

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 6039 Drilling Inc.

Name: L.D. Drilling, Inc.

Address: R.R. 1 Box 183 B

City/State/Zip: Great Bend, Kansas 67530

Purchaser: Genesis Crude Oil, L.P./Reliance Energy

Operator Contact Person: L.D. Davis

Phone: ( 316 ) 793-3051

Contractor: Name: Duke Drilling Co., Inc.

License: 5929

Wellsite Geologist: Jon Christensen

Designate Type of Completion:

- New Well  Re-Entry  Workover
- Oil  SWD  SIOW  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. \_\_\_\_\_

09-08-00      09-21-00      10-05-00  
 Spud Date or      Date Reached TD      Completion Date  
 Recompletion Date                of  
 Recompletion Date

API No. 15 - 033-21140 0000

County: Comanche County, Kansas

C NE NE Sec. 1 Twp. 31 S. R. 20  East  West

570 feet from S / N (circle one) Line of Section

475 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW

Lease Name: Arlie Well #: 1-1

Field Name: Wildcat

Producing Formation: Mississippian

Elevation: Ground: 2121' Kelly Bushing: 2132'

Total Depth: 5750' Plug Back Total Depth: \_\_\_\_\_

Amount of Surface Pipe Set and Cemented at 635' 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 ALT 1 gk 6/7/01  
(Data must be collected from the Reserve Pit)

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.: \_\_\_\_\_

RECEIVED  
STATE CORPORATION COMMISSION

MAR 29 2001  
OIL & GAS DIVISION  
KANSAS

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: L.D. Davis

Title: President Date: March 27, 2001

Subscribed and sworn to before me this 27th day of March

Notary Public: Bessie M. DeWerff  
Bessie M. DeWerff

Date Commission Expires: 5-20-01

My Appt. Exp. 5-20-01

**KCC Office Use ONLY**

Letter of Confidentiality Attached

If Denied, Yes  Date: \_\_\_\_\_

Wireline Log Received

Geologist Report Received

UIC Distribution

**KCC**



X

Operator Name: L.D. Drilling, Inc. Lease Name: Arlie Well #: 1-1  
 Sec. I Twp. 31 S. R. 20  East  West County: Comanche County, Kansas

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of 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 test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  Microresistivity, Cement Bond, Dual Compensated Porosity Log, Borehole Compensatee Sonic Log, Dual Induction Log	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum  <p style="text-align: center;">SEE ATTACHMENT</p>
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
<b>Conductor</b>		<b>20"</b>		<b>55'</b>			
<b>Surface</b>	<b>1.2-1/4"</b>	<b>8-5/8"</b>	<b>24#</b>	<b>635'</b>	<b>65/35 Class A</b>	<b>225</b>	<b>3%cc 1#floseal</b>
<b>Production</b>	<b>7-7/8"</b>	<b>5-1/2"</b>	<b>15.5</b>	<b>5250'</b>	<b>Premium</b>	<b>175</b>	<b>10%salt</b>

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

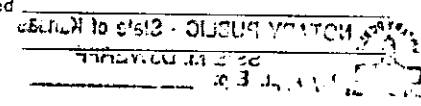
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
2 spf	5068-5072	1000 Gal 15% FE	
	5079-5083		

<b>TUBING RECORD</b>	Size <b>2 3/8"</b>	Set At <b>5113'</b>	Packer At <b>none</b>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumed Production, SWD or Enhr. <b>10-05-00</b>	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls. <b>100</b>	Gas Mcf <b>225</b>	Water Bbls. <b>15</b>	Gas-Oil Ratio	Gravity <b>34°</b>
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Disposition of Gas <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Sumit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval
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# ORIGINAL

## DAILY DRILLING REPORT

OPERATOR: L. D. DRILLING, INC.

LEASE: ARLIE #1-1  
C NE NE Sec. 1-31-20  
COMANCHE CO. KS.

WELLSITE GEOLOGIST: Jon Christensen

ELEVATION: 2122' GR 2133' KB

CONTRACTOR: DUKE DRILLING C. (RIG 1)

PTD: 6000'

SPUD: 9-08-00 3:15 P.M. Set 14 Jts. (635')

SURFACE: 635' 8 5/8" W/225 sx. 65/35 Poz. 2% Gel, 3% cc tailed W/100 sx. Class D, 2% Gel, 3% cc Plug Down 6:00 A.M. 9-09-00 did circulate. Allied Cement.

