

HALLIBURTON

K P KAUFFMAN CO, INC. EBIZ

**Murphy 31-3
WARRENBURG
Adams County , Colorado**

Squeeze Hole in Casing

Job Site Documents

HALLIBURTON

Work Order Contract

Order Number

9644937

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. 31-3	Farm or Lease Murphy	County Adams	State Colorado	Well Permit Number
Customer K P KAUFFMAN CO, INC. EBIZ	Well Owner		Job Purpose Squeeze Hole in Casing	

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 of Halliburton are exclusive of any federal, state or municipal taxes which may be imposed on the sale or use of any materials, products or supplies furnished or services performed. Customer agrees to pay such taxes in addition to the prices in Halliburton's price list. 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 attorney 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 insured 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 current published replacement rate, 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** Except for Halliburton's statutory rights with regard to collection of past due invoices for services or materials, including the Contractor's statutory rights for perfection and enforcement of mechanics' and materialmen's liens, 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, 10200 Bellaire Blvd, Houston, TX 77072-5299.

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. I AM SIGNING THIS WORK ORDER CONTRACT WITH THE UNDERSTANDING THAT ITS TERMS AND CONDITIONS WILL NOT APPLY TO THE EXTENT THEY CONFLICT WITH TERMS AND CONDITIONS OF A SIGNED MASTER SERVICE CONTRACT BETWEEN THE PARTIES.

Customer Acceptance of Terms and Conditions, Materials and Services

7-5-12

CUSTOMER Authorized Signatory

Date

Job Date: _____

The Road to Excellence Starts with Safety

Customer:	K P KAUFFMAN CO, INC. EBIZ	Field:	Warrenberg	Job Type:	CMT SQUEEZE HOLE IN CASING BOM
UWI / API Number:		County/Parish:	Adams	HES Employee:	
Well Name:	Murphy	State:	Colorado		
Well No:	31-3	Latitude:			
Formation:		Longitude:		Customer Name:	
		Sect / Twn / Rng:	/ /	Customer Phone #:	

HALLIBURTON ONSITE SAFETY PERSON

Employee's Name & Emp #	Company	Location	Pre-Rig-Up	Pre-Job	Post-Job
Richard Dirks (00485940)					
Andrew Holmes (00520802)					
Dale Sanford (00219527)					
TOTAL HALLIBURTON				TOTAL OTHER	

HALLIBURTON

Field Ticket

Field Ticket Number: 9644937		Field Ticket Date: Thursday, July 05, 2012	
Bill To: K P KAUFFMAN CO, INC. EBIZ 1675 BROADWAY STE 2800-DO NOT MAIL DENVER, CO 80202		Job Name: Murphy 31-3 Order Type: Streamline Order (ZOH) Well Name: Murphy 31-3 Company Code: 1100 Customer PO No.: NA Shipping Point: Brighton, CO, USA Sales Office: Rocky Mountains BD Well Type: Gas Well Category: Development	
Ship To: KP KAUFFMA MURPHY 31-3,ADAMS MURPHY 31-3 2518948 * BENNETT, CO 80102			

Material	Description	QTY	UOM	Base Amt	Unit Amt	Gross Amount	Discount	Net Amount
14118	CMT SQUEEZE HOLE IN CASING BOM	1	JOB	0.00	0.00	0.00		0.00
3965	HANDLE&DUMP SVC CHRG, CMT&ADDITIVES,ZI	40	CF	0.00	5.49	219.60	40%	131.76
	NUMBER OF EACH	1						
2	MILEAGE FOR CEMENTING CREW,ZI	100	MI	0.00	5.76	576.00	40%	345.60
	Number of Units	1						
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT	100	MI	0.00	9.79	979.00	40%	587.40
	Number of Units	1						
76400	ZI MILEAGE,CMT MTLS DEL/RET MIN	50	MI	0.00	3.35	314.90	40%	188.94
	NUMBER OF TONS	1.88						
460335	CMT, Rockies Standard Pump Charge	1	EA			19,751.98	37.86%	12,274.78
	Number of Units	1						
100003685	CLASS G / PREMIUM	40	SK	0.00	38.76	1,550.40	40%	930.24
367969	Circulating Iron Package used w/HES,CMT	1	EA	0.00	936.00	936.00		936.00
				Totals	USD	24,327.88	8,933.16	15,394.72

