

STATE OF KANSAS  
STATE CORPORATION COMMISSION  
199 S. Market, Room 2078  
Wichita, KS 67202

WELL PLUGGING RECORD  
K.A.R.-22-5-117

API NUMBER 15-025-20,294-00-00

LEASE NAME Vallentine

WELL NUMBER 1

1980 Ft. from S Section Line

1980 Ft. from E Section Line

SEC. 32 TWP. 31S R. 21E (U) (M)

COUNTY Clark

Date Well Completed 9/19/79

Plugging Commenced 11/6/01

Plugging Completed 11/8/01

RECEIVED  
NOV 16 2001  
KCC WICHITA

TYPE OF PRINT  
NOTICE: Fill out completely  
and return to Case Div.  
office within 30 days.

LEASE OPERATOR Lee Banks d/b/a Banks Oil Company

ADDRESS 7701 E Kellogg, Ste 885 Wichita KS 67207

PHONE# 316)612-1186 OPERATORS LICENSE NO. 5152

Character of Well SIGW Gas

(Oil, Gas, BAA, SWD, Injct, Water Supply Well) (never produced)

The plugging proposal was approved on November 7, 2001 (date)

by Steve Middleton (KCC District Agent's Name)

Is ACD-1 filed? YES If not, is well log attached?

Producing Formation Morrow (never produced) Depth to Top 5090 Bottom 5094 T.D. 5220'

Show depths and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORDS

Formation	Content	From	To	Size	Per in	Piled out?
Morrow	Sand	5090	5094	4 1/2	5220	3300

Describe in detail the manner in which the well was plugged, indicating where the end plug was placed and the method or methods used in introducing it into the hole. If cement or other plug were used, state the character of same and depth placed, from foot to foot each set.  
Bridge Plug @ 5108' Perf 5090-94 - Fill with sand 75' above Perfs with 2 sacks cement on top - load hole with 10 sacks gel - pump 40 sacks plug 60-40 pos @ 1200' load hole 3 BBLs Fresh H2O 50 sacks @ 680' - 10 sacks @ 40'  
Plugged Cement Truck enclosed

Name of Plugging Contractor Pratt Well Service License No. 5893

Address P. O. Box 847 Pratt, Kansas 67124

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Lee Banks

STATE OF Kansas COUNTY OF Sedgwick, KS

Lee Banks (Employee of Operator) or (Operator) of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained and the log of the above-described well as filed the the same are true and correct, so help me God.

(Signature) Lee Banks

(Address) 7701 E Kellogg, Ste 885 Wichita KS 67207

SUBSCRIBED AND SWORN TO before me this 14th day of November 2001

Becky L. Holeman  
Notary Public

My Commission Expires: April 28, 2004

Form CP-1  
Revised 03-00

County of Sedgwick  
BECKY L. HOLEMAN  
Notary Public - State of Kansas  
My Appt. Expires 4-28-2004

OK

# ALLIED CEMENTING CO., INC.

08600

Federal Tax I.D.# 48-0727860

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

15-025-20294-0000

SERVICE POINT:  
Med. Lodge

DATE <u>11-8-01</u>	SEC <u>32</u>	TWP <u>31S</u>	RANGE <u>21W</u>	CALLED OUT <u>5:00 AM</u>	ON LOCATION <u>7:30 AM</u>	JOB START <u>8:15 AM</u>	JOB FINISH <u>10:30 AM</u>
LEASE <u>Valentine</u>	WELL # <u>1</u>	LOCATION <u>Lexington Community Building</u>		COUNTY <u>Clarke</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one) <u>OLD</u>				<u>1/2 N E/S</u>			

CONTRACTOR Pratt Well Svc.  
 TYPE OF JOB OHP  
 HOLE SIZE \_\_\_\_\_ T.D. \_\_\_\_\_  
 CASING SIZE 8 5/8 DEPTH 650'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
~~DRILL PIPE~~ 4 1/2 casing DEPTH 1200'  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 1/4 BRLS Fresh H<sub>2</sub>O

OWNER Banks Oil Co.  
 CEMENT  
 AMOUNT ORDERED 100sx60:40:6  
10sxGel

EQUIPMENT

PUMP TRUCK CEMENTER Justin Hart  
 # 352 HELPER David Felio  
 BULK TRUCK  
 # 364 DRIVER Eric B.  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>60</u>	@	<u>6.65</u>	<u>399.00</u>
POZMIX	<u>40</u>	@	<u>3.55</u>	<u>142.00</u>
GEL	<u>15</u>	@	<u>10.00</u>	<u>150.00</u>
CHLORIDE		@		
		@		
		@		
		@		
		@		
HANDLING	<u>115</u>	@	<u>1.10</u>	<u>126.50</u>
MILEAGE	<u>115 x 70</u>		<u>.04</u>	<u>322.00</u>

RECEIVED  
 NOV 16 2001  
 KCC WICHITA SERVICE

REMARKS:

On location Rig up - bad Hole  
w/ 10sxGel Pump 40sx plug at 1200'  
bad Hole 3 BRLS Fresh H<sub>2</sub>O  
50 sx @ 680'  
10 sx @ 40'

DEPTH OF JOB 1200'  
 PUMP TRUCK CHARGE \_\_\_\_\_  
 EXTRA FOOTAGE @ \_\_\_\_\_  
 MILEAGE 70 @ 3.00 210.00  
 PLUG @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_

TOTAL 685.00

CHARGE TO: Banks Oil Co  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

FLOAT EQUIPMENT

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

TOTAL \_\_\_\_\_

To Allied Cementing Co., Inc.  
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX 116.77  
 TOTAL CHARGE 1941.27  
 DISCOUNT 182.45 IF PAID IN 30 DAYS  
1758.82  
THOMAS J. ROSE  
 PRINTED NAME

SIGNATURE Thomas J Rose

## 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.