

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 6988
Name: Richard F. Smith d/b/a Smith Oil Operations
Address: P.O. Box 550 120' E OF
City/State/Zip: Hutchinson, Kansas 67504-0550
Purchaser: ONEOK & NCRA
Operator Contact Person: Dale Ohl
Phone: (620) 663-6622
Contractor: Name: Duke Drilling Co., Inc.

License: 5929
Wellsite Geologist: Kent Crisler
Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back _____ Plug Back Total Depth _____
 Commingled _____ Docket No. _____
 Dual Completion _____ Docket No. _____
 Other (SWD or Enhr.?) _____ Docket No. _____

09-09-03	09-22-03	10-23-03
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 007-22765-00-00
County: Barber County, Kansas
C-N/2 SW SE Sec. 13 Twp. 32 S. R. 14 East West
990 feet from (S) N (circle one) Line of Section
1860 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Canfield Well #: 2
Field Name: Palmer
Producing Formation: PLEASANTON
Elevation: Ground: 1835' Kelly Bushing: 1846'
Total Depth: 5124' Plug Back Total Depth: 5084'
Amount of Surface Pipe Set and Cemented at 1012 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 *ALL UNDER 23.04*
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used WATER TRUCK
Location of fluid disposal if hauled offsite:
Operator Name: OIL PRODUCERS INC. OF KANSAS
Lease Name: MAY 13-3 SWD License No.: 8061
Quarter _____ Sec. 13 Twp. 35 S. R. 16 East West
County: CCMANCHE Docket No.: D-27,726

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INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

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.

Signature: Dale R. OHL
Title: DALE R. OHL, CONTROLLER Date: 01/07/04

Subscribed and sworn to before me this 7TH day of JANUARY
2004
Notary Public: DANAMARIE DERR
Date Commission Expires: 10-24-06

DANAMARIE DERR
Notary Public - State of Kansas
My Appt. Expires 10-24-06

KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Richard E. Smith d/b/a

Operator Name: Smith Oil Operations Lease Name: Canfield Well #: 2

Sec. 13 Twp. 32 S. R. 14 East West County: Barber County, Kansas

INSTRUCTIONS: Show important tops and base 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. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken Yes No
(Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
(Submit Copy)

List All E. Logs Run:

- DUAL COMPENSATED POROSITY LOG
- DUAL INDUCTION LOG
- SONIC CEMENT BOND LOG

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
HEEBNER	3867	-2021
LANSING	4047	-2201
DRUM	4271	-2425
MISS	4535	-2689
VIOLA	4834	-2988
SIMPSON	4989	-3143
ARBUCKLE	5077	-3231

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CASING RECORD New 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	# Sacs Used	Type and Percent Additives
Conductor	17-1/2"	13-3/8"	48#	101'	Class A	350	3&2
Surface	12-1/4"	8-5/8"	23#	1012'	65/35 Class A	300 150	3%cc
Production	7-7/8"	5-1/2"	15.5#	5125'	Class A	155	

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				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4/FT	4462-64 & 4469-73	600 GALS 15% MUD ACID 2000 GALS 20% MUD ACID	4473

TUBING RECORD Size 2 7/8 Set At 4571 Packer At N/A Liner Run Yes No

Date of First, Resumerd Production, SWD or Enhr. 11/19/03 Producing Method Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours Oil 10 Bbls. Gas 157 Mcf Water 116 Bbls. Gas-Oil Ratio 15.7 TO 1 Gravity 34

Disposition of Gas Vented Sold Used on Lease (If vented, Sumit ACO-18.) METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify)

ALLIED CEMENTING CO., INC. 12845

Federal Tax I.D.# [REDACTED]

ORIGINAL
SERVICE POINT

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

DATE <u>1-19-04</u>	SEC. <u>12</u>	TWP. <u>27S</u>	RANGE <u>14W</u>	CALLED OUT	ON LOCATION <u>10:30 AM</u>	JOB START <u>11:45 AM</u>	JOB FINISH <u>4:45 PM</u>
LEASE <u>Smith</u>	WELL # <u>2</u>	LOCATION <u>Southbank Supply 11.5 W</u>		COUNTY <u>Carroll</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one)				<u>in 160 to Lake sign Suite</u>			

CONTRACTOR Duke #1

TYPE OF JOB conductor

HOLE SIZE 17.5 T.D. 113

CASING SIZE 13.75 x 4.875 DEPTH 102

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX 500 MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15' @ 87'

PERFS.

