

ThermaSource Cementing, Inc.

JOB LOG

JOB DATE	11/08/14
SUPERVISOR	Cory Thaut
CITY	Strasburg
SALES ORDER NUMBER	C4CO3090

CUSTOMER	KP Kauffman	CUSTOMER REP.	Rick Ramos	TICKET AMOUNT	\$18,755.79
WELL TYPE	Oil	STATE	Colorado	COUNTY	Arapahoe County
WELL NAME AND NUMBER	State 16-14	SEC/TWN/RNG	S:16 T:N5S R:62W	API#	05-005-06917

DATE	TIME	RATE (BPM)	VOLUME (BBL)	PRES (PSI)	REMARKS
11/07/14	9:12				Arrive on location
11/07/14	9:16				Spot equipment
11/07/14	9:25				Pre rig up safety meeting
11/07/14	9:31				Begin rig up
11/07/14	10:02				Rig up complete
11/07/14	10:15				Pre job safety meeting
11/07/14	10:22	1.5	2	11	Load lines
11/07/14	10:27	0	0	3600	Pressure test lines
11/07/14	10:29	0.5	5.2	450	Pump Fresh Water Spacer to establish an injection rate
11/07/14	10:35	0	0	1455	Shut down / Reached max pressure set by customer (1500 psi)
11/07/14	10:38	0.5	1	500	Pump again to establish injection rate
11/07/14	10:42	0	0	1450	Shut down / Reached max pressure set by customer (1500 psi)
11/07/14	10:43	0.5	1	500	Pump again to establish injection rate
11/07/14	10:45	0	0	1453	Shut down / Reached max pressure set by customer (1500 psi)
11/07/14	10:47				Customer raised max pressure to 2000 psi
11/07/14	10:47	0.5	3.5	1850	Pump again to establish injection rate
11/07/14	10:54	0	0	1900	Shut down / Blew hole in tubing @ 1900 psi
11/07/14	10:54				Unable to pump into formation / Wireline going to blow new perfs
11/07/14	10:54				Waiting for rig to pull pipe & wireline to arrive (1 hr & 51 min)
11/07/14	12:45				Customer released ThermaSource due to projected wait time
11/08/14	8:30				Arrive on location
11/08/14	8:32				Pre rig up safety meeting
11/08/14	8:35				Begin rig up
11/08/14	8:45				Rig up complete / Wait for tig to finish running pipe in hole
11/08/14	9:25				Pre job safety meeting
11/08/14	9:37	2	8	22	Load lines & load hole
11/08/14	9:45	0	0	3015	Pressure test lines
11/08/14	9:46	0.5	2.3	1159	Establish injection rate
11/08/14	10:07	2.3	8.2	468	Pump Cement slurry @ 15.8 ppg
11/08/14	10:12	2.4	12.25	135	Displace cement
11/08/14	10:18	0.5	10.25	777	Sting in and Squeeze cement through perfs
11/08/14	10:37				Shut down / Wait for rig to set up for next plug
11/08/14	13:36	2	2	151	Pump Fresh Water Spacer
11/08/14	13:45	1.5	5	20	Pump Cement slurry @ 15.8 ppg
11/08/14	13:49	1.5	4	15	Displace cement
11/08/14	13:52				Shut down / Wait for rig to set up for next plug
11/08/14	15:12	1.5	2.5	99	Pump Fresh Water Spacer to establish injection rate
11/08/14	15:18	1.5	17.75	70	Pump Cement slurry @ 15.8 ppg
11/08/14	15:31	0.9	0.75	39	Displace cement
11/08/14	15:31				Shut down / Rig pull pipe
11/08/14	15:59	1	0.5	24	Pump Fresh Water Spacer to establish circulation
11/08/14	16:00	1.3	3.5	56	Pump Cement slurry @ 15.8 ppg to top out well
11/08/14	16:03				Shut down / Rig pull pipe
11/08/14	16:11	0.7	0.25	23	Top out well (1/2 bbl of cement exc. pumped to slop tank)
11/08/14	16:12				Shut down / End job.

