

District I:

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

es

Form C-101

May 27, 2004

NOTIFY OCD OF SPUD & TIME
TO WITNESS CEMENTING OF
SURFACE CASING

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CHAPARRAL ENERGY LLC 701 CEDAR LAKE BLVD OKLAHOMA CITY, OK 73114		RECEIVED MAY 24 2006 JUV-ART-EDIM	² OGRID Number 4115
³ Property Code 35635	⁴ Property Name ROBERTS 13	⁵ API Number 30 - 015 - 34892	⁶ Well No. 1Y
⁹ Proposed Pool I Riverside, Morrow 83880		CEMENT TO COVER ALL OIL, GAS AND WATER BEARING ZONES	

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/S	County
G	13	17S	26E	G	1570	FNL	EDDY

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code GAS	¹³ Cable/Rotary	¹⁴ Lease Type Code STATE	¹⁵ Ground Level Elevation 3306
¹⁶ Multiple N	¹⁷ Proposed Depth 9100'	¹⁸ Formation MORROW	¹⁹ Contractor	²⁰ Spud Date 5/18/2006
Depth to Groundwater 10'		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System X Fresh Water X Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
SURFACE	20'	94#	120	375	SURFACE
INTERM	8 5/8"	32#	1500	1010	SURFACE
PROD	5 1/2"	17#	9100	340	6500

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

PROPOSED BLOWOUT PREVENTION PROGRAM, TYPE: DOUBLE RAM, WORKING PRESSURE: 5000, TEST PRESSURE: 5000, MANUFACTURER: CAMERON.

CEMENT PROGRAM ON PG. 2

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL C Approved by: BRYAN G. ARRANT DISTRICT II GEOLOGIST
Printed name: EVELYN P. SMITH	Title:
Title: ENGINEER TECH	Approval Date: MAY 24 2006 Expiration Date: MAY 24 2007
E-mail Address: EVELYN.SMITH@CHAPARRAL.COM	
Date: 5/16/06 Phone: (405) 478-8770 EXT: 1333	Conditions of Approval Attached <input type="checkbox"/>

Operator To run CBL on 8 5/8" casing if DV Tool is
 Run on 8 5/8" casing as discussed.
 BO

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 83880	³ Pool Name Riverside, Morrow
⁴ Property Code	⁵ Property Name ROBERTS 13	⁶ Well Number #1.4
⁷ OGRID No.	⁸ Operator Name CHAPARRAL ENERGY, LLC.	⁹ Elevation 3306'

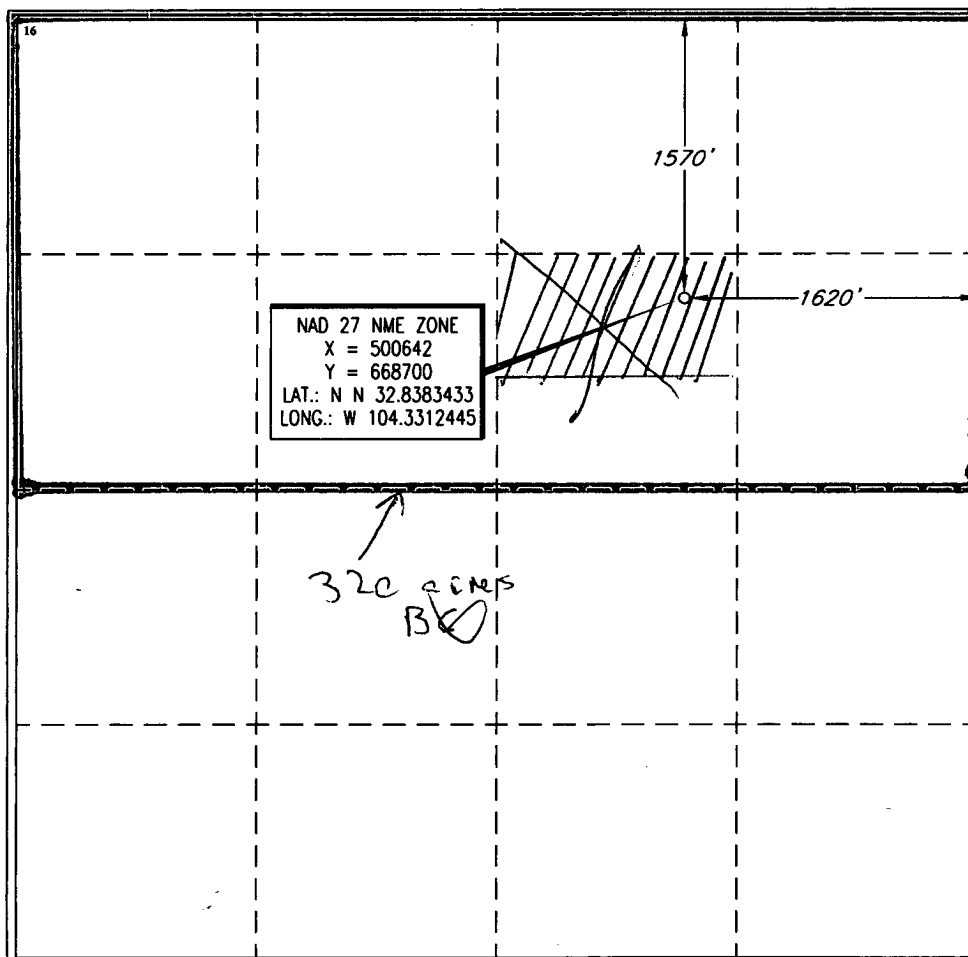
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	13	17 SOUTH	26 EAST, N.M.P.M.		1570'	NORTH	1620'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320 LD	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Evelyn P. Smith
Printed Name: Evelyn P. Smith
Title: Eng. Tech / Delg
Date: 5/22/2006

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.

