

STATE CORPORATION COMMISSION OF KANSAS
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
ACO-1 WELL HISTORY
DESCRIPTION OF WELL AND LEASE

API NO. 163- 23,228-00-00 ORIGINAL
County _____ Rooks _____
C - S/2 - NE - NW Sec. 4 Twp. 09 Rge. 19 E
 X W

Operator: License # 03456 _____

Name: _____ AFG Energy Inc. _____

Address _____ P.O. Box 458 _____

City/State/Zip _____ Hays, Ks. 67601-0458 _____

Purchaser: _____ NCRA _____

Operator Contact Person: _____ Ed Glassman _____

Phone (913) _____ 625-6374 _____

Contractor: Name: _____ Duke Drilling Co., Inc. _____

License: _____ 5959 _____

Wellsite Geologist: _____ Ed Glassman _____

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:

Operator: _____

Well Name: _____

Comp. Date _____ Old Total Depth _____

Deepening Re-perf. Conv. to Inj/SWD
 Plug Back PBTB
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Inj?) Docket No. _____

 07-13-93 07-20-93 09-07-93
Spud Date Date Reached TD Completion Date

4290 Feet from (S) N (circle one) Line of Section
3300 Feet from (E) W (circle one) Line of Section

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

Lease Name Cerrow A Well # 8-4

Field Name Webster

Producing Formation Arbuckle

Elevation: Ground 2003 KB 2012

Total Depth 3458' PBTB 3448'

Amount of Surface Pipe Set and Cemented at 320 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set 1410' Feet

If Alternate II completion, cement circulated from 1410'

feet depth to surface w/ 800 sx cmt.

Drilling Fluid Management Plan ALT II 5-10-99
(Data must be collected from the Reserve Pit) DPW

Chloride content 16,000 ppm Fluid volume 250 bbls

Dewatering method used Evaporation

Location of fluid disposal if hauled offsite:

Operator Name _____

Lease Name _____ License No. _____

 Quarter Sec. Twp. S Rng. E/W

County _____ Docket No. _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, 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 on 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 Gerry W. Piesher
Title General Manager Date 10-18-93
Subscribed and sworn to before me this 18th day of Oct,
19 93.
Notary Public Linda Pfannenstiel
Date Commission Expires 2/5/96

K.C.C. OFFICE USE ONLY
F Letter of Confidentiality Attached
C Wireline Log Received
C Geologist Report Received

Distribution
 KCC SWD/Rep NGPA
 KGS Plug Other
(Specify)
RECEIVED
STATE CORPORATION COMMISSION

LINDA K. PFANNENSTIEL
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 2/5/96

Form ACO-1 (7-91)
OCT 19 1993
10/19/93
CONSERVATION DIVISION
Wichita, Kansas

SIDE TWO

Operator Name AFG Energy Inc. Lease Name Cerrow A Well # 8- 4

Sec. 4 Twp. 9 Rge. 19 East West

County Rooks

API # 15-163-23228

ORIGINAL

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

| | | | | |
|---|---|------------------------------|--|--|
| Drill Stem Tests Taken (Attach Additional Sheets.) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Log | Formation (Top), Depth and Datums | <input checked="" type="checkbox"/> Sample |
| Samples Sent to Geological Survey | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Name | Top | Datum |
| Cores Taken | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Anhydrite | 1426 | +586 |
| Electric Log Run (Submit Copy.) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Topeka | 2951 | -939 |
| List All E.Logs Run: | | Heebner | 3157 | -1145 |
| Gamma Ray Neutron Cased Hole Log - | | Toronto | 3181 | -1169 |
| | | Lan Kc | 3200 | -1188 |
| | | Arbuckle | 3438 | -1426 |
| | | TD | 3485 | -1473 |

| 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" | 20# | 320' | 60/40 poz | 160 | 2% gel 3% cc. |
| Production | 7-7/8" | 5 1/2" | 14 # | 3470' | Common | 125 | |
| | | | | | | | |

| ADDITIONAL CEMENTING/SQUEEZE RECORD | | | | |
|--|------------------|----------------|-------------|--|
| Purpose: | Depth Top Bottom | Type of Cement | #Sacks Used | Type and Percent Additives |
| <input checked="" type="checkbox"/> Perforate | | | | |
| <input checked="" type="checkbox"/> Protect Casing | 870' | 60/40 Poz. 8% | 250 | 8% gel and 50 sxs. Common (completion REport Attached) |
| <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 |
|----------------|---|---|
| | Specify Footage of Each Interval Perforated | (Amount and Kind of Material Used) Depth |
| 3 holes | 3416' - Resqueeze -50 sx(same) | 100 sx. common 2% cc Resqueeze w/ 50 sxs. |
| 4 holes/ft | 3450.5' to 3452.1' | squeeze 100 sx. common 2% |
| 4 holes/ft | 3441' to 3444' | 250 gal., 15% Inc. |
| | | |

| | | | | |
|--|--|--------------|-----------------|---|
| TUBING RECORD | Size 2 7/8" | Set At 3445' | Packer At | Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Date of First, Resumed Production, SWD or Inj. | Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) | | | |
| 09-17-93 | | | | |
| Estimated Production Per 24 Hours | Oil 10 Bbls. | Gas Mcf | Water 150 Bbls. | Gas-Oil Ratio Gravity |

