
Spot Description: \_\_\_\_\_  
NE NW SE NE Sec. 31 Twp. 22 S. R. 11  East  West  
1,470 Feet from  North /  South Line of Section  
930 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW  
County: Stafford  
Lease Name: Heyen B Well #: 15  
Field Name: Richardson  
Producing Formation: NA  
Elevation: Ground: 1811' Kelly Bushing: 1816'  
Total Depth: 3529' Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 233 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: 4500 ppm Fluid volume: 500 bbls  
Dewatering method used: Haul by truck  
Location of fluid disposal if hauled offsite:  
Operator Name: LaVeta Oil & Gas  
Lease Name: Heyen CJ #1 License #: 32432  
Quarter NW/4 Sec. 32 Twp. 22 S. R. 11  East  West  
County: Stafford Permit #: DO2847

**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: Martin Ziegler  
Title: Contract Agent Date: 7/19/11

**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: DLG Date: 7/27/11

Operator Name: LaVeta Oil & Gas Lease Name: Heyen B Well #: 15

Sec. 31 Twp. 22 S. R. 11  East  West County: Stafford

**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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input type="checkbox"/> No	Douglas	3097	-1281
Electric Log Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Brown Lime	3200	-1384
Electric Log Submitted Electronically <i>(If no, Submit Copy)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	Lansing	3231	-1415
List All E. Logs Run:		B. KC	3458	-1642
		Simpson	3510	-1694
		Arbuckle	3525	-1709

CASING RECORD <input 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		8 5/8"	23#	233'	common	250	60/40 3% CC

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

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 <i>(Explain)</i> _____			
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 <i>(Specify)</i> _____	PRODUCTION INTERVAL: _____ _____
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**WELL PROGNOSIS**

**Operator:** LaVeta Oil & Gas  
#15 Heyen "B"  
1470' FNL / 930' FEL Section 31-22S-11W  
Richardson Field  
Stafford County, Kansas

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**Geologist:** Bruce A. Reed  
(316) 687-5565 (home phone)  
(316) 264-6066 (office phone)  
(316) 617-3959 (cell phone)

**Instructions:** CALL DAILY REPORTS TO OFFICE  
One (1) foot drilling time @ 3000' to RTD  
Ten (10) foot samples @ 3000' to RTD  
Mud up @ approximately 2800' (or as recommended by mud engineer)  
Call point @ 3000'  
Stop point @ 3250'

**Geological Tops** Heebner - 3065'  
Brown Lime - 3200'  
Lansing - 3228'  
Arbuckle - 3530'

**Elevation:** 1811' Ground Level / 1816' Kelly Bushing

**Testing Services:** Trilobite @ (800) 728-5369

**Logging Services:** Log Tech, inc. @ (785) 625-3858

**Drilling Contractor:** Petromark Drilling, Rig 2 @ (620) 617-4750

**Toolpusher:** Jim Mickle @ (620) 617-4748

**Co. Representative:** Bennie Griffin @ (620) 458-9222

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### DRILLING INFORMATION AND GEOLOGICAL REPORT

Operator: LaVeta Oil & Gas  
 Lease: #15 Heyen B  
 Survey: 1470' FNL & 930' FEL, Section 31-22S-11W  
 Field: Richardson  
 County: Stafford  
 State: Kansas

Contractor: Petromark Drilling, Rig 2  
 Elevation: 1811' GL / 1816' KB  
 Surface Casing: 8-5/8" @ 223'  
 Production: D&A  
 Mud Up: 2821'  
 Geologist: 3170'  
 Pipe Strap: Strap @ 3529' (+0.60 to the board)  
 Survey: Straight hole @ 3529' (1 degree deviation)  
 Testing: 1-Trilobite  
 Log: None  
 RTD: 3529'

#### Daily Penetration

06/01/11	Spud
06/02/11	228'
06/03/11	1689'
06/04/11	2639'
06/05/11	3380'
06/06/11	3529'

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### Drill Stem Test

DST #1 3506' to 3529'. Fair blow building to bottom of bucket in 20 minutes on the initial flow period. Weak surface blow on the second flow period. Recovered: 620' GIP, 15' Clean Oil, 60' HO&GCWM (25% Gas, 40% Oil, 30% water and 5% mud), and 310' SOCMW (5% oil, 90% water and 5% mud). IFP/30" 26-100#, ISIP/45" 1211#, FFP/45" 133-204, FSIP/60" 1210#.