9-07-00 Move in  
 9-08-00 Rig up & spud  
 9-09-00 632' W.O.C.  
 9-10-00 1658' Drilling  
 9-11-00 2390' Drilling  
 9-12-00 2982' Drilling  
 9-13-00 3600' Drilling Displaced @ 3191'  
 9-14-00 3754' Drilling  
 9-15-00 4166' Drilling -made 412' in 24 hr.  
 9-18-00 4971 Drilling Cir for samples @ 4912'  
                     Pawnee - No show  
                     Ft Scott - No show  
 9-19-00 5099 preparing to run DST #4  
 9-20-00 5162 Drilling DST #4 report on page 2  
 9-21-00 5540' Drilling - No Shows - looking for  
                     Viola @ 5690'  
 9-22-00 5750' RTD & Logging  
                     5754' Log TD  
                     Log Tops on page 2  
 9-22-00 Out of hole to run sweet of logs. Ran  
                     back to bottom, circ 1 hr., came out of  
                     hole and lay down drill pipe & collars.  
                     Ran 123 jts new 15.50 casing & set Packer  
                     shoe at 5251. Pump 175 sks cement. Cir  
                     good the whole time. Plug was down  
                     9:30 a.m. 9-23-00. Released rig.

DST #1 3698-3714 Howard  
TIMES: 30-30-30-30  
BLOW: 1st Open weak surface blow  
                     2nd open dead - flushed good su:  
   no return blow  
RECOVERY: 360' DM  
                     no shows  
 IFP:205=185 FFP:205-205 ISIP:1318 FSIP:  
   1318

DST #2 4853-4872 Altamont  
TIMES: 30-45-45-60  
BLOW: 1st open Strong blow off btm 30  
                     2nd open Strong blow off btm im  
RECOVERY: 1700' gas in pipe/ 30'  
                     gas & oil cut mud  
                     10% gas; 30% oil; 60% mud  
 IFP:                      FFP:                      ISIP:                      FSIP:  
 9-12                      /                      13-15                      409                      376

DST #3 4997 - 5054  
TIMES: 30-45-45-90  
BLOW: 1st open Str blow of BT of buck  
                     2nd open                      GTS 4 1/2 min  
                     Str Blow of BT oof Bucket immed  
RECOVERY:  
 55' Drilling mud trace of water  
 IFP:                      FFP:                      ISIP:                      FSIP:  
 63-64                      78-59                      1691                      1673  
 Gas - 191,000 stablized

SAMPLE TOPS:

Stotler	3464' (-1331)	3' High to old Stanolin well 5/8th mile east
Howard	3696' (-1563)	Flat to Stanolin Winkler
Heebner	4161' (-2028)	+ 5' to Stanolin Winkler
Toronto	4177' (-2044)	+ 5' hi to Stanolin
Lansing	4363	(-2230)
H Zone	4549	(-2416)
Stark Sh	4663	(-2530)
Swope	4675	(-2542)
Base KC	4800	(-2667)
Marmaton	4828	(-2695)
Pawnee	4890	(-2757) Flat to Stanolin
Ft Scott	4923	(-2790) Flat to Stanolin

More Sample Tops

Cherokee	4929	(-2796) +3' Hi
		Stanolin
Miss	5009	(-2876) -1' to
		Stanolin
Viola	5545	(-3412) +4 to r

LEASE: ARLIE #1-1  
C NE NE Sec. 1-31-20  
Comanche Co. KS

DST #4 5060-5102

TIMES: 15-45-45-120  
BLOW: 1st open: blow to BT of bucket  
2nd open: Flow 31,000 CF gas  
RECOVERY: 589' Total Fluid  
31' S.O.C. Fluid  
498' H.O.C.M.  
60' Clean Oil  
34° gravity at 60°  
Temp 118°  
I.H. 2383  
F.H. 2389  
G.T.S. - 10 min in initial shut in  
2nd Flow 31,000 CF Gas  
Decreasing to 14,700 C.F.  
to 13,000 C.F.  
IFP: 79-98 FFP: 126-237  
ISIP: 1575 FSIP: 1640

