

ORIGINAL

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

API NO. 15- 135-23,690-0000

County Ness

C NE NW Sec. 11 Twp. 19 Rge. 24 X W

1980 Feet from S (circle one) Line of Section

1980 Feet from E (circle one) Line of Section

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

Lease Name MCDONALD A Well # 1

Field Name _____

Producing Formation D&A

Elevation: Ground 2264' KS 2269'

Total Depth 4350' PSTD --

Amount of Surface Pipe Set and Cemented at 276 Feet

Multiple Stage Cementing Collar Used? Yes X No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from _____

feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan ALT 2 D&A 9/22/92 JAH
(Date must be collected from the Reserve Pit)

Chloride content 0 ppm Fluid volume 100 bbls

Deaerating method used _____

Location of fluid disposal if hauled offsite: _____

Operator Name _____

Lease Name Matthews SWD License No. _____

NE Quarter Sec. 17 Twp. 18 Rng. 24 E W

County Ness Docket No. _____

Operator: License # 6141

Name: CORONADO OIL & GAS, INC.

Address P.O. Box 1285

Great Bend, KS 67530

City/State/Zip _____

Purchaser: D&A

Operator Contact Person: LeeRoy Legleiter

Phone (316) 792-6702

Contractor: Name: ALLEN DRILLING COMPANY

License: 5418

Wellsite Geologist: Randall M. Lilak

Designate Type of Completion

X New Well Re-Entry Workover

Oil SWD SIGW Temp. Abd.

Gas ENHR SIGW

X Dry Other (Core, MSW, Expl., Cathodic, etc.)

If Workover/Re-Entry: old well info as follows:

Operator: N/A

Well Name: _____

Comp. Date _____ Old Total Depth _____

Deepening Re-perf. Conv. to Inj/SWD

Plug Back PSTD

Commingled Docket No. _____

Dual Completion Docket No. _____

Other (SWD or Inj?) Docket No. _____

7/09/92 7/15/92 7/16/92

Spud Date Date Reached TD Completion Date

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information on side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

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

JUL 27 1992

Signature LeeRoy A. Legleiter

Title Vice President of Land Date 7-24-92

Subscribed and sworn to before me this 24th day of July, 1992.

Notary Public Gail A. Cooper

NOTARY PUBLIC State of Kansas
Date Commission Expires May 29, 1994
GAIL A. COOPER
My Appt. Exp. 5-29-94

CONSERVATION DIVISION
Wichita, Kansas

K.C.C. OFFICE USE ONLY

Letter of Confidentiality Attached C ✓

Wireline Log Received C ✓

Geologist Report Received C ✓

Distribution

✓ KCC SWD/Rep NGPA

KGS Plug Other

(Specify)

Operator Name CORONADO OIL & GAS, INC. Lease Name MCDONALD A Well # 1

Sec. 11 Twp. 19 Rge. 24 East West
 County Ness

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface during test. Attach extra sheet if more space is needed. Attach copy of log.

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets.)
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy.)
 List All E.Logs Run:

See Attached Sheet

Name	Formation (Top), Depth and Datum		Sample
	Top	Datum	
Anhydrite	1521	- 748	
Heebner	3663	-1394	
Toronto	3684	-1415	
LKC	3707	-1438	
Fort Scott	4210	-1941	
Cherokee Shale	4233	-1964	
Cong. Sand	4283	-2014	
Mississippi	4213	-2044	

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#	276'	60/40 poz	160	2%gel 3%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				

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
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Date of First, Resumed Production, SMD or Inj.	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravsp
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Disposition of Gas:
 Vented Sold Used on Lease
 (If vented, submit ACO-18.)

METHOD OF COMPLETION
 Open Hole Perf. Dually Comp. Commingled
 Other (Specify)

McDONALD A-1
C-NE-NW
Sec. 11-19-24w
Ness County, Ks.

