

**CONFIDENTIAL**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-1  
October 2008  
Form Must Be Typed

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

2/5/10

OPERATOR: License # 33530  
 Name: Reif Oil & Gas Company, LLC  
 Address 1: P.O. Box 298  
 Address 2: \_\_\_\_\_  
 City: Hoisington State: KS Zip: 67544 + 0 2 9 8  
 Contact Person: Don Reif  
 Phone: ( 620 ) 653-2976  
 CONTRACTOR: License # 33905  
 Name: Royal Drilling, Inc.  
 Wellsite Geologist: \_\_\_\_\_  
 Purchaser: \_\_\_\_\_  
 Designate Type of Completion:  
 New Well \_\_\_\_\_ Re-Entry \_\_\_\_\_ Workover  
 Oil \_\_\_\_\_ SWD \_\_\_\_\_ SLOW  
 \_\_\_\_\_ 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 Enthr. \_\_\_\_\_ Conv. to SWD  
 \_\_\_\_\_ Plug Back: \_\_\_\_\_ Plug Back Total Depth  
 \_\_\_\_\_ Commingled \_\_\_\_\_ Docket No.: \_\_\_\_\_  
 \_\_\_\_\_ Dual Completion \_\_\_\_\_ Docket No.: \_\_\_\_\_  
 \_\_\_\_\_ Other (SWD or Enthr.?) \_\_\_\_\_ Docket No.: \_\_\_\_\_  
10/9/2009 10/19/2009 11/5/09  
 Spud Date or Date Reached TD Completion Date or  
 Recompletion Date Recompletion Date

API No. 15 - 185-23597-00-00  
 Spot Description: \_\_\_\_\_  
 W2 - SE - SW - NW Sec. 20 Twp. 25 S. R. 11  East  West  
2310 Feet from  North /  South Line of Section  
850 Feet from  East /  West Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
 County: Stafford  
 Lease Name: Schmidt Well #: 1  
 Field Name: N/A  
 Producing Formation: \_\_\_\_\_  
 Elevation: Ground: 1823' Kelly Bushing: 1828'  
 Total Depth: 4160' Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at: 690 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 NJ2-11-10AHI  
 (Data must be collected from the Reserve Pit)  
 Chloride content: 46.00 ppm Fluid volume: 1200 bbls  
 Dewatering method used: Allow to dry & fill  
 Location of fluid disposal if hauled offsite:  
 Operator Name: Paul's Oilfield Service  
 Lease Name: Jordan SWD License No.: 3911  
 NE/4 26 Sec. 24 S Twp. 12 WS. R.  East  West  
 County: Stafford Docket No.: 15265

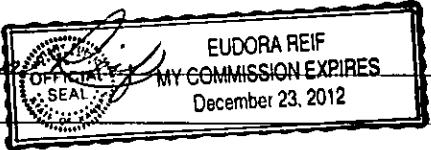
**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information 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: Donald J. Reif  
 Title: President Date: 2-5-10

Subscribed and sworn to before me this 5th day of February, 20 10.

Notary Public: Eudora Reif  
 Date Commission Expires: \_\_\_\_\_



**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

**RECEIVED**  
**FEB 08 2010**

\*wire line submitted electronically\*  
 NJ2-11-10 KCC  
 KCC WICHITA

*Handwritten signature/initials*

Operator Name: Reif Oil & Gas Company, LLC Lease Name: Schmidt Well #: 1  
 Sec. 20 Twp. 25 S. R. 11  East  West County: Stafford

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach 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:  <p style="font-size: 1.2em; font-family: cursive;">*Submitted electronically to kgs site* NS 2-11-10 KCC</p>	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum  <p style="text-align: center; font-weight: bold;">PER GEO REPORT</p>
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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		8 5/8	24	690	Common Alcon	150 350	2%cc
Casing		5 1/2"	14	4150	60-40 Poz	200	2%cc

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

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
				Frack Sand 3896-3906 850 Bbls Sherry	

TUBING RECORD: Size: <u>2 7/8</u> Set At: <u>3890</u> Packer At: <u>---</u> Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr.	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
Estimated Production Per 24 Hours	Oil <u>90</u> Bbls. Gas <u>----</u> Mcf Water <u>10</u> Bbls. Gas-Oil Ratio <u>----</u> Gravity <u>----</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 <input type="checkbox"/> Other (Specify) <u>Frack</u>	PRODUCTION INTERVAL: <u>3896 - 3906</u>
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**Paul's Oilfield Service, Inc.**

