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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

MAR 17 2003

MAR 12 2003

WELL COMPLETION FORM

KCC WICHITA WELL HISTORY - DESCRIPTION OF WELL & LEASE

KCC WICHITA

ORIGINAL

Operator: License # 6039
Name: LD Drilling, Inc
Address: 7 SW 26 Ave
City/State/Zip: Great Bend, Kansas 67530
Purchaser: _____
Operator Contact Person: L.D. Davis
Phone: (620) 793-3051
Contractor: Name: LD Drilling, Inc.
License: 6039
Wellsite Geologist: Kim Shoemaker

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. _____

3/01/03 3/07/03 3.7.03
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 039-20930-00-00
County: Decatur
w/2 se . ne . Sec. 20 Twp. 4 S. R. 26 East West
1980 feet from S / (circle one) Line of Section
990 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW

Lease Name: Fleckenstein Well #: 1

Field Name: _____

Producing Formation: _____

Elevation: Ground: 2540' Kelly Bushing: 2545'

Total Depth: 3747' Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 033 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 *PK a 203.19.03*
(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 No.: _____

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

County: _____ Docket No.: _____

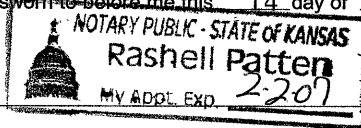
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: [Signature]
Title: Clerk Date: 3-14-03

Subscribed and sworn to before me this 14 day of March

2003
Notary Public: Rashell Patten
Date Commission Expires: 2-02-07



KCC Office Use ONLY

NO Letter of Confidentiality Attached
If Denied, Yes Date: _____

NO Wireline Log Received

NO Geologist Report Received

____ UIC Distribution

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Side Two

ORIGINAL

Operator Name: LD Drilling, Inc **KCC WICHITA** Lease Name: Fleckenstein Well #: 1
 Sec. 20 Twp. 4 S. R. 26 East West County: Decatur

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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes	No	Log Formation (Top), Depth and Datum Name Top Datum
Samples Sent to Geological Survey	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Cores Taken	Yes	<input checked="" type="checkbox"/> No	
Electric Log Run <i>(Submit Copy)</i>	Yes	<input checked="" type="checkbox"/> No	
List All E. Logs Run:			

CASING RECORD <input checked="" 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
Surface	12 1/4"	8 5/8"	24#	266'	Common	170	2%gel,3%cc

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 <i>(Amount and Kind of Material Used)</i>		Depth

TUBING RECORD		Size	Set At	Packer At	Liner Run	Yes	No
Date of First, Resumed Production, SWD or Enhr.		Producing Method					
Estimated Production Per 24 Hours		Oil	Bbls.	Gas	Mcf	Water	Bbls.
						Gas-Oil Ratio	Gravity

Disposition of Gas **METHOD OF COMPLETION** Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled _____
(If vented, Sumit ACO-18.) Other (Specify) _____

DAILY DRILLING REPORT

ORIGINAL

pg 1

OPERATOR: L.D. DRILLING, INC. LEASE: FLECKENSTEIN #1
 W/2 SE NE Sec 20-4-26W
 WELLSITE GEOLOGIST: KIM SHOEMAKER Decatur Co., KS
 CONTRACTOR: L.D. DRILLING, INC. ELEVATION: 2540 GR 2545 KB
 SPUD: 3/01/03 @ 2:30 am PTD: 3800'
 SURFACE: Cut 269' of 12 1/4" Ran 6 Jt. New 8 5/8" 24#
 Tally 259.32' Set @ 266' w/170 sx. Common 2% Gel 3% CC
 Did Circ. by Allied Cementing Plug Down 8:30 am 3/01/03

Mud

2/28/03 Move in & Rig Up
 3/01/03 Spud 2:30 am, Drill plug 8:15 pm
 3/02/03 1248' Mix Mud (Lost Circ)
 3/03/03 2425' Drilling
 3/04/03 3175' Drilling Well Displace @ 3229'
 3/05/03 3420' Drilling
 3/06/03 3578' Pull DST #3
 3/07/03 3747' RTD
 Log (Log Tech) TD 3750'
 1st Plug @ 2125' w/25 sx, 2nd Plug @ 1490 w/100 sx
 3rd Plug @ 310' w/40 sx, 4th Plug @ 40' w/10 sx,
 5th Plug @ rathole w/15 sx, Total 190 sx 60/40 Poxmix
 6% Gel w/1/4# flo seal per sx, By Allied Cementing
 PLUG DOWN 10:45 AM 3-07-03 David Wann KCC

DST #1 3161 - 3320' Stotler/Howard
 TIMES: 30-30-30-30 Straddle test
 BLOW: 1st Open: 1/2" dec to 1/4"
 2nd Open: 1/4" thru out
 RECOVERY: 95' oc&gcm 5% gas
 15% oil, 80% mud
 IFP: 19-40 ISIP: 1015
 FFP: 43-59 FSIP: 985
 TEMP: 85 degrees

DST #2 3543 - 3565' Lansing B
 TIMES: 30-45-45-60 Tool Slid 15-20'
 BLOW: 1st Open: 3" dec to 1 1/2"
 2nd Open: Surf blo died in 15 min
 RECOVERY: 40' Mud
 IFP: 31-34 ISIP: 137
 FFP: 30-33 FSIP: 71
 TEMP: 97 degrees

DST #3 3541 - 3578 Lansing B/D
 TIMES: 30-30-30-30
 BLOW: 1st Open: 1/2" blo thru out
 2nd Open: 1/4" blo thru out
 RECOVERY: 15' socm, 2% oil good
 show free oil in tool
 IFP: 12-15 ISIP: 727
 FFP: 16-18 FSIP: 725
 TEMP: 87 degrees

SAMPLE TOPS:

Anhy Top	2122	+423	-3 to show hole
Anhy Base	2156	+389	
Stotler	3206	-661	
Howard	3288	-743	-3 to Showhole
Topeka	3314	-769	-3 to Showhole
Heebner	3488	-943	-3 to Showhole
Lansing	3532	-987	-2 to Showhole
BAse KC	3724	-1179	
RTD	3747	-1202	

Due to lack of commercial Recovery on DST's
 it was decided to plug & abandon.