DISPLACEMENT 13 DBLS Fresh #0

OWNER Smith Oil Oper.

CEMENT

AMOUNT ORDERED 250 sq Class A + 340 cc + 270 gal

Top off 200 sq A 340 cc

COMMON A, 150 @

POZMIX @

GEL @

CHLORIDE @

Top off A 200 @

@

@

@

HANDLING @

MILEAGE @

EQUIPMENT

PUMP TRUCK CEMENTER Justin Hart

372 HELPER Mark Brungardt

BULK TRUCK DRIVER Thad Cantrell

240-290

BULK TRUCK DRIVER

#

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REMARKS:

11:45 AM on 11/11 break Circ

18.0 sq A 340 cc @ 15.125

Disp 13 DBLS Fresh #0

ledge 15' in CSG shut in @ 102'

and not in white

Top off 200 sq A 340 cc

Cement in center

DEPTH OF JOB 102

PUMP TRUCK CHARGE

EXTRA FOOTAGE @

MILEAGE @

PLUG @

@

@

CHARGE TO: Smith Oil Oper.

STREET

CITY STATE ZIP

FLOAT EQUIPMENT

137

Basket @

@

@

@

@

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

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

SIGNATURE [Signature]

PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance; but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

ALLIED CEMENTING CO., INC. 12846

Federal Tax I.D.# [REDACTED]

ORIGINAL

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

SERVICE POINT: 4th Lodge

DATE <u>1-11-04</u>	SEC. <u>13</u>	TWP. <u>22.5</u>	RANGE <u>14</u>	CALLED OUT <u>7:00 AM</u>	ON LOCATION <u>7:00 AM</u>	JOB START <u>9:30 AM</u>	JOB FINISH <u>5:15 PM</u>
LEASE <u>Smith</u>	WELL # <u>2</u>	LOCATION <u>Highway Supply S.W.</u>		COUNTY <u>Siber</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR Smith
 TYPE OF JOB Smith
 HOLE SIZE 12 1/4 T.D. 1012
 CASING SIZE 7 7/8 x 2 1/2 DEPTH 1013
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL Little Plate DEPTH 117
 PRES. MAX 700 MINIMUM
 MEAS. LINE SHOE JOINT 15
 CEMENT LEFT IN CSG.
 PERFS.
 DISPLACEMENT Fresh 10

OWNER Smith Oil Oper.
 CEMENT
 AMOUNT ORDERED 215 SY 15.35 @ 1.00 + 10cc + 1/2" Flt - 500
150 SY Class A 2 1/2" x 10 + 1/2" x 10
 COMMON A 150 @ 7.15 1072.50
 POZMIX @
 GEL 3 @ 10.00 30.00
 CHLORIDE 15 @ 30.00 450.00
At weight 300 @ 6.70 2010.00
Flt - 500 75 @ 1.40 105.00
 HANDLING 487 @ 1.15 560.05
 MILEAGE 487 @ 1.05 511.35

EQUIPMENT
 PUMP TRUCK # 322 CEMENTER Justin Hart
 # 324 HELPER Mark Brumgardt
 # 324 DRIVER Jeanne Fox
 # 330314 DRIVER Fredy Washburn

TOTAL 4592.80

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REMARKS:
Line on 12 1/4
31215 470
700 SY 15.35 @ 1.00
150 SY Class A 2 1/2" x 10
release plug down 60 3225
Flt 500 lead plug 300-700
* Shot Head in
Circulate Cement

DEPTH OF JOB 1012
 PUMP TRUCK CHARGE 3-300 270.00
 EXTRA FOOTAGE 713 @ .50 356.50
 MILEAGE 15 @ 3.37 50.55
 PLUG 24 TRP @ 4.17 100.00
 @
 @

CHARGE TO: Smith Oil Oper.
 STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL 1029.00

FLOAT EQUIPMENT
SA
Sawtooth 6.5 @ 300.00
Little Plate @ 45.00
2 Centralizers @ 55.00 110.00
1 Basket @ 180.00
 @

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

TOTAL 35.00

SIGNATURE [Signature]