Date of Survey: FEBRUARY 3, 2006
Signature and Seal of Professional Surveyor: [Seal of V. L. BEZNER, LICENSED LAND SURVEYOR, NEW MEXICO]

Signature: V. L. BEZNER
Certificate Number: V. L. BEZNER R.P.S. #7920
JOB #113619 / 100SE / J.M.S.

CASING PROGRAM

STRING TYPE	CSG SIZE	INTERVAL	LENGTH FT.	WT/FT	GRADE	CPLG	THD	TORQUE FT-LBS
Surface	20"	0' - 120'	120'	94#	J-55	STC	8rd	
Intermediate	8-5/8"	0' -1500'	1500'	32.0	J-55	LT&C	8rd	4170
Production	5 1/2"	0' - 9,100'	9,100'	17.0	N-80	LT&C	8rd	3480

CEMENTING PROGRAM

20" Surface Casing	Lead: 375 sx Premium Plus: 1/4 lbm/sk Flocele, 2% CaCl2	1.35	14.8	Surface
8 5/8" Stage #1 Intermediate Casing	Lead: 380sx Light Premium Plus: 1/4 lbm/sk Flocele	1.78	12.9	350'
8 5/8" Stage #1 Intermediate Casing	Tail: 200sx Light Premium Plus: 1/4 lbm/sk Flocele	1.35	14.8	350'
8 5/8" Stage #2 Intermediate Casing	Tail: 430 sx Premium Plus: 1/4 lbm/sk Flocele	1.35	14.8	Surface
	Stage Tool @ 350'	1.35	14.8	Surface
5-1/2" Production Casing	Lead: 115 sx Light Premium: 1/4 lbm/sk Flocele	2.00	13.2	6500'
	Tail: 225 sx Super H Cement: 0.5% LAP-1, 1/4 lbm/sx D-AIR 3000, 0.4% CFR-3, 0.2% HR-7, 3 lbm/sx Salt	1.64	13.2	7500'

Permit Conditions of Approval

Operator: CHAPARRAL ENERGY LLC , 4115

Well: ROBERTS 13 #001

API: 30-015-34832

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator to drill surface and intermediate hole with 'fresh water' mud.
BArrant	Please notify OCD time of spud and time to witness the surface and intermediate casing strings.

Chaparral

Energy, L.L.C.

April 26, 2006

Mr. Bryan Arrant
State of New Mexico
OCD
1301 W. Grand Ave
Artesia, NM 88210

30-015-34832

Re: Roberts #1-13
Section 13-17S-26E
Eddy Co., NM

Gentlemen:

This letter accompanies our Application for Permit to Drill the above referenced well. In order to comply with the NMOCD rules and guidelines Chaparral Energy, LLC will utilize a closed loop mud system. Drilling mud will be contained within the drilling rig's steel pits. Drill cutting will be collected in steel bins to be hauled off location to an approved site. Both fresh and bring water for drilling will be stored in steel tanks. A self contained sanitation system for drilling personnel will be utilized.

Since a closed loop system will be used, no earthen pits will be constructed other than a burn pit for drilling flares. Therefore, we have not submitted a NM Form C-144 for approval

Respectfully,

Chaparral Energy, LLC

Charles Warne
Drilling Engineer

/dk





April 26, 2006

Mr. Bryan Arrant
State of New Mexico
OCD
1301 W. Grand Ave
Artesia, NM 88210

Re: Roberts #1-13
Section 13-17S-26E
Eddy Co., NM

Gentlemen:

This letter is in reference to the OCD's requirements for H2S contingency plan for the above referenced well. No H2S is expected in the drilling of the above referenced well. H2S detection equipment will be installed prior to the top of the Delaware formation as a precautionary measure.

Respectfully,

Chaparral Energy, LLC

Charles Warne
Drilling Engineer

/dk



HALLIBURTON

**Chaparral Energy Inc
701 Cedar Lake Boulevard
Oklahoma City, Oklahoma 73114**

Roberts 1-13

Eddy County, New Mexico
United States of America

Cementing Cost Estimate

Prepared for: Rene St. Pierre
April 17, 2006
Version: 1

Submitted by:
Mark R. Briney
Halliburton Energy Services
6155 W Murphy
Odessa, Texas 79763
432.661.3578

HALLIBURTON

HALLIBURTON

*Halliburton appreciates the opportunity to present
this proposal and looks forward to being of service to you.*

Foreword

Halliburton Energy Services is pleased to have this opportunity to present this proposal for your consideration. We earnestly request the service work to be performed on this well.

