

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED

SEP 27 2010

ORIGINAL

Form ACO-1

June 2009

Form Must Be Typed

Form must be Signed

All blanks must be Filled

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

9/24/11

OPERATOR: License # 8628
Name: Credo Petroleum Corporation
Address 1: 1801 Broadway #900
Address 2: _____
City: Denver State: CO Zip: 80202 + _____
Contact Person: Jack Renfro
Phone: (303) 297-2200
CONTRACTOR: License # 33575
Name: WW Drilling, LLC
Wellsite Geologist: Jim Musgrove
Purchaser: None

KCC
SEP 24 2010
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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 #: _____

8/16/10 8/24/10 8/25/10
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 101-22254-00-00

Spot Description: _____

NW NW SE NW Sec. 29 Twp. 19 S. R. 28 East West
1,388 Feet from North / South Line of Section
1,400 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Lane

Lease Name: Toburen Well #: 1-29

Field Name: Unknown

Producing Formation: None

Elevation: Ground: 2800 Kelly Bushing: 2805

Total Depth: 4750 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 209 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: 12,300 ppm Fluid volume: 770 bbls

Dewatering method used: Air dry - backfill

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License #: _____

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

County: _____ Permit #: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: _____

Title: OPERATIONS MANAGER Date: 9/10/2010

KCC Office Use ONLY

- Letter of Confidentiality Received Date: 9/24/10 - 9/24/11
- Confidential Release Date: _____
- Wireline Log Received
- Geologist Report Received
- UIC Distribution
- ALT I II III Approved by: NJ Date: 9-30-10

PA

KCC

SEP 24 2010 1-29

Operator Name: Credo Petroleum Corporation Lease Name: Toburen
 Sec. 29 Twp. 19 S. R. 28 East West County: Lane

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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 (Attach Additional Sheets) Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> No (If no, Submit Copy) List All E. Logs Run: <u>DUAL COMPENSATED POROSITY</u> <u>DUAL INDUCTION</u> <u>MICRORESISTIVITY</u> <u>SONIC</u> | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td><u>ANHYDRITE</u></td> <td><u>2148</u></td> <td><u>+657</u></td> </tr> <tr> <td><u>HEBBNER</u></td> <td><u>3985</u></td> <td><u>-1180</u></td> </tr> <tr> <td><u>TORONTO</u></td> <td><u>4001</u></td> <td><u>-1196</u></td> </tr> <tr> <td><u>LANSING</u></td> <td><u>4028</u></td> <td><u>-1223</u></td> </tr> <tr> <td><u>FT SCOTT</u></td> <td><u>4563</u></td> <td><u>-1758</u></td> </tr> <tr> <td><u>MISSISSIPPIAN</u></td> <td><u>4669</u></td> <td><u>-1864</u></td> </tr> </tbody> </table> | Name | Top | Datum | <u>ANHYDRITE</u> | <u>2148</u> | <u>+657</u> | <u>HEBBNER</u> | <u>3985</u> | <u>-1180</u> | <u>TORONTO</u> | <u>4001</u> | <u>-1196</u> | <u>LANSING</u> | <u>4028</u> | <u>-1223</u> | <u>FT SCOTT</u> | <u>4563</u> | <u>-1758</u> | <u>MISSISSIPPIAN</u> | <u>4669</u> | <u>-1864</u> |
|--|--|--------------|-----|-------|------------------|-------------|-------------|----------------|-------------|--------------|----------------|-------------|--------------|----------------|-------------|--------------|-----------------|-------------|--------------|----------------------|-------------|--------------|
| Name | Top | Datum | | | | | | | | | | | | | | | | | | | | |
| <u>ANHYDRITE</u> | <u>2148</u> | <u>+657</u> | | | | | | | | | | | | | | | | | | | | |
| <u>HEBBNER</u> | <u>3985</u> | <u>-1180</u> | | | | | | | | | | | | | | | | | | | | |
| <u>TORONTO</u> | <u>4001</u> | <u>-1196</u> | | | | | | | | | | | | | | | | | | | | |
| <u>LANSING</u> | <u>4028</u> | <u>-1223</u> | | | | | | | | | | | | | | | | | | | | |
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| <u>MISSISSIPPIAN</u> | <u>4669</u> | <u>-1864</u> | | | | | | | | | | | | | | | | | | | | |

| CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used | | | | | | | |
|---|-------------------|---------------------------|-------------------|---------------|----------------|--------------|----------------------------|
| Report all strings set-conductor, surface, intermediate, production, etc. | | | | | | | |
| Purpose of String | Size Hole Drilled | Size Casing Set (In O.D.) | Weight Lbs. / Ft. | Setting Depth | Type of Cement | # Sacks Used | Type and Percent Additives |
| Surface | 12 1/4 | 8 5/8 | 24# | 209 | Common | 150 | 3%cc & 2%gel |
| | | | | | | | |
| | | | | | | | |

| ADDITIONAL CEMENTING / SQUEEZE RECORD | | | | |
|--|------------------|----------------|--------------|----------------------------|
| Purpose: | Depth Top Bottom | Type of Cement | # Sacks Used | Type and Percent Additives |
| <input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone | | | | |
| | | | | |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used) | Depth |
|----------------|---|---|-------|
| | | | |
| | | | |
| | | RECEIVED SEP 27 2010 | |
| | | KCC WICHITA | |

| | | | |
|---|-----------|--|-----------------------------------|
| TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ | | Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| Date of First, Resumed Production, SWD or ENHR: _____ | | Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____ | |
| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. Gas-Oil Ratio Gravity |

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

ALLIED CEMENTING CO., LLC. 038974

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

.KCC
SEP 24 2010

SERVICE POINT: OAKLEY KS

CONFIDENTIAL

| | | | | | | | |
|--------------------------------|-------------------|--------------------------------------|-----------------|---------------------|----------------------------|--------------------------|---------------------------|
| DATE <u>8-16-10</u> | SEC. <u>29</u> | TWP. <u>19</u> | RANGE <u>28</u> | CALLED OUT <u>1</u> | ON LOCATION <u>10:00AM</u> | JOB START <u>11:30am</u> | JOB FINISH <u>12:00pm</u> |
| LEASE <u>Tobuten</u> | WELL# <u>1.29</u> | LOCATION <u>Dighton 65- Rd 90</u> | | | COUNTY <u>lane</u> | STATE <u>KS</u> | |
| OLD OR <u>NEW</u> (Circle one) | | <u>1 E. Roushown - 1 1/2 S E 1/4</u> | | | | | |

CONTRACTOR W-W #10
 TYPE OF JOB Surface
 HOLE SIZE 1 7/8" T.D. 210'
 CASING SIZE 8 5/8" DEPTH 210'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT 12.4 GAL

OWNER _____
 CEMENT AMOUNT ORDERED 150 Com 390cc
290 gal

EQUIPMENT

PUMP TRUCK CEMENTER Fuzzy
 # 421 HELPER 12-illy
 BULK TRUCK # 347 DRIVER Jerry
 BULK TRUCK # _____ DRIVER _____

| | | | | |
|--------------------|----------------|---|-------------|-----------------------------|
| COMMON | <u>150</u> | @ | <u>1365</u> | <u>2047.50</u> |
| POZMIX | | @ | | |
| GEL | <u>3</u> | @ | <u>2040</u> | <u>6120</u> |
| CHLORIDE | <u>5</u> | @ | <u>575</u> | <u>28575</u> |
| ASC | | @ | | |
| RECEIVED | | | | |
| SEP 27 2010 | | | | |
| KCC WICHITA | | | | |
| HANDLING | <u>158</u> | @ | <u>210</u> | <u>331.80</u> |
| MILEAGE | <u>1049 km</u> | @ | | <u>600.50</u> |
| | | | | TOTAL <u>3326.65</u> |

