

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 32890
Name: HT Oil LLC
Address: 6150 Stoneridge Mall Rd., Suite 365
City/State/Zip: Pleasanton, California 94588
Purchaser: _____
Operator Contact Person: Mark Torr
Phone: (785) 425-6763
Contractor: Name: HT Oil LLC
License: 32890
Wellsite Geologist: Kitt Noah

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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>3-24-04</u>	<u>4-04-04</u>	<u>4-05-04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

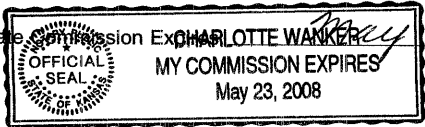
API No. 15 - 15-193-20693-00-00
County: Thomas
50°N SE NE SE Sec. 15 Twp. 10 S. R. 31 East West
1700 feet from S / N (circle one) Line of Section
330 feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Maurath Well #: 1
Field Name: North Saline River
Producing Formation: _____
Elevation: Ground: 2980 Kelly Bushing: 2985
Total Depth: 4660 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 259' W170sx 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 *P&A KJR 06/07/07*
(Data must be collected from the Reserve Pit)
Chloride content 4300 ppm Fluid volume 700 bbls
Dewatering method used Air Dry
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: Charles Rhoades
Title: Geologist Date: 6-23-04
Subscribed and sworn to before me this 25th day of June,
2004.
Notary Public: Charlotte Wanker
Date: May 23, 2008



KCC Office Use ONLY

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

ORIGINAL

Operator Name: HT Oil LLC Lease Name: Maurath Well #: 1
 Sec. 15 Twp. 10 S. R. 31 East West County: Thomas

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:

Log-Tech - Radiation Guard Log

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Anhydrite	2553'	+ 432
Topeka	3767	- 782
Heeber	3987	-1002
Lansing	4030	-1045
BKC	4300	-1258
Ft. Scott	4490	-1505
Johnson Zone	4562	-1577
Mississippi Zone	4616	-1631

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	259'	60/40 Poz	170	3%CC,2%Gel

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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 <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input 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

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

Side Three

Operator Name: HT Oil LLC
Section 15 Twp 10s R. 31w

Lease Name: Maurath
County: Thomas

Well: #1
State: Kansas

Drill Stem Test Results:

Dst No. 1 - "E" Zone

4096-4110 Open 45 minutes. Weak blow building to 2 ½ inches. Shut-in 45 minutes.
Open 45 minutes. Weak building to 1 ¾ inches. Shut-in 45 minutes.
Recovered: 92 feet salt water.

Initial Flow Pressure	6-28 psi	Final Flow Pressure	29-47 psi
Initial Shut-in Pressure	1105 psi	Final Shut-in Pressure	1023 psi

Dst No. 2 "I & J" Zone

4185-4253 Open 30 minutes. Weak building to 1 ½ inches. Shut-in 30 minutes.
Open 30 minutes. Weak building to 1 ¾ inches. Shut-in 30 minutes.
Recovered: 25 feet OCM(8%O, 92%M)

Initial Flow Pressure	3-15 psi	Final Flow Pressure	14-22 psi
Initial Shut-in Pressure	209 psi	Final Shut-in Pressure	175 psi

Dst No. 3 "K" Zone

4248-4283 Open 30 minutes. Weak blow, died 19 minutes. Shut -in 30 minutes.
Open 15 minutes. Flush tool. Died 10 minutes. No final shut-in. 00.00
Recovered: 15 feet SOCM(1%O, 99%M)

Initial Flow Pressure	8-12 psi	Final Flow Pressure	12-14 psi
Initial Shut-in Pressure	1094 psi	Final Shut-in Pressure	00.00

Dst No. 4 "L" Zone

4279-4306 Open 30 minutes. Weak blow, died 27 minutes. Shut-in 30 minutes.
Open 30 minutes. Flush tool, no help. No final shut-in. 00.00
Recovered: 5 feet SOCM (1%O, 99%M)

Initial Flow Pressure	8-13 psi	Final Flow Pressure	10-11 psi
Initial Shut-in Pressure	499 psi	Final Shut-in Pressure	00.00

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Side Four

Dst No. 5 "Upper Pawnee"

4402-4434 Open 30 minutes. Weak blow. Shut-in 30 minutes.
Open 30 minutes. NO blow, flush tool, no help. Shut-in 30 minutes.
Recovered: 10 feet mud with specks of oil

Initial Flow Pressure	4-12 psi	Final Flow Pressure	12-14 psi
Initial Shut-in Pressure	488 psi	Final Shut-in Pressure	426 psi

Dst No. 6 "Lower Pawnee"

4434-4450 Open 30 minutes. Weak, died 30 minutes. Shut-in 30 minutes.
Open 10 minutes. No blow, flush tool, no help. No final shut-in. 00.00
Recovered: 1 foot mud with oil specks.

Initial Flow Pressure	7-9 psi	Final Flow Pressure	9-10 psi
Initial Shut-in Pressure	89 psi	Final Shut-in Pressure	00.00

Dst No. 7 "My. Station"

4447-4484 Open 30 minutes. Weak blow, died 24 minutes. Shut-in 30 minutes.
Open 10 minutes. No blow, flush tool, no help. No final shut-in. 00.00
Recovered: 5 feet SOCM

Initial Flow Pressure	8-14 psi	Final Flow Pressure	12-13 psi
Initial shut-in Pressure	40 psi	Final Shut-in Pressure	00.00

Dst No. 8 "Conglomerate"

4576-4600 Open 30 minutes. BOB 7 1/2 minutes. Shut-in 45 minutes. No blow back.
Open 45 minutes. BOB 14 3/4 minutes. Shut-in 60 minutes. No blow back.
Recovered: 117 feet watery mud, 558 feet salt water.

