

ORIGINAL

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

OPERATOR: License # 34259

Name: JAG Operations, Inc.

Address 1: PO Box 628

Address 2: _____

City: Russell State: Ks Zip: 67665

Contact Person: Jack Yost

Phone: (785) 483-0271

CONTRACTOR: License # 33350

Name: Southwind Drilling, Inc.

Wellsite Geologist: Mike Bair

Purchaser: United Petroleum Purchasing Co.

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 #: _____

<u>6/11/2011</u>	<u>6/19/2011</u>	<u>7/13/2011</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 167-23719-00-00

Spot Description: _____

NE SE NW SW Sec. 28 Twp. 13 S. R. 15 East West

1755 Feet from North / South Line of Section

1375 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: Russell

Lease Name: Rohleder Well #: 1

Field Name: Unnamed

Producing Formation: Kansas City

Elevation: Ground: 1920 Kelly Bushing: 1930

Total Depth: 3407 Plug Back Total Depth: 3400

Amount of Surface Pipe Set and Cemented at: 239 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 976 Feet

If Alternate II completion, cement circulated from: 976

feet depth to: Surface w/ 350 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: 1400 ppm Fluid volume: 4500 bbls

Dewatering method used: Natural Evaporation

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

KCC Office Use ONLY

- Letter of Confidentiality Received
Date: _____
- Confidential Release Date: _____
- Wireline Log Received
- Geologist Report Received
- UIC Distribution
- ALT I II III Approved by: Dlg Date: 8/2/11

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: Anna Lee Yost

Title: President Date: 7/26/2011

Operator Name: JAG Operations, Inc. Lease Name: Rohleder Well #: 1
 Sec. 2 Twp. 13 S. R. 15 East West County: Russell

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

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Gama Ray Sonic Bond, Temperature Survey, Dual Compensated Porosity, Dual Induction, Microresistivity, Borehole Compensated Sonic	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>ANHY</td> <td>966</td> <td>+690</td> </tr> <tr> <td>Topeka</td> <td>2815</td> <td>-889</td> </tr> <tr> <td>Heebner</td> <td>3040</td> <td>-1114</td> </tr> <tr> <td>Toronto</td> <td>3061</td> <td>-1135</td> </tr> <tr> <td>Lansing</td> <td>3095</td> <td>-1166</td> </tr> <tr> <td>Gorham Sand</td> <td>3345</td> <td>-1419</td> </tr> <tr> <td>Arbuckle</td> <td>3358</td> <td>-1432</td> </tr> </table>	Name	Top	Datum	ANHY	966	+690	Topeka	2815	-889	Heebner	3040	-1114	Toronto	3061	-1135	Lansing	3095	-1166	Gorham Sand	3345	-1419	Arbuckle	3358	-1432
Name	Top	Datum																							
ANHY	966	+690																							
Topeka	2815	-889																							
Heebner	3040	-1114																							
Toronto	3061	-1135																							
Lansing	3095	-1166																							
Gorham Sand	3345	-1419																							
Arbuckle	3358	-1432																							

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface Pipe	12.25"	8.625"	20	235'	60/40 Poz	125	2% gel 4% cal
Production	7.875"	5.5"	14	3400	Common	150	10% salt 2% gel

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate				
<input checked="" type="checkbox"/> Protect Casing	957-270	60/40 Poz	300	4% gel
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone	0-270	60/40 Poz	50	4% gel

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
4	3351-3354	RECEIVED	3354
4	3274-3276	JUL 29 2011	
4	3251-3253	1000 gal 15% Non E	
4	3186-3188	KCC WICHITA	
		0	

TUBING RECORD: Size: <u>2.875"</u> Set At: <u>3365</u> Packer At: <u> </u> Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR. <u>7/28/2011</u>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) <u> </u>
Estimated Production Per 24 Hours	Oil Bbbs. <u>5</u> Gas Mcf <u>0</u> Water Bbbs. <u>20</u> Gas-Oil Ratio <u> </u> Gravity <u>34</u>

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input checked="" type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) <u> </u>	PRODUCTION INTERVAL: <u>3274-3276</u> <u>3251-3253</u>
--	--	--

QUALITY WELL SERVICE, INC.