REMARKS:

cement dial circulate
Approx 6925
Job complete @ 12:00 pm
Thanks Fuzzy & crew

SERVICE

| | | | |
|-----------------------------|-------------|---|---------------|
| DEPTH OF JOB | <u>210'</u> | | |
| PUMP TRUCK CHARGE | | | <u>999.00</u> |
| EXTRA FOOTAGE | | @ | |
| MILEAGE | <u>38</u> | @ | <u>700</u> |
| MANIFOLD | | @ | |
| | | | |
| | | | |
| | | | |
| TOTAL <u>1265.00</u> | | | |

CHARGE TO: Credo Petroleum
 STREET 1901 Broadway Suite 900
 CITY DENVER STATE COLO ZIP 80202

PLUG & FLOAT EQUIPMENT

| | | | |
|-------------------------------------|---|-------------|--------------|
| <u>8 5/8</u> { <u>2-CENTRALIZAS</u> | @ | <u>4900</u> | <u>98.00</u> |
| | @ | | |
| | @ | | |
| | @ | | |
| TOTAL <u>98.00</u> | | | |

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

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

PRINTED NAME DON GUY
 SIGNATURE Don Guy

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. 038983

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

KCC
SEP 24 2010

SERVICE POINT: OKHETS

CONFIDENTIAL

| | | | | | | | |
|------------------------------------|-------------------|--------------------------------------|------------------|------------|----------------------------|-------------------------|--------------------------|
| DATE <u>8-25-10</u> | SEC. <u>29</u> | TWP. <u>29S</u> | RANGE <u>28W</u> | CALLED OUT | ON LOCATION <u>11:30am</u> | JOB START <u>1:30pm</u> | JOB FINISH <u>2:00pm</u> |
| TOBUREN LEASE | WELL# <u>1-29</u> | LOCATION <u>Dighton Co-1/2-11/25</u> | | | COUNTY <u>lane</u> | STATE <u>KS</u> | |
| OLD OR NEW (Circle one) <u>NEW</u> | | | | RECEIVED | | | |

CONTRACTOR W-W #10 OWNER SEP 27 2010

TYPE OF JOB PTA

HOLE SIZE 7 7/8 T.D. 4750'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4"2 DEPTH 2160'

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

CEMENT KCC WICHITA

AMOUNT ORDERED 280 60140490

gel 1/4" Cloger

| | | | |
|---------------|-------------------|--------------------------|--------------------------|
| COMMON | <u>168</u> | @ <u>13⁶⁵</u> | <u>2293²⁰</u> |
| POZMIX | <u>112</u> | @ <u>7⁶⁰</u> | <u>851²⁰</u> |
| GEL | <u>10</u> | @ <u>20⁴⁰</u> | <u>204⁰⁰</u> |
| CHLORIDE | _____ | @ _____ | _____ |
| ASC | _____ | @ _____ | _____ |
| <u>Cloger</u> | <u>70</u> | @ <u>2⁴⁵</u> | <u>171⁵⁰</u> |
| HANDLING | <u>293</u> | @ <u>2¹⁰</u> | <u>615³⁰</u> |
| MILEAGE | <u>107.5 mile</u> | @ _____ | <u>1113⁴⁰</u> |
| TOTAL | | | <u>5248⁶⁰</u> |

EQUIPMENT

PUMP TRUCK CEMENTER Tuzzek

433 HELPER Kelly

BULK TRUCK

347 DRIVER Terry

BULK TRUCK

_____ DRIVER _____

REMARKS:

50 @ 2160'

80 @ 1320'

50 @ 660'

50 @ 240'

20 @ 60'

30 @ RH

Job complete @ 2:45 pm

Thanks Tuzzek crew

SERVICE

DEPTH OF JOB 2160'

PUMP TRUCK CHARGE 1000⁰⁰

EXTRA FOOTAGE @ _____

MILEAGE 38 @ 7⁰⁰ 266⁰⁰

MANIFOLD @ _____

TOTAL 1266⁰⁰

CHARGE TO: Credo Pet. Corp

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

| | | |
|-------------|---------|-------|
| _____ | @ _____ | _____ |
| _____ | @ _____ | _____ |
| _____ | @ _____ | _____ |
| _____ | @ _____ | _____ |
| _____ | @ _____ | _____ |
| TOTAL _____ | | |

To Allied Cementing Co., LLC.
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PRINTED NAME DON GUY

SIGNATURE Don Guy

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

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(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.

