

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM

CONFIDENTIAL

WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 5474
Name: NORTHERN LIGHTS OIL CO., LC
Address: P.O. BOX 164
City/State/Zip: ANDOVER, KS 67002
Purchaser: _____
Operator Contact Person: Kurt Smith
Phone: (316) 733-1515
Contractor: Name: MALLARD JV
License: 4958
Wellsite Geologist: JAMES HESS

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API No. 15 - 135-24328-0000
County: Ness
SE NV NE Sec. 16 Twp. 17 S. R. 22 East West
1130 feet from S N (circle one) Line of Section
1500 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: JULIA Well #: 1
Field Name: WC
Producing Formation: _____
Elevation: Ground: 2322 Kelly Bushing: 2327
Total Depth: 4354 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 282 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.

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>4-4-05</u> | <u>4-11-05</u> | <u>4-11-05</u> |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

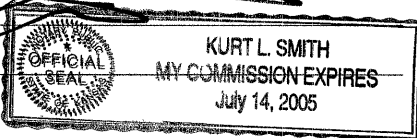
Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit) *ALT II P&A with 4-6-05*
Chloride content 2000 ppm Fluid volume 1800 bbls
Dewatering method used Evaporate and Backfill
Location of fluid disposal if hauled offsite:
Operator Name: _____
Lease Name: _____ License No.: _____
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: MANAGING PARTNER Date: 4-19-05
Subscribed and sworn to before me this 19th day of APRIL,
2005.

Notary Public: [Signature]
Date Commission Expires: _____



KCC Office Use ONLY

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

Operator Name: **NORTHERN LIGHTS OIL CO., LC**

Lease Name: **JULIA**

Well #: **1**

Sec. **16** Twp. **17** S. R. **22**

East West

County: **Ness**

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:

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| Log Name | Formation (Top), Depth and Datum | ✓ Sample Datum |
|---------------|----------------------------------|----------------|
| Anhydrite | 1612 | +715 |
| LKC | 3778 | -1451 |
| CHER SH. | 4264 | -1937 |
| Mississippian | 4346 | -2027 |

| 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# | 282 | Comm | 180 | 3%cc2%gel |
| | | | | | | | |
| | | | | | | | |

| 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 |
|----------------|---|---|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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| TUBING RECORD | Size | Set At | Packer At | Liner Run |
|---------------|------|--------|-----------|--|
| | | | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

| Date of First, Resumed Production, SWD or Enhr. | Producing Method | | | |
|---|------------------|---------|-------------|-----------------------|
| | Flowing | Pumping | Gas Lift | Other (Explain) |
| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | Gas-Oil Ratio Gravity |

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

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

ALLIED CEMENTING CO., INC. 17475

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

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 APR 19 2005

ORIGINAL
 SERVICE POINT:

CONFIDENTIAL

Ness City

| | | | | | | | |
|--------------------------------|----------------|-----------------|---------------------------------------|--------------------------|---------------------------|-------------------------|--------------------------|
| DATE <u>4-4-05</u> | SEC. <u>16</u> | TWP. <u>17</u> | RANGE <u>22</u> | CALLED OUT <u>3:30pm</u> | ON LOCATION <u>7:00pm</u> | JOB START <u>8:15pm</u> | JOB FINISH <u>8:45pm</u> |
| LEASE <u>Julia</u> | | WELL # <u>1</u> | LOCATION <u>Ness City 7E9N 94E #5</u> | | | COUNTY <u>Ness</u> | STATE <u>KS</u> |
| OLD OR <u>NEW</u> (Circle one) | | | | | | | |

CONTRACTOR Mallard Orlg
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 282
 CASING SIZE 8 5/8 DEPTH 282
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT _____

OWNER _____
 CEMENT AMOUNT ORDERED
180 Com 3%cc 2%del

| | | | | |
|----------|------------|---|--------------|----------------|
| COMMON | <u>180</u> | @ | <u>8.30</u> | <u>1494.00</u> |
| POZMIX | _____ | @ | _____ | _____ |
| GEL | <u>4</u> | @ | <u>13.00</u> | <u>52.00</u> |
| CHLORIDE | <u>5</u> | @ | <u>36.00</u> | <u>180.00</u> |
| ASC | _____ | @ | _____ | _____ |

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| | | | | |
|--------------|------------|---|-------------|----------------|
| HANDLING | <u>189</u> | @ | <u>1.50</u> | <u>283.50</u> |
| MILEAGE | <u>17</u> | @ | _____ | <u>176.80</u> |
| TOTAL | | | | <u>2186.30</u> |

EQUIPMENT

PUMP TRUCK CEMENTER J. Weighous
 # 224 HELPER Burr
 BULK TRUCK
 # 344 DRIVER P. Dugan
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

