

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

10/11/11

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 33924
Name: ABARTA Oil & Gas Co., Inc.
Address 1: 1000 Gamma Drive, Ste. 400
Address 2: _____
City: Pittsburgh State: PA Zip: 15238 + 2 9 2 6
Contact Person: Kenneth J. Fleeman **KCC**
Phone: (412) 963-6443
CONTRACTOR: License # 33905
Name: Royal Drilling, Inc.
Wellsite Geologist: W. Scott Alberg
Purchaser: NCRA

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW
 Gas ENHR SIGW
 CM (Coal Bed Methane) Temp. Abd.
 Dry Other _____
(Core, WSW, Expl., Cathodic, etc.)

If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr. Conv. to SWD
 Plug Back: _____ Plug Back Total Depth: _____
 Commingled Docket No.: _____
 Dual Completion Docket No.: _____
 Other: (SWD or Enhr.?) Docket No.: _____

<u>7/30/10</u>	<u>8/5/10</u>	<u>8/5/10</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 009-25458 -0000
Spot Description: _____
SW SE NW SW Sec. 18 Twp. 16 S. R. 11 East West
1582 Feet from North / South Line of Section
856 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Barton
Lease Name: Hoffman Well #: 1
Field Name: Kraft-Prusa
Producing Formation: Arbuckle
Elevation: Ground: 1899' Kelly Bushing: 1904'
Total Depth: 3400 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 769 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 AMINS 10-19-10
(Data must be collected from the Reserve Pit)
Chloride content: 53,000 ppm Fluid volume: 1,000 bbls
Dewatering method used: Allow to dry and backfill
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]
Title: Operations Analyst Date: 10/11/10
Commonwealth of Pennsylvania County of Allegheny
Subscribed and sworn to before me this 11th day of October
2010
Notary Public: [Signature]
Date Commission Expires: _____

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Tracy G. Mulert, Notary Public
O'Hara Twp., Allegheny County
My Commission Expires May 16, 2013
Member, Pennsylvania Association of Notaries

KCC Office Use ONLY
 Letter of Confidentiality Received 10/11/10 - 10/11/11
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
RECEIVED
OCT 13 2010

KCC WICHITA

Operator Name: ABARTA Oil & Gas Co., Inc. Lease Name: Hoffman Well #: _____
 Sec. 18 Twp. 16 S. R. 11 East West County: Barton

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

Drill Stem Tests Taken <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 <i>(Submit Copy)</i> List All E. Logs Run: Sonic, Micro, Dual Induction, Compensated Neutron/Density PE, Dual Receiver Cement Bond	<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>Anhydrite</td> <td>763</td> <td>+1141</td> </tr> <tr> <td>Topeka</td> <td>2668</td> <td>-764</td> </tr> <tr> <td>Heebner Shale</td> <td>2954</td> <td>-1050</td> </tr> <tr> <td>Toronto</td> <td>2972</td> <td>-1068</td> </tr> <tr> <td>Douglas Shale</td> <td>2986</td> <td>-1082</td> </tr> <tr> <td>Brown Lime</td> <td>3048</td> <td>-1144</td> </tr> <tr> <td>See Attached</td> <td></td> <td></td> </tr> </table>	Name	Top	Datum	Anhydrite	763	+1141	Topeka	2668	-764	Heebner Shale	2954	-1050	Toronto	2972	-1068	Douglas Shale	2986	-1082	Brown Lime	3048	-1144	See Attached		
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See Attached																									

CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	23#	769	Class "A"	300	3% CC / 2% Gel
Production	7 7/8"	4 1/2"	9.50#	3392	Class "A"	175	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 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

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 checked="" type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)																
Estimated Production Per 24 Hours:	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;">Oil</td> <td style="width:15%;">Bbls.</td> <td style="width:15%;">Gas</td> <td style="width:15%;">Mcf</td> <td style="width:15%;">Water</td> <td style="width:15%;">Bbls.</td> <td style="width:15%;">Gas-Oil Ratio</td> <td style="width:15%;">Gravity</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Oil	Bbls.	Gas	Mcf	Water	Bbls.	Gas-Oil Ratio	Gravity								
Oil	Bbls.	Gas	Mcf	Water	Bbls.	Gas-Oil Ratio	Gravity										

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(if vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input checked="" type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: 3340-3400
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Formation (Top), Depth and Datum

<u>Name</u>	<u>Top</u>	<u>Datum</u>
Lansing	3064	-1160
Base Kansas City	3314	-1410
Arbuckle	3340	-1436
LTD	3400	-1496

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QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 4015