These Service Coordinators can be reached in our Customer Service Center, at the following phone numbers :

432-682-4305 or 1-800-844-8451

CEMENTING:	Joe Briseno Steve Luscombe Basil Hacker Scott Kerby
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STIMULATION:	Mel Holt Larry Staples Larry Roberts
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LOGGING & PERFORATING:	Allen Avera
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COILED TUBING & NITROGEN:	Michael Ybaben
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TOOLS & TESTING, PROD. SVCS., TCP, COMPL. PRODUCTS:	Steve Engleman
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DRILL BITS, SECURITY DBS:	Bill Stark
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PREPARED BY:	Mark R. Briney
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We look forward to working with you to provide the very best quality services available in the Permian Basin.

Mark R. Briney, Lead Technical Professional

Job Information

Surface Casing

Roberts 1-13

Surface Hole	0 - 320 ft (MD)
Inner Diameter	17.500 in
Job Excess	100 %

Surface Casing	0 - 320 ft (MD)
Outer Diameter	13.375 in
Inner Diameter	12.515 in
Linear Weight	48 lbm/ft
Thread	STC
Casing Grade	H-40

Calculations

Surface Casing

Spacer:

Total Spacer	= 112.29 ft ³
	= 20.00 bbl

Cement : (320.00 ft fill)

320.00 ft * 0.6946 ft ³ /ft * 100 %	= 444.57 ft ³
Primary Cement	= 444.57 ft ³
	= 79.18 bbl

Shoe Joint Volume: (40.00 ft fill)

40.00 ft * 0.8543 ft ³ /ft	= 34.17 ft ³
	= 6.09 bbl
Tail plus shoe joint	= 478.74 ft ³
	= 85.27 bbl
Total Tail	= 355 sks

Job Recommendation

Surface Casing

Install floating equipment, run casing to bottom, and circulate minimum of 2-3 hole volumes prior to cementing as follows:

Fluid Instructions

Fluid 1: Pump 20 bbl
Fresh Water

Fluid Density: 8.33 lbm/gal
Fluid Volume: 20 bbl

Fluid 2: Mix and Pump 360 sks
Premium Plus Cement
94 lbm/sk Premium Plus Cement
0.25 lbm/sk Flocele (Lost Circulation Additive)
2 % Calcium Chloride (Accelerator)

Fluid Weight 14.80 lbm/gal
Slurry Yield: 1.35 ft³/sk
Total Mixing Fluid: 6.38 Gal/sk
Top of Fluid: 0 ft
Calculated Fill: 320 ft
Volume: 85.27 bbl
Calculated Sacks: 355.15 sks
Proposed Sacks: 360 sks

HALLIBURTON

Cost Estimate

Surface Casing

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	120 1	MI	8.74	1,048.80
	0% disc. on surcharge(s) & permit(s)				
7	ENVIRONMENTAL SURCHARGE	1	EA	120.00	120.00
86955	FUEL SURCHG-HEAVY TRKS >1 1/2 TON/PER MI Number of Units	120 1	MI	0.40	48.00
86954	FUEL SURCHG-CARS/PICKUPS<1 1/2TON/PER/MI Number of Units	120 1	MI	0.13	15.60
87605	FUEL SURCHG-CMT & CMT ADDITIVES/PER TNM NUMBER OF TONS	60 17.3	MI	0.13	134.94
372867	Cmt PSL - DOT Vehicle Charge, CMT	2	EA	215.20	430.40
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 320 FT	EA	3,596.00	3,596.00
16092	ADDITIONAL HOURS ON LOC (AS APPLY) HOURS	0 1	EA	828.00	0.00
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	EA	2,031.00	2,031.00
361922	LO TORC?VLV 2", W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	1 1 DAY	EA	74.50	74.50
381901	Rotary Steel Hose 2", w/HES,per day, CMT TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	78.00	312.00
361923	LEAD-OFF SWING,2", W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	43.40	173.60
74038	PLUG CONTAINER RENTAL DAYS OR FRACTION (MIN1)	1 1	EA	0.00	1,180.00
	25% disc. on plug(s)				
101235693	PLUG,CMTG,TOP,13 3/8,HWE,11.79 MIN/12.72	1	EA	891.00	891.00
100012205	PREMIUM PLUS CEMENT	360	SK	34.51	12,423.60
100005049	FLOCELE	90	LB	6.16	554.40
100005053	CALCIUM CHLORIDE HI TEST PLT	9	SK	199.30	1,793.70
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	60 17.3	MI	2.99	3,103.62
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	377 1	CF	4.90	1,847.30
	Total			USD	30,395.26
	Less 51% Discount			USD	14,887.98
	Discounted Total			USD	15,507.28

HALLIBURTON

Casing/Sales Equipment

Surface Casing

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON Number of Units	120 1	MI	0.13	15.60
101314697	SHOE,CSG,TIGER TOOTH,13-3/8 8RD	1	EA	1,321.00	1,321.00
100004705	V ASSY,INSR FLOAT,13 3/8,8RD	1	EA	1,273.00	1,273.00
100004487	CENTRALIZER-13 3/8"-CSG-17 1/2"-HINGED	4	EA	253.00	1,012.00
100004631	CLAMP - LIMIT - 13-3/8 - HINGED -	1	EA	71.40	71.40
100005045	KIT,HALL WELD-A	2	EA	66.30	132.60
	Total			USD	4,442.40
	Less Discount			USD	1,883.81
	Discounted Total			USD	2,558.59