TAX _____
 TOTAL CHARGE 6276.80
 DISCOUNT 605.08 IF PAID IN 30 DAYS
 [Signature]
 PRINTED NAME

GENERAL TERMS AND CONDITIONS

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ALLIED CEMENTING CO., INC

Federal Tax I.D.#

ORIGINAL 15277

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

SERVICE POINT:
Med Lodge, KS

DATE 9-22-03	SEC 14	TWP. 32s	RANGE 14w	CALLED OUT 10 pm	ON LOCATION 11 pm	JOB START 5:35 pm	JOB FINISH 6:25 AM
LEASE Canfield	WELL # 2	LOCATION Jayhawk Supply 106w.			COUNTY Barber	STATE KS	
OLD OR NEW (Circle one)		on 160 to Duke Sign S. into					

CONTRACTOR Duke #1

TYPE OF JOB Production

HOLE SIZE 7 7/8 T.D. 5124'

CASING SIZE 5 1/2" 15.5 DEPTH 5144'

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 5124'

TOOL _____ DEPTH _____

PRES. MAX 1300 MINIMUM 50

MEAS. LINE _____ SHOE JOINT 44.37

CEMENT LEFT IN CSG. 44.37

PERFS. _____

DISPLACEMENT 121 bbl fresh h₂O

OWNER Smith Oil Operations

EQUIPMENT

PUMP TRUCK # 352 CEMENTER Mike Pucker
HELPER Dave Felio

BULK TRUCK # 356 DRIVER Bill Mcadoo

BULK TRUCK # _____ DRIVER _____

CEMENT

AMOUNT ORDERED 155sx Class A Asc + 5# Kol-Seal

25sx 60' 40' = 6 Rat + Mouse hole

COMMON <u>Class A 15sx</u>	@ <u>7.5</u>	<u>107.25</u>
POZMIX <u>10sx</u>	@ <u>3.80</u>	<u>38.00</u>
GEL <u>1sx</u>	@ <u>10.00</u>	<u>10.00</u>
CHLORIDE _____	@ _____	_____
<u>ASC 155sx</u>	@ <u>9.00</u>	<u>1395.00</u>
<u>Mud-Clean 500gal</u>	@ <u>.15</u>	<u>375.00</u>
<u>Kol-Seal 750</u>	@ <u>.50</u>	<u>375.00</u>
_____	@ _____	_____
HANDLING <u>227sx</u>	@ <u>1.15</u>	<u>261.05</u>
MILEAGE <u>227 x 15 x .05</u>		<u>170.25</u>

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TOTAL 2,731.55

KCC WICHITA SERVICE

REMARKS:

5 AM Pipe on bottom break Circ. -

535 Pump 500gal mud-Clean. 5 1/2" mix

10sx mousehole. 5 1/2" mix 15sx Rathole.

5 1/2" Start Prod. Cement 155sx class A

ASC + 5# Kol-Seal @ 14.5 wright. 300Psi.

6 1/2" Stop Pumps Wash Pump & lines. Release

Plug start Disp. 6 bbl. See lift @ 85 bbl slow

Rate 5 bbl. 100 bbl slow rate 4 1/2 bbl. 500' 115 bbl @ 3 1/2 bbl

800' @ 121 bbl Disp. Pump Plug 700-1300. Release Press.

Float 1 1/2' @ 6 1/2" in

DEPTH OF JOB <u>5144</u>		
PUMP TRUCK CHARGE _____		<u>1200.00</u>
EXTRA FOOTAGE _____	@ _____	_____
MILEAGE <u>15</u>	@ <u>3.50</u>	<u>52.50</u>
PLUG <u>Top Rubber Plug</u>	@ _____	<u>60.00</u>
_____	@ _____	_____
_____	@ _____	_____
TOTAL		<u>1378.50</u>

CHARGE TO: Smith Oil Operations

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

<u>1-Guide Shoe</u>	@ _____	<u>150.00</u>
<u>1-ARJ float collar</u>	@ _____	<u>235.00</u>
<u>7-Centralizers</u>	@ <u>50.</u>	<u>350.00</u>
_____	@ _____	_____
_____	@ _____	_____
TOTAL		<u>735.00</u>

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

TAX _____

TOTAL CHARGE 4919.05

DISCOUNT 10% = 491.90 IF PAID IN 30 DAYS

SIGNATURE Mike Pucker

NET Mike Godfrey
PRINTED NAME

Thank you!

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance; but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.