JAMES C. MUSGROVE

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Credo Petroleum Corp.
Toburen #1-29
1388' FNL & 1400 FWL; Section 29-19s-28w
Lane County, Kansas
Page 1

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SEP 27 2010

KCC
SEP 24 2010
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KCC WICHITA

Dry and Abandoned

- Contractor:** WW Drilling Company (Rig #10)
- Commenced:** August 16, 2010
- Completed:** August 24, 2010
- Elevation:** 2805' K.B.; 2803' D.F.; 2800' G.L.
- Casing program:** Surface; 8/58" @ 210'
Production; none
- Sample:** Samples saved and examined 3600' to the Rotary Total Depth.
- Drilling time:** One (1) foot drilling time recorded and kept 3600 ft to the Rotary Total Depth.
- Measurements:** All depths measured from the Kelly Bushing.
- Drill Stem Tests:** There were five (5) Drill Stem Tests ran by Trilobite Testing Co.

| <u>Formation</u> | <u>Log Depth</u> | <u>Sub-Sea Datum</u> |
|--------------------|------------------|----------------------|
| Anhydrite | 2148 | +657 |
| Base Anhydrite | 2176 | +629 |
| Heebner | 3985 | -1180 |
| Toronto | 4001 | -1196 |
| Lansing | 4028 | -1223 |
| Muncie Creek | 4208 | -1403 |
| Stark Shale | 4309 | -1504 |
| Base Kansas City | 4390 | -1585 |
| Pleasanton | 4396 | -1591 |
| Ft Scott | 4563 | -1758 |
| Cherokee Shale | 4587 | -1782 |
| Mississippian | 4669 | -1864 |
| Rotary Total Depth | 4750 | -1945 |
| Lot Total Depth | 4749 | -1944 |

(All tops and zones corrected to Electric Log measurements).

SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.

TOPEKA SECTION

3731-3989' There were several zones of well developed porosity encountered in the drilling of the Topeka section but no show of oil and/or gas was noted.

TORONTO SECTION

4001-4010' Limestone; tan, gray, fossiliferous/oolitic, scattered vuggy type porosity, few infill with sparry calcite cement, poor visible porosity, plus white chert.

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LANSING SECTION

- 4028-4044' Limestone; white, tan, oolitic, poor visible porosity, plus white and gray, boney chert.
- 4050-4060' Limestone; white, chalky and gray and amber chert.
- 4067-4074' Limestone; white, finely crystalline, slightly fossiliferous, plus abundant gray and white chert.
- 4113-4122' Limestone; tan, white/gray, highly oolitic, chalky in part, plus white chalk.
- 4125-4134' Limestone; as above.
- 4148-4166' Limestone; white, tan, fine and medium crystalline, highly oolitic, chalky, white /gray chert and trace tan, oomoldic, limestone, fair to good porosity (barren).
- 4170-4190' Limestone; tan, finely oolitic, poorly developed porosity.
- 4223-4242' Limestone; white, gray, finely crystalline, scattered pinpoint and intercrystalline type porosity, black and gray stain, trace of free oil and no odor in fresh samples.

Drill Stem Test #1 4198-4241'

Times: 30-60-60-90

Blow: Strong

**Recovery: 50' water cut mud
(30% water, 70% mud)
62' mud cut water
(80% water, 20% mud)
438' water**

**Pressures: ISIP 752 psi
FSIP 689 psi
IFP 30-163 psi
FFP 168-274 psi
HSH 2106-2071 psi**

- 4266-4272' Limestone; tan, brown, finely crystalline, few fossiliferous, poor visible porosity, no shows.
- 4282-4298' Limestone; cream, gray, oolitic, oomoldic, good oomoldic porosity, trace stain, trace of free oil and no odor in fresh samples.
- 4319-4324' Limestone; white/cream, gray, fine and medium crystalline, oolitic, fair vuggy to intercrystalline type porosity, plus trace white, medium crystalline, fossiliferous/oolitic, trace poor stain, trace of free oil and faint odor samples broken.
- 4366-4372' Limestone; white and gray, finely crystalline, fossiliferous/oolitic, poor spotty brown stain, trace of free oil and odor samples broken.

