

RECEIVED  
10-9-01  
OCT 09 2001

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**WELL COMPLETION FORM**  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1  
September 1999  
Form Must Be Typed

ORIGINAL

KCC WICHITA

Operator: License # 6039  
 Name: L.D. Drilling, Inc.  
 Address: R.R. 1, Box 183 B  
 City/State/Zip: Great Bend, KS 67530  
 Purchaser: NA  
 Operator Contact Person: L.D. Davis  
 Phone: (620) 793-3051  
 Contractor: Name: Company Tools  
 License: 6039  
 Wellsite Geologist: Kim Shoemaker  
 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/Re-entry: Old Well Info as follows:  
 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. \_\_\_\_\_  
9-22-01 10-03-01 10-8-01  
 Spud Date or Date Reached TD Completion Date or  
 Recompletion Date Recompletion Date

API No. 15 - 135-24161-0000  
 County: Ness  
SW-SW-SE Sec. 12 Twp. 20 S. R. 25  East  West  
330 feet from (S) N (circle one) Line of Section  
2310 feet from (E) W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE (SE) NW SW  
 Lease Name: Grace Well #: 1  
 Field Name: Guzzlers Gultch North  
 Producing Formation: na  
 Elevation: Ground: 2395' Kelly Bushing: 2400'  
 Total Depth: 4450' Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 785 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**  
 (Data must be collected from the Reserve Pit) *Pit 10-21-03*  
 Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
 Dewatering method used \_\_\_\_\_  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

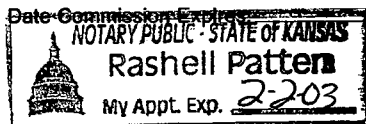
**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information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

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

Signature: Bessie DeWerrif  
 Title: Sec/Treas Date: 10-5-01  
 Subscribed and sworn to before me this 5 day of October,  
2001  
 Notary Public: Rashell Patten  
 Rashell Patten  
 2-02-03

KCC Office Use ONLY

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



Operator Name: L.D. Drilling, Inc. Lease Name: Grace Well #: 1  
 Sec. 12 Twp. 20 S. R. 25  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:

Log Formation (Top), Depth and Datum  Sample  
 Name Top Datum

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OCT 09 2001

KCC WICHITA

See Attachment

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	24#	785'	60/40 Poz	165	2% gel, 3% CC

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 Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First, Resumed Production, SWD or Enhr.	Producing Method
	<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

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

METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled

Production Interval  Other (Specify) \_\_\_\_\_

### DAILY DRILLING REPORT

OPERATOR: L. D. DRILLING, INC.

LEASE: GRACE #1  
SW SW SE SEC. 12-20-25  
NESS COUNTY, KS.

WELLSITE GEOLOGIST: KIM SHOEMAKER

**RECEIVED**

ELEVATION: 2374' 2379'

CONTRACTOR: COMPANY TOOLS

OCT 09 2001

PTD: 4450'

SPUD: 5:15 PM September 22, 2001

KCC WICHITA

SURFACE: 18 Jts. 8 5/8" set @ 785' W/375 sx. 60/40 Pozmix, 2% gel, 3% cc  
Did circulate ALLIED CEMENTING Plug down @ 12:00 P. M. 9-23-01

9-22-01 MOVE IN, rig up and spud  
 9-23-01 788' Drilling surface hole  
 9-24-01 785' Rig shut down for repair on (motor)  
 9-25-01 785' Shut down  
 9-26-01 785' Shut down  
 9-27-01 785' Motor on location-start making hole @ 1:00 PM  
 9-28-01 2020' Drilling  
 9-29-01 2865' Drilling  
 9-30-01 3650' Drilling  
 10-01-01 4280' Drilling displaced @3700'  
 10-02-01 4440' TIH after test circ.  
 10-03-01 4455' RTD OBWB prepare to plug

*OK*

1660' W/50 sx.  
 800' W/50 sx.  
 300' W/40 sx.  
 40' W/10 sx.  
 Rat H. 15 sx.

