

Confidentiality Requested:

Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1

January 2018

Form must be Typed

Form must be Signed

All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____

CONTRACTOR: License # _____

Name: _____

Wellsite Geologist: _____

Purchaser: _____

Designate Type of Completion:

New Well Re-Entry Workover

Oil WSW SWD

Gas DH EOR

OG GSW

CM (Coal Bed Methane)

Cathodic Other (Core, Expl., etc.): _____

If Workover/Re-entry: Old Well Info as follows:

Operator: _____

Well Name: _____

Original Comp. Date: _____ Original Total Depth: _____

Deepening Re-perf. Conv. to EOR Conv. to SWD

Plug Back Liner Conv. to GSW Conv. to Producer

Commingled Permit #: _____

Dual Completion Permit #: _____

SWD Permit #: _____

EOR Permit #: _____

GSW Permit #: _____

Spud Date or Date Reached TD Completion Date or Recompletion Date

API No.: _____

Spot Description: _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ East West

_____ Feet from North / South Line of Section

_____ Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

GPS Location: Lat: _____, Long: _____
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)

Datum: NAD27 NAD83 WGS84

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Producing Formation: _____

Elevation: Ground: _____ Kelly Bushing: _____

Total Vertical Depth: _____ Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: _____ Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: _____ Feet

If Alternate II completion, cement circulated from: _____

feet depth to: _____ w/ _____ sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: _____ ppm Fluid volume: _____ bbls

Dewatering method used: _____

Location of fluid disposal if hauled offsite:

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Submitted Electronically

KCC Office Use ONLY

Confidentiality Requested

Date: _____

Confidential Release Date: _____

Wireline Log Received Drill Stem Tests Received

Geologist Report / Mud Logs Received

UIC Distribution

ALT I II III Approved by: _____ Date: _____

Operator Name: _____ Lease Name: _____ Well #: _____

Sec. _____ Twp. _____ S. R. _____ East West County: _____

INSTRUCTIONS: Show important tops of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed.

Final Radioactivity Log, Final Logs run to obtain Geophysical Data and Final Electric Logs must be emailed to kcc-well-logs@kcc.ks.gov. Digital electronic log files must be submitted in LAS version 2.0 or newer AND an image file (TIFF or PDF).

Drill Stem Tests Taken <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input type="checkbox"/> No Geologist Report / Mud Logs <input type="checkbox"/> Yes <input type="checkbox"/> No List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum
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CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

1. Did you perform a hydraulic fracturing treatment on this well? Yes No *(If No, skip questions 2 and 3)*
2. Does the volume of the total base fluid of the hydraulic fracturing treatment exceed 350,000 gallons? Yes No *(If No, skip question 3)*
3. Was the hydraulic fracturing treatment information submitted to the chemical disclosure registry? Yes No *(If No, fill out Page Three of the ACO-1)*

Date of first Production/Injection or Resumed Production/Injection:	Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____				
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i>	PRODUCTION INTERVAL: Top Bottom
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Shots Per Foot	Perforation Top	Perforation Bottom	Bridge Plug Type	Bridge Plug Set At	Acid, Fracture, Shot, Cementing Squeeze Record <i>(Amount and Kind of Material Used)</i>

TUBING RECORD:	Size:	Set At:	Packer At:	
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FRANKS Oilfield Service

◆ 815 Main Street Victoria, KS 67671 ◆ 24 Hour Phone (785) 639-7269
 ◆ Office Phone (785) 639-3949 ◆ Email: franksoilfield@yahoo.com

(NET NUMBER) 0925

LOCATION Hoxie

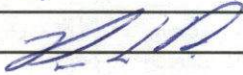
FOREMAN PD

FIELD TICKET & TREATMENT REPORT CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
4-30-23	34888	Bitter #2	6	16	13	Barton
CUSTOMER Patterson Energy LLC			TRUCK #		DRIVER	
MAILING ADDRESS PO Box 400			4		JT	
CITY Hays			103		CHRIS	
STATE KS						
ZIP CODE 67601						

