

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 5399
Name: American Energies Corporation
Address: 155 North Market, Suite 710
City/State/Zip: Wichita, KS 67202
Purchaser: Link
Operator Contact Person: Alan L. DeGood, President
Phone: (316) 263-5785
Contractor: Name: Pickrell Drilling Company
License: 5123
Wellsite Geologist: Douglas Davis
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. _____
7/25/03 8/5/03 10/6/03
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 15-007-22760-0000
County: Barber
W/2 W/2 NE Sec. 2 Twp. 32S S. R. 13 East West
1320' FNL feet from S (N) (circle one) Line of Section
2310' FEL feet from (E) W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Sill Well #: A #2
Field Name: Medicine River Field
Producing Formation: Mississippi Chert
Elevation: Ground: 1621' Kelly Bushing: 1626'
Total Depth: 4601' Plug Back Total Depth: 4596'
Amount of Surface Pipe Set and Cemented at set @ 307' 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

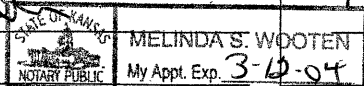
(Data must be collected from the Reserve Pit)

Chloride content 5,000 ppm Fluid volume 800 bbls
Dewatering method used Water was hauled
Location of fluid disposal if hauled offsite:
Operator Name: American Energies Corp.
Lease Name: Short License No.: 5399
Quarter SE/4 Sec. 12 Twp. 31S S. R. 8W East West
County: Harper Docket No.: D-25,867

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: Alan L. DeGood
Title: Alan L. DeGood President Date: January 6, 2004
Subscribed and sworn to before me this 6th day of January,
2004
Notary Public: Melinda S. Wooten
Date Commission Expires: 3-12-04



KCC Office Use ONLY

Letter of Confidentiality Attached DPW
If Denied, Yes Date: 01-13-04
YES Wireline Log Received
YES Geologist Report Received
UIC Distribution

X

Operator Name: American Energies Corporation Lease Name: Sill Well #: A #2
 Sec. 22 Twp. 32S S. R. 13W East West County: Barber

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)

Log Formation (Top), Depth and Datum Sample

Name Top Datum

See Attachment

List All E. Logs Run:

**Dual Receiver Cement Bond
 Compensated Density/Neutron PE
 Dual Induction**

RECEIVED
 JAN 09 2004
 KCC WICHITA

CASING RECORD <input checked="" type="checkbox"/> New <input checked="" 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	# Sacs Used	Type and Percent Additives
Surface (New)	12 1/4"	8 5/8"	23#	307'	60/40 poz	210 sx	2% gel, 3%CaCl
Production (Used)	7 7/8"	4 1/2"	10.5#	4415'	ASC	135 sx	5#KC per sx

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 SPF	4297-4304	1,000 gal. 15% NE	4297-4304

TUBING RECORD	Size	Set At	Packer At	Liner Run
137 jts	2 3/8"	BTM M.A. @ 4443'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method			
10/24/03	<input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	1.67		50 BW	

Disposition of Gas _____ METHOD OF COMPLETION _____ Production Interval _____

Vented Sold Used on Lease (If vented, Sumit ACO-18.)

Open Hole Perf. Dually Comp. Commingled _____

Other (Specify) _____

ALLIED CEMENTING CO., INC. 12648

Federal Tax I.D.# XXXXXXXXXX

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

SERVICE POINT: Med Lodge

15-007-22760-00-00

DATE <u>7-25-08</u>	SEC. <u>2</u>	TWP. <u>32S</u>	RANGE <u>13W</u>	CALLED OUT <u>3:00 PM</u>	ON LOCATION <u>4:30 PM</u>	JOB START <u>8:15 PM</u>	JOB FINISH <u>8:30 PM</u>
LEASE <u>511</u>	WELL # <u>A-2</u>	LOCATION <u>Allied Shop 3/2 N to</u>			COUNTY <u>Barber</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)		<u>Clover Rd 15 1/2 W .8 N 3 W 2 5/8 to Loc</u>					

CONTRACTOR Pickrell

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 312

CASING SIZE 8 5/8 x 23 1/2 DEPTH 312

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 200 MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15 @ 297

PERFS. _____

DISPLACEMENT 19 BBLs Fresh H₂O

OWNER American Energies

CEMENT AMOUNT ORDERED 210 5x 60.40.2 + 3% ce

COMMON <u>A 126</u>	@ <u>7.15</u>	<u>900.90</u>
POZMIX <u>89</u>	@ <u>3.80</u>	<u>319.20</u>
GEL <u>4</u>	@ <u>10.00</u>	<u>40.00</u>
CHLORIDE <u>7</u>	@ <u>30.00</u>	<u>210.00</u>
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
_____	@ _____	_____
HANDLING <u>221</u>	@ <u>1.15</u>	<u>254.15</u>
MILEAGE <u>221 x 8</u>	<u>.05</u>	<u>125.80</u>

