

STATE CORPORATION COMMISSION OF KANSAS
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
ACO-1 WELL HISTORY
DESCRIPTION OF WELL AND LEASE

API NO. 15- 071-206660000 ORIGINAL

County Greeley

C -NE/4 SW/4 Sec. 1 Twp. 18 Rge. 40 X ^E_W

1980 Feet from (S) (circle one) Line of Section

1980 Feet from (E) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
NE, SE, NW or (S) (circle one)

Lease Name Kuder Well # 2

Field Name Bradshaw

Producing Formation Winfield

Elevation: Ground 3544 KB 3549

Total Depth 2980 PBDT 2946

Amount of Surface Pipe Set and Cemented at 270 Feet

Multiple Stage Cementing Collar Used? 59-97 Yes X No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from 2946

feet depth to surface w/ 575 sx cmt.

Drilling Fluid Management Plan ALT 2 NOT MET 97 6-17-97
(Data must be collected from the Reserve Pit)

Chloride content _____ ppm Fluid volume _____ bbls

Dewatering method used _____

Location of fluid disposal if hauled offsite: _____

Operator Name _____

Lease Name _____ License No. _____

_____ Quarter Sec. _____ Twp. _____ S Rng. _____ E/W

County _____ Docket No. _____

Operator: License # 4894

Name: Horseshoe Operating, Inc.

Address 500 W. Texas, Suite 1190

City/State/Zip Midland, Tx 79701

Purchaser: N/A

Operator Contact Person: S. L. Burns

Phone (915) 683-1448

Contractor: Name: Murfin Drilling Co.

License: 30605

Wellsite Geologist: none

Designate Type of Completion

X New Well _____ Re-Entry _____ Workover _____

_____ Oil _____ SWD _____ SLOW _____ Temp. Abd.
_____ Gas _____ ENHR XXX SIGW
_____ Dry _____ Other (Core, WSW, Expl., Cathodic, etc)

If Workover:

Operator: _____

Well Name: _____

Comp. Date _____ Old Total Depth _____

_____ Deepening _____ Re-perf. _____ Conv. to Inj/SWD
_____ Plug Back _____ PBDT
_____ Commingled _____ Docket No. _____
_____ Dual Completion _____ Docket No. _____
_____ Other (SWD or Inj?) _____ Docket No. _____

3-10-97 3-13-97 3-28-97
Spud Date Date Reached TD Completion Date

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 on 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 S.L. Burns

Title Vice - President Date 5-14-97

Subscribed and sworn to before me this 14 day of May, 19 97.

Notary Public Debbie Hanson

Date Commission Expires 8-9-97

K.C.C. OFFICE USE ONLY
F Letter of Confidentiality Attached
C Wireline Log Received
C Geologist Report Received

Distribution
 KCC SLD/Rep NGPA
 KGS Plug Other
(Specify)

DEBBIE HANSON
Notary Public, State of Texas
My Commission Expires 08-09-1997

Operator Name Horseshoe Operating, Inc. Lease Name Kuder Well # 2

Sec. 1 Twp. 18 Rge. 40
 East
 West

County Greeley

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

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:
 Dual Compensated Porosity Log
 Dual Spaced Cement Bond

<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datums			<input type="checkbox"/> Sample
Name	Top	Datum	
Stona Corral	2550	+ 999	
Winfield	2936	+ 613	

CASING RECORD <input type="checkbox"/> New <input checked="" type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs./Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12-1/4	8-5/8	26#	270	C	175	2% CaCl 1/4# sx cel
Production	7-7/8	4-1/2	11.6#	2979	C	400	8% Gal 1/4# FloSeal
"					C	125	10% Salt

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 (Amount and Kind of Material Used)	Depth
Open hole 5'	Drill out 5' & open hole complete	750 gal 7-1/2% HCL	
		12,000 16/30 sand 25% gal	
N/A	2979'-2984'		

TUBING RECORD		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		2-3/8	2950		
Date of First, Resumed Production, SMD or Inj. N/A Waiting on evaluation			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: **METHOD OF COMPLETION** Vented Sold Used on Lease (If vented, submit ACO-18.) Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval 2979'-2984'

well is pending an evaluation

HORSESHOE OPERATING, INC.
OIL AND GAS

ORIGINAL

500 West Texas, Suite 1190 • Midland, Texas 79701 • (915) 683-1448 FAX (915) 686-9449

September 25, 1997

Kansas Corporation Commission
130 S. Market - Room 2078
Wichita, Kansas 67202

Re: Kuder #2
Sec. 1-16-40W
Greeley Co., Kansas

Dear Sirs,

Additional cementing was performed on the above referenced well on 9/12/97. This was witnessed by Kevin Strube with the KCC. A copy of the cementing ticket is attached.

All logs and the ACO-1 form were sent to your office May 14, 1997.

If you have any questions, please do not hesitate to contact me at the letterhead address.

Sincerely,



Debbie Franklin

ORIGINAL

ALLIED CEMENTING CO., INC.