JOB TYPE <u>Logging</u>	HOLE SIZE <u>7 7/8"</u>	HOLE DEPTH <u>3451'</u>	CASING SIZE & WEIGHT <u>5 1/2" 15.5"</u>
CASING DEPTH <u>3437'</u>	DRILL PIPE	TUBING	OTHER
SLURRY WEIGHT	SLURRY VOL	WATER gal/sk	CEMENT LEFT in CASING
DISPLACEMENT	DISPLACEMENT PSI	MIX PSI	RATE

REMARKS: safety meeting. set up after flock equipment. Circulated 1 hr. Hooked up to well pumped mud flush followed w KCL. Mud 50 sv for RHE MH followed w/ 145 sv. Washed up & displaced. h-ft pressure 9000. hand plug w/ 1400". Release to truck hole.

Thankyou!


ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
PR001		PUMP CHARGE	\$950.00	\$950.00
MD01	32	MILEAGE	\$65.00	\$208.00
MD02	9.84 tons	Ton mileage Delivery	\$100.00	\$100.00
CB031	145 sacks	Class A 10% salt 5" gilsonite	\$27.00	\$3915.00
CB009	50 sacks	110/40 4% gel	\$16.10	\$805.00
FE0033	1	5 1/2" AFLU	\$400.00	\$400.00
FE051	1	5 1/2" latch down plug assembly	\$495.00	\$495.00
FE014	1	5 1/2" stabilizer	\$80.00	\$480.00
FE022	2	5 1/2" basket	\$275.00	\$550.00
CP013	500 gal.	mudflush	\$1.00	\$500.00
CP014	2 gal	KCL	\$30.00	\$60.00
			sub total	\$8913.00
			less 5% disc.	\$448.15
			sub total	\$8,514.85
			SALES TAX	513.36
			ESTIMATED TOTAL	9028.21

AUTHORIZATION  TITLE _____ DATE _____

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form.

AUSTIN B. KLAUS

Cell 785.650.3629
Work 785.483.3145
Ext 225

PO BOX 352
Russell, KS 67665
austin.klaus@johnofarmer.com

Scale 1:240 (5"=100') Imperial
Measured Depth Log

Well Name: Bitter #2
API: 15-009-26393-00-00
Location: Barton County
License Number: **Region:** Kansas
Spud Date: 04/25/2023 **Drilling Completed:** 04/29/2023
Surface Coordinates: Section 6, Township 16 South, Range 13 West
1,310' FSL & 1,760' FEL
Bottom Hole Coordinates: Vertical well w/ minimal deviation, same as above
Ground Elevation (ft): 1,918 **K.B. Elevation (ft):** 1,926
Logged Interval (ft): 2,750 **To:** 3,451 **Total Depth (ft):** 3,450
Formation: Topeka - Arbuckle
Type of Drilling Fluid: Chemical (Andy's Mud)

Printed by StripLog from WellSight Systems 1-800-447-1534 www.WellSight.com

OPERATOR

Company: Patterson Energy, LLC
Address: PO Box 400
Hays, KS 67601

GEOLOGIST




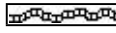




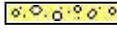





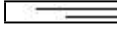

Name: Austin Klaus
Company: John O. Farmer, Inc.
Address: 370 W. Wichita Ave.
Russell, KS 67665

Comments

The Bitter #2 well was drilled by Discovery Drilling Company Rig #2 (Tool Pusher: Travis Schmidt).

Drilling time was recorded and rock samples were collected and evaluated from 2,650'- 3,451'. Oil shows were encountered in several Lansing/Kansas City zones and Arbuckle (see sample descriptions below). Structurally, the LKC top was picked 12' high to the comparison well, located 550' west (Bitter, J.G. B #11, 4/1940). Structure thinned in the lower LKC and the Arbuckle top was picked 15' high to the comparison well. The Bitter #2 is the highest well, at the Arbuckle, in the SE/4 Sec. 6-16S-13W. After comprehensive evaluation of all oil shows, electric logs, and structural position, it was decided that 5-1/2" production casing be set to further evaluate the Bitter #2 on April 30, 2023.

