

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

CONFIDENTIAL

Operator: License # 5474  
Name: Northern Lights Oil Co., LC  
Address: P.O. Box 164  
City/State/Zip: Andover, KS 67002  
Purchaser: Eott  
Operator Contact Person: Kurt Smith  
Phone: (316) 733-1515  
Contractor: Name: Mallard JV  
License: 4958

API No. 15 - 135-24177-0000  
County: Ness  
SW - SW - SE - SW Sec. 4 Twp. 18 S. R. 24  East  West  
100 feet from S N (circle one) Line of Section  
1440 feet from E W (circle one) Line of Section

Wellsite Geologist: Kurt Smith  
Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SLOW  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Wells Well #: 1-4  
Field Name: wc (unnamed)  
Producing Formation: Cherokee  
Elevation: Ground: 2302 Kelly Bushing: 2307  
Total Depth: 4450 Plug Back Total Depth: 4356  
Amount of Surface Pipe Set and Cemented at 249' Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 1614 Feet

If Workover/Re-entry: Old Well Info as follows:

If Alternate II completion, cement circulated from 1614  
feet depth to Surface w/ 350 sx cmt.

Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening  Re-perf.  Conv. to Enhr./SWD  
 Plug Back \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_  
 Commingled \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Dual Completion \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?) \_\_\_\_\_ Docket No. \_\_\_\_\_

Drilling Fluid Management Plan Alle 11 BH 6-14-02  
(Data must be collected from the Reserve Pit)  
Chloride content 3000 ppm Fluid volume 5000 bbls  
Dewatering method used Evaporation  
Location of fluid disposal if hauled offsite: \_\_\_\_\_

4-10-02 4-16-02 4-17-02  
Spud Date or Date Reached TD Completion Date or Recompletion Date

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: [Handwritten Signature]  
Title: MANAGING PARTNER Date: 5-13-02  
Subscribed and sworn to before me this 13<sup>th</sup> day of MAY  
2002  
Notary Public: [Handwritten Signature]

**KCC Office Use ONLY**  
 Letter of Confidentiality Attached  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution



Date Commission Expires: \_\_\_\_\_

CONFIDENTIAL

15-135-2477-00-00  
Side Two

ORIGINAL

Operator Name: Northern Lights Oil Co., LC Lease Name: Wells Well #: 1-4  
Sec. 4 Twp. 18 S. R. 24 East  West County: Ness

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  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:  
CDN, DI, Sonic

Log Name	Formation (Top), Depth and Datum	Sample Datum
Anhydrite	1591	+719
LKC	3716	-1409
Ft. Scott	4216	-1909
Mississippian	4359	-2052

RECEIVED  
MAY 14 2002  
KCC WICHITA  
MAY 13 2002

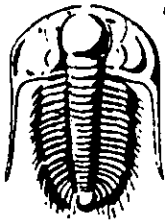
CASING RECORD <small>New Used</small>							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4	8 5/8	20#	249'	60/40 Poz	160	3%cc2%GEL
Production	7 7/8	5 1/2	14#	4447'	ASC	150	-

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
Perforate				
Protect Casing				
Plug Back TD				
Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)	
4	4301-4302		FROM CONFIDENTIAL	

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 7/8	4350		Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.			Producing Method		
5/12/02			Flowing <input checked="" type="checkbox"/> Pumping Gas Lift Other (Explain)		
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	100	--	--		35

Disposition of Gas:  Vented  Sold  Used on Lease (If vented, Submit ACO-18.)  
METHOD OF COMPLETION:  Open Hole  Perf.  Dually Comp.  Commingled  
Production Interval:  Other (Specify)



# TRILOBITE TESTING INC.

P.O. Box 362 • Hays, Kansas 67601

RECEIVED 15-135-24177-0000

MAY 14 2002

KCC WICHITA

13002

CONFIDENTIAL

## Test Ticket

ORIGINAL

Well Name & No.	<u>WELLS # 1-4</u>	Test No.	<u>1</u>	Date	<u>4-15-02</u>
Company	<u>NORTHERN LIGHTS OIL CO.</u>	Zone Tested	<u>CHER. SAND</u>		
Address	<u>P.O. BOX 154 ANDOVER, KS 67002</u>	Elevation	<u>2307</u>	KB	<u>2302</u> GL
Co. Rep / Geo.	<u>KURT SMITH</u>	Cont.	<u>MALLARD</u>	Est. Ft. of Pay	___ Por. ___ %
Location: Sec.	<u>4</u>	Twp.	<u>18 S</u>	Rge.	<u>24 W</u>
			Co.	<u>NESS</u>	State <u>KS</u>
No. of Copies	<u>10</u>	Distribution Sheet (Y, N)	___	Turnkey (Y, N)	___
		Evaluation (Y, N)	___		