P.O. Box 1773  
Great Bend, KS 67530

**Invoice**

DATE	INVOICE #
1/18/2010	56126

<b>BILL TO</b>
Reif Oil & Gas Leasing P.O. Box 298 Hoisington, Kansas 67544

<b>TERMS</b>
Net 30

DESCRIPTION	RATE	QUANTITY	AMOUNT
<b>SCHMIDT #1 - Hauled 200 bbls free water off reserve pit to Jordan SWD.</b>			
Vacuum Truck	85.00	3.5	297.50
Salt Water Disposal Fee	0.20	200	40.00
<b>Driver: Tim</b>			
<b>Rama Operating Co., Inc.</b> Operator #3911 Jordan SWD NE/4 26-24S-12W Stafford County Docket # 15,265			
			RECEIVED FEB 08 2010 KCC WICHITA
<b>Total</b>			<b>\$337.50</b>

Thank you for your business.

Customer: REEF OIL & GAS	Lease No.	Date: 11-6-09
Lease: SCHMIEDT	Well # 1	
Field Order # 0804A	Station PRATT	Casing 5 1/2
		Depth
Type Job: PROFRAE 66 2500 FRAC MW	Formation MASSIE	County STAFFORD
		State KS
		Legal Description 27-25S-11W

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 5 1/2	Tubing Size 2 7/8	Shots/Ft		Acid	RATE	PRESS	ISIP	851
Depth	Depth	From 3996	To 3906	Pre Pad	Max 16.3	2040	5 Min.	801
Volume 3.93	Volume 21.69	From	To	Pad 12000 GALLON FRAC 2500 Lb	Min 16	1781	10 Min.	768
Max Press	Max Press 2500	From	To	Frac 20000 GALLON FRAC 2500 Lb	Avg 16.1	1830	15 Min.	751
Well Connection	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
Plug Depth	Packer Depth 5791	From	To	Flush 1302 GALLON FRAC 250 Lb	Gas Volume		Total Load	643 LBS

Customer Representative: DON REEF	Station Manager: DAVE SCOTT	Treater: M. BARTER
Service Units: 1975, 25632, 19835, 19544, 25907, 22029, 19892, 19856, 19906, 19960, 19852, 21959	Driver Names: MORGAN, JAMES, BLUMER, MORTON, KEURAN, EDWARD, CUSBY, JEAH	

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
7:30					ON LOCATION - SAFETY MEETING - SETUP
11:24		3180			PREP UP - PRESSURE TEST
11:29	60	121		8.2	START 12000 GALLON PAD
11:30	69	437	6	3.2	HOLE LOADED
11:37	51	1412	43	16	ESTABLISH RATE
11:52	45	1822	286	16	START 4000 GALLON 1" 14/30
11:54	46	1797	312	16.2	1" 14/30 ON BOTTOM
11:58	47	1822	386	16.2	START 4000 GALLON 2" 14/30
12:00	49	1800	412	16.3	2" 14/30 ON BOTTOM
12:05	47	1799	490	16.1	START 4000 GALLON 2 1/2" 14/30
12:06	47	1781	516	16	2 1/2" 14/30 ON BOTTOM
12:11	48	1800	596	16.2	START 4000 GALLON 2 1/2" 12/20
12:13	49	1826	622	16	2 1/2" 12/20 ON BOTTOM
12:18	50	1880	701	16	START 4000 GALLON 3" 12/20
12:20	50	1886	728	16	3" 12/20 ON BOTTOM
12:25	48	1978	812	16.1	START 1302 GALLON FLUSH
12:27			843		SHUT DOWN JOB COMPLETED
	851				ISIP

RECEIVED  
FEB 08 2010

THANK YOU  
PRATT FRAC CREW  
MORGAN

KCC WICHITA



# Agreement of Terms and Conditions

All sales of services, products, or materials by Basic Energy Services LP, (hereinafter called BES) to any Customer, unless otherwise set out in writing, are subject to the terms and conditions set out herein.

## Terms:

All Service Charges and materials included in service price list are NET. Unless satisfactory credit has been established, cash payment will be required in advance. Credit Customer agrees to pay BES in its office in Cisco, Texas, for all services and materials on or before the 20th of the following month after the date of the invoice. Customers invoice is considered in default if payment has not been received by the last day of the month following the month in which the invoice is dated and services delivered. Past due accounts will be subject to a charge for interest at the highest rate allowable by law, and if placed in the hands of an attorney for collection, Customer agrees to pay all collection costs, reasonable attorney fees and court costs.