Job Information

Intermediate Casing

Roberts 1-13

Surface Casing	0 - 320 ft (MD)
Outer Diameter	13.375 in
Inner Diameter	12.515 in
Linear Weight	48 lbm/ft
Thread	STC
Casing Grade	H-40
Intermediate Hole	320 - 1500 ft (MD)
Inner Diameter	11.000 in
Job Excess	100 %
Intermediate Casing	0 - 1500 ft (MD)
Outer Diameter	8.625 in
Inner Diameter	7.921 in
Linear Weight	32 lbm/ft

Calculations**Intermediate Casing**

Spacer:

$$\begin{aligned}\text{Total Spacer} &= 224.58 \text{ ft}^3 \\ &= 40.00 \text{ bbl}\end{aligned}$$

Spacer:

$$\begin{aligned}\text{Total Spacer} &= 56.15 \text{ ft}^3 \\ &= 10.00 \text{ bbl}\end{aligned}$$

Cement : (1200.00 ft fill)

$$\begin{aligned}320.00 \text{ ft} * 0.4485 \text{ ft}^3/\text{ft} * 0 \% &= 143.53 \text{ ft}^3 \\ 880.00 \text{ ft} * 0.2542 \text{ ft}^3/\text{ft} * 100 \% &= 447.42 \text{ ft}^3 \\ \text{Total Lead Cement} &= 590.94 \text{ ft}^3 \\ &= 105.25 \text{ bbl} \\ \text{Sacks of Cement} &= 332 \text{ sks}\end{aligned}$$

Cement : (300.00 ft fill)

$$\begin{aligned}300.00 \text{ ft} * 0.2542 \text{ ft}^3/\text{ft} * 100 \% &= 152.53 \text{ ft}^3 \\ \text{Tail Cement} &= 152.53 \text{ ft}^3 \\ &= 27.17 \text{ bbl}\end{aligned}$$

Shoe Joint Volume: (40.00 ft fill)

$$\begin{aligned}40.00 \text{ ft} * 0.3422 \text{ ft}^3/\text{ft} &= 13.69 \text{ ft}^3 \\ &= 2.44 \text{ bbl} \\ \text{Tail plus shoe joint} &= 166.22 \text{ ft}^3 \\ &= 29.60 \text{ bbl} \\ \text{Total Tail} &= 123 \text{ sks}\end{aligned}$$

Job Recommendation

Intermediate Casing

Install floating equipment, run casing to bottom, and circulate minimum of 2-3 hole volumes prior to cementing as follows:

Fluid Instructions

Fluid 1: Mix and Pump 40 bbl

Fresh Water Gel Pill

2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid Density: 8.33 lbm/gal

Fluid Volume: 40 bbl

Fluid 2: Pump 10 bbl

Fresh Water

Fluid Density: 8.33 lbm/gal

Fluid Volume: 10 bbl

Fluid 3: Mix and Pump 335 sks

Halliburton Light Premium Plus

0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 12.90 lbm/gal

Slurry Yield: 1.78 ft³/sk

Total Mixing Fluid: 9.54 Gal/sk

Top of Fluid: 0 ft

Calculated Fill: 1200 ft

Volume: 105.25 bbl

Calculated Sacks: 331.62 sks

Proposed Sacks: 335 sks

Fluid 4: Mix and Pump 125 sks

Premium Plus Cement

94 lbm/sk Premium Plus Cement

0.25 lbm/sk Flocele (Lost Circulation Additive)

2 % Calcium Chloride (Accelerator)

Fluid Weight 14.80 lbm/gal

Slurry Yield: 1.35 ft³/sk

Total Mixing Fluid: 6.38 Gal/sk

Top of Fluid: 1200 ft

Calculated Fill: 300 ft

Volume: 29.60 bbl

Calculated Sacks: 123.31 sks

Proposed Sacks: 125 sks

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Cost Estimate

Intermediate Casing

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	120 1	MI	8.74	1,048.80
11941	FIELD STORAGE BIN DELIVERY Number of Units	120 1	MI	8.74	1,048.80
	0% disc. on surcharge(s) & permit(s)				
7	ENVIRONMENTAL SURCHARGE	1	EA	120.00	120.00
86955	FUEL SURCHG-HEAVY TRKS >1 1/2 TON/PER MI Number of Units	120 2	MI	0.40	96.00
86954	FUEL SURCHG-CARS/PICKUPS<1 1/2TON/PER/MI Number of Units	120 1	MI	0.13	15.60
87605	FUEL SURCHG-CMT & CMT ADDITIVES/PER TNM NUMBER OF TONS	60 21.5	MI	0.13	167.70
372867	Cmt PSL - DOT Vehicle Charge, CMT	2	EA	215.20	430.40
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 1500 FT	EA	3,596.00	3,596.00
16092	ADDITIONAL HOURS ON LOC (AS APPLY) HOURS	0 1	EA	828.00	0.00
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	EA	2,031.00	2,031.00
16115	FIELD STORAGE BIN >8 HRS,DAY,ZI DAYS OR PARTIAL DAY(WHOLE NO.)	1 1	EA	1,200.00	1,200.00
361922	LO TORC?VLV 2", W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	1 1 DAY	EA	74.50	74.50
381901	Rotary Steel Hose 2", w/HES,per day, CMT TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	78.00	312.00
361923	LEAD-OFF SWING,2", W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	43.40	173.60
74038	PLUG CONTAINER RENTAL DAYS OR FRACTION (MIN1)	1 1	EA	0.00	1,180.00
	25% disc. on plug(s)				
101227839	PLUG,CMTG,TOP,8 5/8,HWE,7.20 MIN/8.09 MA	1	EA	339.00	339.00
100003638	WG-19	100	LB	23.69	2,369.00
14241	HALLIBURTON LIGHT PREMIUM PLUS	335	SK	29.20	9,782.00
100005049	FLOCELE	115	LB	6.16	708.40
100012205	PREMIUM PLUS CEMENT	125	SK	34.51	4,313.75
100005053	CALCIUM CHLORIDE HI TEST PLT	3	SK	199.30	597.90
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	60 21.5	MI	2.99	3,857.10
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI	500	CF	4.90	2,450.00