New 24"
circ 8 5/8 cas w/ reg pump.
mix cement disp plug w/ BB.
Cement dial circ

Thanks

SERVICE

| | | | | |
|-------------------|------------|-------|--------------------------|---------------|
| DEPTH OF JOB | <u>282</u> | _____ | _____ | |
| PUMP TRUCK CHARGE | _____ | _____ | <u>625.00</u> | |
| EXTRA FOOTAGE | _____ | @ | _____ | |
| MILEAGE | <u>17</u> | @ | <u>4.50</u> <u>76.50</u> | |
| _____ @ _____ | | | | |
| _____ @ _____ | | | | |
| TOTAL | | | | <u>701.50</u> |

PLUG & FLOAT EQUIPMENT

| | | | | |
|-------------------------|-------|---|--------------|--------------|
| MANIFOLD | _____ | @ | _____ | |
| <u>1-8 7/8 top wood</u> | _____ | @ | <u>55.00</u> | |
| _____ | _____ | @ | _____ | |
| _____ | _____ | @ | _____ | |
| TOTAL | | | | <u>55.00</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 30 DAYS

SIGNATURE Loren R Ueban

Loren R Ueban
 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.

CONFIDENTIAL

KCC

14419
ORIGINAL

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

APR 19 2005

SERVICE POINT:

St Bond
4-11-05

CONFIDENTIAL-10-05

| | | | | | | | | |
|--|----------------|----------------|-----------------|---------------------------|--|---------------------------|---------------------------|----------------|
| DATE <u>4-11-05</u> | SEC. <u>16</u> | TWP. <u>17</u> | RANGE <u>22</u> | CALLED OUT <u>7:00 PM</u> | ON LOCATION <u>11:30 PM</u> | JOB START <u>12:00 AM</u> | JOB FINISH <u>2:30 AM</u> | |
| LEASE <u>Julia</u> | | | WELL # <u>1</u> | | LOCATION <u>Bayline 4W, 9N, E/into</u> | | COUNTY <u>Nem</u> | STATE <u>K</u> |
| OLD OR <input checked="" type="radio"/> NEW (Circle one) | | | | | | | | |

CONTRACTOR Mallard

TYPE OF JOB Rotary Plug

| | |
|--------------------------|---------------------|
| HOLE SIZE <u>778"</u> | T.D. <u>4354'</u> |
| CASING SIZE | DEPTH |
| TUBING SIZE | DEPTH |
| DRILL PIPE <u>4 1/2"</u> | DEPTH <u>11652'</u> |
| TOOL | DEPTH |
| PRES. MAX | MINIMUM |
| MEAS. LINE | SHOE JOINT |
| CEMENT LEFT IN CSG. | |
| PERFS. | |
| DISPLACEMENT | |

OWNER Some

CEMENT

AMOUNT ORDERED 255 sh 60/40 690 Hef
1/4 # flow / sh

| | | |
|------------------------------|----------------|----------------|
| COMMON <u>153 sh</u> | @ <u>8.30</u> | <u>1269.90</u> |
| POZMIX <u>102 sh</u> | @ <u>4.50</u> | <u>459.00</u> |
| GEL <u>13 sh</u> | @ <u>13.00</u> | <u>169.00</u> |
| CHLORIDE | @ | |
| <u>Pro Seal 64 sh</u> | @ <u>1.60</u> | <u>102.40</u> |
| | @ | |
| | @ | |
| | @ | |
| | @ | |
| HANDLING <u>270 sh</u> | @ <u>1.50</u> | <u>405.00</u> |
| MILEAGE <u>270 sh S.S 17</u> | | <u>252.45</u> |

EQUIPMENT

| | |
|-------------------------|---------------------------|
| PUMP TRUCK # <u>181</u> | CEMENTER <u>Tom D</u> |
| | HELPER <u>Don Dimmitt</u> |
| BULK TRUCK # <u>341</u> | DRIVER <u>Bob B</u> |
| BULK TRUCK # | DRIVER |

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REMARKS:

Misc - 50 sh @ 11652'
80 sh @ 850'
40 sh @ 500'
50 sh @ 300'
10 sh @ 40'
15 sh in RH
10 sh in M. H.

| | |
|-----------------------------|-----------------------------|
| DEPTH OF JOB <u>11652'</u> | |
| PUMP TRUCK CHARGE | <u>620.00</u> |
| EXTRA FOOTAGE | @ |
| MILEAGE <u>17</u> | @ <u>4.50</u> <u>76.50</u> |
| PLUG 1 - <u>878 Dryhole</u> | @ <u>35.00</u> <u>35.00</u> |
| | @ |
| | @ |

TOTAL 736.50

CHARGE TO: Northern Lights Oil Co, LC

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

| | | |
|--|---|--|
| | @ | |
| | @ | |
| | @ | |
| | @ | |
| | @ | |

TOTAL _____

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TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Frank Spmanck

SIGNATURE Frank Spmanck
PRINTED NAME

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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 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.