

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 3553
 Name: Citation Oil & Gas Corp.
 Address: P.O. Box 690688
 City/State/Zip: Houston, Texas 77269-0688
 Purchaser: Citation Crude Marketing Inc.
 Operator Contact Person: Sharon Ward
 Phone: (281) 517-7309
 Contractor: Name: Murfin
 License: 30606
 Wellsite Geologist: Josh Kull
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)
 If Workover/Re-entry: Old Well Info as follows:
 Operator: _____
 Well Name: _____
 Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

<u>10/15/06</u>	<u>10/18/06</u>	<u>11/17/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25568-0000
 County: Ellis
SW NE SE Sec. 21 Twp. 11 S. R. 18 East West
1650 feet from S N (circle one) Line of Section
940 feet from E W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Wasinger Well #: 21
 Field Name: Bemis Shutts
 Producing Formation: Arbuckle Lime, Topeka, LKC
 Elevation: Ground: 2084' Kelly Bushing: _____
 Total Depth: 3613 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 259' Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set 1361' Feet
 If Alternate II completion, cement circulated from _____
 feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan
 (Data must be collected from the Reserve Pit) *ALT II with 8-17-07*
 Chloride content _____ ppm Fluid volume _____ bbls
 Dewatering method used Allow to dry and backfill
 Location of fluid disposal if hauled offsite: _____
 Operator Name: N/A
 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.

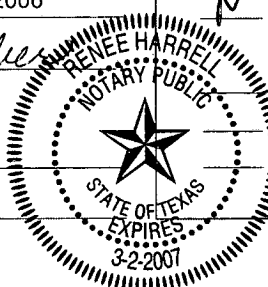
Signature: Sharon Ward
 Title: Permitting Manager Date: December 29, 2006
 Subscribed and sworn to before me this 29th day of December
2006
 Notary Public: Renee Harrell
 Date Commission Expires: 3-2-07

KCC Office Use ONLY

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

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 04 2007

CONSERVATION DIVISION
WICHITA, KS



Operator Name: Citation Oil & Gas Corp. Lease Name: Wasinger Well #: 21
 Sec. 21 Twp. 11 S. R. 18 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 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 Formation (Top), Depth and Datum Sample
 Name Top Datum
 Topeka Limestone 3028' KB
 Heebner Shale 3254'
 LKC 3299'
 Simpson 3583'
 Arbuckle Lime 3601'

Dual Compensated Porosity, Dual Induction

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'	Common	165	6% CCl; 3% gel
Production	7-7/8"	5-1/2"	15.5#	3610'	ASC	200	2% gel; 8% Gilsomite; 1% CD
			DVTool	1361'	Lite	325	1/4# Flow seal

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
Open hole	Arbuckle 3598-3613		3598-3613
		2000 gal 15%, 25 bbls FW, 3 gal C.I.	3598-3613
		K-77 biocide - 1 gal per 80 bbls	3598-3613
		3023 bbls WC204 polymer gel	3598-3613

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-7/8"	3574'	3574'	
Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
11/17/06				
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	111	0	153	N/A 26.2

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)
 METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled
 Production Interval Arbuckle Lime

ALLIED CEMENTING CO., INC.

21069

Federal Tax I.D.#

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

SERVICE POINT: Russell

DATE <u>10-13-06</u>	SEC. <u>21</u>	TWP. <u>11</u>	RANGE	CALLED OUT <u>N200</u>	ON LOCATION <u>2:34 PM</u>	JOB START	JOB FINISH <u>4:13 PM</u>
LEASE <u>W</u>	WELL #	LOCATION <u>HAYS 12N 1 NW 1020</u>			COUNTY <u>Ellis</u>	STATE <u>Kan</u>	
OLD OR (NEW) (Circle one)							

CONTRACTOR MURFIN # 16

TYPE OF JOB SURFACE

HOLE SIZE 124 T.D. 260

CASING SIZE 85 DEPTH 259

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 15.5 bbls

OWNER

CEMENT AMOUNT ORDERED
165 lb Cem 3-2

EQUIPMENT

PUMP TRUCK CEMENTER Bill

HELPER Mark

BULK TRUCK DRIVER Doug

DRIVER

COMMON	<u>165</u>	@	<u>10.65</u>	<u>1757.25</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>6</u>	@	<u>46.60</u>	<u>279.60</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>174</u>	@	<u>1.09</u>	<u>189.66</u>
MILEAGE	<u>.29/mi / 150</u>			<u>579.42</u>
TOTAL				<u>2855.88</u>

REMARKS:

Ren lifts of 25' and 259

Cement with 165 lbs of cement

Pump plus 15.5 bbls of water

Cement did fine

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE				<u>815.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>37</u>	@	<u>6.00</u>	<u>222.00</u>
MANIFOLD		@		
		@		
		@		
		@		
TOTAL				<u>1037.00</u>

CHARGE TO: Citation 2096

STREET

CITY STATE ZIP

PLUG & FLOAT EQUIPMENT

<u>1-3/4" float</u>	@	<u>60.00</u>	<u>60.00</u>
	@		
	@		
	@		
	@		
TOTAL			<u>60.00</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 Andy Baker

Allied Cementing Co., Inc.
PRINTED NAME

ALLIED CEMENTING CO., INC.

