

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

CONFIDENTIAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 32511
Name: Imperial American Oil Corporation
Address: 900 N Tyler Rd #14
City/State/Zip: Wichita KS 67212
Purchaser: NCRA
Operator Contact Person: Hal Porter
Phone: (316) 721-0036
Contractor: Name: Murfin Drilling Company, Inc.
License: 30606

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Wellsite Geologist: Randall Kilian
Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW 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. _____

<u>1/9/2004</u>	<u>1/16/2004</u>	<u>2/19/2004</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25,271-03-02
County: Ellis
N/2 N/2 SE Sec. 6 Twp. 13 S. R. 16 East West
2220 feet from S N (circle one) Line of Section
1320 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Connie Well #: 6-1
Field Name: Emmeran Townsite

Producing Formation: LKC
Elevation: Ground: 2011
Total Depth: 3582 Plug Back Total Depth: 3564

Amount of Surface Pipe Set and Cemented at 1159 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 49,000 ppm Fluid volume 400 bbls
Dewatering method used Allow to dry, backfill

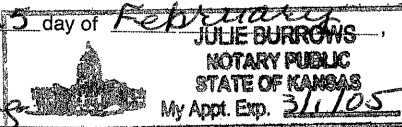
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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: President Date: 2/25/2004

Subscribed and sworn to before me this 25 day of February,
2004.
Notary Public: Julie Burrows
Date Commission Expires: March 1, 2005



KCC Office Use ONLY

YES Letter of Confidentiality Attached
If Denied, Yes Date: _____
YES Wireline Log Received
YES Geologist Report Received
____ UIC Distribution

Operator Name: Imperial American Oil Corporation Lease Name: Connie Well #: 6-1
 Sec. 6 Twp. 13 S. R. 16 East West County: Ellis

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 no space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

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Drill Stem Tests Taken <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Anhydrite	161	+850
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Topeka	2949	-938
List All E. Logs Run:		Lansing	3243	-1232
DI, Comp N-N, Micro, Sonic		Arbuckle	3492	-1481
		TD	3582	-1536

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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
Surface	12-1/4"	8-5/8"	24	1159'	60/40 Poz	470	3%CaCl,2% gel
Production	7-7/8"	5-1/2"	15.5	3580	ASC	175	none

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	Acid, Fracture, Shot, Cement Squeeze Record	Depth
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used)	
4	3420-24; 3399-3408; 3325-28; 3287-92; 3269-73;	250 gal MCA per set of perfs	
	3243-55; 2979-82		

TUBING RECORD	Size <u>2-3/8"</u>	Set At <u>3437</u>	Packer At <u>None</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
2/19/2004				
Estimated Production Per 24 Hours	Oil Bbls. <u>70</u>	Gas Mcf <u>nil</u>	Water Bbls. <u>6</u>	Gas-Oil Ratio <u>nil</u> Gravity <u>34</u>

Disposition of Gas Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

METHOD OF COMPLETION _____

Production Interval _____

(If vented, Submit ACO-18.)

ALLIED CEMENTING CO., INC. 13944

Federal Tax I.D.#

P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT B

CONFIDENTIAL

DATE <u>1/10/04</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION <u>9:15 A.M.</u>	JOB START	JOB FINISH <u>12:00 P.M.</u>
LEASE <u>Connie</u>	WELL # <u>6-1</u>	LOCATION <u>Wichita LE 62N</u>		COUNTY <u>Ellis</u>	STATE <u>Ks</u>		

OLD OR NEW (Circle one)

CONTRACTOR <u>Martin #116</u>	OWNER _____
TYPE OF JOB <u>Long Surface</u>	CEMENT AMOUNT ORDERED <u>425 200/42 342</u>
HOLE SIZE <u>12 1/4</u> T.D. <u>1160'</u>	COMMON <u>285 Count @ 7.15 = 2037.75</u>
CASING SIZE <u>8 5/8</u> DEPTH <u>1138</u>	POZMIX <u>190 @ 3.80 = 722.00</u>
TUBING SIZE _____ DEPTH _____	GEL <u>9 @ 10.00 = 90.00</u>
DRILL PIPE _____ DEPTH _____	CHLORIDE <u>15 @ 30.00 = 450.00</u>
TOOL _____ DEPTH _____	_____ @ _____ = _____
PRES. MAX _____ MINIMUM _____	_____ @ _____ = _____
MEAS. LINE _____ SHOE JOINT <u>41.38</u>	_____ @ _____ = _____
CEMENT LEFT IN CSG. _____	_____ @ _____ = _____
PERFS. _____	_____ @ _____ = _____
DISPLACEMENT <u>7 1/4 Bbl</u>	HANDLING <u>475 @ 1.15 = 546.25</u>
EQUIPMENT _____	MILEAGE <u>54/SK/MILE = 546.25</u>
PUMP TRUCK CEMENTER <u>Paul</u>	TOTAL <u>4522.00</u>
# <u>306</u> HELPER <u>Shane</u>	
BULK TRUCK # <u>378</u> DRIVER <u>Scott</u>	
BULK TRUCK # _____ DRIVER _____	

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REMARKS:	SERVICE
_____	DEPTH OF JOB _____
_____	PUMP TRUCK CHARGE _____
<u>Cement Circulated</u>	EXTRA FOOTAGE @ _____
_____	MILEAGE <u>23 @ 3.50 = 80.50</u>
<u>Thank You!</u>	PLUG <u>8 5/8 Rubber @ 1.00 = 8.00</u>
_____	TOTAL <u>169.50</u>

CHARGE TO: IA Operating

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT	
<u>8 5/8 Baffle Plate @ 15.00 = 15.00</u>	
_____ @ _____ = _____	
_____ @ _____ = _____	
_____ @ _____ = _____	
TOTAL <u>15.00</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 _____

DISCOUNT _____ IF PAID IN 10 DAYS

SIGNATURE Bill Upton PRINTED NAME Bill Upton

THANKS

ALLIED CEMENTING CO., INC.