## Taxes:

All prices are exclusive of any Federal, State or Special Taxes imposed on the sale or use of the merchandise and services listed, which taxes will be added to quoted prices where applicable. If payment of any applicable royalty or license fee is required in connection with any service performed by BES for Customer, such royalty or license fee will be billed to the Customer in addition to the price of the services performed.

## Special Pricing Provisions:

All materials listed in the price schedule are F.O.B. our field stock.

All prices are subject to change without notice.

The prices in this price list apply to normal operations. Special jobs under unusual circumstances on jobs requiring unusual mobilization of equipment and/or personnel, such as blowouts, experimental jobs, etc., are to be subject to special price quotations.

Orders for products of special design, size or materials are not subject to cancellation after processing of such order has begun by BES. Equipment altered, made to Customer's specifications, or requiring special handling, is subject to special prices.

If materials or services are ordered and the Customer cancels same after the materials have been prepared, a charge will be made to the Customer for expenses incurred.

Customer states that the well and all support personnel and services not being supplied by BES are ready and in condition to receive the materials and services being supplied by BES. Customer will be subject to a charge for "stand-by" time incurred by BES. For all BES services, stand-by time is all time our equipment is on location prior to commencement of operations or after completion of operations and is not operating for reasons not within the control of BES. Stand-by time is calculated from time of arrival on location or arrival time as scheduled by Customer, whichever is later, and until equipment is released by Customer.

## Towing Charges:

We will make reasonable attempts to get to and from the well under our own power. Should we be unable to do so because of poor or inadequate road conditions, and it becomes necessary to employ a tractor or other pulling equipment, such equipment will be supplied by the customer, or if furnished by us, the cost will be charged to the customer. In either event, Customer assumes liability for any damages arising from such pulling or arising from inadequate access to the well site.

## Product Return:

Any BES Products that have been in the hands of the Customer, if not special or obsolete, will be accepted for credit, subject to our approval and inspection, if they are new unused and in salable condition. The Customer will pay the return freight, and will receive credit at the original purchase price less the original outbound freight. Any material classified or ordered as special is not subject to return or cancellation privileges.

## Service Warranty:

There are obviously many conditions in and about the well which we can have no knowledge and over which we can have no control. Therefore, we do not guarantee any particular results from services to be performed hereunder. In interpreting information and making recommendations, either written or oral, as to type or amount of material or service to be furnished, or manner of performance, or in predicting results to be obtained therefrom, BES will give Customer the benefit of its best judgment based on its experience in the field. However, due to the Customer's control of the well the impracticality of providing BES with all the data concerning same, and the necessary reliance of BES upon supporting services, data and facts supplied by others, BES does not guarantee or warrant the accuracy or correctness of any facts, information or data furnished by BES or any interpretation of tests, meter readings, chart information, analysis of research or recommendations made by BES, unless caused by the willful misconduct or gross negligence of BES in the preparation of furnishing of such facts, information or data and NO WARRANTY IS GIVEN CONCERNING THE RECOMMENDATIONS MADE OR SERVICES RENDERED BY THE COMPANY AND NO WARRANTY IS MADE CONCERNING THE RESULTS SOUGHT TO BE OBTAINED THROUGH USE OF MATERIALS RECOMMENDED BY THE COMPANY. The Company's liability for injury to all persons or damage to any property or property rights, including but not limited to reservoir damage sub-surface trespass or drainage, etc., occasioned by reason of materials sold or rented or services performed hereunder shall be limited to those occurring due to the acts of willful misconduct or gross negligence of BES, and Customer agrees to be responsible for and indemnify BES against any loss or damage it may sustain by reason of materials sold or rented or services performed hereunder, unless such loss or damage is caused by the willful misconduct or gross negligence of BES.

## Product Warranty:

BES warrants all materials, products and supplies manufactured or furnished by it to be free from defects in material and workmanship, under normal use and service, when installed, used and serviced in the manner provided and intended, and that it can convey good title thereto. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OR MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BES's liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale of use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on the return to BES or at BES's option, to the allowance to the customer of credit for the cost of such items. In no event shall BES be liable for special, incidental, indirect, punitive or consequential damages.

## Service Conditions:

Because there are so many uncertain and unknown conditions not subject to our control, we can neither be liable for injuries to property or persons nor for loss or damage arising from the performance of our services or resulting therefrom.