Date	7-31-10	Sec.	18	Twp.	16	Range	11	County	Barton	State	KS	On Location		Finish	5:00PM
Lease	Hoffman	Well No.	2		Location						Beaver 4E 1N 12E N10W				
Contractor	Royal Drilling #2							Owner	To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.						
Type Job	Long Surface							Charge To	Abarna oil & gas						
Hole Size	12 1/4	T.D.	769		Street										
Csg.	8 5/8	(2315)	769		City						State				
Tbg. Size								The above was done to satisfaction and supervision of owner agent or contractor.							
Tool								Cement Amount Ordered							
Cement Left in Csg.	10-15		Shoe Joint		300com 3%cc 2%gel										
Meas Line			Displace		48bbis										

EQUIPMENT

Pumptrk 9 No. Cementer Brandon
 Bulktrk 10 No. Driver Nete
 Bulktrk 24 No. Driver Paul

Common 300
 Poz. Mix
 Gel. 6
 Calcium 11

JOB SERVICES & REMARKS

Remarks:

Rat Hole

Mouse Hole

Centralizers

Baskets

D/V or Port Collar

Hulls
 Salt
 Flowseal
 Kol-Seal
 Mud CLR 48
 CFL-117 or CD110 CAF 38

Cement Did Circ'd

Sand
 Handling 3/7
 Mileage

FLOAT EQUIPMENT

Guide Shoe
 Centralizer
 Baskets
 AFU Inserts
 Float Shoe
 Latch Down

Thank You

1- 8 5/8 head & manifold
 1- 8 5/8 solid rubber plug
 Pumptrk Charge Long Surface
 Mileage 33

Tax
 Discount
 Total Charge

X Signature

[Handwritten Signature]

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DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, 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 "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 limit to, a reasonable sum as and attorney's fees.

- **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price shall 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 charges 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 constructed 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. 041843

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

SERVICE POINT:
Russell KS

DATE <u>8-5-10</u>	SEC. <u>18</u>	TWP. <u>16</u>	RANGE <u>11</u>	CALLED OUT	ON LOCATION	JOB START <u>2:30pm</u>	JOB FINISH <u>3:15pm</u>
<u>Hoffman</u> LEASE	WELL # <u>1</u>		LOCATION <u>Odin 7 N 1 1/2 East North</u>		COUNTY <u>Barton</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)			<u>into</u>				

CONTRACTOR Royal Rig #1

TYPE OF JOB Production String

HOLE SIZE 7 7/8 T.D. 3404'

CASING SIZE 4 1/2 9.5# DEPTH 3392'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT 16.74

CEMENT LEFT IN CSG. 16.74

~~Insert~~ Insert @ 3375.26

DISPLACEMENT 54.67 BBL

OWNER _____

CEMENT AMOUNT ORDERED 175com 10% Salt 2% Gel
500 Gal WFR-2

EQUIPMENT

PUMP TRUCK # 398 CEMENTER John Roberts
HELPER Glenn

BULK TRUCK # 410 DRIVER Justin TWS

BULK TRUCK # _____ DRIVER _____

COMMON	<u>175</u>	@	<u>13.50</u>	<u>2362.50</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>20.25</u>	<u>60.75</u>
CHLORIDE		@		
ASC		@		
<u>Salt</u>	<u>7</u>	@	<u>21.25</u>	<u>148.75</u>
<u>WFR-2</u>	<u>500 Gal</u>	@	<u>1.10</u>	<u>550.00</u>
HANDLING	<u>175</u>	@	<u>2.25</u>	<u>393.75</u>
MILEAGE	<u>10/sk/mile</u>			<u>350.00</u>

REMARKS:

Ran 3392' 4 1/2 9.5# Casing Est. Circulation and circulate ^{1hr} 30 min on bottom. Pump 500gal WFR-2. Plug Rathole w/ 30 sk cement and plug mousehole w/ 20 sk cement. Mix 125 sk cement and Displace w/ 54.7 Bbl H2O.
Land Plug @ 1000psi
Float Did Hold!

Thank You!

CHARGE TO: Abarta Oil & Gas

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE				<u>1957.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>20</u>	@	<u>7.00</u>	<u>140.00</u>
MANIFOLD		@		

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OCT 13 2010

KCC WICHITA TOTAL 2097.00

4 1/2 PLUG & FLOAT EQUIPMENT

<u>AFU Float Insert</u>	@		<u>101.00</u>
<u>Guide Shoe</u>	@		<u>73.00</u>
<u>1 - Cement Basket</u>	@		<u>147.00</u>
<u>4 - Centralizers</u>	@	<u>32.00</u>	<u>128.00</u>

TOTAL 449.00

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

PRINTED NAME Dennis Border

SIGNATURE [Signature]

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.

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—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.