### Formation Tops

<u>Formation</u>	<u>Sample Top</u>	<u>Datum</u>	<u>Structural Comparison*</u>
Heebner	3064'	-1248	
Toronto	3081'	-1265	
Douglas	3097'	-1281	
Brown Lime	3200'	-1384	
Lansing	3231'	-1415	+10
B/KC	3458'	-1642	
Simpson	3510'	-1694	
Arbuckle	3525'	-1709	+12

\*Reference well for structural comparison: Hallwood Petroleum, Inc., # 3 C.J. Heyen B, SW NE NE of Section 31-22-11W, Stafford County, Kansas

### Zones of Interest – See Enclosed Strip Log

- 3300'-3308' Lansing /KC "F" Zone. Limestone, cream, white to gray, fine crystalline, poorly developed oolitic porosity and sub-chalky. There was a good odor in the fresh sample with a slight show of free oil.
- 3360'-3370' Lansing /KC "H" Zone. Limestone, cream, white to gray, fine crystalline, trace vug porosity. There was a faint odor in the fresh sample with a slight showing of free oil.
- 3374'-3383' Lansing / KC "I" Zone. Limestone, cream, gray to white, fine crystalline with rare vug porosity. There was a faint odor in the fresh sample with a show of black tarry oil.
- 3513'-3518' Simpson Formation. Mostly turquoise shale with few clusters and individual sandstone grains in the bottom of the tray. There was a strong odor in the fresh sample with no show of free oil. This section was covered in DST #1.
- 3525'-3529' Arbuckle Formation. Dolomite, tan to white, fine crystalline and sucrosic. Some scattered oolitic chert. Poor inter-crystalline porosity and the sucrosic samples appear to be tight. Few pieces white, medium to coarse crystalline dolomite with some vug porosity. Good strong odor in the fresh sample with a showing of a rainbow to pinhead droplets of free oil. This section was covered in DST #1.

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### Comments and Recommendations

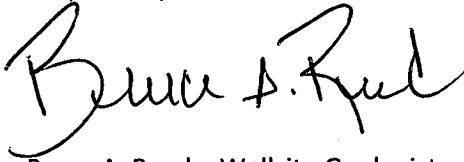
This well ran structurally higher than the producing well to the north of this test on the top of the Lansing / Kansas City and the Arbuckle formation, which is the primary producing horizon in the Richardson Field.

Minor showings of oil were noted during drilling in the Lansing/Kansas City section but did not warrant testing. A good strong odor was noted after penetrating the Arbuckle with moderate shows of free oil. This zone was tested and minor shows of oil and formation water was recovered. Due to the recovery of formation water, the well was not logged as anticipated.

It was therefore recommended that this test be plugged and abandoned as a dry hole.

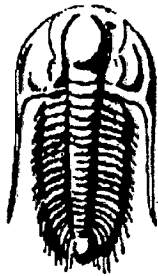
The drill cuttings have been delivered to the Kansas Geological Survey.

Respectfully submitted,

A handwritten signature in black ink that reads "Bruce A. Reed". The signature is written in a cursive, flowing style.

Bruce A. Reed – Wellsite Geologist

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**TRILOBITE  
TESTING, INC.**

## DRILL STEM TEST REPORT

Prepared For: **Laveta Oil & Gas LLC**

PO Box 780  
Middleburg VA 20118

ATTN: Bernie Griffin / Bruc

**31-22-11 Stafford,KS**

**Heyen # B-15**

Start Date: 2011.06.05 @ 18:47:34

End Date: 2011.06.06 @ 02:04:49

Job Ticket #: 37491                      DST #: 1

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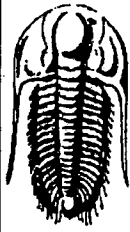
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Trilobite Testing, Inc