RECEIVED minimum TOTAL 1849.25

EQUIPMENT

PUMP TRUCK # 343 CEMENTER Justin Hart
HELPER Eric Brewer

BULK TRUCK # 242 DRIVER Bill McAdoo

BULK TRUCK # _____ DRIVER _____

JAN 09 2004

REMARKS:
Pipe on BTM, Break Circ
31 BBLs Fresh H₂O
219 5x 60.40.2 @ 14.8 - 47 BBLs
Release Plug Disp 19 BBLs Fresh
H₂O. Shut pump down with
15' in csg @ 100'
circulated Cement

KCC WICHITA SERVICE

DEPTH OF JOB <u>312</u>	_____	_____
PUMP TRUCK CHARGE <u>0-300</u>	_____	<u>520.00</u>
EXTRA FOOTAGE <u>1/2</u>	@ <u>.50</u>	<u>6.00</u>
MILEAGE <u>8</u>	@ <u>3.50</u>	<u>28.00</u>
PLUG <u>8 5/8 wood</u>	@ _____	<u>45.00</u>
_____	@ _____	_____
_____	@ _____	_____

CHARGE TO: American Energies

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL 599.00

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 ~~1849.25~~

DISCOUNT ~~125.80~~ IF PAID IN 30 DAYS

SIGNATURE Mike Kern

Mike Kern
PRINTED NAME

ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING

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. 12625

Federal Tax I.D.# XXXXXXXXXX

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

15-007-22760-0000

SERVICE POINT:
Medicine L.D.G.

DATE <u>8-5-03</u>	SEC. <u>2</u>	TWP. <u>32S</u>	RANGE <u>13W</u>	CALLED OUT <u>4:30 AM</u>	ON LOCATION <u>7:00 AM</u>	JOB START <u>9:30 AM</u>	JOB FINISH <u>10:00 AM</u>
LEASE <u>S.11</u>	WELL # <u>A-2</u>	LOCATION <u>Shop 3 1/2 W 15 1/4</u>			COUNTY <u>Barber</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)		W. 8N 3W 2 3/4 LINTO					

CONTRACTOR P. CKrell
 TYPE OF JOB long string
 HOLE SIZE 7 7/8 T.D. 4600
 CASING SIZE 4 1/2 DEPTH 4415
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH 4600
 TOOL _____ DEPTH _____
 PRES. MAX 500 PSI. MINIMUM 100 PSI
 MEAS. LINE _____ SHOE JOINT 10 FT
 CEMENT LEFT IN CSG. 10 FT
 PERFS. _____
 DISPLACEMENT Fresh Water 71 BBS,
 EQUIPMENT _____

PUMP TRUCK CEMENTER David W.
 # 302 HELPER Dwayne W.
 BULK TRUCK _____
 # 364 DRIVER Tanner F.
 BULK TRUCK _____
 # _____ DRIVER _____

OWNER American Energies,
 CEMENT
 AMOUNT ORDERED 125sx ASC #5
Kol-seal 25sx 60' 40' 6
Mud Clean 500 gal.

COMMON	<u>15 A</u>	@	<u>7.15</u>	<u>107.25</u>
POZMIX	<u>10</u>	@	<u>3.80</u>	<u>38.00</u>
GEL	<u>1</u>	@	<u>10.00</u>	<u>10.00</u>
CHLORIDE		@		
	<u>ASC-125</u>	@	<u>9.00</u>	<u>1125.00</u>
	<u>Kol Seal 6.25</u>	@	<u>.50</u>	<u>312.50</u>
	<u>Mud Clean 500 gal</u>	@	<u>1.00</u>	<u>500.00</u>
		@		
		@		
HANDLING	<u>186</u>	@	<u>1.15</u>	<u>213.90</u>
MILEAGE	<u>8 x .05 x 186</u>			<u>125.00</u>

RECEIVED Min Charge
 TOTAL 2431.65

JAN 09 2004

KCC WICHITA SERVICE

REMARKS:

Pipe on bottom Break circ pump
12 BBS, Mud Clean for plug Rat & Mouse
W/25sx 60' 40' 6 pump 125sx ASC #5 Kol
seal shut down wash pump lines,
Release Plug Displace w/ Fresh Water
slow Rate Bump Plug Float Did
Wash up Rig Down.

DEPTH OF JOB 4415
 PUMP TRUCK CHARGE _____ 1195.00
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 8 @ 3.50 28.00
 PLUG RUBBER @ 48.00 48.00
 _____ @ _____
 _____ @ _____
 TOTAL 1271.00

CHARGE TO: American Energies,
 STREET _____
 CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

4 1/2
 1-Guide Shoe @ 125.00 125.00
 4-Centralizers @ 45.00 180.00
 1-Basket @ 116.00 116.00
 1-AFU TASCIT @ 210.00 210.00
 _____ @ _____
 TOTAL 631.00

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 ~~2431.65~~
 DISCOUNT ~~2431.65~~ IF PAID IN 30 DAYS

SIGNATURE [Signature] L. W. JACKSON
 PRINTED NAME

ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING

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 separation 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.