5223

Home Office 190th US 56 HWY, Ellinwood, KS 67526

Todd's Cell 620-388-5422
Darin's Cell 785-445-2686

Rich's Cell 620-727-3409
Brady's Cell 620-727-6964

Date	7-8-11	Sec.	23	Twp.	13	Range	15	County	Russell	State	Ks	On Location		Finish	
Lease	KSHLEDZ		Well No.	1		Location Russell Ks W of HWY 4									
Contractor	HCE WELL SERVICE							Owner to rd 178 N 15 RR + acts W on							
Type Job	PORT COLLAR							To Quality Well Service, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.							
Hole Size	7 7/8		T.D.												
Csg.	5 1/2		Depth		Charge To JAG OPEC INC										
Tbg. Size	2 7/8		Depth		957										
Tool			Depth		Street										
Cement Left in Csg.			Shoe Joint		City										
Meas Line			Displace		State										
EQUIPMENT													The above was done to satisfaction and supervision of owner agent or contractor.		
Pumptrk 9 No. K...													Cement Amount Ordered 300 60/40 4 1/2 BBL		
Bulktrk 7 No. T...													5 BBL ON SITE		
Bulktrk No.													Common 180		
Pickup No. H...													Poz. Mix 120		
JOB SERVICES & REMARKS													Gel. 15		
Rat Hole													Calcium		
Mouse Hole													Hulls RECEIVED		
Centralizers													Salt JUL 20 2011		
Baskets													Flowseal		
D/V or Port Collar 957													Kol-Seal KCC WICHITA		
Loan Hole 33 Bbls													Mud CLR 48		
Test Port Collar 900*													CFL-117 or CD110 CAF 38		
MEK Pump 5 gal Gel + CIP													Sand		
MEK Pump 150 gal 60/40 4 1/2 CL													Handling 315		
110 gal shut down 15 min													Mileage 20		
MEK Pump 50 gal 60/40 4 1/2 CL													FLOAT EQUIPMENT		
110 gal shut down													Guide Shoe		
MEK Pump 50 gal 60/40 4 1/2 CL													Centralizer		
110 gal shut down													Baskets		
MEK Pump 50 gal 60/40 4 1/2 CL													AFU Inserts		
110 gal shut down													Float Shoe		
MEK Pump 50 gal 60/40 4 1/2 CL													Latch Down		
110 gal shut down													Pumptrk Charge		
MEK Pump 50 gal 60/40 4 1/2 CL													Mileage 20		
110 gal shut down													Tax		
MEK Pump 50 gal 60/40 4 1/2 CL													Discount		
110 gal shut down													Total Charge		
MEK Pump 50 gal 60/40 4 1/2 CL													Signature		
110 gal shut down															

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Well Service, 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 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and attorney's fees.

– **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

– **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

– **DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

ALLIED CEMENTING CO., LLC. 039654

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

SERVICE POINT:
Russell Ks.

DATE <u>7-12-2011</u>	SEC: <u>28</u>	TWP. <u>13 S</u>	RANGE <u>15 W</u>	CALLED OUT	ON LOCATION	JOB START <u>10:30 AM</u>	JOB FINISH <u>11:00 AM</u>
LEASE <u>Rothler</u>	WELL # <u>#1</u>	LOCATION <u>GEORHAM KS. 2E 1/4 N 1/4 W</u>			COUNTY <u>Russell</u>	STATE <u>KANSAS</u>	

OLD OR NEW (Circle one)

CONTRACTOR ACE Well Service (Tony) OWNER _____
 TYPE OF JOB ARB - Squeeze
 HOLE SIZE _____ T.D. _____
 CASING SIZE 5 1/2 DEPTH 3400'
 TUBING SIZE 2 7/8 DEPTH _____
 DRILL PIPE _____ DEPTH Fred B.
 TOOL Don's Parker Service DEPTH 3296
 PRES. MAX 3,000 MINIMUM 500 #
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. KC 3187-3278 (ARB) 3351-3354
 DISPLACEMENT T-19/bbl C-1.50/bbl

CEMENT
 AMOUNT ORDERED 50s x Comm.
5# FL-10 FRICTION REDUCER

EQUIPMENT
 PUMP TRUCK CEMENTER Glenn
 # 417 HELPER Woody
 BULK TRUCK
 # 34 DRIVER Kellie
 BULK TRUCK
 # _____ DRIVER _____

COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____
 _____ @ _____
 _____ @ _____
 RECEIVED
 JUL 29 2011
 KCC WICHITA
 _____ @ _____
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE _____ @ _____

REMARKS:

Set Packer
 ARB PERF @ 3351-54' + Load Back Side
 @ 3296. TOOK INJECTION Rate OF
 1 RPM @ 1500#, MIXED 25 SX w/ FL-10
 & AS SX STRAIGHT. CLEAR-LINE & DISPLACED
 1' RAIL Below Packer (20 BBL) @ 3000#
 MAX PST. (HELD) FOR 30 MIN & RELEASD
 PRESS. & DRED-UP. RAN DOWN TO
 2390 + WASHED Squeeze CLEAN.
 Came out of hole w/ packer. THANKS

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 MANIFOLD YES _____ @ _____
 _____ @ _____

CHARGE TO: JAG Operations Inc
 STREET _____
 CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

_____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 TOTAL _____

To Allied Cementing Co., LLC.
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

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

PRINTED NAME _____

SIGNATURE [Signature]

GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

—SERVICE CONDITIONS AND LIABILITIES:

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

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

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

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

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

WARRANTIES:

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

2. More specifically:

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

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

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

ALLIED CEMENTING CO., LLC. 039652

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

SERVICE POINT:
Russell Ks.