HALLIBURTON

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
	NUMBER OF EACH	1			
	Total			USD	36,528.35
	Less 51% Discount			USD	18,118.18
	Discounted Total			USD	18,410.17

Casing/Sales Equipment

Intermediate Casing

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON Number of Units	120 1	MI	0.13	15.60
101242322	SHOE,FLT,TROPHY SEAL,8 5/8 8RD	1	EA	552.00	552.00
101235370	CLR,FLT,TROPHY SEAL,8-5/8 8RD	1	EA	760.00	760.00
100004483	CENTRALIZER ASSY - API - 8-5/8 CSG X	8	EA	174.00	1,392.00
100004628	CLAMP - LIMIT - 8-5/8 - HINGED -	1	EA	50.70	50.70
100005045	KIT,HALL WELD-A	1	EA	66.30	66.30
	Total			USD	3,453.40
	Less Discount			USD	1,553.59
	Discounted Total			USD	1,899.81

Job Information

Production Casing (Option 1)

Roberts 1-13

Intermediate Casing	0 - 1500 ft (MD)
Outer Diameter	8.625 in
Inner Diameter	7.921 in
Linear Weight	32 lbm/ft

Production Open Hole	1500 - 9100 ft (MD)
Inner Diameter	7.875 in
Job Excess	30 %

Production Casing	0 - 9100 ft (MD)
Outer Diameter	5.500 in
Inner Diameter	4.892 in
Linear Weight	17 lbm/ft

HALLIBURTON

Calculations

Production Casing (Option 1)

Spacer:

$$\begin{aligned} 593.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 133.56 \text{ ft}^3 \\ \text{Total Spacer} &= 133.63 \text{ ft}^3 \\ &= 23.80 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 125.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 28.15 \text{ ft}^3 \\ \text{Total Spacer} &= 28.07 \text{ ft}^3 \\ &= 5.00 \text{ bbl} \end{aligned}$$

Cement : (1000.00 ft fill)

$$\begin{aligned} 1000.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 225.23 \text{ ft}^3 \\ \text{Total Lead Cement} &= 225.23 \text{ ft}^3 \\ &= 40.12 \text{ bbl} \\ \text{Sacks of Cement} &= 112 \text{ sks} \end{aligned}$$

Cement : (1600.00 ft fill)

$$\begin{aligned} 1600.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 360.37 \text{ ft}^3 \\ \text{Tail Cement} &= 360.37 \text{ ft}^3 \\ &= 64.18 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (40.00 ft fill)

$$\begin{aligned} 40.00 \text{ ft} * 0.1305 \text{ ft}^3/\text{ft} &= 5.22 \text{ ft}^3 \\ &= 0.93 \text{ bbl} \\ \text{Tail plus shoe joint} &= 365.59 \text{ ft}^3 \\ &= 65.11 \text{ bbl} \\ \text{Total Tail} &= 223 \text{ sks} \end{aligned}$$

Job Recommendation

Production Casing (Option 1)

Install floating equipment, run casing to bottom, and circulate minimum of 2-3 hole volumes prior to cementing as follows:

Fluid Instructions

Fluid 1: Mix and Pump 1000 gals

MUD FLUSH

Fluid Density: 8.40 lbm/gal

Fluid Volume: 23.80 bbl

Fluid 2: Pump 5 bbl

Fresh Water

Fluid Density: 8.33 lbm/gal

Fluid Volume: 5 bbl

Fluid 3: Mix and Pump 115 sks

Halliburton Light Premium

0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 12.40 lbm/gal

Slurry Yield: 2.00 ft³/sk

Total Mixing Fluid: 11.20 Gal/sk

Top of Fluid: 6500 ft

Calculated Fill: 1000 ft

Volume: 40.12 bbl

Calculated Sacks: 112.45 sks

Proposed Sacks: 115 sks

Fluid 4: Mix and Pump 225 sks

Super H Cement

0.5 % LAP-1 (Low Fluid Loss Control)

0.25 lbm/sk D-AIR 3000 (Defoamer)

0.4 % CFR-3 (Dispersant)

0.2 % HR-7 (Retarder)

3 lbm/sk Salt (Salt)

Fluid Weight 13.20 lbm/gal

Slurry Yield: 1.64 ft³/sk

Total Mixing Fluid: 8.47 Gal/sk

Top of Fluid: 7500 ft

Calculated Fill: 1600 ft

Volume: 65.11 bbl

Calculated Sacks: 223.19 sks

Proposed Sacks: 225 sks

These cement volumes are based on field experience in the area and should be recalculated if a caliper log should become available.