LOG TOPS

Stotler	3466'	(-1333)	+ 1'	to Stanolin Winkler
Heebner	4164'	(-2031)	+ 2'	to Stanolin
Lansing	4379'	(-2246)	- 9'	to Stanolin
Stark Sh	4667'	(-2534)	+ 4'	to Stanolin
Swope	4685'	(-2552)	+ 3'	to Stanolin
Base KC	4802'	(-2667)	flat	to Stanolin
Marmaton	4831'	(-2698)	- 9'	to Stanolin
Altmont	4853'	(-2720)	+ 1'	to Stanolin
Pawnee	4892'	(-2759)	- 2'	to Stanolin
Cherokee	4931'	(-2798)	+ 1'	to Stanolin
Miss	5014'	(-2881)	- 6'	to Stanolin
Viola	5545	(-3412)	+ 4'	" "
Viola Dolomite	5647	(-3514)	flat	" "





# Work Order Contract

# ORIGINAL

Halliburton Energy Services, Inc.  
Houston Texas 77056

Order Number

717051

70012 SAP

TO: HALLIBURTON ENERGY SERVICES, INC. - YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICE PERSONNEL TO DELIVER AND OPERATE THE SAME AS AN INDEPENDENT CONTRACTOR TO CUSTOMER LISTED BELOW AND DELIVER AND SELL PRODUCTS, SUPPLIES AND MATERIALS FOR THE PURPOSE OF SERVICING:

Well No. 1	Farm or Lease ARL	County Comanche	State OK	Well Permit #
Customer LD Drilling	Well Owner	Job Purpose		

**THIS WORK ORDER MUST BE SIGNED BEFORE WORK IS COMMENCED**

**A. CUSTOMER REPRESENTATION** - Customer warrants that the well is in proper condition to receive the services, equipment, products, and materials to be supplied by Halliburton Energy Services, Inc. (hereinafter "Halliburton").

**B. PRICE AND PAYMENT** - The services, equipment, products, and/or materials to be supplied hereunder are priced in accordance with Halliburton's current price list. All prices are exclusive of taxes. If Customer does not have an approved open account with Halliburton, all sums due are payable in cash at the time of performance of services or delivery of equipment, products or materials. If Customer has an approved open account, invoices are payable on the twentieth day after the date of invoice. Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, Customer agrees to pay attorney fees of 20% of the unpaid account, or Halliburton's actual attorneys fees, whichever is greater, plus all collection and court costs. Customer agrees that the amount of attorney fees set out herein are reasonable and necessary.

**C. RELEASE AND INDEMNITY** - Customer agrees to **RELEASE** Halliburton Group from any and all liability for any and all damages whatsoever to property of any kind owned by, in the possession of, or leased by Customer and those persons and entities Customer has the ability to bind by contract or which are co-interest owners or joint ventures with Customer. Customer also agrees to **DEFEND, INDEMNIFY, AND HOLD HARMLESS** Halliburton Group **HARMLESS** from and against any and all liability, claims, costs, expenses, attorney fees and damages whatsoever for personal injury, illness, death, property damage and loss resulting from:

loss of well control; services to control a wild well whether underground or above the surface; reservoir or underground damage, including loss of oil, gas, other mineral substances or water; surface damage arising from underground damage; damage to or loss of the well bore; subsurface trespass or any action in the nature thereof; fire; explosion; subsurface pressure; radioactivity; and pollution and contamination and its cleanup and control.

**CUSTOMER'S RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS** obligations will apply even if the liability and claims are caused by the sole, concurrent, active or passive negligence, fault, or strict liability of one or more members of the Halliburton Group, the unseaworthiness of any vessel or any defect in the data, products, supplies, materials or equipment furnished by any member or members of the Halliburton Group whether in the design, manufacture, maintenance or marketing thereof or from a failure to warn of such defect. "Halliburton Group" is defined as Halliburton Energy Services, Inc., its parent, subsidiary, and affiliated companies, insurers and subcontractors and all its/their officers, directors, employees, consultants and agents. **Customer's RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS** obligations apply whether the personal injury, illness, death, property damage or loss is suffered by one or more members of the Halliburton Group, Customer, or any other person or entity. Customer agrees to support such obligations assumed herein with liability insurance with limits of not less than \$500,000. Customer agrees to name Halliburton Group as named additional insureds on all of its general liability policy(s). Customer agrees that its liability under this Contract is not limited by the amounts of its insurance coverage, except where and as may be required by applicable local law for the provisions of this Contract to be enforceable.