Interval Tested	<u>4260 TO 4310</u>	Initial Str Wt./Lbs.	<u>69,000</u>	Unseated Str Wt./Lbs.	<u>20,000</u>
Anchor Length	<u>50'</u>	Wt. Set Lbs.	<u>20,000</u>	Wt. Pulled Loose/Lbs.	<u>20,000</u>
Top Packer Depth	<u>4255</u>	Tool Weight	<u>3,000</u>		
Bottom Packer Depth	<u>4260</u>	Hole Size — 7 7/8"	<input checked="" type="checkbox"/>	Rubber Size — 6 3/4"	<input checked="" type="checkbox"/>
Total Depth	<u>4310</u>	Wt. Pipe Run	<u>0</u>	Drill Collar Run	<u>248</u>
Mud Wt.	<u>9.3</u> LCM - Vis. <u>48</u> WL <u>9.8</u>	Drill Pipe Size	<u>4 1/2 XH</u>	Ft. Run	<u>3990</u>
Blow Description	<u>IF - STRONG B.O.B. IN 30 SEC.</u>				
	<u>ISI - WEAR BUILT TO 2"</u>				
	<u>FF - STRONG B.O.B. 30 SEC.</u>				
	<u>FSD. WEAR</u>				

Recovery — Total Feet	<u>2740</u>	GIP	<u>180'</u>	Ft. in DC	<u>248</u>	Ft. in DP	<u>2492</u>
Rec.	<u>2740</u>	Feet Of	<u>GASSY OIL</u>	%gas	%oil	%water	%mud
Rec.	___	Feet Of	<u>KCC</u>	%gas	%oil	%water	%mud
Rec.	___	Feet Of	<u>MAY 13 2002</u>	%gas	%oil	%water	%mud
Rec.	___	Feet Of	___	%gas	%oil	%water	%mud
BHT	<u>124</u>	°F Gravity	<u>35</u>	°F Corrected Gravity	<u>33</u>	°API	___
RW	___	°F Chlorides	___	ppm Recovery	___	Chlorides	___
		ppm System	___				

(A) Initial Hydrostatic Mud	AK-1	Alpine	<u>2118</u>	PSI	Recorder No.	<u>3017</u>	T-On Location	<u>14:20</u>
(B) First Initial Flow Pressure			<u>800</u>	PSI	(depth)	<u>4263</u>	T-Started	<u>15:00</u>
(C) First Final Flow Pressure			<u>832</u>	PSI	Recorder No.	<u>13308</u>	T-Open	<u>17:03</u>
(D) Initial Shut-In Pressure			<u>1270</u>	PSI	(depth)	<u>4307</u>	T-Pulled	<u>18:38</u>
(E) Second Initial Flow Pressure			<u>982</u>	PSI	Recorder No.	___	T-Out	<u>2206</u>
(F) Second Final Flow Pressure			<u>1049</u>	PSI	(depth)	___	T-Off Location	<u>23:20</u>
(G) Final Shut-in Pressure			<u>1288</u>	PSI	Initial Opening	<u>10</u>	Test	<u>BOTTOM HOLE</u>
(Q) Final Hydrostatic Mud			<u>2068</u>	PSI	Initial Shut-in	<u>30</u>	Jars	___
					Final Flow	<u>10</u>	Safety Joint	<input checked="" type="checkbox"/>
					Final Shut-in	<u>45</u>	Straddle	___

TRILOBITE TESTING INC. SHALL NOT BE LIABLE FOR DAMAGE OF ANY KIND OF THE PROPERTY OR PERSONNEL OF THE ONE FOR WHOM A TEST IS MADE, OR FOR ANY LOSS SUFFERED OR SUSTAINED, DIRECTLY OR INDIRECTLY, THROUGH THE USE OF ITS EQUIPMENT, OR ITS STATEMENTS OR OPINION CONCERNING THE RESULTS OF ANY TEST, TOOLS LOST OR DAMAGED IN THE HOLE SHALL BE PAID FOR AT COST BY THE PARTY FOR WHOM THE TEST IS MADE.