BES shall not be liable or responsible for a Customer shall defend, indemnify, and save BES harmless, and its officers, agents or employees, from and against any and all claims or causes of action for damage to Customer's property and of the well owner, or any third person, and for bodily injury, sickness or disease, including death resulting thereof, brought by or on behalf of Customer, the well owner, or any third person, arising out of or in connection with BES's performance of services or the furnishing of materials, products and supplies, unless caused by the willful misconduct or gross negligence of BES.

Customer shall also be responsible for and shall defend, indemnify and save BES harmless, and its officers, agents or employees, from and against any and all claims, causes of action and liabilities for damages occur-

ring as a result of sub-surface trespass arising out of any oil well operations or services performed by BES, this provision applying to any claims or legal actions or royalty owners, working interest holders, overriding royalty interest holders, or any other person or concern.

Should any of our equipment, tools or instruments become lost in the well when performing or attempting to perform our services hereunder, it is understood that the Customer shall make reasonable effort to recover the lost equipment. The Customer shall assume the entire responsibility for such fishing operations in the recovery or attempted recovery of any such lost equipment, tools or instruments and if such equipment, tools or instruments are not recovered, Customer shall pay BES its replacement cost unless such loss is due to the sole negligence of BES. If BES's equipment, tools or instruments are damaged in the well, Customer shall pay BES the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of BES.

Work done by BES shall be under the direction, supervision and control of the owner, operator, or his agent and BES will perform the work as an independent contractor and not as an employee or agent of the owner or operator.

The Customer shall at all times have complete care, custody and control of the well, the drilling and production equipment at the well and the premises about the well.

Any delays or failure by BES in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike, labor trouble, accident riot, acts of God, or any contingencies beyond the reasonable control of BES. Disposal of the chemicals used in the performance of this contract is the responsibility of Customer. Customer agrees the chemicals will be disposed of in accordance with all applicable Federal, State and local laws and regulations.

## General Provisions:

Wherever the initials BES appear in this document, they are intended solely to be an abbreviation of Basic Energy Services LP, and are used in substitution of such full name as if the full name were set out in each instance.

Any modifications of this document by the Customer, and all additional or different terms included in the Customer's purchase order or any other document responding to this document, are hereby objected to BY REQUESTING ANY OF THE GOODS AND SERVICES SET FORTH HEREIN BUYER AGREES TO ALL THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT.

BES reserves the right to change or modify the design of any BES product without obligation to furnish or install such changes or modification on products previously or subsequently sold.

Information regarding our services rendered in Customer's well is held in strict confidence and will be released to others only upon written approval by owner, or when required by Federal, State or Local Laws, Regulations, Orders or Ordinances, or for use as evidence in court proceedings involving the subject matter of services rendered.

Failure to enforce any or all of the herein specified terms or conditions in any particular instance shall not constitute a continuing waiver, or preclude subsequent enforcement thereof.

No employee, representative or agent other than an officer of BES is empowered to alter any of the herein specified terms and conditions.

These terms and condition shall be governed by the laws of the State of Texas, and in case of any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Customer <i>Kerr Oil &amp; Gas Co</i>		Lease No.		Date <i>10 19 09</i>	
Lease <i>Schmitt</i>		Well # <i>1</i>			
Field Order # <i>0995</i>	Station <i>PRATT</i>	Casing	Depth <i>4160</i>	County <i>...</i>	State <i>...</i>
Type Job <i>CW 5 1/2 L.S</i>			Formation	Legal Description <i>...</i>	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid		RATE	PRESS	ISIP
<i>5 1/2</i>				Pre Pad		Max		5 Min.
Depth <i>4150</i>	Depth	From	To	Pad		Min		10 Min.
Volume <i>78 1/2</i>	Volume	From	To	Frac		Avg		15 Min.
Max Press <i>1500</i>	Max Press	From	To			HHP Used		Annulus Pressure
Well Connection <i>P.C</i>	Annulus Vol.	From	To	Flush		Gas Volume		Total Load
Plug Depth <i>3130</i>	Packer Depth	From	To					

Customer Representative				Station Manager <i>DAVE SCOTT</i>				Treater <i>...</i>			
Service Units	<i>19807</i>	<i>19808</i>	<i>20070</i>	<i>19831</i>	<i>19805</i>						
Driver Names	<i>...</i>	<i>Roush</i>		<i>...</i>	<i>...</i>						