**D. EQUIPMENT LIABILITY** - Customer shall at its risk and expense attempt to recover any Halliburton Group equipment lost or lodged in the well. If the equipment is recovered and repairable, Customer shall pay the repair costs, unless caused by Halliburton's sole negligence. If the equipment is not recovered or is irreparable, Customer shall pay the replacement cost, unless caused by Halliburton's sole negligence. If a radioactive source becomes lost or lodged in the well, Customer shall meet all requirements of Section 39.15(a) of the Nuclear Regulatory Commission regulations and any other applicable laws or regulations concerning retrieval or abandonment and shall permit Halliburton to monitor the recovery or abandonment efforts all at no risk or liability to Halliburton Group. Customer shall be responsible for damage to or loss of Halliburton group equipment, products, and materials while in transit aboard Customer-supplied transportation, even if such is arranged by Halliburton at Customer's request, and during loading and unloading from such transport. Customer will also pay for the repair or replacement of Halliburton group equipment damaged by corrosion or abrasion due to well effluents.

**E. LIMITED WARRANTY** - Halliburton warrants only title to the equipment, products, and materials supplied under this Contract and that same are free from defects in workmanship and materials for thirty (30) days from the date of delivery. **THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR OTHERWISE BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE.** Halliburton's sole liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale, lease or use of any equipment, products, or materials is expressly limited to the replacement of such on their return to Halliburton or, at Halliburton's option, to the allowance to Customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, consequential, or punitive damages. Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, **HALLIBURTON IS UNABLE TO GUARANTEE THE EFFECTIVENESS OF THE EQUIPMENT, MATERIALS, OR SERVICE, NOR THE ACCURACY OF ANY CHART INTERPRETATION, RESEARCH ANALYSIS, JOB RECOMMENDATION OR OTHER DATA FURNISHED BY HALLIBURTON GROUP.** Halliburton personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Halliburton Group shall not be liable for and **CUSTOMER SHALL INDEMNIFY HALLIBURTON GROUP AGAINST ANY DAMAGES ARISING FROM THE USE OF SUCH INFORMATION**, even if such is contributed to or caused by the active or passive negligence, fault or strict liability of any member or members of Halliburton Group. Halliburton also does not warrant the accuracy of data transmitted by electronic process, and Halliburton will not be responsible for accidental or intentional interception of such data by third parties.

**F. GOVERNING LAW** - The validity, interpretation and construction of this Contract shall be determined by the laws of the jurisdiction where the services are performed or the equipment or materials are delivered.

**G. DISPUTE RESOLUTION** - Customer and Halliburton agree that any dispute that may arise out of the performance of this Contract shall be resolved by binding arbitration by a panel of three arbitrators under the rules of the American Arbitration Association. The arbitration will take place in Houston, TX.

**H. SEVERABILITY** - If any provision or part thereof of this Contract shall be held to be invalid, void, or of no effect for any reason, such holding shall not be deemed to affect the validity of the remaining provisions of this Contract which can be given effect, without the invalid provision or part thereof, and to this end, the provisions of this Contract are declared to be severable. Customer and Halliburton agree that any provision of this Contract that is unenforceable or void under applicable law will be modified to achieve the intent of the parties hereunder to the greatest extent allowed by applicable law.

**I. MODIFICATIONS** - Customer agrees that Halliburton shall not be bound by any modifications to this Contract, except where such modification is made in writing by a duly authorized executive officer of Halliburton. Requests for modifications should be directed to the Vice President - Legal, 4100 Clinton Drive, Houston, TX. 77020.

I HAVE READ AND UNDERSTAND THIS WORK ORDER CONTRACT WHICH CONTAINS RELEASE AND INDEMNITY LANGUAGE WHICH CUSTOMER ACKNOWLEDGES IS CONSPICUOUS AND AFFORDS FAIR AND ADEQUATE NOTICE AND I REPRESENT THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT.

SIGNED: \_\_\_\_\_  
CUSTOMER Authorized Signatory

DATE: 10-4-00 TIME: 1530 A.M./P.M.