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

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled 3441' to 3444'

(If vented, submit ACO-18.) Other (Specify) _____

RECEIVED
STATE CORPORATION COMMISSION
OCT 19 1993
CONSERVATION DIVISION

Phone 913-483-2627, Russell, Kansas
 Phone 316-793-5861, Great Bend, Kansas

ORIGINAL

Phone Plainville 913-434-2812
 Phone Ness City 913-798-3843

ALLIED CEMENTING CO., INC.

Home Office P. O. Box 31

Russell, Kansas 67665

4504

| | | | | | | | | | | | | | | | |
|-------|------------|----------|-----|----------|---|-------|----|---------------|---------|-------------|---------|-----------|----------|--------|---------|
| Date | 7-20-93 | Sec. | 4 | Twp. | 9 | Range | 19 | Called Out | 6:40 AM | On Location | 8:00 AM | Job Start | 12:45 PM | Finish | 2:30 PM |
| Lease | Cerrow "A" | Well No. | 8-4 | Location | | | | 5N1/2W Zurich | County | | Rooks | State | | KS | |

| | |
|---------------------|-------------------|
| Contractor | Duke Drlg |
| Type Job | Production String |
| Hole Size | 7 7/8 |
| Csg. | 5 1/2 15.50" |
| Tbg. Size | |
| Drill Pipe | |
| Tool | |
| Cement Left in Csg. | |
| Press Max. | |
| Meas Line | Yes |
| Perf. | |

| | |
|---|--|
| Owner | AFG Energy |
| 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 listed. | |
| Charge To | AFG Energy |
| Street | |
| City | State |
| The above was done to satisfaction and supervision of owner agent or contractor. | |
| Purchase Order No. | |
| X | 2 Wholes |
| CEMENT | |
| Amount Ordered | 125 sk com 10% salt 500 3 1/2 Super flush |
| Consisting of | |
| Common | |
| Poz. Mix | |
| Gel. | |
| Chloride | |
| Quickset | |
| | Super flush 500 gal |
| Sales Tax | |
| Handling | |
| Mileage | |
| Sub Total | |
| Total | |

EQUIPMENT

| | | |
|-------------|----------|------------------------------|
| No. | Cementer | Bill Heikonen Dean Rundle |
| Pumptrk 277 | Helper | |
| No. | Cementer | Carl Battia Mike S |
| Pumptrk 279 | Helper | |
| | Driver | |
| Bulktrk 218 | Driver | |

| | |
|--------------|---------------------------------------|
| DEPTH of Job | 3471 |
| Reference: | Pump Trk chrg 23 per mile 13 miles |
| Sub Total | |
| Tax | |
| Total | |

Remarks: Ran 3471' 5 1/2 csg
 Float at 3435' Port collar at 1413'
 Cemented w/ 125 sk com 10% salt
 500 gal Super flush
 Float Held

| | | |
|--------------------|---------------|---|
| Floating Equipment | Triplex shoe | A |
| | Port collar | A |
| | 5 Centralizer | B |
| | 3 Baskets | B |
| | Insert | |

RECEIVED
 STATE CORPORATION COMMISSION
 OCT 19 1993
 CONSERVATION DIVISION
 Wichita, Kansas

Thank

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 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.

Phone 913-483-2627, Russell, Kansas
 Phone 316-793-5861, Great Bend, Kansas

NEW ORIGINAL

Phone Plainville 913-434-2812
 Phone Ness City 913-798-3843

ALLIED CEMENTING CO., INC.

4503

Home Office P. O. Box 31

Russell, Kansas 67665

| Date | Sec. | Fwp. | Range | Called Out | On Location | Job Start | Finish |
|---------|--------|----------|-------|------------|-----------------|-----------|---------|
| 7-19-93 | 4 | 9 | 19 | 6:00 PM | 7:30 PM | 8:30 PM | 2:45 AM |
| Lease | Cerrow | Well No. | 4-4 | Location | 5N 1/2 W Quicks | County | Rooks |
| | | | | | | State | KS |

| | |
|---------------------|------------------|
| Contractor | Duke Drlg |
| Type Job | Lost Circulation |
| Hole Size | 7 1/2 |
| T.D. | 3485 |
| Csg. | Depth |
| Tbg. Size | Depth |
| Drill Pipe | 4 1/2 |
| Depth | 3485 |
| Tool | Depth |
| Cement Left in Csg. | Shoe Joint |
| Press Max. | Minimum |
| Meas Line | Displace |
| Perf. | |

| | |
|---|------------|
| Owner | AFG Energy |
| 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 listed. | |
| Charge To | AFG Energy |
| Street | |
| City | State |
| The above was done to satisfaction and supervision of owner agent or contractor. | |
| Purchase Order No. | |
| X | |