Total 165 sx. 60/40 Poz, 6% Gel, 1/4# flo-seal per sk.  
 Plug down @ 1:30 P.M. 10-03-01  
 State Plugger: Michael Maier

SAMPLE TOPS:

Heebner 3766 (-1387)  
 Lansing 3809 (-1430)  
 Base K/C 4170 (-1791)  
 Fort Scott 4329 (-1950)  
 Cherokee 4355 (-1976)  
 Mississippi 4430 (-2051)  
 RTD 4455 (-2076)

DST #1 4400-4440 Miss.  
TIMES: 30-45-45-60  
 BLOW: 1st Open weak blo blt to 1 1/4"  
 2nd open no blow  
 RECOVERY: 2' CO 35° gravity  
 13' O&GCM 4% gas 12% oil  
 IFP:11-16 FFP: 13-15 ISIP: FSIP:  
 501 102

DST #2 4436-4445 Miss.  
TIMES: 30-30-30-30  
 BLOW: 1st open weak sb thru-out  
 2nd open no blow  
 RECOVERY: 5' ocm

IFP: 9-11 FFP: 12-12 ISIP: 12 FSIP: 15

DST #3 4443-4455 Miss.  
TIMES: 30-45-45-60  
 BLOW: 1st open blt to 8"  
 2nd open blt to 7"  
 RECOVERY: 169' salt water W/few os in tool

IFP: 18-45 FFP: 49-87 ISIP: 1023 FSIP: 994  
 Temp: 122

# ALLIED CEMENTING CO., INC.

8283

Federal Tax I.D.# 48-0727860

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

ORIGINAL

SERVICE POINT: New City

DATE <u>10-09-01</u>	SEC. <u>12</u>	TWP. <u>22S</u>	RANGE <u>2-03</u>	CALLED OUT <u>7:00 AM</u>	ON LOCATION <u>7:45 AM</u>	JOB START <u>11:00 AM</u>	JOB FINISH <u>1:00 PM</u>
LEASE <u>General</u>	WELL # <u>1</u>	LOCATION <u>New City 7-703 25 4 2000</u>			COUNTY <u>NEOSHO</u>	STATE <u>KS.</u>	
OLD OR NEW (Circle one)							

CONTRACTOR L. D. DAVIS Co.

TYPE OF JOB TOP DRILL TRUCK

HOLE SIZE 7 7/8" T.D. 4450'

CASING SIZE 3 5/8" DEPTH 775'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT \_\_\_\_\_

OWNER LI

CEMENT

AMOUNT ORDERED 1160 lbs. 60 minutes @ 9.00

COMMON \_\_\_\_\_ @ \_\_\_\_\_

POZMIX \_\_\_\_\_ @ \_\_\_\_\_

GEL \_\_\_\_\_ @ \_\_\_\_\_

CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

HANDLING \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK CEMENTER 5000

# 221 HELPER JOHN

BULK TRUCK

# 9 DRIVER HOWARD

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

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KCC WICHITA SERVICE

TOTAL \_\_\_\_\_

**REMARKS:**

Top Drilling 4 1/2" DP at KCC's New City 3000' well  
to produce 2nd zone 4 1/2" at 100' depth  
3000' depth to produce  
3000' depth to produce  
3000' depth to produce  
3000' depth to produce  
3000' depth to produce  
3000' depth to produce  
3000' depth to produce

DEPTH OF JOB 1160

PUMP TRUCK CHARGE \_\_\_\_\_

EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

PLUG 1-3/8" DHD @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

CHARGE TO: L. D. DAVIS, Inc.

STREET R.R. 1 Box 135 B

CITY GRANT BEND STATE KS ZIP 67530

**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 \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE Don J. Maggini

DORAN MARGHEIM  
PRINTED NAME

# ALLIED CEMENTING CO., INC.

8283

Federal Tax I.D.# 48-0727860

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

ORIGINAL

SERVICE POINT: Mass City

DATE <u>10-03-01</u>	SEC. <u>12</u>	TWP. <u>21S</u>	RANGE <u>2-W</u>	CALLED OUT <u>7:30am</u>	ON LOCATION <u>9:45am</u>	JOB START <u>11:45am</u>	JOB FINISH <u>1:20pm</u>
LEASE <u>Grace</u>	WELL # <u>1</u>	LOCATION <u>Mass City 7c 700 25 1/2 acre</u>		COUNTY <u>NEES</u>	STATE <u>KS.</u>		
OLD OR NEW (Circle one)							

CONTRACTOR <u>LDDrig Co.</u>	OWNER <u>LL</u>
TYPE OF JOB <u>Rotary Plug</u>	CEMENT
HOLE SIZE <u>7 7/8"</u>	T.D. <u>4450'</u>
CASING SIZE <u>8 5/8"</u>	DEPTH <u>775'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT	