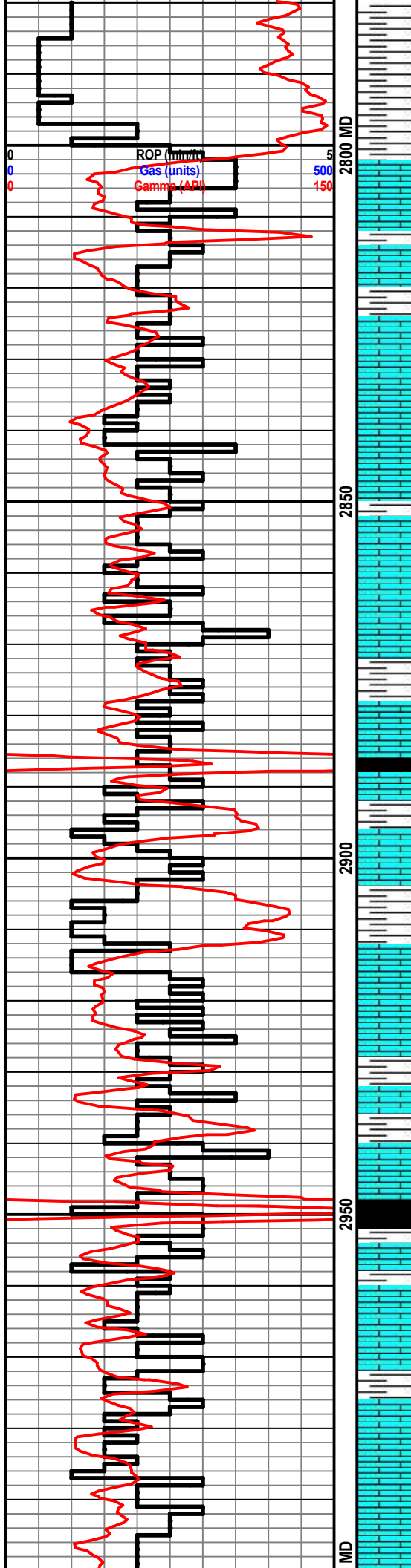
ROCK TYPES

 Anhy	 Clyst	 Gyp	 Mrlst	 Shgy
 Bent	 Coal	 Igne	 Salt	 Slstst
 Brec	 Congl	 Lmst	 Shale	 Ss
 Cht	 Dol	 Meta	 Shcol	 Till

OTHER SYMBOLS

POROSITY	<input type="checkbox"/> Vuggy	ROUNDING	<input type="checkbox"/> Spotted	EVENT
<input type="checkbox"/> Earthy	SORTING	<input type="checkbox"/> Rounded	<input type="checkbox"/> Ques	<input type="checkbox"/> Rft
<input type="checkbox"/> Fenest		<input type="checkbox"/> Subrnd	<input type="checkbox"/> Dead	<input type="checkbox"/> Sidewall
<input type="checkbox"/> Fracture		<input type="checkbox"/> Subang	INTERVAL	
<input type="checkbox"/> Inter		<input type="checkbox"/> Angular		<input type="checkbox"/> Core
<input type="checkbox"/> Moldic	<input type="checkbox"/> Well	<input type="checkbox"/> Even	<input type="checkbox"/> Dst	
<input type="checkbox"/> Organic	<input type="checkbox"/> Moderate			
<input type="checkbox"/> Pinpoint	<input type="checkbox"/> Poor			