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KCC WICHITA

DAILY DRILLING REPORT

ORIGINAL

pg 2

OPERATOR: L.D. DRILLING, INC.

LEASE: FLECKENSTEIN #1
W/2 SE NE Sec 20-4-26W
Decatur Co., KS

WELLSITE GEOLOGIST: KIM SHOEMAKER

CONTRACTOR: L.D. DRILLING, INC.

ELEVATION: 2540 GR 2545 KB

SPUD: 3/01/03 @ 2:30 am

PTD: 3800'

SURFACE: Cut 269' of 12 1/4" Ran 6 Jt. New 8 5/8" 24#
Tally 259.32' Set @ 266' w/170 sx. Common 2% Gel 3% CC
Did Circ. by Allied Cementing Plug Down 8:30 am 3/01/03

LOG TOPS

Anhy	2123	422
Base anhy	2157	388
Statler	3204	-659
Howard	3290	-745
Topeka	3316	-771
Heebner	3489	-944
Lans	3533	-988
Base KC	3724	-1179
LTD	3750	-1205

DST #4 3624 - 3747' Lans H-K

TIMES: 30-30-30-30

BLOW: 1st Open: 1/2" blo dec to surf blo
2nd Open: no blo

RECOVERY: 5' dm w/few os

IFP: 12-15 ISIP: 115

FFP: 15-16 FSIP: 82

TEMP: 95 degrees

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KCC WICHITA

ALLIED CEMENTING CO., INC. 11127

Federal Tax I.D. # ~~14-0727060~~

ORIGINAL

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

SERVICE POINT: Oakley

DATE <u>3-1-03</u>	SEC. <u>20</u>	TWP. <u>43</u>	RANGE <u>26</u>	CALLED OUT	ON LOCATION <u>5:15 AM</u>	JOB START <u>8:00 AM</u>	JOB FINISH <u>8:30 AM</u>
LEASE <u>Fleckenstein</u>	WELL # <u>1</u>	LOCATION <u>Jennings 2E-155-015</u>			COUNTY <u>Deerburg</u>	STATE <u>Kan</u>	
OLD OR NEW (Circle one)							

CONTRACTOR L-D Drly Co.

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 269'

CASING SIZE 8 3/4 DEPTH 266

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 16- BBL

OWNER Same

CEMENT

AMOUNT ORDERED 170 sks com
3% cc - 2% cel

EQUIPMENT

PUMP TRUCK CEMENTER Walt

HELPER Dean

BULK TRUCK DRIVER Fuzzy

DRIVER

COMMON 5ks @ 7^{RE}

POZMIX @

GEL 5ks @ 10⁰⁰

CHLORIDE 5ks @ 30⁰⁰

@

@

@

@

HANDLING 5ks @ 10

MILEAGE 46 per sk/mile

TOTAL

REMARKS:

SERVICE

Cement Del/Circ ✓

[Signature]

DEPTH OF JOB

PUMP TRUCK CHARGE 520⁰⁰

EXTRA FOOTAGE @

MILEAGE miles @ 3⁰⁰

PLUG 8 5/8 Sur Face @ 45⁰⁰

@

@

CHARGE TO: L-D Drly Co, Inc

STREET

CITY STATE ZIP

FLOAT EQUIPMENT

@

@

@

@

@

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.

TOTAL

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

SIGNATURE [Signature]

DORAN MARGHEIM
PRINTED NAME

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MAR 12 2003

KCC WICHITA

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. 11133

Federal Tax I.D. # ~~48-0727000~~

ORIGINAL

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

SERVICE POINT: Oakley

DATE <u>3-7-03</u>	SEC. <u>20</u>	TWP. <u>4^s</u>	RANGE <u>26^w</u>	CALLED OUT	ON LOCATION <u>7:30 AM</u>	JOB START <u>8:30 AM</u>	JOB FINISH <u>10:45 AM</u>
LEASE <u>Fleckenstein</u>		WELL # <u>1</u>		LOCATION <u>Jennings 26E-30S-4S</u>		COUNTY <u>Decatur</u>	STATE <u>Kan</u>
OLD OR NEW (Circle one)							

CONTRACTOR L-D Drk

TYPE OF JOB PTA

HOLE SIZE 7 1/4 T.D. 3747'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 x H DEPTH 2125'

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT

AMOUNT ORDERED 190 sks 69% No. 2
1 1/2 Gal, 1/4" Flo. Seal

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Walt

300 HELPER Wayne

BULK TRUCK

218 DRIVER Lennie

BULK TRUCK

_____ DRIVER _____

TOTAL _____

REMARKS:

SERVICE

25 sks @ 2125'

107 sks @ 1490'

40 sks @ 310'

10 sks @ 40'

15 sks in R.H.

Walt

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE miles @ 3.00

PLUG 8 5/8 D-H @ _____

_____ @ _____

_____ @ _____

TOTAL _____

CHARGE TO: L-D Drk Co, Inc

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

None

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

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]

DORAN MARGHEIM
PRINTED NAME

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KCC-WICHITA

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.