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>11:10</i>					<i>CW line being run</i>
					<i>Run 100 5 1/2 5 1/2 1" - case</i>
					<i>Q. = 1.7 - 2.1, total 3.1</i>
<i>11:45</i>					<i>CS9 on bottom</i>
<i>12:00</i>					<i>Hook up to the case</i>
<i>12:10</i>	<i>150</i>		<i>20</i>	<i>4</i>	<i>at end of 4hr</i>
			<i>12</i>		<i>at start of 4hr</i>
					<i>mix 200 of 60% 20% cut</i>
<i>07:00</i>					<i>Shut down &amp; wash pump/lines</i>
<i>07:04</i>	<i>150</i>			<i>5 1/2</i>	<i>Volume Plug at 4' Deep</i>
	<i>300</i>		<i>70</i>	<i>6</i>	<i>Start 1st</i>
	<i>500</i>			<i>4 1/2</i>	<i>Show Rate</i>
<i>07:15</i>	<i>1500</i>		<i>97</i>	<i>3 1/2</i>	<i>Plug down Start Hold</i>
			<i>6</i>		<i>Plug 11' at back 2 1/2</i>
			<i>5</i>		<i>Plug 11' at back 2 1/2</i>
					<i>1/2 lb cement</i>

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Any BES Products that have been in the hands of the Customer, if not special or obsolete, will be accepted for credit, subject to our approval and inspection, if they are new unused and in salable condition. The Customer will pay the return freight, and will receive credit at the original purchase price less the original outbound freight. Any material classified or ordered as special is not subject to return or cancellation privileges.

### Service Warranty:

There are obviously many conditions in and about the well which we can have no knowledge and over which we can have no control. Therefore, we do not guarantee any particular results from services to be performed hereunder. In interpreting information and making recommendations, either written or oral, as to type or amount of material or service to be furnished, or manner of performance, or in predicting results to be obtained therefrom, BES will give Customer the benefit of its best judgment based on its experience in the field. However, due to the Customer's control of the well the impracticality of providing BES with all the data concerning same, and the necessary reliance of BES upon supporting services, data and facts supplied by others, BES does not guarantee or warrant the accuracy or correctness of any facts, information or data furnished by BES or any interpretation of tests, meter readings, chart information, analysis of research or recommendations made by BES, unless caused by the willful misconduct or gross negligence of BES in the preparation of furnishing of such facts, information or data and NO WARRANTY IS GIVEN CONCERNING THE RECOMMENDATIONS MADE OR SERVICES RENDERED BY THE COMPANY AND NO WARRANTY IS MADE CONCERNING THE RESULTS SOUGHT TO BE OBTAINED THROUGH USE OF MATERIALS RECOMMENDED BY THE COMPANY. The Company's liability for injury to all persons or damage to any property or property rights, including but not limited to reservoir damage sub-surface trespass or drainage, etc., occasioned by reason of materials sold or rented or services performed hereunder shall be limited to those occurring due to the acts of willful misconduct or gross negligence of BES, and Customer agrees to be responsible for and indemnify BES against any loss or damage it may sustain by reason of materials sold or rented or services performed hereunder, unless such loss or damage is caused by the willful misconduct or gross negligence of BES.

### Product Warranty:

BES warrants all materials, products and supplies manufactured or furnished by it to be free from defects in material and workmanship, under normal use and service, when installed, used and serviced in the manner provided and intended, and that it can convey good title thereto. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OR MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BES's liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale of use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on the return to BES or at BES's option, to the allowance to the customer of credit for the cost of such items. In no event shall BES be liable for special, incidental, indirect, punitive or consequential damages.

### Service Conditions:

Because there are so many uncertain and unknown conditions not subject to our control, we can neither be liable for injuries to property or persons nor for loss or damage arising from the performance of our services or resulting therefrom.

BES shall not be liable or responsible for a Customer shall defend, indemnify, and save BES harmless, and its officers, agents or employees, from and against any and all claims or causes of action for damage to Customer's property and of the well owner, or any third person, and for bodily injury, sickness or disease, including death resulting thereof, brought by or on behalf of Customer, the well owner, or any third person, arising out of or in connection with BES's performance of services or the furnishing of materials, products and supplies, unless caused by the willful misconduct or gross negligence of BES.

Customer shall also be responsible for and shall defend, indemnify and save BES harmless, and its officers, agents or employees, from and against any and all claims, causes of action and liabilities for damages occur-

ring as a result of sub-surface trespass arising out of any oil well operations or services performed by BES, this provision applying to any claims or legal actions or royalty owners, working interest holders, overriding royalty interest holders, or any other person or concern.