Approved By: [Signature]  
 Our Representative: John J. Schmidt

Circ. Sub 1200  
 Sampler \_\_\_  
 Extra Packer \_\_\_  
 Elec. Rec.   
 Mileage 60  
 Other \_\_\_  
 TOTAL PRICE \$ \_\_\_

# ALLIED CEMENTING CO., INC. 7680

CONFIDENTIAL

Federal Tax I.D.#

15-135-24177-0000

ORIGINAL

REMIT TO P.O. BOX 51  
RUSSELL, KANSAS 67665

SERVICE POINT:

New City

DATE <u>4-10-02</u>	SEC. <u>4</u>	TWP. <u>18</u>	RANGE <u>24</u>	CALLED OUT <u>1:30 PM</u>	ON LOCATION <u>4:30 PM</u>	JOB START <u>6:00 AM</u>	JOB FINISH <u>6:45 PM</u>
LEASE <u>Wells</u>		WELL # <u>1-4</u>	LOCATION <u>New City Hwy Stop - 4N, 44W</u>		COUNTY <u>New</u>	STATE <u>Ks</u>	
OLD OR <u>NEW</u> (Circle one)		<u>N/Side</u>					

CONTRACTOR Mallard OWNER Same

TYPE OF JOB Surface  
 HOLE SIZE 12 1/4" T.D. 249'  
 CASING SIZE 8 7/8" New 20# DEPTH 249'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. 15' **KCC**  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 15 1/4 bbls

CEMENT AMOUNT ORDERED 160 lbs 6/40 370cc, 290 lbs

COMMON	<u>96</u>	@	<u>6.65</u>	<u>638.40</u>
POZMIX	<u>64</u>	@	<u>3.55</u>	<u>227.20</u>
GEL	<u>3</u>	@	<u>10.00</u>	<u>30.00</u>
CHLORIDE	<u>5</u>	@	<u>30.00</u>	<u>150.00</u>
_____		@		
_____		@		
_____		@		
_____		@		
_____		@		
_____		@		
HANDLING	<u>168</u>	@	<u>1.10</u>	<u>184.80</u>
MILEAGE	<u>8</u>		<u>Min</u>	<u>100.00</u>
				<b>TOTAL \$ <u>1330.40</u></b>

EQUIPMENT \_\_\_\_\_  
 PUMP TRUCK CEMENTER Tom D  
 # 224 HELPER Tom W  
 BULK TRUCK \_\_\_\_\_  
 # 260 DRIVER Lonnie M  
 BULK TRUCK \_\_\_\_\_  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

CONFIDENTIAL

MAY 14 2002

REMARKS: **KCC NIGHT SERVICE**

Run 249' of 8 7/8" cas. Break circulation.  
Mixed 160 lbs 6/40 370cc, 290 lbs.  
Released plug. Replaced with fresh H<sub>2</sub>O.

DEPTH OF JOB <u>249'</u>			
PUMP TRUCK CHARGE			<u>520.00</u>
EXTRA FOOTAGE	@		
MILEAGE <u>8</u>	@	<u>3.00</u>	<u>24.00</u>
PLUG - <u>8 7/8" Wooden</u>	@	<u>45.00</u>	<u>45.00</u>
_____	@		
_____	@		
<b>TOTAL \$ <u>589.00</u></b>			

Cement did circulate ✓  
Shanks

CHARGE TO: Northern Lights Oil, Co, LC  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

FLOAT EQUIPMENT

_____	@		
_____	@		
_____	@		
_____	@		
_____	@		

TOTAL \_\_\_\_\_

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 is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX -0-  
 TOTAL CHARGE \$ 1919.40  
 DISCOUNT \$ 191.94 IF PAID IN 30 DAYS

SIGNATURE LAVON R. URBAN

SIGNATURE LAVON R. URBAN  
 PRINTED NAME

Net \$ 1727.46

# 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.

# ALLIED CEMENTING CO., INC.

09379

**CONFIDENTIAL**

Federal Tax I.D.#

**ORIGINAL**

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

15-135-24177-0000

SERVICE POINT

NESS CITY

DATE <u>4-17-02</u>	SEC. <u>4</u>	TWP. <u>185</u>	RANGE <u>24W</u>	CALLED OUT	ON LOCATION <u>2:30 AM</u>	JOB START <u>4:45 AM</u>	JOB FINISH <u>5:30 AM</u>
LEASE <u>WELLS</u>	WELL # <u>1-4</u>	LOCATION <u>NESS CITY 30-5W</u>			COUNTY <u>NESS</u>	STATE <u>KS</u>	
OLD OR (NEW) (Circle one)							