Note: Actual retarder concentrations to be determined through lab testing.

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Cost Estimate

Production Casing (Option 1)

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	120 1	MI	8.74	1,048.80
11941	FIELD STORAGE BIN DELIVERY Number of Units	120 1	MI	8.74	1,048.80
	0% disc. on surcharge(s) & permit(s)				
7	ENVIRONMENTAL SURCHARGE	1	EA	120.00	120.00
86955	FUEL SURCHG-HEAVY TRKS >1 1/2 TON/PER MI Number of Units	120 2	MI	0.40	96.00
86954	FUEL SURCHG-CARS/PICKUPS<1 1/2TON/PER/MI Number of Units	120 1	MI	0.13	15.60
87605	FUEL SURCHG-CMT & CMT ADDITIVES/PER TNM NUMBER OF TONS	60 15.56	MI	0.13	121.37
372867	Cmt PSL - DOT Vehicle Charge, CMT	3	EA	215.20	645.60
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 9100 FT	EA	8,992.00	8,992.00
16092	ADDITIONAL HOURS ON LOC (AS APPLY) HOURS	0 1	EA	828.00	0.00
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	EA	2,031.00	2,031.00
16115	FIELD STORAGE BIN >8 HRS,DAY,ZI DAYS OR PARTIAL DAY(WHOLE NO.)	1 1	EA	1,200.00	1,200.00
361922	LO TORC?VLV 2",W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	1 1 DAY	EA	74.50	74.50
381901	Rotary Steel Hose 2", w/HES,per day, CMT TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	78.00	312.00
361923	LEAD-OFF SWING,2",W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	43.40	173.60
74038	PLUG CONTAINER RENTAL DAYS OR FRACTION (MIN1)	1 1	EA	0.00	1,180.00
	25% disc. on plug(s)				
101237390	PLUG,CMTG,TOP,5 1/2,HWE,4.38 MIN/5.09 MA	1	EA	185.00	185.00
13383	MUD FLUSH	1000	GAL	1.93	1,930.00
12311	HALLIBURTON LIGHT PREMIUM	115	SK	28.11	3,232.65
100005049	FLOCELE	29	LB	6.16	178.64
14532	PERMIAN BASIN SUPER H CEMENT	225	SK	56.55	12,723.75
100012766	LAP-1	98	LB	19.92	1,952.16
101007446	D-AIR 3000	57	LB	8.99	512.43
100003653	CFR-3	79	LB	12.89	1,018.31
100003695	SALT,CEM GR	675	LB	0.43	290.25
100005055	HR-7 CEMENT RETARDER	40	LB	4.59	183.60

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<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	60 15.58	MI	2.99	2,795.05
3965	HANDLE&DUMP SVC CHRG, CMT&ADDITIVES,ZI NUMBER OF EACH	467 1	CF	4.90	2,288.30
	Total			USD	44,966.21
	Less 51% Discount			USD	22,423.52
	Discounted Total			USD	22,542.69

Casing/Sales Equipment

Production Casing (Option 1)

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON Number of Units	120 1	MI	0.13	15.60
100004895	SHOE,FLOAT,5 1/2 8RD,2 3/4 SUPER SEAL	1	EA	680.00	680.00
100004769	CLR,FLT,5-1/2 8RD,14-23PPF,2-3/4	1	EA	797.00	797.00
100004624	CLAMP - LIMIT - 5-1/2 - HINGED -	1	EA	43.20	43.20
100005045	KIT,HALL WELD-A	1	EA	66.30	66.30
	Total			USD	2,218.90
	Less Discount			USD	917.44
	Discounted Total			USD	1,301.46

Job Information

Production Casing (Option 2)

Roberts 1-13

Intermediate Casing	0 - 1500 ft (MD)
Outer Diameter	8.625 in
Inner Diameter	7.921 in
Linear Weight	32 lbm/ft

Production Open Hole	1500 - 9100 ft (MD)
Inner Diameter	7.875 in
Job Excess	30 %

Production Casing	0 - 9100 ft (MD)
Outer Diameter	5.500 in
Inner Diameter	4.892 in
Linear Weight	17 lbm/ft

Multiple Stage Cementer	7500 ft (MD)
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Calculations

Production Casing (Option 2)

Stage 1

Spacer:

$$\begin{aligned} 593.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 133.56 \text{ ft}^3 \\ \text{Total Spacer} &= 133.63 \text{ ft}^3 \\ &= 23.80 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 125.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 28.15 \text{ ft}^3 \\ \text{Total Spacer} &= 28.07 \text{ ft}^3 \\ &= 5.00 \text{ bbl} \end{aligned}$$

Cement : (1800.00 ft fill)

$$\begin{aligned} 1800.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 405.42 \text{ ft}^3 \\ \text{First Stage Lead Cement} &= 405.42 \text{ ft}^3 \\ &= 72.21 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (40.00 ft fill)

$$\begin{aligned} 40.00 \text{ ft} * 0.1305 \text{ ft}^3/\text{ft} &= 5.22 \text{ ft}^3 \\ &= 0.93 \text{ bbl} \\ \text{Tail plus shoe joint} &= 410.64 \text{ ft}^3 \\ &= 73.14 \text{ bbl} \\ \text{Total Tail} &= 250 \text{ sks} \end{aligned}$$