Should any of our equipment, tools or instruments become lost in the well when performing or attempting to perform our services hereunder, it is understood that the Customer shall make reasonable effort to recover the lost equipment. The Customer shall assume the entire responsibility for such fishing operations in the recovery or attempted recovery of any such lost equipment, tools or instruments and if such equipment, tools or instruments are not recovered, Customer shall pay BES its replacement cost unless such loss is due to the sole negligence of BES. If BES's equipment, tools or instruments are damaged in the well, Customer shall pay BES the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of BES.

Work done by BES shall be under the direction, supervision and control of the owner, operator, or his agent and BES will perform the work as an independent contractor and not as an employee or agent of the owner or operator.

The Customer shall at all times have complete care, custody and control of the well, the drilling and production equipment at the well and the premises about the well.

Any delays or failure by BES in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike, labor trouble, accident riot, acts of God, or any contingencies beyond the reasonable control of BES. Disposal of the chemicals used in the performance of this contract is the responsibility of Customer. Customer agrees the chemicals will be disposed of in accordance with all applicable Federal, State and local laws and regulations.

### General Provisions:

Wherever the initials BES appear in this document, they are intended solely to be an abbreviation of Basic Energy Services LP, and are used in substitution of such full name as if the full name were set out in each instance.

Any modifications of this document by the Customer, and all additional or different terms included in the Customer's purchase order or any other document responding to this document, are hereby objected to BY REQUESTING ANY OF THE GOODS AND SERVICES SET FORTH HEREIN BUYER AGREES TO ALL THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT.

BES reserves the right to change or modify the design of any BES product without obligation to furnish or install such changes or modification on products previously or subsequently sold.

Information regarding our services rendered in Customer's well is held in strict confidence and will be released to others only upon written approval by owner, or when required by Federal, State or Local Laws, Regulations, Orders or Ordinances, or for use as evidence in court proceedings involving the subject matter of services rendered.

Failure to enforce any or all of the herein specified terms or conditions in any particular instance shall not constitute a continuing waiver, or preclude subsequent enforcement thereof.

No employee, representative or agent other than an officer of BES is empowered to alter any of the herein specified terms and conditions.

These terms and condition shall be governed by the laws of the State of Texas, and in case of any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Customer <b>Reid Oil &amp; Gas</b>	Lease No.	Date <b>10-12-07</b>
Lease <b>Schmidt</b>	Well # <b>1</b>	
Field Order # <b>178236</b>	Station <b>Pratt</b>	Casing <b>8 7/8"</b>
		Depth <b>2900</b>
Type Job <b>CNU - Surface</b>	Formation	Legal Description <b>20 2 11</b>

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft	<b>350</b>	Acid	<b>Acid</b>	RATE	PRESS	ISIP
Depth	Depth	From	To	Pre Pad		Max		5 Min.
Volume	Volume	From	To	Pad		Min		10 Min.
Max Press	Max Press	From	To	Frac		Avg		15 Min.
Well Connection	Annulus Vol.	From	To			HHP Used		Annulus Pressure
Plug Depth	Packer Depth	From	To	Flush	<b>43.0</b>	Gas Volume		Total Load

Customer Representative <b>Don Roif</b>	Station Manager <b>Don Scott</b>	Treater <b>Steve Ullrich</b>
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Service Units	<b>2708</b>	<b>2746</b>	<b>19820</b>	<b>17860</b>				
Driver Names	<b>Orlando</b>	<b>Lesly</b>	<b>Mike</b>	<b>McGraw</b>				

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<b>12:30 PM</b>					On location - 3.5 hrs. Machine
					Run 16" 85% casing, Plug 1" 11"
					Casing on bottom - Hook up 1" casing
					Bring up 4/11"
<b>1:15</b>	<b>300</b>		<b>8</b>	<b>5</b>	H2O + HCl
<b>1:47</b>	<b>300</b>		<b>29.5</b>	<b>5</b>	Max 350 psi. Acid 100 gal 17 1/2"
<b>2:20</b>	<b>300</b>		<b>31.5</b>	<b>5</b>	Max 150 psi. 100 gal 15 1/2"
					St + Down - 1300 gal
<b>2:33</b>	<b>10</b>		<b>0</b>	<b>11</b>	Start Displacement
<b>2:42</b>	<b>300</b>		<b>33</b>	<b>11</b>	Connect to surface
<b>2:45</b>	<b>350</b>		<b>43</b>	<b>11</b>	plug Down
					Calculate a Treatment
					Calculate 11550 gal
					Jobs Complete
					Time 5:00

RECEIVED

FEB 08 2010

KCC WICHITA