ORIGINAL

DRILL STEM TESTS

DST #1 Fort Scott

INTERVAL: 4195' to 4230'
TIME: 45"-45"-45"-60"
Weak blow building
RECOVERY: 120' SL, OCMW
IF: 35#-47# FF: 58#-70#
ISIP: 1059# FSIP: In-Valid
(No good, leak in tool)

DST #2 Cong. Sand

INTERVAL: 4256' to 4318'
TIME: 15"-15"-15"-15"
Weak blow died in 5 minutes.
RECOVERY: 5' M - SSFO
IF: 35#-47# FF: 47#-47#
ISIP: 82# FSIP: 47#

DST #3 Mississippi

INTERVAL: 4319' to 4325'
TIME: 25"-15"-15"-15"
Weak blow died in 9 minute
RECOVERY: 20' VS OCM
5' Free oil
IF: 23#-23# FF: 35#-23#
ISIP: 978# FSIP: 884#

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CONSERVATION DIVISION
Wichita, Kansas

ORIGINAL

STRATIGRAPHY & LITHOLOGY

(Zones of Interest)

NOTE: THIS SECTION BASED UPON SAMPLES COLLECTED FROM 3400' TO TOTAL DEPTH (SAMPLES ABOVE THE HEEBNER WERE MOSTLY POOR QUALITY AND NO SHOWS WERE NOTED IN ANY SAMPLES ABOVE THE FORT SCOTT. LOG CALCULATIONS ARE OPTIMISTIC DUE TO USE OF GUARD LOG IN FRESH MUD SYSTEM).

- 3356 (-1087)
3389-3395 **TOPEKA: TOP OF THE SHAWNEE GROUP**
(33-39' in to -1126) **LIMESTONE:** Cream to gray, chalky to very fine grain, poor to fair apparent intergranular porosity, no odor, no fluorescence, no show. 17% Porosity, 26% Sw.
- 3403-3410 (47-54' in to -1141) **LIMESTONE: Dolomitic Limestone:** buff to tan, very fine crystalline, profuse fine oomoldic porosity, fair matrix porosity and spotty fluorescence, no odor or cut, trace color (greasy luster)?; 30% Porosity, 19% Sw.
- 3663 (-1394) **HEEBNER SHALE**
- 3684 (-1415) **TORONTO**
- 3707 (-1438)
3707-3714 **LANSING**
(LKC 'A' Zone: 0-7' in to -1445) **LIMESTONE:** Cream to buff, cherty to subcrystalline and sublithographic, mostly very tile with trace rare isolated oomoldic porosity having tile matrix, no odor, scattered bright mineral fluorescence, no stain or cut, no free oil. 3-6% Porosity.
- 3745-3748 (LKC 'B' Zone; 38-41' in to -1479) **LIMESTONE:** White to cream, very fine grain to sublithographic, sparse scattered white chert and fossils, mostly no visible porosity, no odor, fluorescence, cut, or shows. 10% Porosity, 45% Sw.
- 3789-3792 (LKC 'F' Zone; 82-85' in to -1523) **LIMESTONE:** White to cream oolitic micrite with scattered white to amber mottled chert, poor apparent porosity, no odor, no fluorescence, no cut or show. 10% Porosity, 40% Sw..
- 3868 (-1599) **DRUM(LKC 'H' ZONE)**
- 3929-3933 (Upper LKC 'E' Zone) 222-226' in to -1664) **LIMESTONE & CHERT:** White to buff, ~~stone or chert with white~~ chalky matrix, mostly poor apparent porosity with rare oomoldic porosity, no odor, stains, fluorescence, cut, or shows. 11-14% Porosity, 36% Sw.
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- 3954-3958 (Lower LKC 'F' Zone; 247-251' in to -1689) **LIMESTONE:** White to cream, very fine grain to sublithographic, oolitic in part with poor to fair scattered interoolitic porosity, mostly tile matrix, no odor, stain, fluorescence, cut, or shows. 12% Porosity, 24% Sw
- 3981 (-1712) **STARK SHALE**
- 4009 (-1740) **HUSHPUCKNEY SHALE**