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Drill Stem Test #2 4310-4370'

Times: 30-60-60-90

Blow: Strong

Recovery: 6 inches of free oil
124' muddy water
186' muddy water, scum of oil
868' water, trace mud

Pressures: ISIP 862 psi
FSIP 860 psi
IFP 40-291 psi
FFP 294-370 psi
HSH 2135-2059 psi

4376-4390 Limestone; white, gray, chalky, no shows.

PLEASANTON SECTION

4396-4401' Limestone; white, oolitic, slightly chalky, fair porosity, fair light brown stain, show of free oil and faint odor samples broken.

Drill Stem Test #3 4380-4426'

Times: 30-30-30-45

Blow: Weak

Recovery: 15' very slightly oil cut mud
(2% oil, 98% mud)

Pressures: ISIP 654 psi
FSIP 544 psi
IFP 17-23 psi
FFP 25-32 psi
HSH 2165-2055 psi

MARMATON SECTION

4425-4450' Limestone; gray, chalky, poor visible porosity, no shows.

4450-4460' Limestone; gray, finely crystalline, granular, chalky.

4460-4470' Limestone; as above, trace tan, cherty, dense.

4475-4490' Limestone; gray, fine and medium crystalline, oolitic, chalky, no shows.

4491-4500' Limestone; gray, white, oolitic, chalky, trace light brown and dull gray stain, n show of free oil and no odor, no fluorescence.

4517-4530' Limestone; white, gray, chalky, few cherty, plus gray opaque chert.

MYRICK STATION SECTION

4546-4554' Limestone; white, buff, finely crystalline, chalky, poor visible porosity, no shows.

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FT SCOTT SECTION

4563-4570' Limestone; tan, oolitic, chalky in part, scattered porosity, trace light brown to golden brown stain, show of free oil and questionable odor samples broken.

4580-4586' Limestone; tan/gray, slightly oolitic, chalky, no shows.

Drill Stem Test #4 4557-4598'

Times: 30-30-30-60

Blow: Weak

Recovery: 3' mud

Pressures: ISIP 89 psi
FSIP 422 psi
IFP 15-17 psi
FFP 17-20 psi
HSH 2286-2171 psi

CHEROKEE SECTION

4590-4601' Limestone; white, gray, chalky, poorly developed porosity, trace poor stain, no show of free oil and questionable odor in fresh samples.

JOHNSON ZONE SECTION

4633-4644' Limestone; white, cream, slightly fossiliferous, chalky, brown and light brown stain, show of free oil and faint odor in fresh samples.

Drill Stem Test #5 4576-4644'

Times: 30-30-30-60

Blow: Weak

Recovery: 20' mud

Pressures: ISIP 1174 psi
FSIP 1181 psi
IFP 29-41 psi
FFP 43-59 psi
HSH 2291-2147 psi

4649-4664' Sand; white, gray, very fine grained, highly calcareous, brown and black spotty stain, no show of free oil and no odor in fresh samples.

MISSISSIPPIAN SECTION

4669-4675' Limestone; white, gray, fine and medium crystalline, fossiliferous, chalky, trace white gray boney chert.

4675-4688' Limestone; tan, gray, oolitic, chalky.

4688-4696' Dolomite; gray and tan, finely crystalline, sucrosic, poorly developed porosity, no shows.

4696-4710' Dolomite; gray, finely crystalline, sucrosic, good vuggy porosity (barren).
4710-4730' Dolomite; as above, good vuggy porosity, plus white translucent chert.
4730-4750' Dolomite and chert as above.

Rotary Total Depth 4750 (-1945)
Log Total Depth 4749 (-1944)

Recommendations:

On the basis of the negative Drill Stem Tests and Log Analysis it was recommended by all parties involved that the Toburen #1-29 be plugged and abandoned at the Rotary Total Depth 4750.

Respectfully submitted;



James C Musgrove,
Petroleum Geologist

