

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

API NO. 15- 077-21,369 0000

County Harper County, Kansas

C E/2-SE-NE Sec. 2 Twp. 31S Rge. 7W X <sup>E</sup><sub>W</sub>

3300 Feet from S/W (circle one) Line of Section

330 Feet from E/W (circle one) Line of Section

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

Operator: License # 6236

Name: MTM Petroleum, Inc.

Address PO Box 82

City/State/Zip Spivey KS 67142

Purchaser: Peoples Natural Gas

Operator Contact Person: Marvin A. Miller

Phone (316) 532-3794

Contractor: Name: Duke Drilling Co., Inc.

License: 5929

Wellsite Geologist: Jerry A. 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)

If Workover:

Operator: \_\_\_\_\_

Well Name: \_\_\_\_\_

Comp. Date \_\_\_\_\_ Old Total Depth \_\_\_\_\_

Deepening  Re-perf.  Conv. to Inj/SWD  
 Plug Back  PBDT  
 Commingled  Docket No. \_\_\_\_\_  
 Dual Completion  Docket No. \_\_\_\_\_  
 Other (SWD or Inj?)  Docket No. \_\_\_\_\_

11-18-98 11-25-98 12-18-98  
Spud Date Date Reached TD Completion Date

Lease Name Oscar Smith Well # 2

Field Name Maple Grove South

Producing Formation Mississippian

Perforation: Ground 1575' KB 1583'

Total Depth 4411' PBDT 4400'

Amount of Surface Pipe Set and Cemented at 263 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 Att. 1, 3-5-99 W.O.  
(Data must be collected from the Reserve Pit)

Chloride content \_\_\_\_\_ ppm Fluid volume 240 bbls

Dewatering method used Hauled offsite

Location of fluid disposal if hauled offsite: \_\_\_\_\_

Operator Name Messenger Petroleum

Lease Name Nicholas SWD License No. 4706

Quarter 20 Twp. 30S S Rng. 8W E/W

County Kingman Docket No. D-27,434

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 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.

Signature [Signature]  
Title President Date 2-26-99

Subscribed and sworn to before me this 26<sup>th</sup> day of February, 19 99.

Notary Public Kathy Hill

Date Commission Expires 01-04-99

K.C.C. OFFICE USE ONLY		
F	<input type="checkbox"/>	Letter of Confidentiality Attached
C	<input checked="" type="checkbox"/>	Wireline Log Received
C	<input checked="" type="checkbox"/>	Geologist Report Received
Distribution		
<input checked="" type="checkbox"/>	KCC	<input type="checkbox"/> SWD/Rep
<input type="checkbox"/>	KGS	<input type="checkbox"/> Plug
<input type="checkbox"/>		<input type="checkbox"/> NGPA
<input type="checkbox"/>		<input type="checkbox"/> Other
(Specify)		

**KATHY HILL**  
Notary Public - State of Kansas  
My Appt. Expires 01-04-2000

Operator Name MTM Petroleum, Inc. Lease Name Oscar Smith Well # 2  
 Sec. 2 Twp. 31S Rge. 7W  East  West  
 County Harper County, Kansas

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:  
 Gamma Ray/Neutron Log

Name	Formation (Top), Depth and Datum	
	Top	Datum
Heebner SH	3255	(-1672)
Stalnaker SS	3523	(-1940)
Kansas City	3782	(-2199)
Base/KC	4034	(-2451)
Mississippian	4311	(-2728)

CASING RECORD  New  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"	20#	263'	60/40 Poz	200	3%cc; 2%gel
Production	7 7/8"	5 1/2"	14.5#	4410'	ASC	125	

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	Acid, Fracture, Shot, Cement Squeeze Record
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used) Depth
2/ft	4" HEC - 12 Shots 4234' to 4330'	1000 gal 15% Fe Acid 4330'

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	4392'		<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SMD or Inj.		Producing Method		
1-1-99		<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 Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	10	125	55	1:12.5

Disposition of Gas:  Vented  Sold  Used on Lease (If vented, submit ACO-18.)