Curve Track 1	MD	Lithology	Geological Descriptions	DST/Mud/Survey																											
ROP (min/ft) ————— Gas (units) - - - - - Gamma (API) —————																															
0 0 0	5 27 2750		The open-hole logging was performed by Mr. Colby Dreiling with Gemini Wireline, LLC (Hays, KS). Logs included: Compensated Density Neutron & Dual Induction. Formation tops and datums from the open-hole logs include the following:	*No Drill Stem Tests were run																											
			<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Formation</th> <th>E-Log</th> <th>Datum</th> </tr> </thead> <tbody> <tr> <td>Anhydrite</td> <td>892</td> <td>1034</td> </tr> <tr> <td>Topeka</td> <td>2802</td> <td>-876</td> </tr> <tr> <td>Heebner</td> <td>3034</td> <td>-1108</td> </tr> <tr> <td>Toronto</td> <td>3050</td> <td>-1124</td> </tr> <tr> <td>Lansing</td> <td>3104</td> <td>-1178</td> </tr> <tr> <td>B/KC</td> <td>3328</td> <td>-1402</td> </tr> <tr> <td>Arbuckle</td> <td>3342</td> <td>-1416</td> </tr> <tr> <td>LTD</td> <td>3451</td> <td>-1525</td> </tr> </tbody> </table>	Formation	E-Log	Datum	Anhydrite	892	1034	Topeka	2802	-876	Heebner	3034	-1108	Toronto	3050	-1124	Lansing	3104	-1178	B/KC	3328	-1402	Arbuckle	3342	-1416	LTD	3451	-1525	
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Sh: lt gry

Topeka 2797' (-871)

Ls: tan-lt gry, fn xln, scat foss, mostly DNS

Ls: ala, scat sh: lt gry

Ls: tan-lt gry, fn xln, scat pp & int xln porosity, barren

Ls: tan-lt gry, fn-sub xln, DNS, scat foss

Ls: ala

Sh: lt gry-bm

Sh: blk, carb

Ls: tan-lt gry, fn-sub xln, DNS

Ls: tan-lt gry, fn xln, scat foss, poor-fair int xln porosity, scat vuggy porosity, scat dead oil stn in porosity, sl odor

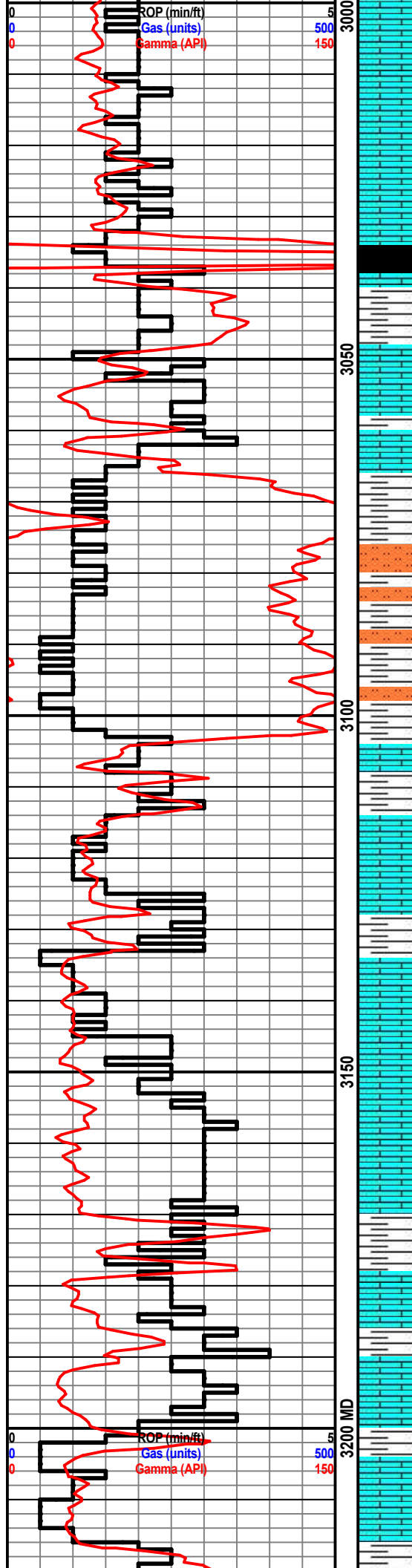
Sh: lt-drk gry

Ls: tan-lt gry, fn-sub xln, scat foss, DNS

Ls: tan-lt gry, fn xln, scat foss, scat ool, fair oom & vuggy porosity, lt oil stn, VSSFO, sl odor

Ls: tan-lt gry, fn xln, scat fossil, scat ool, sl-fair int xln & vuggy porosity, tary oil stn in por, SSFO, sl odor

Ls: tan-lt gry, fn-sub xln, mostly DNS, scat foss



Ls: ala

Ls: ala

Heebner 3032' (-1106)