PO Box 1733 Hays, KS 67601

ph: 785-625-4778 fax: 785-625-5620



**TRILOBITE  
TESTING, INC**

# DRILL STEM TEST REPORT

Laveta Oil & Gas LLC

Heyen # B-15

PO Box 780  
Middleburg VA 20118

31-22-11 Stafford,KS

Job Ticket: 37491

DST#: 1

ATTN: Bernie Griffin / Brucrg VA 20118

Test Start: 2011.06.05 @ 18:47:34

## GENERAL INFORMATION:

Formation: **Arbuckle**  
 Deviated: **No Whipstock:** ft (KB)  
 Time Tool Opened: 20:32:49  
 Time Test Ended: 02:04:49

Test Type: **Conventional Bottom Hole**  
 Tester: **Chris Staats**  
 Unit No: **34**

Interval: **3506.00 ft (KB) To 3529.00 ft (KB) (TVD)**  
 Total Depth: **3529.00 ft (KB) (TVD)**  
 Hole Diameter: **7.88 inches** Hole Condition: **Fair**

Reference Elevations: **1816.00 ft (KB)**  
**1811.00 ft (CF)**  
 KB to GR/CF: **5.00 ft**

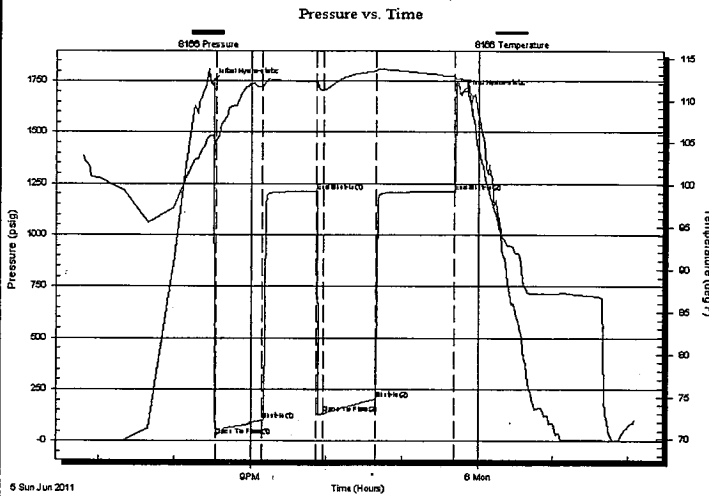
Serial #: **8166**

Outside

Press@RunDepth: **203.85 psig @ 3507.00 ft (KB)**  
 Start Date: **2011.06.05** End Date: **2011.06.06**  
 Start Time: **18:47:39** End Time: **02:04:48**

Capacity: **8000.00 psig**  
 Last Calib.: **2011.06.06**  
 Time On Btm: **2011.06.05 @ 20:28:49**  
 Time Off Btm: **2011.06.05 @ 23:45:49**

TEST COMMENT: IF: Strong blow BOB 20 min  
 IS: No blow back  
 FF: Weak surface blow  
 FS: No blow back



## PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1741.54	105.85	Initial Hydro-static
4	25.85	105.21	Open To Flow (1)
41	99.58	111.70	Shut-In(1)
83	1210.90	112.19	End Shut-In(1)
89	133.00	111.19	Open To Flow (2)
131	203.85	113.44	Shut-In(2)
192	1210.47	112.86	End Shut-In(2)
197	1688.29	112.53	Final Hydro-static

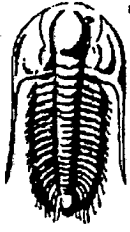
## Recovery

Length (ft)	Description	Volume (bbl)
310.00	SOOmw 5%O 5%M 90%W	1.78
60.00	G,W,O,M 5% mud 25% gas 30% water 40%	0.84
15.00	Oil	0.21
0.00	620' GIP	0.00