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

Production Interval: \_\_\_\_\_

MTM PETROLEUM, INC.  
OSCAR SMITH #2

ORIGINAL

COMPLETION REPORT  
C E/2 SE/4 NE/4 SECTION 2; TOWNSHIP 31 SOUTH; RANGE 7 WEST  
HARPER CO, KANSAS A.P.I. # 15-077-21,369 -0000

PREPARED 12/18/98  
BY MARVIN A. MILLER

**DRILLING:**

- 11/18/98 MOVED IN; RIGGED UP. SPUD @ 7:00 P.M. SET 7 JTS (254') 8 5/8"  
X 20# SURFACE CASING @ 263' WITH 200 SX 60/40 POZMIX  
W/2% GEL, 3% CC.
- 11/19/98 264' W.O.C. (WAITING ON CEMENT)
- 11/20/98 1325' DRILLING
- 11/21/98 2294' DRILLING
- 11/22/98 3040' DRILLING (LAID DOWN 2 JTS DRILLING PIPE)
- 11/23/98 3774' DRILLING
- 11/24/98 4180' DRILLING
- 11/25/98 DRILL TO 4331'. DST #1 4310'- 4331' (TRILOBITE TESTING)

RESULTS: DST #1  
4310' - 4331' 30-30-60-60  
IE: GTS 18 MIN.  
20" 100.8 MCFPD  
25" 74.1 MCFPD  
30" 78.7 MCFPD

EF:  
10" 78.7 MCFPD  
20" 88.1 MCFPD  
30" 90.4 MCFPD  
40" 92.8 MCFPD  
50" 95.1 MCFPD  
60" 97.5 MCFPD

REC. 120' GCM  
SIP's 1080-1075#  
IFP's 28-55#  
FFP's 75-84#  
HP's 2183-2036#  
BHT 128\* F

4331' CTCH AFTER DST (CIRCULATING TO CONDITION HOLE)  
DRILL AHEAD TO 4336', CIRCULATE FOR SAMPLES AND TEST AGAIN.

RECEIVED  
STATE OF KANSAS  
CONSERVATION DIVISION  
Wichita, Kansas  
MAR 1 1999  
2-1-99

ORIGINAL

11/26/98 DST #2 4331'-4336' (TRILOBITE TESTING)

RESULTS: DST #2  
 4331' - 4346' 30-30-60-60  
 IE: GTS 20 MIN.  
 20" 57.7 MCFPD  
 30" 57.7 MCFPD  
 FF:  
 10" 57.7 MCFPD  
 20" 62.4 MCFPD  
 30" 57.7 MCFPD  
 STAB.

REC. 90' O SPK'd GCMW  
 100' MUDDY O SPK'd WTR  
 53,000 PPM  
 SIP's 1077-1084#  
 IFP's 32-63#  
 FFP's 63-97#  
 HP's 2243-2045#  
 BHT 130\* F

RECEIVED  
 CONSERVATION DIVISION  
 Michigan, Kansas  
 MAR - 1 1999

11/26/98 DRILL TO TOTAL DEPTH OF 4411' AND PREPARED TO LOG.

LOG-TECH, INC.: ATTEMPTED DUAL INDUCTION LOG. COMPENSATED DENSITY, NEUTRON LOG; OPEN HOLE LOG WOULD NOT GO.

11/27/98 MURRAY CASING CREWS RAN 130 JTS (4403.63') 5 1/2" X 14# PROD. CASING @ 4410' WITH 125 SAKS ASC; 15 SACKS IN RATHOLE; 10 SACKS IN MOUSEHOLE. PLUG DOWN @ 1:15 A.M.

CASING DATA:

5 1/2" O.D. 15.5# SHOE JOINT WITH 5 1/2" COLLAR & MODEL "C" INSERT 32.01  
 5 1/2" O.D. 14# & 15.5# USED CASING (2 TOP JTS ARE 15.5#) 130 JTS 4366.62  
 TOTAL CASING 4398.63  
 BELOW ZERO 5.00  
 CASING SET @ (PIPE TALLY) 4403.63"  
 FLOAT @ (PIPE TALLY) 4371.62"

CEMENT DATA:

TAG BOTTOM WITH CASING @ 4404' (CASING TALLY). CIRCULATE DOWN TO 4405'. SET AND CEMENT CASING 1' OFF BOTTOM AT 4403' WITH 300 GALLONS MUD SWEEP, 125 SACKS ASC WITH 5# GILSONITE PER SACK. GOOD CIRCULATION, FLOAT HELD. PLUG DOWN @ 1.15 A.M. 11-27-98. (NOTE 6' DIFFERENCE BETWEEN PIPE TALLY & RTD) CENTRALIZERS @ 4372', 4289', 4028', 3905'. CEMENT RATHOLE WITH 15 SACKS, MOUSEHOLE WITH 10 SACKS.