Initial Flow Pressure	18-176 psi	Final Flow Pressure	181-320 psi
Initial Shut-in Pressure	918 psi	Final Shut-in Pressure	863 psi

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KCC WICHITA

ALLIED CEMENTING CO., INC. 13700

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

SERVICE POINT:

Oakley

DATE <i>4-5-04</i>	SEC. <i>15</i>	TWP. <i>10s</i>	RANGE <i>3W</i>	CALLED OUT	ON LOCATION <i>2:45 AM</i>	JOB START <i>9:15 AM</i>	JOB FINISH <i>12:00 PM</i>
LEASE <i>Mourarb</i>	WELL # <i>1</i>	LOCATION <i>Oakley 3N 4E 1N 2E MS</i>			COUNTY <i>Thomas</i>	STATE <i>KS</i>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR *H T Drtg*

TYPE OF JOB *PTA*

HOLE SIZE *7 7/8* T.D. *4660'*

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH *2575'*

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER *Same*

CEMENT AMOUNT ORDERED *190 SKS 60/40 Poz 67 Gel 4 # P10 Seal*

EQUIPMENT

PUMP TRUCK CEMENTER *Dean*

373-287 HELPER *Andrew*

BULK TRUCK # *218* DRIVER *Larry*

BULK TRUCK # _____ DRIVER _____

COMMON	<i>114 SKS</i>	@	<i>8.85</i>	<i>1008.90</i>
POZMIX	<i>76 SKS</i>	@	<i>4.00</i>	<i>304.00</i>
GEL	<i>10 SKS</i>	@	<i>11.00</i>	<i>110.00</i>
CHLORIDE		@		
		@		
		@		
		@		
		@		
HANDLING	<i>200 SKS</i>	@	<i>1.25</i>	<i>250.00</i>
MILEAGE	<i>5 SK/mile</i>			<i>125.00</i>
	<i>Minimum charge</i>			
TOTAL				<i>1865.10</i>

REMARKS:

SERVICE

1st Plug at 2575' w/25 SKS

2nd Plug at 1700' w/100 SKS

3rd Plug at 305' w/40 SKS

4th Plug 40' w/10 SKS & Plug

15 SKS in Rat Hole

Thank you

DEPTH OF JOB	<i>2575</i>		
PUMP TRUCK CHARGE			<i>630.00</i>
EXTRA FOOTAGE		@	
MILEAGE	<i>10 Miles</i>	@	<i>4.00</i>
PLUG	<i>8 3/8 Dry Hole</i>	@	<i>23.00</i>
		@	
		@	

CHARGE TO: *H T Oil LLC*

STREET _____

CITY _____ STATE _____ ZIP _____

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TOTAL *693.00*

JUN 28 2004

FLOAT EQUIPMENT

KCC WICHITA

_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____

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 *David Anderson*

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. 14016

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

SERVICE POINT:
OAKLEY

DATE <u>3-24-04</u>	SEC. <u>15</u>	TWP. <u>10S</u>	RANGE <u>31W</u>	CALLED OUT	ON LOCATION <u>5:45 PM</u>	JOB START <u>6:45 PM</u>	JOB FINISH <u>7:15 PM</u>
LEASE <u>MAURATH</u>	WELL # <u>1</u>	LOCATION <u>OAKLEY 3N-4E-1W-134E-2N</u>			COUNTY <u>THOMAS</u>	STATE <u>Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR H-T DRILL

TYPE OF JOB SURFACE

HOLE SIZE 12 1/4" T.D. 259'

CASING SIZE 8 5/8 DEPTH 259'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 15 1/2 BBL

OWNER SAME

CEMENT AMOUNT ORDERED 170 SKS 6040 P 0239 CC 266 CL

COMMON	<u>102 SKS</u>	@	<u>8.35</u>	<u>851.70</u>
POZMIX	<u>68 SKS</u>	@	<u>3.82</u>	<u>258.56</u>
GEL	<u>3 SKS</u>	@	<u>10.00</u>	<u>30.00</u>
CHLORIDE	<u>6 SKS</u>	@	<u>30.00</u>	<u>180.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>179 SKS</u>	@	<u>1.15</u>	<u>205.85</u>
MILEAGE	<u>054 PER SK/mile</u>			<u>125.40</u>

EQUIPMENT

PUMP TRUCK CEMENTER TERRY

177 HELPER FUZZY

BULK TRUCK DRIVER LONNIE

218

BULK TRUCK DRIVER _____

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TOTAL 1650.95

REMARKS: KCC WICHITA SERVICE

CEMENT 170 CIRC,

DEPTH OF JOB 259'

PUMP TRUCK CHARGE 520.00

EXTRA FOOTAGE @ _____

MILEAGE 10 MI @ 3.50 35.00

PLUG 8 5/8 SURFACE @ 45.00

THANK YOU

CHARGE TO: H T OIL LLC

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL 600.00

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

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TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]

PRINTED NAME _____

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.

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—**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.

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(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.