Halliburton Rep:

DALE SANFORD

Customer Agent:

Halliburton Approval

Field Ticket

Field Ticket Number: 9644937		Field Ticket Date: Thursday, July 05, 2012	
Bill To: K P KAUFFMAN CO, INC. EBIZ 1675 BROADWAY STE 2800-DO NOT MAIL DENVER, CO 80202		Job Name: Murphy 31-3 Order Type: Streamline Order (ZOH) Well Name: Murphy 31-3 Company Code: 1100 Customer PO No.: NA Shipping Point: Brighton, CO, USA Sales Office: Rocky Mountains BD Well Type: Gas Well Category: Development	
Ship To: KP KAUFFMA MURPHY 31-3,ADAMS MURPHY 31-3 2518948 * BENNETT, CO 80102			

Material	Description	QTY	UOM	Base Amt	Unit Amt	Gross Amount	Discount	Net Amount
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THIS OUTPUT DOES NOT INCLUDE TAXES. APPLICABLE SALES TAX WILL BE BILLED ON THE FINAL INVOICE.
CUSTOMER HEREBY ACKNOWLEDGES RECEIPT OF THE MATERIALS AND SERVICES DESCRIBED ABOVE AND ON THE ATTACHED DOCUMENTS.

X _____ FIELD TICKET TOTAL: USD 15,394.72

Customer Signature

Was our HSE performance satisfactory? Y or N
(Health, Safety, Environment)

Were you satisfied with our Equipment? Y or N

Were you satisfied with our people? Y or N

Comments

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HALLIBURTON

Cementing Job Summary

The Road to Excellence Starts with Safety

Sold To #: 303209		Ship To #: 2518948		Quote #:		Sales Order #: 9644937	
Customer: K P KAUFFMAN CO, INC. EBIZ				Customer Rep: Ramos, Rick			
Well Name: Murphy			Well #: 31-3		API/UWI #:		
Field: WARRENERG		City (SAP): BENNETT		County/Parish: Adams		State: Colorado	
Contractor: KPK			Rig/Platform Name/Num: KPK RIG #1				
Job Purpose: Squeeze Hole in Casing							
Well Type: Development Well				Job Type: Squeeze Hole in Casing			
Sales Person: AARON, WESLEY			Srv Supervisor: SANFORD, DALE		MBU ID Emp #: 219527		
Job Personnel							
HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs
DIRKS, RICHARD E	6.5	485940	FRY, DOMINIK	6.5	426436	HOLMES, ANDREW Malcom	6.5
McKay, Adam	6.5	0	SANFORD, DALE A	0.0	219527		
Equipment							
HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way
11064535	50 mile	11398490	50 mile	11518550	50 mile		
Job Hours							
Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours
7-5-12	6.5	5					
TOTAL		Total is the sum of each column separately					
Job				Job Times			
Formation Name				Date			
Formation Depth (MD) Top				Time			
Bottom				Time Zone			
Form Type				Called Out			
BHST				05 - Jul - 2012			
Job depth MD				On Location			
8035. ft				05 - Jul - 2012			
Job Depth TVD				Job Started			
8035. ft				05 - Jul - 2012			
Water Depth				Job Completed			
Wk Ht Above Floor				05 - Jul - 2012			
3. ft				15:00			
Perforation Depth (MD) From				Departed Loc			
To				05 - Jul - 2012			
				18:30			
				MST			
Well Data							
Description	New / Used	Max pressure psig	Size in	ID in	Weight lbm/ft	Thread	Grade
Production	Used		4.5	4.	11.6		P-110
Surface Casing	Used		9.625	8.921	36.		K-55
tubing	Used		2.375	1.995	4.6		P-110
Tools and Accessories							
Type	Size	Qty	Make	Depth	Type	Size	Qty
Guide Shoe					Packer		
Float Shoe					Bridge Plug		
Float Collar					Retainer		
Insert Float							
Stage Tool							
Miscellaneous Materials							
Gelling Agt		Conc		Surfactant		Conc	
Treatment Fld		Conc		Inhibitor		Conc	
Fluid Data							
Stage/Plug #: 1							
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft3/sk	Mix Fluid Gal/sk
Rate bbl/min							
Total Mix Fluid Gal/sk							
Stage/Plug #: 1							