11/28/98 WAITING ON DRY WEATHER.

12/3/98 LOG-TECH, INC. RAN GAMMA RAY - NEUTRON LOG  
TICKET # 5594 CEMENT BOND LOG

12/4/98 WAITING FOR WEATHER TO CLEAR UP AND GROUND TO DRY

ORIGINAL

**COMPLETION:**

12/14/98 MOVE IN SHAWNEE WELL SERVICE PULLING UNIT.  
RIG UP AND SWAB 5 1/2" CASING DOWN TO 3400'.  
WENT IN TO PERFS; COULD NOT CBT TO BOTTOM.  
WENT IN WITH SAND PUMP; HAD 2 1/2' SCALE BRIDGE.  
WENT BACK IN HOLE AND PERFORATED WITH 4" HEC;  
12 SHOTS @ 2/FT FROM 4234' TO 4330'. WENT BACK IN  
WITH SWAB; FLUID AT 3300'; GAS AFTER FIRST PULL.  
SWABBED ON DOWN; GOOD GAS BLOW; SHUT IN OVERNIGHT.

12/15/98 HAD 875# ON CASING; BLEW DOWN. WENT IN WITH SWAB;  
FLUID AT 3700'; SWAB ON DOWN; PREPARE TO ACIDIZE  
WITH 1000 GAL. OF 15% FE ACID. ACIDIZED WELL, CHASED  
ACID WITH 102 BBL OF FORMATION WATER, RAN TUBING.  
TAGGED BOTTOM. RAN 4' SUB, SET 18' OFF BOTTOM.  
RAN TUBING AND RODS, PUT ON PUMP. HOOKED UP  
TO TEST SEPARATOR. AFTER 24 HRS, GAUGED 120-140  
MCF WITH A 15% OIL CUT; RUNNING FLOW LINE TO  
TANK BATTERY.

SET 114 PARKERSBURG PUMPING UNIT WITH C-96 ENGINE.

**TUBING DATA:**

20' X 2 3/8" MUD ANCHOR  
1.10" SEATING NIPPLE  
12' GAS ANCHOR  
137 JTS 2 3/8" TUBING; 4' X 2 3/8" TUBING SUB  
172 JTS(25') 3/4" RODS; 8' X 3/4" ROD SUB  
2 X 1 1/2" X 14' RWBC PUMP  
1 1/4" X 1 1/2" X 22' X 10' POLISHED ROD

CONSERVATION DIVISION  
Wichita, Kansas

MAR - 1 1999  
3-1-99

RECEIVED  
STATE DEPARTMENT OF REVENUE

# ALLIED CEMENTING CO., INC. 9827

Federal Tax I.D.# 48-0727860

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

ORIGINAL

SERVICE POINT:  
med. lodge, ks

DATE 11-18-98	SEC. 2	TWP. 31	RANGE 7	CALLED OUT 7:30 P.M.	ON LOCATION 9:15 P.M.	JOB START 4:00 A.M.	JOB FINISH 5:00 A.M.
LEASE Smith		WELL# 2	LOCATION Duquoin, 2E-9/5		COUNTY Harper	STATE KS	
OLD OR NEW (Circle one)							

CONTRACTOR Duke Drlg.  
 TYPE OF JOB Surface Csg.  
 HOLE SIZE 12 1/4 T.D. 264  
 CASING SIZE 8 5/8 x 2 1/4 DEPTH 264  
 TUBING SIZE DEPTH  
 DRILL PIPE DEPTH  
 TOOL DEPTH  
 PRES. MAX 200 MINIMUM 100  
 MEAS. LINE SHOE JOINT  
 CEMENT LEFT IN CSG. 15' By Request  
 PERFS.  
 DISPLACEMENT 1 5/8 Bbls Fresh H<sub>2</sub>O

OWNER m T m Petroleum  
 CEMENT  
 AMOUNT ORDERED 200 SXS. 60/40/  
 3% CALL<sup>2</sup> + 2% Gel.