STRATIGRAPHY & LITHOLOGY, Continued

- 4037 (-1768) BASE KANSAS CITY GROUP**
- 4046 (-1777) TOP OF MARMATON GROUP (LENAPAH)**
- 4046-4050** *(Lenapah, 0-4, to 1781) LIMESTONE: White to buff, very fine grain to sublithographic, chalky to argillaceous with mostly poor apparent porosity, no odor, fluorescence or shows. 12% Porosity, 47% Sw.*
- 4068 (-1799) ALTAMONT LIMESTONE MEMBER OF MARMATON**
- 4128 (-1859) PAWNEE MEMBER OF MARMATON GROUP**
- 4210 (-1941)
4220-4230** **FORT SCOTT**
(10-20" in to -1961) LIMESTONE: White to cream with scattered white coralline chert, very fine to fine grain oolitic limestone with fair interoolitic porosity, becoming fossiliferous towards bottom having fair interfossil porosity, fair to good odor, fair light staining and saturation at top, becoming darker and spotty with some barren porosity towards bottom, fair scattered bright fluorescence with fair cut, trace to fair show of light gassy free oil and bleeding gas. 10-16% Porosity, 32-35% Sw. This interval was evaluated and condemned by the results of DST #1. (See page 4).
- 4233 (-1964) UPPER CHEROKEE SHALE**
- 4256 (-1987) LOWER CHEROKEE SHALE**
- 4267 (-1998)
4267-4278** **LOWER CHEROKEE LIME**
LIMESTONE: Mostly cream, sublithographic to subcrystalline, arenitic in part, rare fossils, mostly very tile with rare isolated very poor pin-point porosity and dark stain, faint odor, rare spotty fluorescence with very poor cut, scattered fine grain, shaly, tile, glauconitic sandstone increasing towards bottom, no free oil. Less than 5% Porosity throughout. This interval was condemned by its inclusion in DST #2.
- 4278 (-2009) BASAL PENN. CONGLOMERATE SHALE**
- 4283 (-2014)
4283-4297** **CHEROKEE/CONGLOMERATE SS/CHT.**
Chalky to sublithographic white to buff Limestone with fair amount of varicolored Chert (mostly amber and brown) having isolated pitted porosity and dark to gilsonitic staining, rare cluster of dense, tile, fine grain, glauconitic sandstone, and trace loose rounded, fine grain sand on bottom of tray, scattered soft yellow and green shale, faint odor, poor fluorescence, poor initial cut increased to good with lime, poor to fair show of dark free oil at top, becoming lighter towards bottom, trace of bleeding gas. LOG indicates section to be "tatty"; 10-16% Porosity, 24-50% Sw. This interval was condemned by its inclusion in DST #2 (See page 4).
- 4304 (-2035)
4304-4307** **REWORKED (WEATHERED) MISSISSIPPIAN**
White to light green, chalky to dolomitic and sublithographic Limestone, mostly very poor apparent porosity, fair odor, slight stain, spotty fluorescence, slight cut, poor show of light, gassy free oil. 30+% Porosity, 36% Sw. This interval was condemned by its inclusion in DST #2. (See page 4).

