

RECEIVED
KANSAS CORPORATION COMMISSION

8-6-03
AUG 06 2003

8/6/03
STATE OF KANSAS
KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
130 South Market - Room 2078
Wichita, Kansas 67202

CONSERVATION DIVISION
WICHITA, KS

WELL PLUGGING APPLICATION FORM
(PLEASE TYPE FORM and File ONE Copy)

FORM CP-1 (3/92)

API # 093-210160000 (Identifier number of this well). This must be listed for wells drilled since 1967; if no API# was issued, indicate spud or completion date.

WELL OPERATOR SPRESS OIL CO. KCC LICENSE # 32088

ADDRESS 200 South Broadway CITY CLEVELAND

STATE OKLAHOMA ZIP CODE 74020 CONTACT PHONE # (718) 358-5831

LEASE YORK WELL# 1-12 SEC. 12 T. 32S R. 17 (East/West)

C 1/2 - W 1/2 - SE SPOT LOCATION/0000 COUNTY COMANCHE CO.

1720 FEET (in exact footage) FROM S/N (circle one) LINE OF SECTION (NOT Lease Line)

1720 FEET (in exact footage) FROM E/W (circle one) LINE OF SECTION (NOT Lease Line)

Check One: OIL WELL ☐ GAS WELL ☒ D&A ☐ SWD/ENHR WELL ☐ DOCKET#

CONDUCTOR CASING SIZE 17 3/8 SET AT 102' CEMENTED WITH 190 SACKS

SURFACE CASING SIZE 8 5/8 SET AT 685' CEMENTED WITH 300 SACKS

PRODUCTION CASING SIZE 5 1/2 SET AT 6185 CEMENTED WITH 175 SACKS

LIST (ALL) PERFORATIONS and BRIDGEPLUG SETS: 5086-79 5107-14

ELEVATION 2068 2069 T.D. 5200 PBTD 5200 ANHYDRITE DEPTH
(G.L./K.B.) (Stone Corral Formation)

CONDITION OF WELL: GOOD ☒ POOR ☐ CASING LEAK ☐ JUNK IN HOLE ☐

PROPOSED METHOD OF PLUGGING AS PER KCC Regulations would like to
FREEPOINT/SHOOT RECOVERABLE CSG.

(If additional space is needed attach separate page)

IS WELL LOG ATTACHED TO THIS APPLICATION AS REQUIRED? NO IS ACO-1 FILED? MAILED 6/18/03

If not explain why? LOGS AND PERTINENT INFO IN MAIL TO KCC OFFICES.

PLUGGING OF THIS WELL WILL BE DONE IN ACCORDANCE WITH K.S.A. 53-101 et. seq. AND THE RULES AND REGULATIONS OF THE STATE CORPORATION COMMISSION.

LIST NAME OF COMPANY REPRESENTATIVE AUTHORIZED TO BE IN CHARGE OF PLUGGING OPERATIONS:

KEVIN STONECIPHER PHONEN (718) 640-8220

ADDRESS PO BOX 543 City/State BRISTOW OKLAHOMA 74010

PLUGGING CONTRACTOR OKLAHOMA PLUGGING SERVICE LLC KCC LICENSE # 32088

ADDRESS PO BOX 543 BRISTOW OKLAHOMA PHONE N (718) 640 8220

PROPOSED DATE AND HOUR OF PLUGGING (If known?) 74010 ASAP RIG ON WAY TO WELL NOW

PAYMENT OF THE PLUGGING FEE (K.S.A. 53-3-118) WILL BE GUARANTEED BY OPERATOR OR AGENT

DATE: 6/18/03 AUTHORIZED OPERATOR/AGENT: Kevin Stonecipher
(signature)

EL 2057
37.27086N 5002 TOC Bottom plug called on 7-8-03
099.11661W Free pointing plug 7-8-03

KANSAS

CORPORATION COMMISSION

Kathleen Sebelius, Governor Brian J. Moline, Chair John Wine, Commissioner Robert E. Krehbiel, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Spess Oil Company
200 S. Broadway
Cleveland, OK 74020

July 07, 2003

Re: YORK #1-12
API 15-033-21016-00-01
E2W2SE 12-32S-17W, 1420 FSL 1720 FEL
COMANCHE COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(316) 225-8888

David P. Williams
Production Supervisor

15-033-2106-00-01

ALLIED CEMENTING CO., INC.