EQUIPMENT  
 PUMP TRUCK CEMENTER Harry Dreding  
 # 343 HELPER Justin Hart  
 BULK TRUCK  
 # 301 DRIVER MARK B.  
 BULK TRUCK  
 # DRIVER

COMMON @  
 POZMIX @  
 GEL @  
 CHLORIDE @  
 @  
 @  
 @  
 @  
 @  
 @  
 HANDLING @  
 MILEAGE @  
 TOTAL

REMARKS:

Pipe on Bottom - Break Circ.  
 mix + Pump 200 SXS. 60/40/3% CALL<sup>2</sup>  
 2% Gel Release Plug Pump +  
 Displace Plug w/ 1 5/8 Bbls Fresh H<sub>2</sub>O  
 Shutt In. Cement Circ to surface.

SERVICE

DEPTH OF JOB 264  
 PUMP TRUCK CHARGE  
 EXTRA FOOTAGE @  
 MILEAGE @  
 PLUG 2 5/8 wooden @  
 @  
 @

CHARGE TO: m T m Petroleum  
 STREET  
 CITY STATE ZIP

TOTAL  
 KANSAS CORP COM  
 RECEIVED  
 1999 NOV 11 10:03  
 FLOAT EQUIPMENT @  
 @  
 @  
 @  
 @

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.

TOTAL  
 TAX  
 TOTAL CHARGE  
 DISCOUNT IF PAID IN 30 DAYS

SIGNATURE *Mike Godfrey*

*Mike Godfrey*  
 PRINTED NAME

# 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.

# ALLIED CEMENTING CO., INC. 9830

Federal Tax I.D.# 48-0727860

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

SERVICE POINT:  
med. lodge, ks

## ORIGINAL

DATE <u>11-26-98</u>	SEC. <u>2</u>	TWP. <u>31S</u>	RANGE <u>7W</u>	CALLED OUT <u>5:00 P.M.</u>	ON LOCATION <u>7:30 P.M.</u>	JOB START <u>11:00 P.M.</u>	JOB FINISH <u>1:15 A.M.</u>
LEASE <u>Smith OSCAR</u>	WELL # <u>2</u>	LOCATION <u>Duquoin, 2E-1/4S</u>			COUNTY <u>Harper</u>	STATE <u>KS.</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Duke Orig. Co.  
 TYPE OF JOB Drad. CSG.  
 HOLE SIZE 7 7/8 T.D. 4411'  
 CASING SIZE 5 1/2 x 14 DEPTH 4406  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 x hole DEPTH 4411  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 1300 MINIMUM 300  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 32.01  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 107 1/4 Bbls Fresh H<sub>2</sub>O

OWNER MTM Petroleum  
 CEMENT AMOUNT ORDERED 300 gals. mid-sweep  
355xs. 60/40/4% Gel. 125 xs.  
ASC + 5# K01-SEAL/sx.

COMMON _____	@ _____
POZMIX _____	@ _____
GEL _____	@ _____
CHLORIDE _____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
HANDLING _____	@ _____
MILEAGE _____	@ _____
TOTAL _____	

EQUIPMENT

PUMP TRUCK # <u>343</u>	CEMENTER <u>Arny Dreding</u>
BULK TRUCK # <u>301</u>	HELPER <u>Justin Hart</u>
BULK TRUCK # _____	DRIVER <u>James Holt</u>
BULK TRUCK # _____	DRIVER _____

**REMARKS:**

Pipe on Bottom - Break Circ.  
mix + Pump 300 gals. mid-sweep  
Plug Rathole 155xs. 60/40/4 - Plug  
mouse hole 105xs. 60/40/4. 125xs.  
ASC + 5# K01-seal/sx. Stop Pumps  
wash out Pump + lines Release Plug  
Pump + Displace Plug w/107 1/4 Bbls  
Fresh H<sub>2</sub>O. Bump Plug. Release PST Float Hold  
Dump 105xs. 60/40/4 For water well

**SERVICE**

DEPTH OF JOB <u>4406'</u>	_____
PUMP TRUCK CHARGE _____	_____
EXTRA FOOTAGE _____	@ _____
MILEAGE _____	@ _____
PLUG Rubber - <u>3/2</u>	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
TOTAL _____	

CHARGE TO: MTM Petroleum  
 STREET: \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**FLOAT EQUIPMENT**

_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
_____	@ _____
TOTAL _____	

RECEIVED  
 KANSAS CEMENTING CO. 11-26-98  
 TOTAL 311.90

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 X [Signature]

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS  
 X \_\_\_\_\_  
 PRINTED NAME \_\_\_\_\_



# 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.