EQUIPMENT

| | | |
|-------------|----------|----------------|
| No. | Cementor | |
| Pumptrk 277 | Helper | Bill Leikam |
| No. | Cementor | |
| Pumptrk 279 | Helper | Dean Rundle |
| | Driver | Carl Battin |
| Bulktrk 283 | Driver | Wayne |
| Bulktrk | Driver | Steve Williams |

| | |
|--------------------|------------------------------|
| CEMENT | |
| Amount Ordered | 350sk com 8% oil 1/4" cellof |
| Consisting of | |
| Common | |
| Poz. Mix | |
| Gel. | |
| Chloride | |
| Quickset | |
| | Sales Tax |
| Handling | |
| Mileage | |
| | Sub Total |
| | Total |
| Floating Equipment | |

DEPTH of Job

| | |
|------------|-------------------------|
| Reference: | Pump Trk Chrg |
| | 2 1/2 per mile 13 miles |
| | Sub Total |
| | Tax |
| | Total |

Remarks: Ran pipe and cemented w/ 150sk com 8% Gils 1/4" cellof followed w/ mud waited 2 hrs. Recemented w/ 200 sks com 8% Gils 1/4" cellof followed w/ mud wa. 7 3/4 hrs

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 Phone 316-793-5861, Great Bend, Kansas

ORIGINAL

Phone Plainville 913-434-2812
 Phone Ness City 913-798-3843

ALLIED CEMENTING CO., INC.

Home Office P. O. Box 31

Russell, Kansas 67665

5600

| | | | | | | | | | | | | | | | |
|---------------------|---------------|----------|------------|-----------|--------------------|-------|----|------------|---------|-------------|---------|---|----------------|--------|----------|
| Date | 7-13-93 | Sec. | 4 | Twp. | 9 | Range | 19 | Called Out | 5:40 PM | On Location | 7:30 PM | Job Start | 11:40 PM | Finish | 12:15 AM |
| Lease | Carrow A | Well No. | 8-4 | Location | S.W. 1/4 W. 2urick | | | County | Rooks | State | KS | | | | |
| Contractor | Duke Drilg Co | | | | | | | | | | | Owner | AFG Energy Inc | | |
| Type Job | Surface | | | | | | | | | | | 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 listed. | | | |
| Hole Size | 12 1/4 | | T.D. | 324' | | | | | | | | | | | |
| Csg. | 8 3/4 209 | | Depth | 320' | | | | | | | | | | | |
| Tbg. Size | | | Depth | | | | | | | | | | | | |
| Drill Pipe | | | Depth | | | | | | | | | | | | |
| Tool | | | Depth | | | | | | | | | | | | |
| Cement Left in Csg. | 15' | | Shoe Joint | | | | | | | | | | | | |
| Press Max. | | | Minimum | | | | | | | | | | | | |
| Meas Line | NO | | Displace | 19.8 Bbls | | | | | | | | | | | |
| Perf. | | | | | | | | | | | | | | | |

| EQUIPMENT | | | |
|-------------|----------|--------------|--|
| No. | Cementer | Dean Rundle | |
| Pumptrk 277 | Helper | | |
| No. | Cementer | Carl BATTM | |
| Pumptrk 299 | Helper | STEVE WILSON | |
| | Driver | | |
| Bulktrk 282 | | | |
| Bulktrk | Driver | | |

| | | | |
|--------------|-------------------------|--|--|
| DEPTH of Job | 320' | | |
| Reference: | Pump Trk chrg | | |
| | 2 3/4 per mile 13 miles | | |
| | Sub Total | | |
| | Tax | | |
| | Total | | |

Remarks: Ran 7 Joints 8 3/4 Csg
 Cement did circulate
 Surface

| CEMENT | |
|--------------------|-----------------------------|
| Amount Ordered | 160 sks 60/40 Procc 29% Gel |
| Consisting of | |
| Common | 96 sks |
| Poz. Mix | 64 sks |
| Gel. | 3 sks |
| Chloride | 5 sks |
| Quickset | |
| | Sales Tax |
| Handling | |
| Mileage | |
| | Sub Total |
| | Total |
| Floating Equipment | |

RECEIVED
 STATE CORPORATION COMM
 OCT 19 1993
 CONSERVATION DIVISION
 Wichita, Kansas
 Thank You

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 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.