ThermaSource Cementing, Inc.

C4CO3090

Sales Order No.

Cory Thaut

TCI Employee

11/08/14

Date

WORK ORDER CONTRACT

THIS WORK ORDER CONTRACT MUST BE SIGNED BEFORE WORK IS COMMENCED AND IS APPLICABLE ONLY TO THE SALES ORDER NUMBER ABOVE.

THERMASOURCE CEMENTING, INC., DOING BUSINESS AS THERMASOURCE CEMENTING (hereinafter "TCI") SHALL FURNISH AND/OR DELIVER SERVICES, PRODUCTS, EQUIPMENT AND/OR MATERIALS TO THE CUSTOMER LISTED BELOW AS AN INDEPENDENT CONTRACTOR FOR THE PURPOSE OF SERVICING THE CUSTOMER IN ACCORDANCE WITH THE TERMS BELOW:

Customer	KP Kauffman	County	Arapahoe County	State	Colorado
Well(s) No.	State 16-14	Well Owner/ Permit No.	05-005-06917		

1. **CUSTOMER REPRESENTATION** - Customer warrants that the well(s) listed above is in proper condition and able to receive the services, products, equipment and/or materials to be furnished and/or delivered by TCI

2. **PRICE AND PAYMENT** - The services, products, equipment and/or materials to be supplied hereunder are priced in accordance with TCI's current price list. All prices are exclusive of any applicable taxes. Invoices are due net twenty days from the date of invoice. Customer agrees to pay interest on any unpaid balance from the date due until paid at the rate of 1.5% per month or the maximum legal rate applicable, whichever is less. In the event TCI employs an attorney or agency for collection of any account, Customer agrees to pay all reasonable legal fees plus all collection and court costs. Customer agrees that payment of the legal, collection and court fees and costs set out herein are reasonable and necessary. In the event that any payment due hereunder is overdue, TCI reserves the right to suspend performance until such delinquency is corrected.

3. **LIMITED WARRANTY** - TCI warrants only title to the equipment, products and materials supplied under this Contract and that same are free from defects in workmanship and materials. **THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR OTHERWISE BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE.** All TCI Services are provided AS-IS without any warranty. TCI'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, at TCI's option, to the replacement of such material or a credit to Customer for the cost of such items, subject to their prior return to TCI. In no event shall TCI be liable for special, incidental, indirect, consequential, or punitive damages, including loss of profits, business interruptions or loss of use of assets. Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, **TCI 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 TCI.** TCI will use its best efforts in gathering such information and its best judgment in interpreting it, but Customer agrees that TCI shall not be liable for, and **CUSTOMER SHALL INDEMNIFY, DEFEND and HOLD** TCI and its affiliates harmless against **ANY DAMAGES ARISING FROM THE USE OF SUCH INFORMATION**, even if such is contributed to or caused by the negligence, fault or strict liability of any member(s) of TCI. TCI also does not warrant the accuracy of data transmitted by electronic process, and TCI will not be responsible for any interception of such data by third parties.

4. **EQUIPMENT AND WASTE LIABILITY** - Customer shall, at its risk and expense, attempt to recover any TCI equipment lost or lodged in the well. If the equipment is recovered and repairable, Customer shall pay the repair costs including transportation costs, unless caused by TCI's sole negligence or willful misconduct. If the equipment is not recovered or is irreparable, Customer shall pay the replacement cost, unless the loss is caused by TCI's sole negligence or willful misconduct. Customer shall be responsible for damage to or loss of TCI equipment, products, and materials while in transit aboard Customer supplied transportation and during loading and unloading from such transport. Customer will also pay for the repair or replacement of TCI equipment damaged by corrosion or abrasion due to well effluents. Customer shall at its own expense store, transport and dispose of any chemical, hazardous or non-hazardous waste used in the performance of the services and ensure that such waste is disposed of in accordance with applicable law.