CONTRACTOR <u>MALLARD DRLLG.</u>	OWNER <u>SAME</u>																																																				
TYPE OF JOB <u>Production string "Bottom Stage"</u>																																																					
HOLE SIZE <u>7 7/8"</u>	T.D. <u>4448'</u>																																																				
CASING SIZE <u>5 1/2"</u>	DEPTH <u>4451.97'</u>																																																				
TUBING SIZE	DEPTH																																																				
DRILL PIPE	DEPTH																																																				
TOOL <u>D-U TOOL</u>	DEPTH <u>1616'</u>																																																				
PRES. MAX	MINIMUM																																																				
MEAS. LINE	SHOE JOINT <u>29.74'</u>																																																				
CEMENT LEFT IN CSG. <u>29.74'</u>																																																					
PERFS.																																																					
DISPLACEMENT <u>6.8 WATER 40 1/4 MUD</u>																																																					
EQUIPMENT																																																					
PUMP TRUCK # <u>224</u>	CEMENTER <u>TERRY</u>																																																				
	HELPER <u>JIM</u>																																																				
BULK TRUCK # <u>260</u>	DRIVER <u>JARROD</u>																																																				
BULK TRUCK #	DRIVER																																																				
<table border="1"> <tr> <td>COMMON</td> <td>@</td> <td></td> <td></td> </tr> <tr> <td>POZMIX</td> <td>@</td> <td></td> <td></td> </tr> <tr> <td>GEL</td> <td>@</td> <td></td> <td></td> </tr> <tr> <td>CHLORIDE</td> <td>@</td> <td></td> <td></td> </tr> <tr> <td>ASC 150 SKS</td> <td>@</td> <td><u>8.52</u></td> <td><u>1275.00</u></td> </tr> <tr> <td>GILSONITE 750#</td> <td>@</td> <td><u>4.50</u></td> <td><u>375.00</u></td> </tr> <tr> <td>WFR-2 500 GAL</td> <td>@</td> <td><u>1.00</u></td> <td><u>500.00</u></td> </tr> <tr> <td>HANDLING</td> <td>@</td> <td><u>1.10</u></td> <td><u>213.00</u></td> </tr> <tr> <td>MILEAGE <u>0.4 PER SR / MILE</u></td> <td></td> <td></td> <td><u>100.00</u></td> </tr> <tr> <td>KCC</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><u>2463.00</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td><u>40.00</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td><u>2503.00</u></td> </tr> </table>		COMMON	@			POZMIX	@			GEL	@			CHLORIDE	@			ASC 150 SKS	@	<u>8.52</u>	<u>1275.00</u>	GILSONITE 750#	@	<u>4.50</u>	<u>375.00</u>	WFR-2 500 GAL	@	<u>1.00</u>	<u>500.00</u>	HANDLING	@	<u>1.10</u>	<u>213.00</u>	MILEAGE <u>0.4 PER SR / MILE</u>			<u>100.00</u>	KCC							<u>2463.00</u>				<u>40.00</u>				<u>2503.00</u>
COMMON	@																																																				
POZMIX	@																																																				
GEL	@																																																				
CHLORIDE	@																																																				
ASC 150 SKS	@	<u>8.52</u>	<u>1275.00</u>																																																		
GILSONITE 750#	@	<u>4.50</u>	<u>375.00</u>																																																		
WFR-2 500 GAL	@	<u>1.00</u>	<u>500.00</u>																																																		
HANDLING	@	<u>1.10</u>	<u>213.00</u>																																																		
MILEAGE <u>0.4 PER SR / MILE</u>			<u>100.00</u>																																																		
KCC																																																					
			<u>2463.00</u>																																																		
			<u>40.00</u>																																																		
			<u>2503.00</u>																																																		

REMARKS:

MAX 500 GAL WFR-2 Followed by  
150 SKS ASC 5# GILSONITE  
DISPLACE WITH 6.5 WATER + 40 1/4 BBL  
MUD.  
PLUG DID NOT LAND  
FLOAT HELD

THANK YOU

CHARGE TO: NORTHERN LIGHTS

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

CONFIDENTIAL

SERVICE

DEPTH OF JOB	<u>4451.97'</u>
PUMP TRUCK CHARGE	<u>1195.00</u>
EXTRA FOOTAGE	@
MILEAGE <u>8 MI</u>	@ <u>3.00</u> <u>24.00</u>
PLUG	@
	@
	@