DATE <u>7-11-2011</u>	SEC. <u>28</u>	TWP. <u>13s</u>	RANGE <u>15w</u>	CALLED OUT	ON LOCATION	JOB START <u>12:30 PM</u>	JOB FINISH <u>1:00 PM</u>
LEASE <u>Rollender</u>		WELL # <u>1</u>	LOCATION <u>Russell Ks. 7w 1/4 N</u>			COUNTY <u>Russell</u>	STATE <u>KANSAS</u>
OLD OR NEW (Circle one)					<u>1/4 W</u>		

CONTRACTOR ACF Well Service (Tony)

TYPE OF JOB Cement Backside (1")

HOLE SIZE 14" CSG T.D.

CASING SIZE 5 1/2 @ DEPTH 3400'

TUBING SIZE 2 3/8 DEPTH SURFACE 239'

DRILL PIPE ~~2 3/8~~ DEPTH @

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. TOP OF Cement @ 270'

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT (USED) 50 SX 60 4% GEL

AMOUNT ORDERED 1/4 # FID-Seal PER SX

COMMON	@	_____
POZMIX	@	_____
GEL	@	_____
CHLORIDE	@	_____
ASC	@	_____
RECEIVED	@	_____
JUL 20 2011	@	_____
KCC WICHT	@	_____
HANDLING	@	_____
MILEAGE	@	_____

EQUIPMENT

PUMP TRUCK CEMENTER Glenn

417 HELPER WOODY

BULK TRUCK

481 DRIVER Tony

BULK TRUCK

_____ DRIVER _____

REMARKS:

RON SURVEY & FOUND TOP OF CEMENT @ 270' Hooked up to 5/2 CSG w/ SWAGE & PRESSURE TO 500# & SHUT IN. Hooked up to ANNULUS, & TOOK INJECTION RATE OF 1/2 BPM @ 500#. Mixed 50 SX @ 4% GEL 1/4 # FID-Seal Squeezed to 350#, & SHUT IN @ 350# (Held). THANK'S!

SERVICE

DEPTH OF JOB	_____
PUMP TRUCK CHARGE	_____
EXTRA FOOTAGE	@ _____
MILEAGE	@ _____
MANIFOLD	@ _____
	@ _____
	@ _____

CHARGE TO JAG Operations INC.

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL _____

* State Rep. Pat STAAB (KCC)
ON LOCATION!

PLUG & FLOAT EQUIPMENT

_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____

TOTAL _____

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cement and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS _____

PRINTED NAME _____

SIGNATURE _____

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.

QUALITY WELL SERVICE, INC.