AMOUNT ORDERED <u>112 cu yds Col 11 1/2" 100 Seal. S.</u>
COMMON _____ @ _____
POZMIX _____ @ _____
GEL _____ @ _____
CHLORIDE _____ @ _____
_____ @ _____
_____ @ _____
_____ @ _____
_____ @ _____
HANDLING _____ @ _____
MILEAGE _____ @ _____

**EQUIPMENT**

PUMP TRUCK # <u>2214</u>	CEMENTER <u>Bob</u>
BULK TRUCK # <u>309</u>	HELPER <u>Jim</u>
BULK TRUCK # _____	DRIVER <u>Louise</u>
BULK TRUCK # _____	DRIVER _____

**RECEIVED**  
OCT 09 2001  
KCC WICHITA SERVICE

**REMARKS:**  
1st Plug 4 1/2" DP at 1160' Min. 50' of  
1000 lbs 6% Gel 1/2" 1-5 Displace to  
Balance 2nd Plug 4 1/2" at 700' Min  
500 lbs 40% Displace to Balance  
3rd Plug 3 1/2" Min 400' 600 lbs  
60% 1/2" 1-5 Displace to Balance 700'  
Plug 40' Min 1000 lbs 6% Gel  
1/2" 1-5 Plug 40' 1000 lbs

DEPTH OF JOB <u>1160</u>
PUMP TRUCK CHARGE _____
EXTRA FOOTAGE _____ @ _____
MILEAGE _____ @ _____
PLUG <u>1-3 1/2" DHD</u> @ _____
_____ @ _____

CHARGE TO: L.D. Drilling Inc.  
 STREET R.R. 1 Box 133 B  
 CITY Great Bend STATE KS ZIP 67530

TOTAL \_\_\_\_\_

**FLOAT EQUIPMENT**

_____ @ _____
_____ @ _____
_____ @ _____
_____ @ _____
_____ @ _____

THANKS JIM LOUISE & BOB

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 Don J. Maggini

DORAN MARGHEIM  
 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.

08738

Federal Tax I.D.# 48-0727860

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

ORIGINAL Miss City  
SERVICE POINT:

DATE <u>9-23-01</u>	SEC. <u>12</u>	TWP. <u>20</u>	RANGE <u>25 W</u>	CALLED OUT <u>6:30 am</u>	ON LOCATION <u>9:30 am</u>	JOB START <u>11:05 am</u>	JOB FINISH <u>12:00 noon</u>
LEASE <u>Grace</u>	WELL # <u>1</u>	LOCATION <u>Miss City - 7 south - 7 west</u>			COUNTY <u>Wes</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)		<u>2 south - 5 west, north in box</u>					

CONTRACTOR L.D. Dalg  
 TYPE OF JOB Service  
 HOLE SIZE 12 1/4 T.D. 775'  
 CASING SIZE 8 5/8 DEPTH 775'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. 35'  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 48 1/2 bbls

OWNER L.D. Dalg  
 CEMENT  
 AMOUNT ORDERED 275 - 60/40 283

EQUIPMENT  
 PUMP TRUCK CEMENTER Jack W  
 # 224 HELPER Jim W  
 BULK TRUCK  
 # 357 DRIVER homic  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON \_\_\_\_\_ @ \_\_\_\_\_  
 POZMIX \_\_\_\_\_ @ \_\_\_\_\_  
 GEL \_\_\_\_\_ @ \_\_\_\_\_  
 CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 HANDLING \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

RECEIVED

OCT 09 2001

KCC WICHITA SERVICE

TOTAL \_\_\_\_\_

REMARKS:

Set 8 5/8 pipe @ 775' Run - 110'  
375 cement - release plug - Displace  
with 48 1/2 bbls Fresh water - Cement  
Displace plug down @ 12:00 noon

DEPTH OF JOB \_\_\_\_\_  
 PUMP TRUCK CHARGE \_\_\_\_\_  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_  
 PLUG \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

CHARGE TO: L.D. Dalg  
 STREET R.R. 1 Box 133 B  
 CITY Great Bend STATE KS ZIP 67530

FLOAT EQUIPMENT

1 Raffle plate - no charge  
1 8 5/8 Solid Rubber plug @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

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TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE L.D. Dalg

Dorcas Magheim  
 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.