ALBERG PETROLEUM, LLC

**W. Scott Alberg
Petroleum Geologist, KS Lic 54
609 Meadowlark Lane
Pratt, Kansas 67124**

Geologist Report

August 12, 2010

ABARTA Oil & Gas Co., Inc
1000 Gamma Dr Ste 400
Pittsburgh, PA 15238-2926

Hoffman #1
SW SE NW SW
1582' FSL & 856' FWL
Section 18-T16S-R11W
Barton County, Kansas
Royal Drilling, Rig #1
July 30, 2010
August 5, 2010
GL 1899; KB 1904
All depths measured from Kelly
Bushing.
Surface: 8 5/8" set at 869'.
Production: 4 1/2" set at 3392'
Samples saved from 2600' to Total
Depth.
One(1) foot drilling time recorded by
geolograph from surface to T.D.
None
Superior Well Services: DIL,
CNL/CDL/PE, MICRO, SONIC.
Trilobite Testing, Two Tests Ran

Contractor
Commenced
Completed
Elevations
Measurements

Casing Program

Samples

Drilling Time

Gas Detector
Electric Log

Formation Testing

<u>FORMATION</u>	<u>ELECTRIC LOG DEPTH</u>	<u>SUBSEA DATUM</u>
Anhydrite	763	+1141
Topeka	2668	-764
Heebner Shale	2954	-1050
Toronto	2972	-1068
Douglas Shale	2986	-1082
Brown Lime	3048	-1144
Lansing	3064	-1160
Base Kansas City	3314	-1410
Arbuckle	3340	-1436
LTD	3400	-1496

All samples corrected to Electric Log Depths.

SAMPLE ANALYSIS, SHOWS OF OIL, ECT.

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Topeka
(Oread)
2899 to 2902

Limestone, cream, grey-white, finely crystalline, slightly oolitic, oolimoldic porosity, show of dark oil, faint odor when broken. Should be evaluated prior to abandonment.

Toronto
2973 to 2978

Limestone, cream, tan-white, finely crystalline, trace of pin point porosity, chalky in part, very faint odor, slight show of light oil, dull mineral fluorescence. Of Possible value. Should be evaluated prior to abandonment.

Lansing
'B Zone'
3094 to 3098

Limestone, cream-white, finely crystalline, oolimoldic porosity, very faint odor, trace show of light oil, trace of pin point porosity, sub chalky. Probable non-commercial.

'D Zone'
3116 to 3119

Limestone, cream, tan-white, fine to medium crystalline, fossil fragments, trace of vugular porosity, faint odor, very slight show of oil. Probably tite or wet.

'F Zone'
3137 to 3141

Limestone, grey-white, tan, finely crystalline, very fossiliferous, fossiliferous porosity, friable, questionable odor, no visible shows. Of no value.

'J Zone'
3233 to 3237

Limestone, cream, tan-white, finely crystalline, trace of pin point porosity, slightly fossiliferous, fossiliferous porosity, poor overall porosity, very faint odor, no visible shows.

Arbuckle
3339 to 3342

Dolomite, cream-white, tan, succorsic in part, faint odor, very faint show oil under ultra violet light, Covered by DST #1 and DST # 2. OF POSSIBLE COMMERCIAL VALUE.

Log Total Depth

3400(-1496)

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Drill Stem Tests

DST #1 3312 to 3344

Arbuckle - Times 30-45-30-45

Initial flow period, weak 1 1/2" blow, no blow back; Second flow period, very weak blow, 1/4" blow, no blow back.

IHP 1644# FHP 1593#

IFP 14-21# FFP 20-52#

ISIP 777# FSIP 777#

Recovery: 45 feet VSOCM (5% oil, 95% mud)

DST #2 3311 to 3350'

Arbuckle - Times 30-45-30-45

Initial flow period, strong blow built to 7" in 30 minutes, no blow back; Second flow period, strong blow, built to 5 1/2", no blow back.

IHP 1631# FHP 1595#

IFP 21-64# FFP 68-109#

ISIP 783# FSIP 782#

Recovery; 1' Free Oil

129' WCM, 30% water, 70% Mud

60' MCW 70% water, 30% mud, (Chlorides 55,000 ppm)

RECOMMENDATIONS:

With the results of sample shows, structural position, and log calculations it was recommended 4 1/2" production casing be set to further evaluate the potential pay zones in this well. The following zones should be perforated and tested;

- | | | |
|----|----------------------|--------------|
| 1. | Arbuckle | 3339 to 3340 |
| | Prior to abandonment | |
| 1. | 'J Zone' | 3233 to 3237 |
| 2. | Toronto | 2924 to 2928 |
| 3. | Oread | 2898 to 2902 |

Respectfully,



W. Scott Alberg, P.G. #54

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