HALLIBURTON

Cementing Job Summary

Stage/Plug #: 1										
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk	
1	Prem G 15.8#	CMT - PREMIUM - CLASS G, 94 LB SK (100003685)	40.0	sacks	15.8	1.15	5.0		5.0	
94 lbm		CMT - PREMIUM - CLASS G REG OR TYPE V, BULK (100003685)								
5 Gal		FRESH WATER								
Calculated Values		Pressures		Volumes						
Displacement		Shut In: Instant		Lost Returns		Cement Slurry	8	Pad		
Top Of Cement		5 Min		Cement Returns		Actual Displacement		Treatment		
Frac Gradient		15 Min		Spacers		Load and Breakdown		Total Job		
Rates										
Circulating		Mixing		Displacement		Avg. Job				
Cement Left In Pipe	Amount	0 ft	Reason	Shoe Joint						
Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID			
The Information Stated Herein Is Correct				Customer Representative Signature						

HALLIBURTON

Cementing Job Log

The Road to Excellence Starts with Safety

Sold To #: 303209	Ship To #: 2518948	Quote #:	Sales Order #: 9644937
Customer: K P KAUFFMAN CO, INC. EBIZ		Customer Rep: Ramos, Rick	
Well Name: Murphy		Well #: 31-3	API/UWI #:
Field: WARRENERBERG	City (SAP): BENNETT	County/Parish: Adams	State: Colorado
Legal Description:			
Lat:		Long:	
Contractor: KPK		Rig/Platform Name/Num: KPK RIG #1	
Job Purpose: Squeeze Hole in Casing			Ticket Amount:
Well Type: Development Well		Job Type: Squeeze Hole in Casing	
Sales Person: AARON, WESLEY		Srv Supervisor: SANFORD, DALE	MBU ID Emp #: 219527

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Shutdown	06/23/0200 16:24							
Test Lines	07/05/2012 14:06		0.5		0.5	4000.0		
Load Tubing	07/05/2012 14:08		3	20	20	580.0		Well loaded @ 18 bbl
Shutdown	07/05/2012 14:15							SD Mix cmt
Load Tubing	07/05/2012 14:25		2	0.5	0.5			
Pump Cement	07/05/2012 14:27		2	8	8			40 sks @ 16# G neat cmt
Pump Displacement	07/05/2012 14:40		2	15				
Set Packer	07/05/2012 14:40							
Start Squeeze	07/05/2012 14:40		2	13.5			2810.0	
Other	07/05/2012 14:58						2900.0	Shut down and close backside ----Lost Packer!
Start Squeeze	07/05/2012 14:59		0.4	3.4			1400.0	@ 16 Bbl Pumped we had 1/2 Bbl cmt in perms
Shutdown	07/05/2012 15:04						1350.0	
Start Squeeze	07/05/2012 15:08		0.4	2.4			1500.0	
Shutdown	07/05/2012 15:15							
Start Squeeze	07/05/2012 15:17		0.4	0.25			1550.0	
Shutdown	07/05/2012 15:18						1350.0	
Start Squeeze	07/05/2012 15:22		0.4	0.25			1440.0	

Sold To #: 303209

Ship To #: 2518948

Quote #:

Sales Order #:

9644937

SUMMIT Version: 7.3.0030

Thursday, July 05, 2012 06:20:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/ min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Shutdown	07/05/2012 15:22							
Start Squeeze	07/05/2012 15:44		0.4	0.25			1450. 0	
Shutdown	07/05/2012 15:45							
Start Squeeze	07/05/2012 16:02		0.4	0.5			1600. 0	
Shutdown	07/05/2012 16:04						1200. 0	
Start Squeeze	07/05/2012 16:23		0.4	0.25			1500. 0	
Other	07/05/2012 17:00						500.0	Release PSi And check for gain in psi
Start Squeeze	07/05/2012 17:07							
Other	07/05/2012 17:45							release psi
End Job	07/05/2012 17:53							
Circulate Well	07/05/2012 18:09		2	1			1000. 0	

Sold To # : 303209

Ship To # :2518948

Quote # :

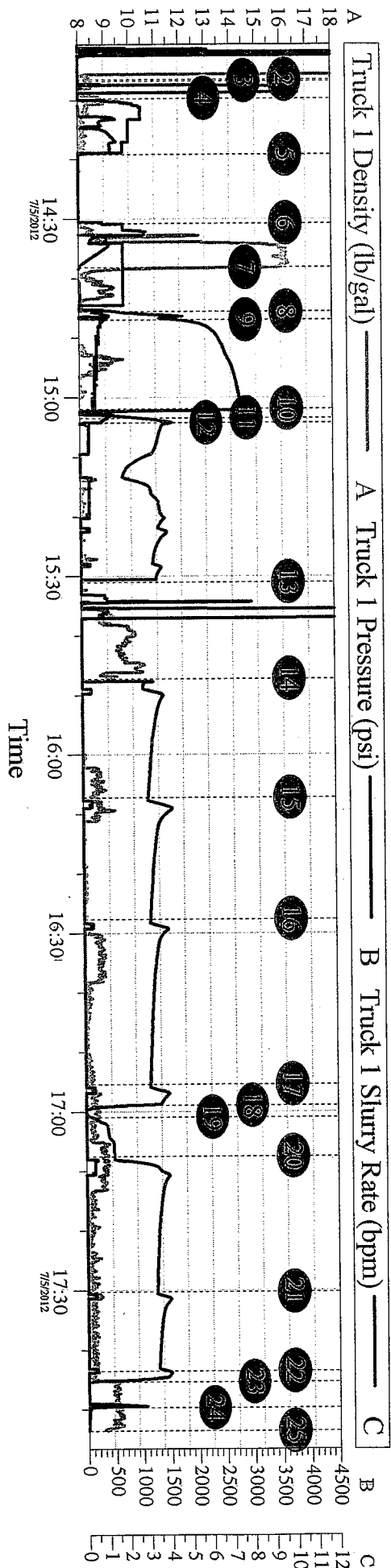
Sales Order # :

9644937

SUMMIT Version: 7.3.0030

Thursday, July 05, 2012 06:20:00

KPK Murphy 31-3 Sqz



Global Event Log

Intersection		T1P		Intersection		T1P	
1	Starting Job	13:18:50	-3748	2	Start Job	14:06:34	-14.70
3	Test Lines	14:06:48	-14.70	4	Load Well	14:09:44	-15.70
5	Shut Down Mix Cmt	14:19:13	12.28	6	Pump Cement	14:30:43	-11.70
7	Pump Displacement	14:38:08	19.26	8	Set Packer	14:45:34	689.9
9	Sqz Well	14:46:58	1794	10	S.D. Lost Packer	15:01:50	2886
11	Close backside	15:03:26	1111	12	Sqz Well	15:04:13	1613
13	Shut Down Shut in Well and Wash pump truck	15:30:58	-15.70	14	Sqz Well	15:47:14	-14.70
15	Sqz	16:07:16	1160	16	Sqz	16:27:40	1189
17	Sqz	16:55:26	1160	18	Release PSI	16:58:59	720.3
19	Check PSI Gain	17:00:58	114.1	20	Sqz	17:07:31	491.3
21	Sqz	17:30:19	1248	22	OthSqzer	17:43:36	1440
23	Release PSI	17:45:22	45.30	24	Circ well	17:49:45	50.23
25	Ending Job	17:53:38	-15.70				

Customer: KPK	Job Date: 05-Jul-2012	Sales Order #: 9644937
Well Description: Sqz	UWI: Richard Dricks	
Date sanford		