Sh: blk, carb

Toronto 3048' (-1122)

Ls: off wh-tan, fn xln, scat ool, few pcs w fair ooc porosity, lt-fair oil stn in porosity, SSFO, sl-fair odor

Douglas 3062' (-1136)

Sh: gry-bm-gm

Sh: ala, scat sltstn

Sh: gry-bm, scat sltstn

Lansing 3102' (-1176)

Ls: off wh-tan, fn xln, scat ool, scat poor ool porosity, lt oil stn in few pcs, VSSFO in cup, sl odor

Ls: off wh-tan, fn xln, ool, fair oom porosity, lt-fair oil stn in porosity, scat sat, SSFO, sl odor

Sh: lt-drk gry

Ls: off wh-tan, fn xln, ool, fair-good oom porosity, lt-fair oil stn, few rxns w fair sat, S-FSFO, fair odor

Ls: tan, fn xln, scat ool, poor int xln porosity, NSFO

Ls: ala

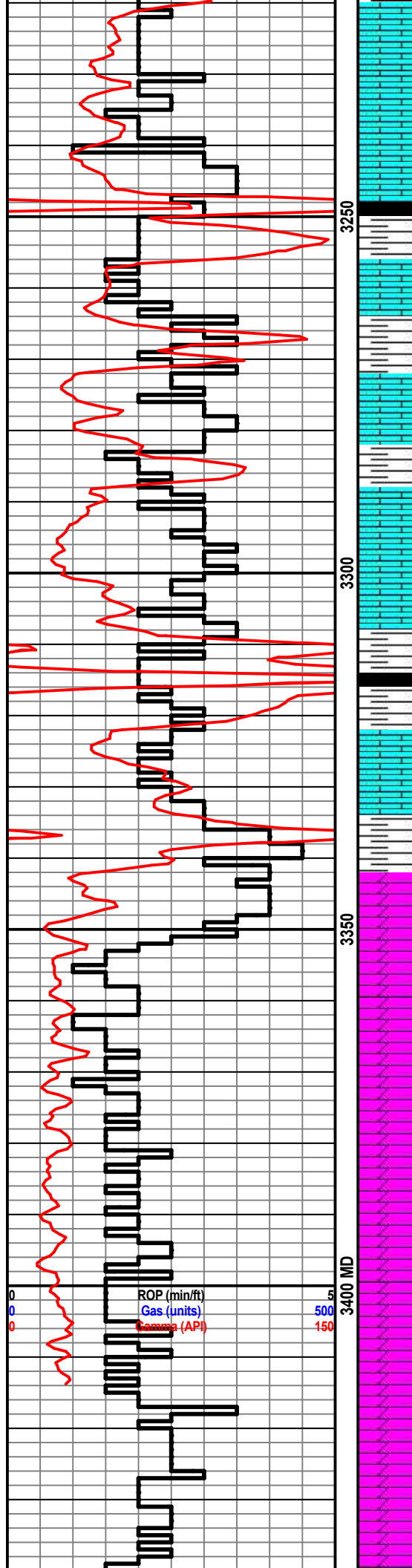
Sh: lt-drk gry

Ls: tan-gry, fn-sub xln, ool in part, mostly DNS

Ls: ala, DNS

Ls: off wh-tan, fn xln, ool, scat foss, fair-good oom porosity, scat lt oil stn, VSSFO, sl-fair odor

Weight: 9
Vis: 48



Ls: off wh-tan, fn xln, poor int xln porosity, NSFO

Ls: tan-gry, fn xln, poor int xln porosity, NSFO

Sh: blk, carb

Ls: off wh-tan, fn-sub xln, DNS

Sh: lt gry

Ls: off wh-tan, fn xln, ool, fair oom & scat int xln porosity, fair oil str, SSFO, fair odor

Sh: drk gry-blk

Ls: off wh-tan, fn xln, ool, scat fair oom porosity, lt oil str, NSFO

Ls: off wh-tan, fn xln, mostly DNS

Sh: drk gry-blk

Ls: tan-lt gry, fn xln, ool in part, mostly DNS

Arbuckle 3344' (-1418)