### Customer Acceptance of Materials and Services

THE CUSTOMER HEREBY ACKNOWLEDGES RECEIPT OF THE MATERIALS AND SERVICES DESCRIBED ON THE ATTACHED ORDER NUMBER \_\_\_\_\_

\_\_\_\_\_  
CUSTOMER Authorized Signatory

White-Office

Canary-Field Office

Pink-Customer

Green-Retain





# Work Order Contract

# ORIGINAL

Halliburton Energy Services, Inc.  
Houston Texas 77056

Order Number

892898

70012 SAP

TO: HALLIBURTON ENERGY SERVICES, INC. - YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICE PERSONNEL TO DELIVER AND OPERATE THE SAME AS AN INDEPENDENT CONTRACTOR TO CUSTOMER LISTED BELOW AND DELIVER AND SELL PRODUCTS, SUPPLIES AND MATERIALS FOR THE PURPOSE OF SERVICING:

Well No. 1	Farm or Lease ARLIF	County COMANCHE	State KS	Well Permit #
Customer L.D. DRILLING	Well Owner SAME		Job Purpose 035	

**THIS WORK ORDER MUST BE SIGNED BEFORE WORK IS COMMENCED**

A. CUSTOMER REPRESENTATION - Customer warrants that the well is in proper condition to receive the services, equipment, products, and materials to be supplied by Halliburton Energy Services, Inc. (hereinafter "Halliburton").

B. PRICE AND PAYMENT - The services, equipment, products, and/or materials to be supplied hereunder are priced in accordance with Halliburton's current price list. All prices are exclusive of taxes. If Customer does not have an approved open account with Halliburton, all sums due are payable in cash at the time of performance of services or delivery of equipment, products or materials. If Customer has an approved open account, invoices are payable on the twentieth day after the date of invoice. Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, Customer agrees to pay attorney fees of 20% of the unpaid account, or Halliburton's actual attorneys fees, whichever is greater, plus all collection and court costs. Customer agrees that the amount of attorney fees set out herein are reasonable and necessary.

C. RELEASE AND INDEMNITY - Customer agrees to RELEASE Halliburton Group from any and all liability for any and all damages whatsoever to property of any kind owned by, in the possession of, or leased by Customer and those persons and entities Customer has the ability to bind by contract or which are co-interest owners or joint ventures with Customer. Customer also agrees to DEFEND, INDEMNIFY, AND HOLD Halliburton Group HARMLESS from and against any and all liability, claims, costs, expenses, attorney fees and damages whatsoever for personal injury, illness, death, property damage and loss resulting from:

loss of well control; services to control a wild well whether underground or above the surface; reservoir or underground damage, including loss of oil, gas, other mineral substances or water; surface damage arising from underground damage; damage to or loss of the well bore; subsurface trespass or any action in the nature thereof; fire; explosion; subsurface pressure; radioactivity; and pollution and contamination and its cleanup and control.

CUSTOMER'S RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS obligations will apply even if the liability and claims are caused by the sole, concurrent, active or passive negligence, fault, or strict liability of one or more members of the Halliburton Group, the unseaworthiness of any vessel or any defect in the data, products, supplies, materials or equipment furnished by any member or members of the Halliburton Group whether in the design, manufacture, maintenance or marketing thereof or from a failure to warn of such defect. "Halliburton Group" is defined as Halliburton Energy Services, Inc., its parent, subsidiary, and affiliated companies, insurers and subcontractors and all its/their officers, directors, employees, consultants and agents. CUSTOMER'S RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS obligations apply whether the personal injury, illness, death, property damage or loss is suffered by one or more members of the Halliburton Group, Customer, or any other person or entity. Customer agrees to support such obligations assumed herein with liability insurance with limits of not less than \$500,000. Customer agrees to name Halliburton Group as named additional insureds on all of its general liability policy(s). Customer agrees that its liability under this Contract is not limited by the amounts of its insurance coverage, except where and as may be required by applicable local law for the provisions of this Contract to be enforceable.

D. EQUIPMENT LIABILITY - Customer shall at its risk and expense attempt to recover any Halliburton Group equipment lost or lodged in the well. If the equipment is recovered and repairable, Customer shall pay the repair costs, unless caused by Halliburton's sole negligence. If the equipment is not recovered or is irreparable, Customer shall pay the replacement cost, unless caused by Halliburton's sole negligence. If a radioactive source becomes lost or lodged in the well, Customer shall meet all requirements of Section 39.15(a) of the Nuclear Regulatory Commission regulations and any other applicable laws or regulations concerning retrieval or abandonment and shall permit Halliburton to monitor the recovery or abandonment efforts all at no risk or liability to Halliburton Group. Customer shall be responsible for damage to or loss of Halliburton group equipment, products, and materials while in transit aboard Customer-supplied transportation, even if such is arranged by Halliburton at Customer's request, and during loading and unloading from such transport. Customer will also pay for the repair or replacement of Halliburton group equipment damaged by corrosion or abrasion due to well effluents.