5. RELEASE AND INDEMNITY

(a) Customer agrees to **RELEASE TCI** 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.

(b) The Customer agrees to **WAIVE and RELEASE** TCI from any and all claims arising out of or in connection with the failure, degradation or deterioration of equipment or materials supplied or owned by Customer; the quality characteristics or impact of geothermal fluids and its condensates; contamination of ground and surface water, or land due to drilling; steam production capabilities; loss of electric generation due to performance of the services; site and offsite contamination due to, but not limited to, airborne particulate, water runoff or subterranean and surface transportation; or acts or omissions of Customer's subcontractors and other contractors.

(c) Customer also agrees to **DEFEND, INDEMNIFY, AND HOLD TCI 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 the negligent or willful misconduct or omissions of Customer, its employees or agents; any Customer breach under this Contract, including failure to legally dispose of waste; the occurrence of any of the items in 5(b) above; any blowout, cratering, pollution, contamination, damage to or loss of well, reservoir or formation, or any surface damage arising from activities below ground level of the rotary table no matter the cause; and loss of well control, services to control a wild well whether underground or above the surface, reservoir or underground damage, including loss 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, pollution, contamination or its cleanup and control.

6. **INSURANCE.** Customer agrees to maintain liability insurance having limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. 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.

7. **GOVERNING LAW.** This Contract shall be interpreted in accordance with the laws of the State of California without reference to conflict of laws principles.

8. **DISPUTE RESOLUTION.** Customer and TCI agree that any dispute that may arise out of the performance of this Contract shall be resolved initially by negotiation including submitting to senior management for attempted resolution for a period not less than 30 days from date of notice. If not settled, the dispute shall be resolved by binding arbitration of one independent arbitrator appointed in accordance with the Commercial Rules of American Arbitration Association, and such rules shall apply to the arbitration. The arbitration will take place in a mutually agreeable location in California.

9. **SEVERABILITY; ENTIRE AGREEMENT.** Should any provision or part thereof of this Contract be held 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. Customer and TCI agree that any provision of this Contract that is unenforceable or void under applicable law shall be modified to achieve the intent of the parties hereunder to the greatest extent allowed by applicable law. Unless there is another written, signed agreement between the parties, this Contract shall be the exclusive agreement between the parties regarding the subject matter hereof. In the event the parties have another signed written agreement, and the terms of such agreement conflict with the terms of this Contract, the terms of such other agreement shall control.

10. **MODIFICATIONS.** TCI shall not be bound by any modifications to this Contract, except where such modification is made in writing by a duly authorized officer of TCI. Requests for modifications should be directed to TCI Legal Department, 3883 Airway Drive, Suite 340, Santa Rosa CA 95403.

Customer Acceptance of Work Order Contract Terms.

Upon the signature of the acknowledgment below or by allowance of TCI services on Customer well(s), Customer accepts the contract terms stated above.

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

Customer Authorized Agent Signature

Rick Ramos

Date

Print Name and Title

Customer Acceptance of Services and/or Materials.

Upon the signature of the acknowledgment below or retention of services and/or materials, Customer accepts the services rendered and title of materials is transferred.