8993

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

SERVICE POINT:

WF
Oakley

DATE <u>3-13-97</u>	SEC. <u>1</u>	TWP. <u>18^s</u>	RANGE <u>40^w</u>	CALLED OUT	ON LOCATION <u>2:00 AM</u>	JOB START <u>3:15 AM</u>	JOB FINISH <u>4:45 AM</u>
LEASE <u>Kyler</u>	WELL# <u>2</u>	LOCATION <u>Tribune 3N-3 1/2 E - N.S.</u>			COUNTY <u>Greeley</u>	STATE <u>Kan</u>	
OLD OR NEW (Circle one)							

CONTRACTOR MurFin Drly Co # 8

TYPE OF JOB Production String

HOLE SIZE 7 7/8 T.D. 2980'

CASING SIZE 4 1/2 10 1/2" DEPTH 2979'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT 42.20'

CEMENT LEFT IN CSG. none

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT

AMOUNT ORDERED 125 sks C, 10% Salt

450 - sks C ~~to~~ 8% Cal, 1/4" Flo

500 gal WFR-5

Class C

COMMON	<u>575 - sks @</u>	<u>9.00</u>	<u>5,175.00</u>
POZMIX	@		
GEL	<u>34 - sks @</u>	<u>9.50</u>	<u>323.00</u>
CHLORIDE	@		
<u>Flo-Seal 113 #</u>	@	<u>1.15</u>	<u>129.95</u>
<u>500 gal WFR-2</u>	@	<u>1.00</u>	<u>500.00</u>
<u>Salt 11 sks</u>	@	<u>7.00</u>	<u>77.00</u>
	@		
	@		
HANDLING	<u>575 sks @</u>	<u>1.05</u>	<u>603.75</u>
MILEAGE	<u>4¢ per sk/mile</u>		<u>1,794.00</u>
			TOTAL <u>8,602.70</u>

EQUIPMENT

PUMP TRUCK	CEMENTER	<u>Max</u>
# <u>102</u>	HELPER	<u>Walt</u>
BULK TRUCK		
# <u>303</u>	DRIVER	<u>Lounie</u>
BULK TRUCK		
# <u>315</u>	DRIVER	<u>Jeff</u>

REMARKS:

Mixed 450 sks C, 8% Cal, 1/4"
Flo-Seal
Tailed w/ 125 sks C, 10% Salt
released Plug + Displaced 49 1/2'
BBI Water, Landed Plug @ 1000 psi
(lost returns)

SERVICE

DEPTH OF JOB		
PUMP TRUCK CHARGE		<u>1,030.00</u>
EXTRA FOOTAGE	@	
MILEAGE	<u>78 - miles @</u>	<u>2.85</u> <u>222.30</u>
PLUG	@	
	@	
	@	
		TOTAL <u>1,252.30</u>

CHARGE TO: Horseshoe Operating
STREET 500 W. Texas #1190
CITY Midland STATE TX ZIP 79701

FLOAT EQUIPMENT

<u>none</u>	@	
	@	
	@	
	@	
	@	
TOTAL _____		

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Louis McRone

PRINTED NAME

ORIGINAL

ALLIED CEMENTING CO., INC.

8991
WF

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

SERVICE POINT:

Oakley

DATE <u>3-10-97</u>	SEC. <u>1</u>	TWP. <u>18</u>	RANGE <u>40</u>	CALLED OUT	ON LOCATION <u>2:00 PM</u>	JOB START <u>4:30 PM</u>	JOB FINISH <u>5:00 PM</u>
LEASE <u>Kuder</u>	WELL# <u>2</u>	LOCATION <u>Tribune 3N-3 1/2 E. N.S</u>			COUNTY <u>Greeley</u>	STATE <u>Kan</u>	
OLD OR (NEW) (Circle one)							

CONTRACTOR <u>Mur Fin Dels Co #8</u>	OWNER <u>Same</u>
TYPE OF JOB <u>Surface</u>	
HOLE SIZE <u>12 1/4</u>	T.D. <u>270'</u>
CASING SIZE <u>8 5/8</u>	DEPTH <u>270'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	<u>15'</u>
DISPLACEMENT	<u>16 1/4 BBL</u>

CEMENT			
AMOUNT ORDERED	<u>75 sks com, 3%CC</u>		
	<u>100 sks Lite, 3%CC</u>		
COMMON	<u>75 sks</u>	@ <u>7.20</u>	<u>540.00</u>
POZMIX		@	
GEL		@	
CHLORIDE	<u>5 sks</u>	@ <u>28.00</u>	<u>140.00</u>
	<u>Lite 100 sks</u>	@ <u>6.65</u>	<u>665.00</u>
		@	
		@	
		@	
HANDLING	<u>175 sks</u>	@ <u>1.03</u>	<u>183.15</u>
MILEAGE	<u>4 1/2 px sk/mile</u>		<u>546.00</u>

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Walt</u>
# <u>102</u>	HELPER
BULK TRUCK	
# <u>305</u>	DRIVER <u>Lannie</u>
BULK TRUCK	
# <u>315</u>	DRIVER <u>Jeff</u>