Dolo: off wh-tan, fn sucx xln porosity & scat int xln porosity, fair oil str, scat sat, SSFO, good odor

Dolo: off wh-tan, fn-md rhomb xln, fair-good sucrosic xln porosity, fair int xln porosity, fair oil str w/ good sat in few pcs, FSFO, good odor

Dolo: off wh-tan, fn-md rhomb xln, fair-good sucrosic xln porosity, lt-fair oil sat, FSFO, good odor

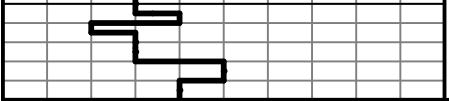
Dolo: off wh-tan, fn-md rhomb xln w/ fair-good int xln porosity, scat lt-fair oil str, SSFO in cup, good odor

Dolo: off wh-tan, fn-md xln, fair-good int xln porosity, barren

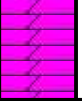
Dolo: ala

Dolo: off wh-tan, fn-md rhomb xln, fair-good int xln porosity, barren

Dolo: ch



50



DOI: aia





Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513

Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Susan K. Duffy, Chair
Dwight D. Keen, Commissioner
Andrew J. French, Commissioner

Laura Kelly, Governor

August 30, 2023

Zach Patterson
Patterson Energy LLC
PO BOX 400
HAYS, KS 67601-0400

Re: ACO-1
API 15-009-26393-00-00
BITTER 2
SE/4 Sec.06-16S-13W
Barton County, Kansas

Dear Zach Patterson:

K.A.R. 82-3-107 provides for all completion information to be filed within 120 days of the spud date. Subsection(e)(2) of that regulation states "All rights to confidentiality shall be lost if the filings are not timely."

The above referenced well was spudded on 4/25/2023 and the ACO-1 was received on August 29, 2023 (not within the 120 days timely requirement).

Therefore, your request for confidential treatment of data contained within the ACO-1 filing cannot be granted at this time.

If you should have any questions, please do not hesitate to contact me at (316)337-6200.

Sincerely,

Production Department

QUALITY OILWELL CEMENTING, INC.

Federal Tax I.D.# 20-2886107

Phone 785-483-1071
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 3657

Date	4-25-23	Sec.	6	Twp.	16	Range	13	County	Barton	State	Ks	On Location		Finish	7:15 PM
------	---------	------	---	------	----	-------	----	--------	--------	-------	----	-------------	--	--------	---------

Lease **Bitter** Well No. **2** Owner **Hinto**
Location **Barton + Russell C.L., 15, 2 1/2 E,**

Contractor **Discovery #2** To Quality Oilwell Cementing, Inc.
Type Job **Surface** You are hereby requested to rent cementing equipment and furnish
cementer and helper to assist owner or contractor to do work as listed.

Hole Size **12 1/4"** T.D. **479'** Charge To **Patterson Energy**
Csg. **8 5/8"** Depth **479'** Street

Tbg. Size Depth City State

Tool Depth The above was done to satisfaction and supervision of owner agent or contractor.

Cement Left in Csg. **20'** Shoe Joint **20'** Cement Amount Ordered **250 80/20 3% U 2% Gel**

Meas Line Displace **29 1/4 BLS**

EQUIPMENT

Pumptrk 16 No. Cementer Jordan	Common 200
Bulktrk 14 No. Helper Jordan	Poz. Mix 50
Bulktrk 14 No. Driver Doug	Gel. 5
Bulktrk 14 No. Driver Rick	Calcium 9

JOB SERVICES & REMARKS

Remarks: **Cement did Circulate**

Hulls

Salt

Rat Hole Flowseal

Mouse Hole Kol-Seal

Centralizers Mud CLR 48

Baskets CFL-117 or CD110 CAF 38

D/V or Port Collar Sand

Handling **264**

Mileage

FLOAT EQUIPMENT

Guide Shoe

Centralizer

Baskets

AFU Inserts

Float Shoe

Latch Down

Pumptrk Charge **Surface**

Mileage **15**

X Signature 

Thanks 

Tax

Discount

Total Charge

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

- **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

- **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

- **DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.