1838

Federal Tax I.D.#

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

ORIGINAL

SERVICE POINT:

Medicine Lodge

DATE 7-10-99	SEC 12	TWP 32S	RANGE 17W	CALLED OUT 9:00 AM	ON LOCATION 1:00 AM	JOB START 7:35 AM	JOB FINISH 8:30 AM
LEASE York	WELL # 1	LOCATION mm# 195 + 160 15, 3/4 E, 1/2 E			COUNTY Comanche	STATE KS.	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Duke #5
TYPE OF JOB Production
HOLE SIZE 7 7/8 T.D.
CASING SIZE 5 1/2 x 17 # DEPTH 5181
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX 1300 MINIMUM 200
MEAS. LINE SHOE JOINT 42.18
CEMENT LEFT IN CSG.
PERFS.
DISPLACEMENT 123 1/2 BBLs Freshwater.
EQUIPMENT

PUMP TRUCK CEMENTER Carl Balding
261-265 HELPER Stane Winsor
BULK TRUCK
259-247 DRIVER Mark Brungardt
BULK TRUCK
DRIVER

OWNER Spess Lease Operating
CEMENT
AMOUNT ORDERED
175sx ASC + 5# Kol-seal per sack.
25sx 60:40:6 + 500 GAL mud-clean
COMMON A 15 @ 6.35 95.25
POZMIX 10 @ 3.25 32.50
GEL 1 @ 9.50 9.50
CHLORIDE @
ASC 175 @ 8.20 1435.00
Kol-SEAL 875# @ .38 332.50
MUD CLEAN 500 @ .75 375.00
@
@
HANDLING 200 @ 1.05 210.00
MILEAGE 200 x 30 .04 240.00

RECEIVED

6-20-03
JUN 20 2003

TOTAL \$ 2129.75

REMARKS:

KCC WICHITA

SERVICE

Pipe on bottom. Break circulation.
Pump 500 GAL mud-clean plug RA + mouse Hble
w/ 25 sx 60:40:6 mix + pump 175 sx ASC +
5# Kol-seal per sack. Cement in wash pump
+ lines. Release plug. Displace w 123 1/2 BBLs Freshwater.
Land plug. Release pressure + float
Did not hold pressure casing to 500psi + shut in.

DEPTH OF JOB 5181
PUMP TRUCK CHARGE 1290.00
EXTRA FOOTAGE @
MILEAGE 30 @ 2.85 85.50
PLUG Rubber 5 1/2" @ 50.00 50.00
@
@

TOTAL \$ 1425.50

CHARGE TO: Spess Lease Operating
STREET 200 S. Broadway
CITY Cleveland STATE OK ZIP 74020

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 4155.25
DISCOUNT 831.05 IF PAID IN 30 DAYS
Net \$ 3324.20

SIGNATURE

Carol Spess

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.

15-033-21016-00-01
ALLIED CEMENTING CO., INC. 1931

Federal Tax I.D.#

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

ORIGINAL
SERVICE POINT:
med. lodgings

DATE <u>7-2-99</u>	SEC. <u>12</u>	TWP. <u>32</u>	RANGE <u>17</u>	CALLED OUT <u>4:00A.M.</u>	ON LOCATION <u>7:00A.M.</u>	JOB START <u>9:00A.M.</u>	JOB FINISH <u>10:30A.M.</u>
LEASE <u>WORK</u>	WELL # <u>1</u>	LOCATION <u>160-BA/CA. Co. line. 7W-15-</u>			COUNTY <u>Comanche</u>	STATE <u>KS.</u>	
OLD OR <u>NEW</u> (Circle one)			<u>1/2E-N/S</u>				

CONTRACTOR Duke Drig
TYPE OF JOB Surface
HOLE SIZE 12 1/4 T.D. 690'
CASING SIZE 8 5/8 x 24 DEPTH 685'
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX MINIMUM
MEAS. LINE SHOE JOINT 42
CEMENT LEFT IN CSG.
PERFS.
DISPLACEMENT

EQUIPMENT

PUMP TRUCK CEMENTER Larry Dreiling
352 HELPER Shanew.
BULK TRUCK
257 DRIVER CARL B.
BULK TRUCK
DRIVER

OWNER Spess lease operations

CEMENT
AMOUNT ORDERED 200SXS. LiteWate - 3%CC
1/4# Flo-Seal. 100SXS. CLASS A + 3%CC
2%Gel.