## Gas Rates

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





**TRILOBITE  
TESTING, INC**

**DRILL STEM TEST REPORT**

**TOOL DIAGRAM**

Laveta Oil & Gas LLC

**Heyen # B-15**

PO Box 780  
Middleburg VA 20118

**31-22-11 Stafford,KS**

Job Ticket: 37491

**DST#: 1**

ATTN: Bernie Griffin / Brucrg VA 20118

Test Start: 2011.06.05 @ 18:47:34

**Tool Information**

Drill Pipe:	Length: 3205.00 ft	Diameter: 3.80 inches	Volume: 44.96 bbl	Tool Weight: 2000.00 lb
Heavy Wt. Pipe:	Length: 0.00 ft	Diameter: 0.00 inches	Volume: 0.00 bbl	Weight set on Packer: 25000.00 lb
Drill Collar:	Length: 282.00 ft	Diameter: 2.25 inches	Volume: 1.39 bbl	Weight to Pull Loose: 57000.00 lb
			<u>Total Volume: 46.35 bbl</u>	Tool Chased 3.00 ft
Drill Pipe Above KB:	2.00 ft			String Weight: Initial 52000.00 lb
Depth to Top Packer:	3506.00 ft			Final 54000.00 lb
Depth to Bottom Packer:	ft			
Interval between Packers:	23.00 ft			
Tool Length:	44.00 ft			
Number of Packers:	2	Diameter: 6.25 inches		

Tool Comments:

Tool Description	Length (ft)	Serial No.	Position	Depth (ft)	Accum. Lengths
Change Over Sub	1.00			3486.00	
Shut In Tool	5.00			3491.00	
Hydraulic tool	5.00			3496.00	
Packer	5.00			3501.00	21.00 Bottom Of Top Packer
Packer	5.00			3506.00	
Stubb	1.00			3507.00	
Recorder	0.00	6773	Outside	3507.00	
Recorder	0.00	8166	Outside	3507.00	
Perforations	19.00			3526.00	
Bullnose	3.00			3529.00	23.00 Bottom Packers & Anchor
<b>Total Tool Length:</b>	<b>44.00</b>				



**TRILOBITE  
TESTING, INC**

# DRILL STEM TEST REPORT

**FLUID SUMMARY**

Laveta Oil & Gas LLC

**Heyen # B-15**

PO Box 780  
Middleburg VA 20118

**31-22-11 Stafford,KS**

Job Ticket: 37491

DST#: 1

ATTN: Bernie Griffin / Brucrg VA 20118

Test Start: 2011.06.05 @ 18:47:34

## Mud and Cushion Information

Mud Type: Gel Chem  
Mud Weight: 10.00 lb/gal  
Viscosity: 59.00 sec/qt  
Water Loss: 10.18 in<sup>3</sup>  
Resistivity: 0.00 ohm.m  
Salinity: 9400.00 ppm  
Filter Cake: 0.02 inches

Cushion Type:  
Cushion Length: ft  
Cushion Volume: bbl  
Gas Cushion Type:  
Gas Cushion Pressure: psig

Oil API: deg API  
Water Salinity: ppm

## Recovery Information

Recovery Table

Length ft	Description	Volume bbl
310.00	SOCMV5%O 5%M90%W	1.780
60.00	G,W,O,M5%mud25%gas30%water40%oil	0.842
15.00	Oil	0.210
0.00	620' GIP	0.000