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CONSERVATION DIVISION

Wichita, Kansas

STRATIGRAPHY & LITHOLOGY, Continued

- 4307 (-2038)**
4307-4312 **MISSISSIPPIAN WARSAW**
(10-5, to -2043) DOLOMITIC LIMESTONE: Light green, very fine grain to chalky, mostly very poor apparent porosity, slight odor and stain, poor fluorescence and cut, trace of free oil. 10% Porosity, 48% Sw. This interval was condemned by its inclusion in DST #2 (See page 4).
- 4313 (-2044)**
4313-4316 **MISSISSIPPIAN WARSAW POROSITY(DOLOMITE)**
(to -2047) DOLOMITE: Cream to light green, very fine grain to sublithographic, few pieces very fine crystalline, fossiliferous with fair scattered interfossil porosity in mostly tile matrix, fair odor, fair staining where porous, poor fluorescence and cut, slight show of light gassy free oil. 13% Porosity, 33% Sw. This interval was condemned by its inclusion in DST #2 (See page 4)
- 4317-4326** *(to -2057) DOLOMITE: Light green to buff, very fine grain to subcrystalline, fossiliferous with scattered fair to good interfossil porosity, increasing disseminated pyrite in matrix towards bottom, fair odor, fair to good light staining where porous, becoming darker and barren in part towards bottom, poor fluorescence, fair cut, fair show of free oil, light and gassy at top to darker and flaky in part towards bottom. 15-17% Porosity, 22-34% Sw. The top of this interval was condemned by DST #3, and the lower part of this interval was condemned by the increase in SW from the upper tested interval and increasing indications of water from the samples in addition to being below the oil water contact noted in the area.*
- 4327-4340** *(to -2471) DOLOMITE: Cream to light green at top, becoming darker green and increasingly glauconitic towards bottom, very fine grain to sublithographic, few pieces fine crystalline with poor to fair intercrystalline porosity, scattered fossil-cast porosity with spotty mostly dark staining, fair amount of barren porosity, fair amount of fine disseminated pyrite in matrix, scattered fine grain loose rounded sand, strong "rotten" odor, dull fluorescence, poor cut, trace flaky free oil. 17-22% Porosity, 60+% Sw.*
- 4341-4350** *(43' of MISSISSIPPIAN Penetrated, to -2081) DOLOMITE: White to cream, mostly very fine grain to sublithographic and tile with very poor apparent porosity, few pieces fine crystalline with spotty dead stains, scattered pyrite, few quartz pebbles, strong "rotten" odor, dull fluorescence, very poor cut, no free oil. Mostly less than 12% Porosity, 100% Sw.*

4348 (-2079)
4350 (-2081)

ACCEPTED
STATE CORPORATION COMMISSION
ROTARY TOTAL DEPTH
JUL 27 1992

ORIGINAL

SUMMARY

The #1 McDonald 'A' was plugged and abandoned after complete evaluation of the samples, structural geology, drill stem tests, and log analysis compared to nearby producers indicated little potential for obtaining commercial production at this location. Although some upper Pennsylvanian zones calculated on the electric log, no shows were noted from these horizons and the optimistic log calculations are thought to be due to the use of a guard log in a fresh mud system and the chalky to oomoldic nature of the rocks in these zones. The only sample shows present were from the Fort Scott, Cherokee, and Mississippian, which were all evaluated by Drill stem tests with negative results. Although shows remained below DST #3, both sample and log analysis, in addition to being well below the area oil-water contact at that point, indicated that this lower Mississippian interval was wet and not capable of commercial production.

It should be noted that the seismic data used in picking this location was a "bust" on the Anhydrite to Pennsylvanian interpretation(s), but that this well actually had the thinnest Cherokee to Mississippian interval (74') compared to surrounding well control (79-104').

Samples have been deposited at the Wichita Well Sample Library at the request of the Kansas Geological Survey.

Respectfully submitted,

*Randall M. Liak
Wellsite Geologist*

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JUL 27 1992

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CONSERVATION DIVISION
Wichita, Kansas

Phone 913-483-2627, Russell, Kansas

Phone 316-793-5861, Great Bend, Kansas

ORIGINAL

Phone Plainville 913-434-2812

Phone Ness City 913-798-3843

ALLIED CEMENTING CO., INC.