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Stage 2

Spacer:

$$\begin{aligned} 593.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 133.56 \text{ ft}^3 \\ \text{Total Spacer} &= 133.63 \text{ ft}^3 \\ &= 23.80 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 125.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 28.15 \text{ ft}^3 \\ \text{Total Spacer} &= 28.07 \text{ ft}^3 \\ &= 5.00 \text{ bbl} \end{aligned}$$

Cement : (706.00 ft fill)

$$\begin{aligned} 706.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 159.01 \text{ ft}^3 \\ \text{Total Second Stage Lead Cement} &= 159.01 \text{ ft}^3 \\ &= 28.32 \text{ bbl} \\ \text{Sacks of Cement} &= 116 \text{ sks} \end{aligned}$$

Cement : (294.00 ft fill)

$$\begin{aligned} 294.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 66.22 \text{ ft}^3 \\ \text{Second Stage Tail Cement} &= 66.22 \text{ ft}^3 \\ &= 11.79 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (0.00 ft fill)

$$\begin{aligned} 0.00 \text{ ft} * 0.1305 \text{ ft}^3/\text{ft} &= 0.00 \text{ ft}^3 \\ &= 0.00 \text{ bbl} \\ \text{Tail plus shoe joint} &= 66.22 \text{ ft}^3 \\ &= 11.79 \text{ bbl} \\ \text{Total Tail} &= 50 \text{ sks} \end{aligned}$$

Job Recommendation

Production Casing (Option 2)

Install floating equipment, run casing to bottom, and circulate minimum of 2-3 hole volumes prior to cementing as follows:

Fluid Instructions

Stage 1

Fluid 1: Mix and Pump 1000 gals
MUD FLUSH

Fluid Density: 8.40 lbm/gal
Fluid Volume: 23.80 bbl

Fluid 2: Pump 5 bbl
Fresh Water

Fluid Density: 8.33 lbm/gal
Fluid Volume: 5 bbl

Fluid 3: Mix and Pump 255 sks
Super H Cement

0.5 % LAP-1 (Low Fluid Loss Control)
0.4 % CFR-3 (Dispersant)
0.25 lbm/sk D-AIR 3000 (Defoamer)
3 lbm/sk Salt (Salt)
0.7 % HR-7 (Retarder)

Fluid Weight 13.20 lbm/gal
Slurry Yield: 1.64 ft³/sk
Total Mixing Fluid: 8.46 Gal/sk
Top of Fluid: 7300 ft
Calculated Fill: 1800 ft
Volume: 73.14 bbl
Calculated Sacks: 250.24 sks
Proposed Sacks: 255 sks

DV Tool

7500 ft (MD)

Circulate a minimum of 4 hours between stages.

Stage 2

Fluid 1: Mix and Pump 1000 gals
MUD FLUSH

Fluid Density: 8.40 lbm/gal
Fluid Volume: 23.80 bbl

Fluid 2: Pump 5 bbl
Fresh Water

Fluid Density: 8.33 lbm/gal
Fluid Volume: 5 bbl

Fluid 3: Mix and Pump 120 sks
50/50 Poz Premium
0.3 % Halad(R)-322 (Low Fluid Loss Control)

Fluid Weight 13.80 lbm/gal
Slurry Yield: 1.37 ft³/sk
Total Mixing Fluid: 6.62 Gal/sk
Top of Fluid: 6500 ft
Calculated Fill: 706 ft
Volume: 28.31 bbl
Calculated Sacks: 116.26 sks
Proposed Sacks: 120 sks

Fluid 4: Mix and Pump 50 sks
Premium Plus Cement
94 lbm/sk Premium Plus Cement

Fluid Weight 14.80 lbm/gal
Slurry Yield: 1.33 ft³/sk
Total Mixing Fluid: 6.34 Gal/sk
Top of Fluid: 7206 ft
Calculated Fill: 294 ft
Volume: 11.81 bbl
Calculated Sacks: 50 sks
Proposed Sacks: 50 sks

These cement volumes are based on field experience in the area and should be recalculated if a caliper log should become available.

Note: Actual retarder concentrations to be determined through lab testing.

HALLIBURTON

Cost Estimate

Production Casing (Option 2)