MAY 14 2002 TOTAL 1219.00

KCC

FLOAT EQUIPMENT

<u>5 1/2"</u>	
1-GUIDE SHOE	@ 150.00 <u>150.00</u>
1-AFU INSERT	@ 235.00 <u>235.00</u>
8-CENTRALIZERS	@ 50.00 <u>400.00</u>
1-BASKET	@ 128.00 <u>128.00</u>
1-D-U TOOL	@ 3300.00 <u>3300.00</u>
TOTAL	<u>4213.00</u>

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 is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX - 0 -

TOTAL CHARGE \$ 7795.40

DISCOUNT \$ 1184.31 IF PAID IN 30 DAYS

SIGNATURE Dale P. Jewett

DALE P. JEWETT  
PRINTED NAME

Disc Per Ron Davis

Net \$ 6611.09

## 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.

# ALLIED CEMENTING CO., INC.

09380

Federal Tax I.D.#

ORIGINAL  
SERVICE POINT:

REMIT TO P.O. BOX 8  
RUSSELL, KANSAS 67665

**CONFIDENTIAL**

15-135-24177-0000

NESS CITY

DATE <u>4-17-02</u>	SEC. <u>4</u>	TWP. <u>185</u>	RANGE <u>24W</u>	CALLED OUT	ON LOCATION <u>2:30 AM</u>	JOB START <u>10:00 AM</u>	JOB FINISH <u>11:00 AM</u>
LEASE <u>WELLS</u>	WELL # <u>1-4</u>	LOCATION <u>NESS CITY 3N-6W</u>			COUNTY <u>NESS</u>	STATE <u>KS</u>	
OLD OR <u>(NEW)</u> (Circle one)							

CONTRACTOR <u>MALLARD DRILL</u>	OWNER <u>SAME</u>
TYPE OF JOB <u>PRODUCTION STAGE "TOP STAGE"</u>	
HOLE SIZE <u>7 7/8'</u>	T.D. <u>4448'</u>
CASING SIZE <u>5 1/2"</u>	DEPTH <u>4450.97'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL <u>D-V TOOL</u>	DEPTH <u>1616'</u>
PRES. MAX <u>1500 PSI</u>	MINIMUM <u>300 PSI</u>
MEAS. LINE	SHOE JOINT <u>29.74'</u>
CEMENT LEFT IN CSG. <u>29.74'</u>	
PERFS.	
DISPLACEMENT <u>39 1/2 DBL</u>	

CEMENT	
AMOUNT ORDERED <u>375 SKS LITE 1/4 # FLO-SEAL</u>	
<u>KCC</u>	
COMMON <u>MAY 1 10 0000</u>	@
POZMIX <u>CONFIDENTIAL</u>	@
GEL	@
CHLORIDE	@
<u>LITE 375 SKS</u>	@ <u>6.30</u> <u>2362.50</u>
<u>FLO-SEAL 94 #</u>	@ <u>1.40</u> <u>131.60</u>
HANDLING <u>399 SKS</u>	@ <u>1.10</u> <u>438.90</u>
MILEAGE <u>0.49 PER SK / MILE</u>	<u>127.68</u>
TOTAL	<u>3060.68</u>

**EQUIPMENT**

PUMP TRUCK	CEMENTER <u>TERRY</u>
# <u>224</u>	HELPER <u>JIM</u>
BULK TRUCK	
#	DRIVER <u>JARROD</u>
BULK TRUCK	
#	DRIVER

**REMARKS:**

MIX 15SKS RAT HOLE  
MIX 10SKS MOUSE HOLE  
MIX 350SKS LITE 1/4 # FLO-SEAL  
+ DISPLACE WITH 39 1/2 DBL  
PLUG LANDED  
TOOL HELD  
CEMENT AID CIRC.  
THANK YOU

DEPTH OF JOB <u>1616'</u>	
PUMP TRUCK CHARGE <u>6.50</u>	<u>8.50</u>
EXTRA FOOTAGE	@
MILEAGE <u>8</u>	@ <u>3.00</u> <u>N/C</u>
PLUG	@
TOTAL	<u>6.50</u>

CHARGE TO: NORTHERN LIGHTS

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

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 is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE Dale P. Jewett

FROM CONFIDENTIAL SERVICE

MAY 1 10 0000

KCC ONTAFLOAT EQUIPMENT

TOTAL \_\_\_\_\_

TAX -0-

TOTAL CHARGE \$ 3710.68

DISCOUNT \$ 556.60 IF PAID IN 30 DAYS

DALE P. JEWETT  
 PRINTED NAME

Disc per Ron Davis Net \$ 3154.08



## 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 wilful 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.