E. LIMITED WARRANTY - Halliburton warrants only title to the equipment, products, and materials supplied under this Contract and that same are free from defects in workmanship and materials for thirty (30) days from the date of delivery. **THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR OTHERWISE BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE.** Halliburton's sole liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale, lease or use of any equipment, products, or materials is expressly limited to the replacement of such on their return to Halliburton or, at Halliburton's option, to the allowance to Customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, consequential, or punitive damages. Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, **HALLIBURTON IS UNABLE TO GUARANTEE THE EFFECTIVENESS OF THE EQUIPMENT, MATERIALS, OR SERVICE, NOR THE ACCURACY OF ANY CHART INTERPRETATION, RESEARCH ANALYSIS, JOB RECOMMENDATION OR OTHER DATA FURNISHED BY HALLIBURTON GROUP.** Halliburton personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Halliburton Group shall not be liable for and **CUSTOMER SHALL INDEMNIFY HALLIBURTON GROUP AGAINST ANY DAMAGES ARISING FROM THE USE OF SUCH INFORMATION**, even if such is contributed to or caused by the active or passive negligence, fault or strict liability of any member or members of Halliburton Group. Halliburton also does not warrant the accuracy of data transmitted by electronic process, and Halliburton will not be responsible for accidental or intentional interception of such data by third parties.

F. GOVERNING LAW - The validity, interpretation and construction of this Contract shall be determined by the laws of the jurisdiction where the services are performed or the equipment or materials are delivered.

G. DISPUTE RESOLUTION - Customer and Halliburton agree that any dispute that may arise out of the performance of this Contract shall be resolved by binding arbitration by a panel of three arbitrators under the rules of the American Arbitration Association. The arbitration will take place in Houston, TX.

H. SEVERABILITY - If any provision or part thereof of this Contract shall be held to be invalid, void, or of no effect for any reason, such holding shall not be deemed to affect the validity of the remaining provisions of this Contract which can be given effect, without the invalid provision or part thereof, and to this end, the provisions of this Contract are declared to be severable. Customer and Halliburton agree that any provision of this Contract that is unenforceable or void under applicable law will be modified to achieve the intent of the parties hereunder to the greatest extent allowed by applicable law.

I. MODIFICATIONS - Customer agrees that Halliburton shall not be bound by any modifications to this Contract, except where such modification is made in writing by a duly authorized executive officer of Halliburton. Requests for modifications should be directed to the Vice President - Legal, 4100 Clinton Drive, Houston, TX. 77020.

I HAVE READ AND UNDERSTAND THIS WORK ORDER CONTRACT WHICH CONTAINS RELEASE AND INDEMNITY LANGUAGE WHICH CUSTOMER ACKNOWLEDGES IS CONSPICUOUS AND AFFORDS FAIR AND ADEQUATE NOTICE AND I REPRESENT THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT.

SIGNED: L.D. Davis DATE: 9-22-00 TIME: 1100 A.M./P.M.

**Customer Acceptance of Materials and Services**

THE CUSTOMER HEREBY ACKNOWLEDGES RECEIPT OF THE MATERIALS AND SERVICES DESCRIBED ON THE ATTACHED ORDER NUMBER \_\_\_\_\_ CUSTOMER Authorized Signatory \_\_\_\_\_

White-Office

Canary-Field Office

Pink-Customer

Green-Retain



# ALLIED CEMENTING CO., INC. 4204

Federal Tax I.D.# 48-0727860

ORIGINAL  
SERVICE POINT:  
WAZZCNS 6069

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

DATE <u>9-9-00</u>	SEC. <u>1</u>	TWP. <u>31-</u>	RANGE <u>20W</u>	CALLED OUT <u>11:30 AM</u>	ON LOCATION <u>2:00 AM</u>	JOB START <u>5:40 PM</u>	JOB FINISH <u>6:00 PM</u>
LEASE <u>ARLIE</u>		WELL # <u>1-1</u>		LOCATION <u>Kecilia &amp; Podianthe Co. Gas</u>		COUNTY <u>PODHANNE</u>	STATE <u>KANSAS</u>
OLD OR NEW (Circle one) <u>NEW</u>				<u>ON 183, b.w. 7-</u>			

CONTRACTOR MIKE IRLE #1

TYPE OF JOB SURFACE CSG

HOLE SIZE 12 1/4" T.D. 635'

CASING SIZE 3 1/2" x 2 1/4" DEPTH 635'

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

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

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

PRES. MAX 30# MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT 44.97'

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

OWNER L.D. DRUG, INC.