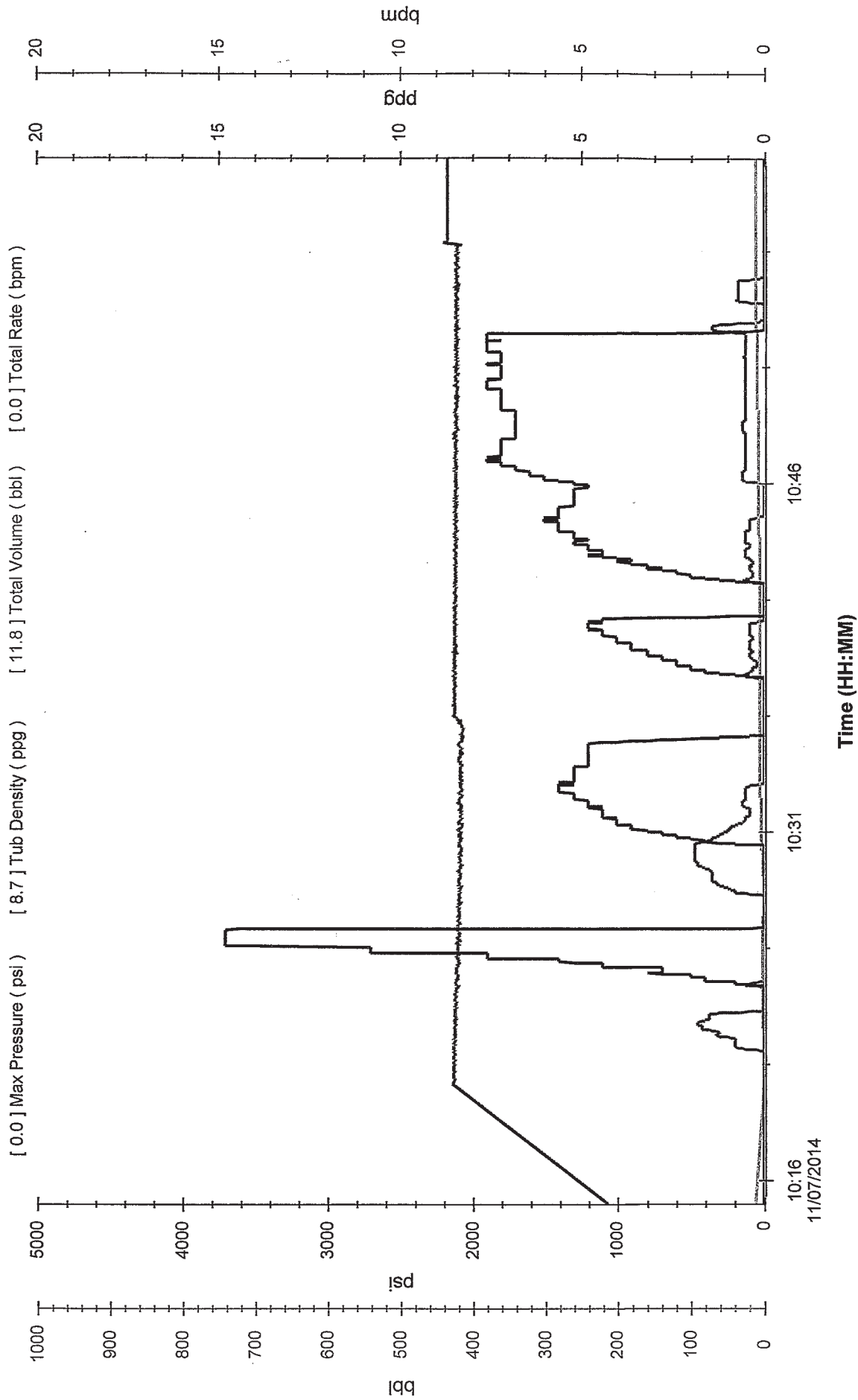
I, ON BEHALF OF CUSTOMER, HEREBY ACKNOWLEDGE RECEIPT OF THE SERVICES AND MATERIALS DESCRIBED IN THE APPLICABLE SALES ORDER