TOTAL 2,074.75

REMARKS:

SERVICE

Mixed 100 sks Lite 213.5 PPG
Yield 1.59, Tail in w/ 75 sks com
2 15.6 PPG Yield 1.18, release
Plug, Displace 16 1/4 BBL, shut
in, Cement Did Circ

Walt

DEPTH OF JOB		
PUMP TRUCK CHARGE		<u>445.00</u>
EXTRA FOOTAGE	@	
MILEAGE	<u>78 miles</u>	@ <u>2.85</u> <u>222.30</u>
PLUG	<u>8 5/8 Surface</u>	@ <u>45.00</u>
	@	
	@	

TOTAL 712.30

CHARGE TO: Horse shoe Operating, Inc
 STREET 500 W Texas # 1190
 CITY Midland STATE Tex ZIP 79701

FLOAT EQUIPMENT

	<u>none</u>		
	@		
	@		
	@		
	@		

TOTAL _____

To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Louis McRaman

PRINTED NAME

ALLIED CEMENTING CO., INC. WF 9997

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

SERVICE POINT: Dakley
ORIGINAL

DATE <u>9-12-97</u>	SEC. <u>1</u>	TWP. <u>18^s</u>	RANGE <u>40^w</u>	CALLED OUT	ON LOCATION <u>10:00^{AM}</u>	JOB START	JOB FINISH <u>NOON</u>
LEASE <u>Kuder</u>		WELL # <u>2</u>		LOCATION <u>Tribune 3N-3E-16N</u>		COUNTY <u>Greeley</u>	STATE <u>Kan</u>
OLD OR NEW (Circle one)							

CONTRACTOR none OWNER Same

TYPE OF JOB Circ Cement

HOLE SIZE	T.D.
CASING SIZE <u>4 1/2</u>	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT	

CEMENT

AMOUNT ORDERED 65 sks com,
175 sks 6 1/4" dia, 6% cel,
1/4" Flo-Seal

COMMON	<u>170 sks</u>	@	<u>7.55</u>	<u>1,283.50</u>
POZMIX	<u>70 sks</u>	@	<u>3.25</u>	<u>227.50</u>
GEL	<u>9 sks</u>	@	<u>9.50</u>	<u>85.50</u>
CHLORIDE		@		
<u>Flo-Seal 4 1/4"</u>		@	<u>1.15</u>	<u>50.60</u>
		@		
		@		
		@		
		@		
HANDLING	<u>240 sks</u>	@	<u>1.05</u>	<u>252.00</u>
MILEAGE	<u>4¢ per sk/mile</u>			<u>748.80</u>
TOTAL				<u>2,647.90</u>

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Walt</u>
# <u>102</u>	HELPER <u>Walt</u>
BULK TRUCK	
# <u>347</u>	DRIVER <u>Louise</u>
BULK TRUCK	
#	DRIVER

REMARKS:

mixed 75 sks Lite Tail in w/
65 sks com, @ 700' Displace
to 890', Shut in @ 400'
mixed 100 sks Lite down back
side @ 200', Shut in @ 100'

Dul Co

SERVICE

DEPTH OF JOB	
PUMP TRUCK CHARGE	<u>580.00</u>
EXTRA FOOTAGE	@
MILEAGE <u>78 miles</u>	@ <u>2.83</u> <u>222.30</u>
PLUG	@
	@
	@
TOTAL <u>802.30</u>	

CHARGE TO: Horseshoe Operating
STREET 500 W Texas 1190
CITY Midland STATE Texas ZIP 79701

FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	
TOTAL		

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE S.L. Burns

PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., 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., INC. ^{W.F.} 9997

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

SERVICE POINT: Oakley

ORIGINAL

DATE <u>9-17-97</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION <u>10:00 AM</u>	JOB START	JOB FINISH <u>NOON</u>
LEASE <u>Kudor</u>	WELL # <u>2</u>	LOCATION <u>Tr. 6 line 3N-3E-16N</u>			COUNTY <u>Greeley</u>	STATE <u>Kan</u>	
OLD OR NEW (Circle one)							

CONTRACTOR None

TYPE OF JOB Circ Cement

HOLE SIZE _____ T.D. _____

CASING SIZE 4 1/2 DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT

AMOUNT ORDERED 65 sks com,
175 sks 6 1/2" dia, 6 1/2" cel,
1/4" Flo-Sock

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Walt

102 HELPER Walt

BULK TRUCK

347 DRIVER Lannie

BULK TRUCK

_____ DRIVER _____

TOTAL _____

REMARKS:

mixed 75 sks Lite Tail in w/
65 sks com, 2 700# Displace
to 890', Shut in 2 400#
mixed 100 sks Lite down back
sid o 2 700#, Shut in 2 100#

[Signature]

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE miles @ 2.25

PLUG _____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

CHARGE TO: Hogwash Operating

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

To Allied Cementing Co., Inc.
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TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE A.L. Burns

PRINTED NAME _____

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., 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.