3004

Home Office P. O. Box 31

Russell, Kansas 67665

New

Date	7-15-92	Sec.	11	Fwp.	19	Range	24	Called Out	7:00AM	On Location	9:15AM	Job Start	9:30AM	Finish	11:00AM
Lease	McDonald	Well No.	A-#1	Location		Ness City, 2 1/2 S, E/S		County	Ness	State	KS				
Contractor	Allen Rig #1														
Type Job	Rotary Plug														
Hole Size	7 7/8"		T.D. 4350'												
Csg.			Depth												
Tbg. Size			Depth												
Drill Pipe	4 1/2"		Depth 1600'												
Tool			Depth												
Cement Left in Csg.			Shoe Joint												
Press Max.			Minimum												
Meas Line			Displace												
Perf.															

Owner SAME

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.

Charge To CORONADO OIL + GAS

Street

City State

The above was done to satisfaction and supervision of owner agent or contractor.

Purchase Order No.

X Richard Stevenson

CEMENT

Amount Ordered 225 SKS 60/40 (6% Gel), 1/4 Fb seal / SK

Consisting of

Common

Poz. Mix

Gel.

Chloride

Quickset

Sales Tax

Handling

Mileage

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STATE CORPORATION COMMISSION

JUL 27 1992

Sub Total

Total

Floating Equipment VISION
Wichita, Kansas

EQUIPMENT

#	No.	Cementer	TIM DON
Pumptrk	181	Helper	
	No.	Cementer	JACKS
Pumptrk		Helper	
#		Driver	JACKS
Bulktrk	69	Driver	
Bulktrk		Driver	

DEPTH of Job

Reference:	Pumptrk Charge	
	Pumptrk Mileage	
		Sub Total
		Tax
		Total

Remarks: Mixed- 50 SKS at 1600'
60 SKS at 1000'
40 SKS at 550'
50 SKS at 310'
10 SKS at 40'
15 SKS in Rathole.

Thanks Allied cementing
By Tim Dickson

GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

2. More specifically:

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

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

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

Phone 913-483-2627, Russell, Kansas
 Phone 316-793-5861, Great Bend, Kansas

ORIGINAL

Phone Plainville 913-434-2812
 Phone Ness City 913-798-3843

ALLIED CEMENTING CO., INC.

2717

Home Office P. O. Box 31

Russell, Kansas 67665

New

Date	7-9-92	Sec.	11	Twp.	19	Range	24W	Called Out	8:30	On Location	9:30	Job Start	11:25 W	Finish	11:40 PM
Lease	McDonald	Well No.	A-1		Location			Ness City 2W 2 1/2 S E 1/4			County	Ness	State	Ks.	
Contractor	Allen Dels Co. 1														
Type Job	Surface														
Hole Size	12 1/4		T.D. 278												
Csg.	8 7/8" 23'		Depth 276'												
Tbg. Size	Depth														
Drill Pipe	Depth														
Tool	Depth														
Cement Left in Csg.	Shoe Joint														
Press Max.	Minimum														
Meas Line	Displace 21.1														
Perf.															

Owner Coronado Oil & Gas
 To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.

Charge To Coronado Oil & Gas
 Street _____
 City _____ State _____
 The above was done to satisfaction and supervision of owner agent or contractor.

Purchase Order No. _____
 X Richard Stevenson Jr.

CEMENT

Amount Ordered 160 60% 20% Gel 3% CC
 Consisting of
 Common _____
 Poz. Mix _____
 Gel. _____
 Chloride _____
 Quickset _____

EQUIPMENT

No.	Cementer	<u>Gary</u>
Pumptrk <u>158</u>	Helper	
No.	Cementer	<u>Keith</u>
Pumptrk	Helper	
	Driver	
Bulktrk <u>116</u>	Driver	

Handling	Sales Tax
Mileage	Sub Total
STATE CORPORATION COMMISSION	Total
JUL 27 1992	
CONSERVATION DIVISION Wichita, Kansas	

DEPTH of Job

Reference:	<u>Pump Truck</u>
	<u>Mileage</u>
	<u>8 7/8" TWP</u>
	Sub Total
	Tax
	Total

Remarks: Cement did circulate.
Approx 6 bbl.

Thank you
Stan L. Hene

GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

2. More specifically:

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

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

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