5206

Home Office 190th US 56 HWY, Ellinwood, KS 67526

Todd's Cell 620-388-5422
Darin's Cell 785-445-2686

Rich's Cell 620-727-3409
Brady's Cell 620-727-6964

Date	Sec.	Twp.	Range	County	State	On Location	Finish
10-11-11	23	13	15	Russell	Ks		
Lease <u>ROULEDEK</u>	Well No. <u>1</u>	Location <u>Russell Co. 11. 11. 4</u>					
Contractor <u>SOUTHWIND DRILLING</u>	Owner <u>TO K. L. 113</u>			To Quality Well Service, Inc. You are hereby requested to rent cementing equipment and furnish cement and helper to assist owner or contractor to do work as listed.			
Type Job <u>SURFACE</u>	Hole Size <u>12 1/4</u>			Charge To <u>TAG OPER TAG</u>			
Csg. <u>370 20"</u>	T.D. <u>239</u>	Depth <u>237.40</u>		Street			
Tbg. Size	Depth		City				
Tool	Depth		State				
Cement Left in Csg.	Shoe Joint <u>20</u>		The above was done to satisfaction and supervision of owner agent or contractor.				
Meas Line	Displace <u>14.1</u>		Cement Amount Ordered <u>125 x 6040</u>				
EQUIPMENT			<u>20% GEL 3% CC 1/4" CF.</u>				
Pumptrk <u>6</u> No. <u>1000</u>			Common <u>75</u>				
Bulktrk <u>7</u> No. <u>1000</u>			Poz. Mix <u>50</u>				
Bulktrk No. <u>1000</u>			Gel. <u>2</u>				
Pickup No. <u>1000</u>			Calcium <u>4</u>				
JOB SERVICES & REMARKS			Hulls				
Rat Hole			Salt				
Mouse Hole			Flowseal <u>35</u>				
Centralizers			Kol-Seal				
Baskets			Mud CLR 48				
D/V or Port Collar			CFL-117 or CD110 CAF 38				
<u>Wash 170 20" ... 236.40</u>			Sand				
			Handling <u>131</u>				
<u>Mix & Pump 125 x 6040</u>			Mileage <u>20</u>				
<u>2% GEL 3% CC 1/4" CF.</u>			FLOAT EQUIPMENT				
<u>14.7 M/GAL 1.25 H13</u>			Guide Shoe				
			Centralizer				
<u>SHUT DOWN</u>			Baskets				
<u>RELEASE PLUG</u>			AFU Inserts				
			Float Shoe				
<u>DESS 14.1 total total</u>			Latch Down				
<u>CLOSE VALVE ON CSG</u>			<u>1 WAXEN PLUG</u>				
<u>(700) GIVE TIME TO B</u>							
<u>COAL CAT TO PIT</u>			Pumptrk Charge <u>Surface</u>				
			Mileage <u>20</u>				
<u>Frank</u>			Tax				
<u>TODD DARRIN</u>							
<input checked="" type="checkbox"/> Signature			Total Charge				

RECEIVED
JUL 29 2011
KCC WICHITA

Handwritten notes:
11/20/11
Call
11/20/11

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Well Service, 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 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and attorney's fees.

- **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

- **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

- **DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

ALLIED CEMENTING CO., LLC. 039637

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

SERVICE POINT:
Russell KS.

DATE <u>6-19-2011</u>	SEC. <u>28</u>	TWP. <u>13</u>	RANGE <u>15W</u>	CALLED OUT	ON LOCATION	JOB START <u>3:30 AM</u>	JOB FINISH <u>4:00 AM</u>
LEASE <u>Roller Deck</u>		WELL # <u>#1</u>	LOCATION <u>Russell KS. 5W 1/2 N 1/4 W</u>			COUNTY <u>Russell</u>	STATE <u>KANSAS</u>
OLD OR NEW (Circle one)							

CONTRACTOR SOUTH WIND DRUG. Rig #1

TYPE OF JOB PRODUCTION STRING, 3410 RTD

HOLE SIZE 7 7/8 T.D. 3407 LTD.

CASING SIZE 5 1/2 New DEPTH @ 3400'

TUBING SIZE 14.50 # CSG DEPTH

DRILL PIPE DEPTH

TOOL AFU INSERT DEPTH @ 3380'

PRES. MAX. MINIMUM

MEAS. LINE SHOE JOINT 20'

CEMENT LEFT IN CSG 20'

PERFS.

DISPLACEMENT 8 1/2 BBL

OWNER

CEMENT

AMOUNT ORDERED 150 sx Comm.

10% SALT 2% GEL

500 GAL WFR-2 MUD FLUSH

COMMON @

POZMIX @

GEL @

CHLORIDE @

ASC @

RECEIVED
JUL 29 2011
KCC WICHITA

EQUIPMENT

PUMP TRUCK CEMENTER GILMAN

417 HELPER WOODY

BULK TRUCK

410 DRIVER RON

BULK TRUCK

DRIVER

Port Collar on # 58 JT. (1010)

REMARKS:

Run 91 JTS OF 5 1/2 CSG SET @ 3400'

Circulate 600 Bottom 1 HR. mix flush

+ Cement w/ 105 SX Comm 10% SALT 2% GEL

Clear-Line, Release Plug + Displace BBL

H2O Land Plug @ 200' # Release Pressure

+ FLOAT (Held)

15 SX @ Mousehole

30 SX @ KATHOLE ALLANK'S

CHARGE TO: JAG. OPERATIONS INC.

STREET

CITY STATE ZIP

HANDLING @

MILEAGE @

TOTAL

SERVICE

DEPTH OF JOB

PUMP TRUCK CHARGE

EXTRA FOOTAGE @

MILEAGE @

MANIFOLD @

TOTAL

PLUG & FLOAT EQUIPMENT

B Guide Shoe

R AFU INSERT @

B -CENTRALIZERS @

B 1 - BASKET @

B 1 - PORT COLLAR @

B 1 - TRP. @

TOTAL

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 Frank Rome

SIGNATURE Frank Rome

SALES TAX (If Any)

TOTAL CHARGES

DISCOUNT IF PAID IN 30 DAYS

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.