15665

Federal Tax I.D.#

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

SERVICE POINT:

Russell

CONFIDENTIAL

DATE <u>1-16</u>	SEC. <u>6</u>	TWP. <u>13 S</u>	RANGE <u>16 W</u>	CALLED OUT	ON LOCATION <u>12:01 AM</u>	JOB START <u>3:00 AM</u>	JOB FINISH <u>3:40 AM</u>
LEASE <u>CONNIE</u>	WELL # <u>6-1</u>	LOCATION <u>VICTORIA 1E 6N 1/4 W</u>			COUNTY <u>ELLIS</u>	STATE <u>KANSAS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR MURFIN Dale, Rig 16

TYPE OF JOB PRODUCTION STRING

HOLE SIZE 7 7/8 T.D. 3582

CASING SIZE 5 1/2 DEPTH 3580

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL AFU INSERT DEPTH 3564'

PRES. MAX 1200# MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 85/BBL

OWNER

CEMENT

AMOUNT ORDERED 200 SK ASC.

500 GAL WFR-2 FLUSH

EQUIPMENT

PUMP TRUCK CEMENTER GLENN

36P HELPER SHANE

BULK TRUCK

378 DRIVER GARY

BULK TRUCK

DRIVER

COMMON	RELEASED @		
POZMIX	FROM @		
GEL	CONFIDENTIAL @		
CHLORIDE	@		
ASC 200	@ 9.00	1,800.00	
WFR-2 500 Gal.	@ 1.00	500.00	
	@		
	@		
HANDLING 200	@ 1.15	230.00	
MILEAGE .05/SK/MI.		240.00	

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TOTAL 2,770.00

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KCC WICHITA SERVICE

REMARKS:

15 SK @ RAT HOLE

10 SK @ MOUSE HOLE

FLOAT HELD.

THANKS

DEPTH OF JOB		
PUMP TRUCK CHARGE		1130.00
EXTRA FOOTAGE	@	
MILEAGE 24	@ 3.50	84.00
PLUG <u>5 1/2 RUBBER</u>	@	60.00
	@	
	@	

TOTAL 12.74.00

CHARGE TO: I. A. Operating Inc.

STREET

CITY STATE ZIP

WEATER FORD
FLOAT EQUIPMENT

1 - Guide Shoe	@	150.00
1 - AFU INSERT	@	235.00
7 - CENTRALIZERS	@ 40.00	280.00
1 - BSK	@ 145.00	145.00
2-3 BEC, SCRATCHERS	@ 35.00	105.00 805.00

TOTAL 1675.00

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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.

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

SIGNATURE

M. D. Stenton

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.

13944

Federal Tax I.D.#

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

CONFIDENTIAL

SERVICE POINT: R

DATE <u>1/10/04</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION <u>9:45 A.M.</u>	JOB START	JOB FINISH <u>12:00 P.M.</u>
LEASE <u>Wanda Connie Unit</u>	WELL # <u>311</u>	<u>6-1</u>	LOCATION <u>Victoria 1E 6 1/2 W</u>	COUNTY <u>Ellis</u>	STATE <u>KS</u>		
OLD OR <u>NEW</u> (Circle one)				RELEASED			

CONTRACTOR Murfin #110

TYPE OF JOB Long Surface

HOLE SIZE 12 1/4" T.D. 1160'

CASING SIZE 8 5/8" DEPTH 1158'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT 41.38'

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT 7 1/4 Bbl

OWNER FROM

CONFIDENTIAL

CEMENT

AMOUNT ORDERED 475 60/40 342

COMMON	<u>285</u>	@	<u>7.15</u>	<u>2037.75</u>
POZMIX	<u>190</u>	@	<u>3.80</u>	<u>722.00</u>
GEL	<u>9</u>	@	<u>10.00</u>	<u>90.00</u>
CHLORIDE	<u>15</u>	@	<u>30.00</u>	<u>450.00</u>
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
_____	_____	@	_____	_____
HANDLING	<u>475</u>	@	<u>.15</u>	<u>546.25</u>
MILEAGE	<u>54/58/mile</u>	@	_____	<u>546.25</u>

EQUIPMENT

PUMP TRUCK CEMENTER Paul

3106 HELPER Shane

BULK TRUCK

378 DRIVER Scott

BULK TRUCK

_____ DRIVER _____

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KCC WICHITA SERVICE

TOTAL 4392.25

REMARKS:

Cement circulated

Thank You

DEPTH OF JOB	_____			
PUMP TRUCK CHARGE	_____			<u>630.00</u>
EXTRA FOOTAGE	_____	@	_____	_____
MILEAGE	<u>23</u>	@	<u>3.50</u>	<u>80.50</u>
PLUG <u>8 5/8 Rubber</u>	_____	@	_____	<u>100.00</u>
_____	_____	@	_____	_____
_____	_____	@	_____	_____
TOTAL	_____			<u>810.50</u>

CHARGE TO: IA operating

~~Imperial American~~

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

<u>8 5/8 Baffle Plate</u>	@	_____	<u>45.00</u>
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
TOTAL			<u>45.00</u>

To Allied Cementing Co., Inc.

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TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Bill Wynn

Bill Wynn
PRINTED NAME

THANKS

GENERAL TERMS AND CONDITIONS

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—**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.

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(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 willful 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.