CEMENT AMOUNT ORDERED

225 cu 65:35:6 + 3% CMC + 1/4" HO-SEAL

100 sq CLASS-A + 3% CMC + 2% HO-SEAL

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

DISPLACEMENT 36 BBL H<sub>2</sub>O

EQUIPMENT

PUMP TRUCK # 352 CEMENTER KEVIN RUMBART

BULK TRUCK # 259-257 HELPER TARRY DREZLICH

BULK TRUCK # \_\_\_\_\_ DRIVER MIKE RUCKER

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

COMMON	<u>100</u>	@	<u>6.25</u>
POZMIX		@	
GEL	<u>2</u>	@	<u>9.50</u>
CHLORIDE	<u>11</u>	@	<u>23.00</u>
<u>AKW</u>	<u>225</u>	@	<u>6.00</u>
<u>FLO-SEAL</u>	<u>56#</u>	@	<u>1.15</u>
		@	
		@	
		@	
HANDLING	<u>325</u>	@	<u>1.05</u>
MILEAGE	<u>325 x 50</u>		<u>.04</u>

REMARKS:

RUN 3 1/2" CSG + BREAK GRANULATION

TRIP 5 BBL FRESH WATER

225 cu 65:35:6 + 3% CMC + 1/4" HO-SEAL

100 sq CLASS-A + 3% CMC + 2% HO-SEAL

DISPLACE AUG TO 590' 36 BBL H<sub>2</sub>O

CEMENT DED GRANULATE TO YELLOW

SERVICE

DEPTH OF JOB	<u>635'</u>		
PUMP TRUCK CHARGE			<u>470.00</u>
EXTRA FOOTAGE	<u>335'</u>	@	<u>.43</u> <u>144.05</u>
MILEAGE	<u>50</u>	@	<u>3.00</u> <u>150.00</u>
PLUG	<u>3 1/2" TRP</u>	@	<u>90.00</u> <u>90.00</u>
		@	
		@	

CHARGE TO: L.D. DRUG, INC.

STREET RR 1, BOX 132 P

CITY GREAT BEND STATE KANSAS ZIP 67530

FLOAT EQUIPMENT

<u>1- BATTLE TRAY</u>	@	<u>45.00</u>
<u>1- BASKET</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.

TOTAL \_\_\_\_\_

TAX \_\_\_\_\_

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

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

SIGNATURE 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.

ORIGINAL

**L. D. DRILLING, INC.**

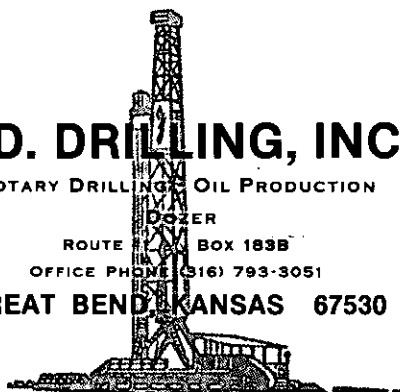
ROTARY DRILLING - OIL PRODUCTION

DOZER

ROUTE 12 BOX 183B

OFFICE PHONE (316) 793-3051

**GREAT BEND, KANSAS 67530**



27th March 2001

Kansas Corporation Commission  
Conservation Division  
Wichita State Office Bldg.  
130 S. Market, Room 2078  
Wichita, Kansas 67202

RE: ARLIE #1-1  
C NE NE SEC. 1-31-20  
COMANCHE COUNTY, KS.

To Whom It May Concern:

You will find enclosed ACO-1 for the captioned location. We Ran the well for a short period of time and then on November 15, 2000 it was decided to shut the well down until such time we were connected to a gas line. This has been accomplished now and we have the well running.

Respectfully,

A handwritten signature in cursive script that reads "Bessie DeWerff". The signature is written in dark ink and is positioned above the printed name.

Bessie DeWerff

/bd

encl

RECEIVED  
STATE CORPORATION COMMISSION

MAR 29 2001

CONSERVATION DIVISION  
Wichita, Kansas