Customer Authorized Agent Signature

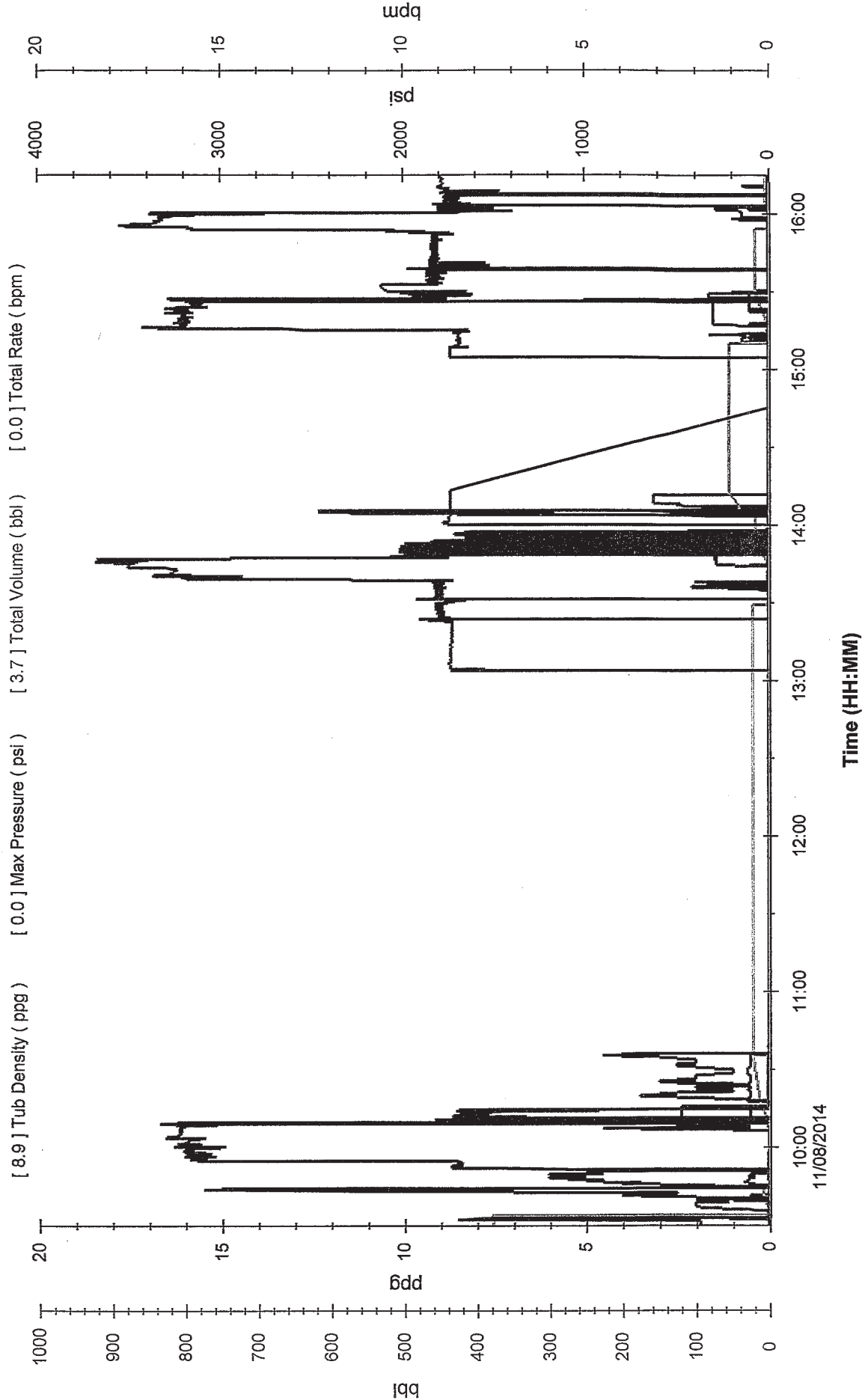
Rick Ramos

Date

Print Name and Title



Customer: K.P. Kauffman	Well: State16 - 14 0	Job Type: Plug & Abandon
Customer Rep: Ramos, Rick	Supervisor: Thaut, Cory	Job Date: 11/07/2014



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