COMMON <u>A</u>	<u>100</u>	@	<u>6.35</u>	<u>635.00</u>
POZMIX		@		
GEL	<u>2</u>	@	<u>9.50</u>	<u>19.00</u>
CHLORIDE	<u>10</u>	@	<u>28.00</u>	<u>280.00</u>
<u>LITEWATE</u>	<u>200</u>	@	<u>5.55</u>	<u>1110.00</u>
<u>Flo-Seal</u>	<u>50*</u>	@	<u>1.15</u>	<u>57.50</u>
		@		
		@		
		@		
HANDLING	<u>300</u>	@	<u>1.05</u>	<u>315.00</u>
MILEAGE	<u>300 x 30</u>		<u>.04</u>	<u>360.00</u>

RECEIVED

TOTAL 2776.50

REMARKS:

6-20-03
JUN 20 2003

SERVICE

Pipe on Bottom - Break Circ.
Cement w/ 200SXS. LiteWate + 3%CC
1/4# Flo-Seal. 100SXS. CLASS A
3%CC + 2%Gel. Pump + Displace
Plug w/ 42 Bbs. Fresh H₂O Did not
Bump Plug. Shut In. Cement
Circ. to Surface. ✓

KCC WICHITA

DEPTH OF JOB	<u>685'</u>			
PUMP TRUCK CHARGE	<u>0-300'</u>			<u>470.00</u>
EXTRA FOOTAGE	<u>385'</u>	@	<u>.43</u>	<u>165.55</u>
MILEAGE	<u>30</u>	@	<u>2.85</u>	<u>NC</u>
PLUG Rubber	<u>8 3/8"</u>	@	<u>90.00</u>	<u>90.00</u>
		@		
		@		

TOTAL 725.55

CHARGE TO: Spess lease operations

STREET 200 S. Broadway
CITY Cleveland STATE OK ZIP 74020

FLOAT EQUIPMENT

1- Baffle Plate	@	<u>45.00</u>	<u>45.00</u>
1- Basket	@	<u>150.00</u>	<u>150.00</u>
	@		
	@		
	@		

TOTAL 195.00

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 [Signature]

TAX _____
TOTAL CHARGE 3697.05
DISCOUNT 139.41 IF PAID IN 30 DAYS
Net \$ 2957.64
X JOIE LIVINGSTON
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.

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—**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. 1930

Federal Tax I.D.# 15-033-21016-00-01

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

ORIGINAL

SERVICE POINT:

med. lodge, ks

DATE <u>7-1-99</u>	SEC. <u>12</u>	TWP. <u>32S</u>	RANGE <u>17W</u>	CALLED OUT <u>10:00A.m.</u>	ON LOCATION <u>11:45A.m.</u>	JOB START <u>2:00P.M.</u>	JOB FINISH <u>3:45P.M.</u>
LEASE <u>work</u>	WELL # <u>1</u>	LOCATION <u>BA/CA. Co. line, 7w-1S-1/2E</u>			COUNTY <u>Comanche</u>	STATE <u>Ks.</u>	
OLD OR <u>NEW</u> (Circle one)			<u>3/4n/s</u>				

CONTRACTOR Duke Drilg.
TYPE OF JOB Conductor
HOLE SIZE 17 1/4 T.D. 102
CASING SIZE 13 3/8x DEPTH 101
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX 200 MINIMUM 100
MEAS. LINE SHOE JOINT
CEMENT LEFT IN CSG. 10' By Request
PERFS.
DISPLACEMENT Fresh H₂O - 14 1/2 Bbls
EQUIPMENT

PUMP TRUCK CEMENTER Larry Dreiling
352 HELPER Shane w.
BULK TRUCK
301 DRIVER mark B.
BULK TRUCK
DRIVER

OWNER Spess lease Operating

CEMENT
AMOUNT ORDERED 100SXS 60/40 3%CC
2%Gel. 90SXS. CLASSA + 3%CC
2%Gel
COMMON A 150 @ 6.35 952.50
POZMIX 40 @ 3.25 130.00
GEL 3 @ 9.50 28.50
CHLORIDE 6 @ 28.00 168.00
@
@
@
@
@
@
HANDLING 190 @ 1.05 199.50
MILEAGE 190x 30 .04 228.00

RECEIVED

6-20-03
JUN 20 2003

TOTAL \$1706.50

REMARKS:

SERVICE

Pipe on Bottom. Break Circ
Cement w/ 100SXS. 60/40 + 3%CC + 2%Gel
Release Plug Displace 14 1/2 Bbls
Shut In Cement Did not circ.
Ran 40' 2" Cement w/ 90SXS.
CLASS A + 3%CC + 2%Gel. Cement
Circ to Surface. ✓

KCC WICHITA

DEPTH OF JOB 101
PUMP TRUCK CHARGE 470.00
EXTRA FOOTAGE @
MILEAGE 30 @ 2.85 85.50
PLUG wood-cup 13 3/8" @ 70.00 70.00
@
@

TOTAL \$625.50

CHARGE TO: Spess Lease Operations
STREET 200 S. Broadway
CITY Cleveland STATE OK ZIP 74020

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.

SIGNATURE

X Joe Livingston

TAX

TOTAL CHARGE \$ 2332.00

DISCOUNT 466.40 IF PAID IN 30 DAYS

NET \$ 1865.60

X Joe Livingston

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.