Total Length: 385.00 ft      Total Volume: 2.832 bbl

Num Fluid Samples: 0

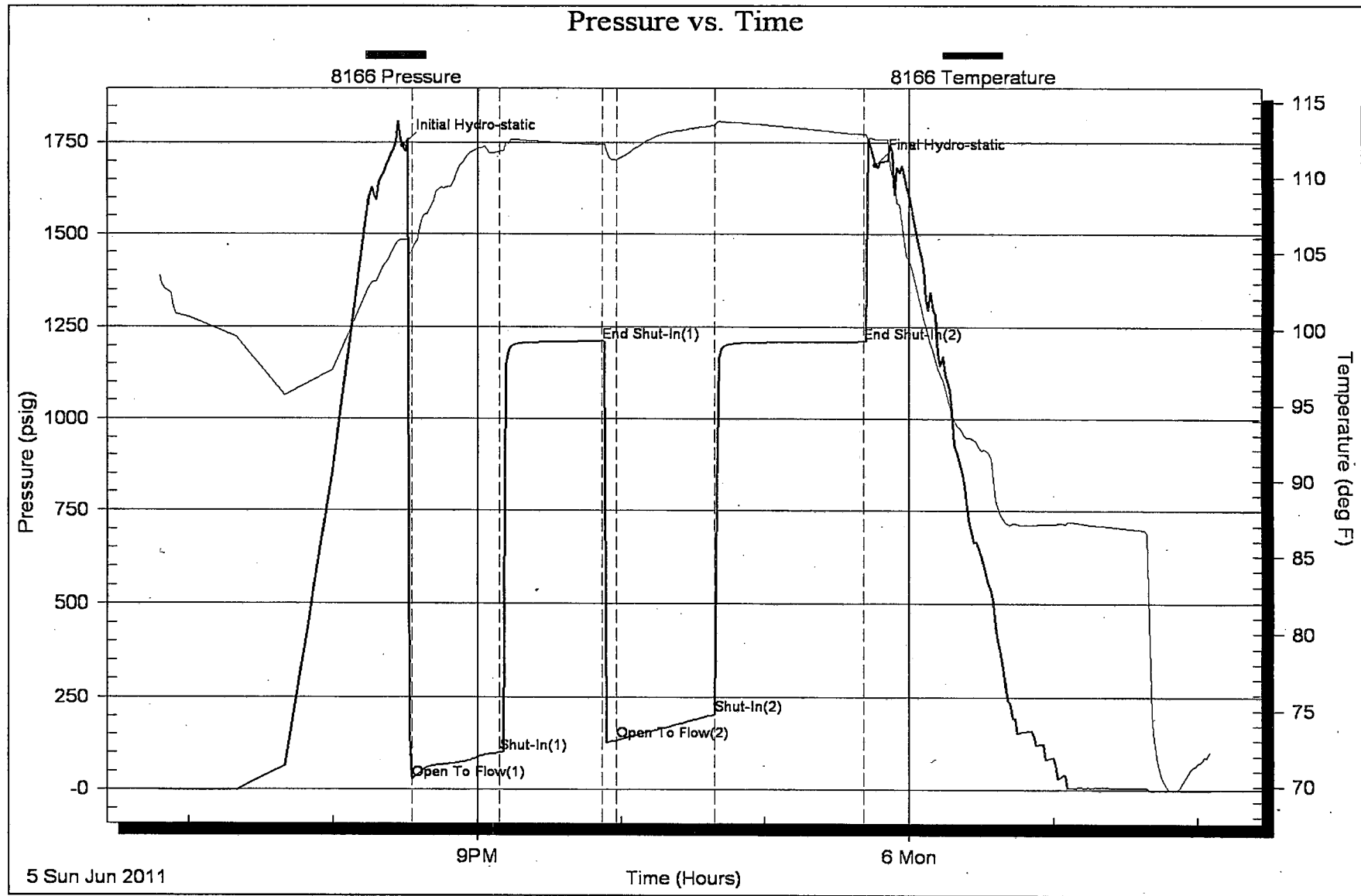
Num Gas Bombs: 0

Serial #:

Laboratory Name:

Laboratory Location:

Recovery Comments:



# 315 ALLIED CEMENTING CO., LLC. 038814

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

SERVICE POINT:  
Great Bend

DATE <u>6-6-11</u>	SEC. <u>31</u>	TWP. <u>22S</u>	RANGE <u>11W</u>	CALLED OUT	ON LOCATION	JOB START <u>10:30 AM</u>	JOB FINISH <u>11:30 AM</u>
LEASE <u>Hayco</u>		WELL # <u>B-15</u>		LOCATION <u>Hudson US SE 1/4</u>		COUNTY <u>Stanton</u>	STATE <u>KS</u>
OLD OR (NEW) (Circle one)				<u>South</u>			

CONTRACTOR Pet-ama-v  
 TYPE OF JOB Ratony Plus  
 HOLE SIZE 7 1/2 T.D. 3529  
 CASING SIZE 4 1/2 DEPTH 3524  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

OWNER LA Veta Oil-Gas  
 CEMENT AMOUNT ORDERED 190SX 60/40 + 406Gel  
to flo Seat.