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	120 1	MI	8.74	1,048.80
11941	FIELD STORAGE BIN DELIVERY Number of Units	120 1	MI	8.74	1,048.80
	0% disc. on surcharge(s) & permit(s)				
7	ENVIRONMENTAL SURCHARGE	1	EA	120.00	120.00
86955	FUEL SURCHG-HEAVY TRKS >1 1/2 TON/PER MI Number of Units	120 2	MI	0.40	96.00
86954	FUEL SURCHG-CARS/PICKUPS<1 1/2TON/PER/MI Number of Units	120 1	MI	0.13	15.60
87605	FUEL SURCHG-CMT & CMT ADDITIVES/PER TNM NUMBER OF TONS	60 19.19	MI	0.13	149.68
372867	Cmt PSL - DOT Vehicle Charge, CMT	4	EA	215.20	860.80
16093	MSC PUMP CHARGE (1ST STAGE), ZI DEPTH FEET/METERS (FT/M)	1 9100 FT	EA	8,992.00	8,992.00
16	MULTIPLE STAGE CEMENTING Number of Units	1 1	STG	4,138.00	4,138.00
17	MSC ON SITE,ADD HR,ZI Number of Units	0 1	H	696.00	0.00
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	EA	2,031.00	2,031.00
16115	FIELD STORAGE BIN >8 HRS,DAY,ZI DAYS OR PARTIAL DAY(WHOLE NO.)	1 1	EA	1,200.00	1,200.00
116	BOOSTER PUMP-SKID,/DAY,ZI NUMBER OF DAYS	1 1	EA	1,216.00	1,216.00
361922	LO TORC?VLV 2",W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	1 1 DAY	EA	74.50	74.50
381901	Rotary Steel Hose 2", w/HES,per day, CMT TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	78.00	312.00
361923	LEAD-OFF SWING,2",W/HES,/DAY,ZI TOTAL NUMBER HR/DAY/WEEK/MTH/YEAR/JOB/RUN	4 1 DAY	EA	43.40	173.60
74038	PLUG CONTAINER RENTAL DAYS OR FRACTION (MIN1)	1 1	EA	0.00	1,180.00
13383	MUD FLUSH	2000	GAL	1.93	3,860.00
14532	PERMIAN BASIN SUPER H CEMENT	255	SK	56.55	14,420.25
100012766	LAP-1	111	LB	19.92	2,211.12
100003653	CFR-3	89	LB	12.89	1,147.21
101007446	D-AIR 3000	64	LB	8.99	575.36
100003695	SALT,CEM GR	765	LB	0.43	328.95
100005055	HR-7 CEMENT RETARDER	156	LB	4.59	716.04

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<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
12302	50-50 POZ (PREMIUM)	120	SK	24.64	2,956.80
100003646	HALAD-322	31	LB	16.58	513.98
100012205	PREMIUM PLUS CEMENT	50	SK	34.51	1,725.50
76400	ZI MILEAGE,CMT MTLS DEL/RET MIN NUMBER OF TONS	60 19.19	MI	2.99	3,442.69
3965	HANDLE&DUMP SVC CHRG, CMT&ADDITIVES,ZI NUMBER OF EACH	562 1	CF	4.90	2,753.80
	Total			USD	57,925.28
	Less 51% Discount			USD	28,908.45
	Discounted Total			USD	29,016.83

Casing/Sales Equipment

Production Casing (Option 2)

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	120 1	MI	5.14	616.80
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON Number of Units	120 1	MI	0.13	15.60
100004895	SHOE,FLOAT,5 1/2 8RD,2 3/4 SUPER SEAL	1	EA	680.00	680.00
100004769	CLR,FLT,5-1/2 8RD,14-23PPF,2-3/4	1	EA	797.00	797.00
100013917	CMTR,TY P ES,5-1/2 LG 8RD,17-23 LBS	1	EA	7,945.00	7,945.00
100004672	PLUG SET - FREE FALL - 5-1/2 8RD &	1	EA	965.00	965.00
100004624	CLAMP - LIMIT - 5-1/2 - HINGED -	1	EA	43.20	43.20
100005045	KIT,HALL WELD-A	2	EA	66.30	132.60
	Total			USD	11,195.20
	Less Discount			USD	4,328.44
	Discounted Total			USD	6,866.76

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Conditions

NOTE

The cost in this analysis is good for the materials and/or services outlined within. These prices are based on Halliburton being awarded the work on a first call basis. Prices will be reviewed for adjustments if awarded on 2nd or 3rd call basis and/or after 30 days of this written analysis. This is in an effort to schedule our work and maintain a high quality of performance for our customers.

The unit prices stated in the proposal are based on our current published prices. The projected equipment, personnel, and material needs are only estimates based on information about the work presently available to us. At the time the work is actually performed, conditions then existing may require an increase or decrease in the equipment, personnel, and/or material needs. Charges will be based upon unit prices in effect at the time the work is performed and the amount of equipment, personnel, and/or material actually utilized in the work. Taxes, if any, are not included. Applicable taxes, if any, will be added to the actual invoice.

It is understood and agreed between the parties that with the exception of the subject discounts, all services performed and equipment and materials sold are provided subject to Halliburton's General Terms and Conditions contained in our current price list, (which include LIMITATION OF LIABILITY and WARRANTY provisions), and pursuant to the applicable Halliburton Work Order Contract (whether or not executed by you), unless a Master Service and/or Sales Contract applicable to the services, equipment, or materials supplied exists between your company and Halliburton, in which case the negotiated Master Contract shall govern the relationship between the parties. A copy of the latest version of our General Terms and Conditions is available from your Halliburton representative or at:

http://www.halliburton.com/hes/general_terms_conditions.pdf for your convenient review, and we would appreciate receiving any questions you may have about them. Should your company be interested in negotiating a Master Contract with Halliburton, our Law Department would be pleased to work with you to finalize a mutually agreeable contract. In this connection, it is also understood and agreed that Customer will continue to execute Halliburton usual field work orders and/or tickets customarily required by Halliburton in connection with the furnishing of said services, equipment, and materials.

Any terms and conditions contained in purchase orders or other documents issued by the customer shall be of no effect except to confirm the type and quantity of services, equipment, and materials to be supplied to the customer.

If customer does not have an approved open account with Halliburton or a mutually executed written contract with Halliburton, which dictates payment terms different than those set forth in this clause, 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 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, plus all collection and court costs.