EQUIPMENT  
 PUMP TRUCK CEMENTER Way-up  
 # 3166 HELPER Guas  
 BULK TRUCK  
 # 341 DRIVER Trent  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON \_\_\_\_\_ @ \_\_\_\_\_  
 POZMIX \_\_\_\_\_ @ \_\_\_\_\_  
 GEL \_\_\_\_\_ @ \_\_\_\_\_  
 CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_  
 ASC \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 HANDLING \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

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**REMARKS:**

1st Plus 3524 Mix 50SX  
2nd Plus 600 Mix 50SX  
3rd Plus 240 Mix 40SX  
4th Plus 60 Mix 20SX  
Rest hole Mix 30SX

TOTAL \_\_\_\_\_

**SERVICE**

DEPTH OF JOB 3524  
 PUMP TRUCK CHARGE \_\_\_\_\_  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

CHARGE TO: LA Veta Oil-Gas  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

11:30 AM  
6-6 TOTAL  
038814  
**PLUG & FLOAT EQUIPMENT**

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.

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

TOTAL \_\_\_\_\_

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

PRINTED NAME Jim Mickle  
 SIGNATURE Jim Mickle

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, and "CUSTOMER" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "Merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, CUSTOMER must tender full cash payment to ALLIED before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, CUSTOMER agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that CUSTOMER may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate; any amounts previously paid as excess interest shall be deducted from the amounts owing from the CUSTOMER or at the option of ALLIED, refunded directly to CUSTOMER. For purposes of this paragraph, ALLIED and CUSTOMER agree that Kansas law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in ALLIED'S current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

### —SERVICE CONDITIONS AND LIABILITIES:

1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. CUSTOMER shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

### WARRANTIES:

1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

### 2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

# ALLIED CEMENTING CO., LLC. 037211

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

SERVICE POINT:  
Great Bend, KS

DATE <u>6-2-2011</u>	SEC. <u>31</u>	TWP. <u>22S</u>	RANGE <u>11W</u>	CALLED OUT	ON LOCATION	JOB START <u>2:00AM</u>	JOB FINISH <u>2:30AM</u>
LEASE <u>Heyen</u>	WELL # <u>B13</u>	LOCATION <u>Hudson KS, SE 1/4 TO</u>				COUNTY <u>STAFFORD</u>	STATE <u>KS</u>
OLD OR NEW (Circle one)							

CONTRACTOR Petromark #2  
 TYPE OF JOB 228 FT Surface  
 HOLE SIZE 12 1/4 T.D. 228 FT  
 CASING SIZE 8 5/8 DEPTH 228 FT  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 DEPTH 228 FT  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX. 300 PST MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 15 FT  
 CEMENT LEFT IN CSG. 15 FT  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT Fresh Water 13 1/4 BBS

OWNER LaVeta Oil & Gas  
 CEMENT  
 AMOUNT ORDERED 250 sk 60:40:30% CC + 2% Gel + 1/4 # Flo-seal  
50# Sugar  
 COMMON \_\_\_\_\_ @ \_\_\_\_\_  
 POZMIX \_\_\_\_\_ @ \_\_\_\_\_  
 GEL \_\_\_\_\_ @ \_\_\_\_\_  
 CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_  
 ASC \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 HANDLING \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK CEMENTER David W.  
 # 366 HELPER Greg R.  
 BULK TRUCK  
 # 341 DRIVER David W + Larrys  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

Pipe on Pattern Break in m  
mix 250 sk 60:40:30% CC + 2%  
Gel + 1/4 # Flo-seal shut down  
Release Plug Displace with  
13 1/4 BBS, Fresh Water & shut  
in cement plug  
Wash up Rig down,

**SERVICE**

DEPTH OF JOB 228 FT  
 PUMP TRUCK CHARGE \_\_\_\_\_  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

CHARGE TO LaVeta Oil & Gas  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

1- Rubber Plug @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

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 X Jim Mickle  
 SIGNATURE X Jim Mickle

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

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.

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