21344

Federal Tax I.D. _____

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

SERVICE POINT:

Russell

DATE <u>10-18-06</u>	SEC. <u>21</u>	TWP. <u>11</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION <u>12:00 p.m.</u>	JOB START <u>4:00 p.m.</u>	JOB FINISH <u>4:30 p.m.</u>
LEASE <u>Wasinger</u>		WELL # <u>21</u>	LOCATION <u>Hays N-13-1/2 W 1-N</u>	COUNTY <u>Ellis</u>		STATE <u>KS</u>	

CONTRACTOR Martin Drilling #16

TYPE OF JOB Two Stage Pipe Job - (Bottom Stage)

HOLE SIZE _____ T.D. 3598

CASING SIZE 5 1/2 15.516 DEPTH 3610

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL D.V. Tool DEPTH 1360

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT 89

CEMENT LEFT IN CSG. 89'

PERFS. _____

DISPLACEMENT 83 3/4

OWNER _____

CEMENT

AMOUNT ORDERED 200 ASC

2 1/2 GEL 890 Gilsonite

3/4 of CD-31 3/4 of 190 Defoamer

500 gallons WFR-2

COMMON	@		
POZMIX	@		
GEL	@	<u>21</u>	<u>1665</u> <u>666⁰⁰</u>
CHLORIDE	@		
ASC	@	<u>200</u>	<u>13¹⁰</u> <u>2620⁰⁰</u>
<u>GILSONITE</u>	@	<u>1500⁰⁰</u>	<u>1050⁰⁰</u>
<u>CD-31</u>	@	<u>141</u>	<u>750</u> <u>1057⁵⁰</u>
<u>DEFOAMER - A</u>	@	<u>141</u>	<u>722</u> <u>1015²⁰</u>
<u>WFR-2</u>	@	<u>500</u>	<u>100</u> <u>500⁰⁰</u>
HANDLING	@	<u>200</u>	<u>190</u> <u>380⁰⁰</u>
MILEAGE	@	<u>99/SK/MI</u>	<u>720⁰⁰</u>
TOTAL			<u>7409³⁰</u>

EQUIPMENT

PUMP TRUCK # 409 CEMENTER Mark HELPER Craig

BULK TRUCK # 410 DRIVER Adrian

BULK TRUCK # _____ DRIVER _____

REMARKS:

PLUG LAND C. 1400#
FLOATS HELD

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 1610⁰⁰

EXTRA FOOTAGE _____ @ _____

MILEAGE 40 @ 6⁰⁰ 240⁰⁰

MANIFOLD _____ @ _____

RECEIVED

KANSAS CORPORATION COMMISSION

JAN 04 2007

CONSERVATION DIVISION
WICHITA, KS

TOTAL 1850⁰⁰

PLUG & FLOAT EQUIPMENT

<u>1</u>	<u>5 1/2 Float Shoe</u>		<u>263⁰⁰</u>
<u>2</u>	<u>Limit Clamps</u>	@ <u>20⁰⁰</u>	<u>40⁰⁰</u>
<u>1</u>	<u>Flat Collar</u>	@	<u>265⁰⁰</u>
<u>2</u>	<u>Baskets</u>	@ <u>150⁰⁰</u>	<u>300⁰⁰</u>
<u>1</u>	<u>Centralizers</u>	@ <u>50⁰⁰</u>	<u>700⁰⁰</u>
<u>2</u>	<u>D.V. Tool</u>	@	<u>3500⁰⁰</u>
<u>2</u>	<u>Thread Lock</u>	@ <u>30⁰⁰</u>	<u>60⁰⁰</u>
TOTAL			<u>5127⁰⁰</u>

CHARGE TO: Citation Oil & Gas Corp.

STREET _____

CITY _____ STATE _____ ZIP _____

To Allied Cementing Co., Inc. Fated

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 [Signature]

Gilbert Davila
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 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.

ALLIED CEMENTING CO., INC.

21345

Federal Tax I.D. #

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

SERVICE POINT:

Russell

DATE <u>10/18/06</u>	SEC. <u>21</u>	TWP. <u>11</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION	JOB START <u>8:30am</u>	JOB FINISH <u>9:00pm</u>
LEASE <u>Wasinger</u>		WELL # <u>21</u>	LOCATION <u>13 N Hwy 1 W 1/2 N</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>
<input checked="" type="radio"/> OLD OR <input type="radio"/> NEW (Circle one)							

CONTRACTOR Murkin Drilling #16

TYPE OF JOB Top Stage

HOLE SIZE _____ T.D. _____

CASING SIZE 3 1/2 DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL DV DEPTH 1361

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT 32 3/4

OWNER _____

CEMENT

AMOUNT ORDERED 375 Lite 6/40-6

1/4 16 flo seal

USED 355 SK

COMMON	<u>213</u>	@	<u>10⁶⁵</u>	<u>2268⁴⁵</u>
POZMIX	<u>142</u>	@	<u>5⁸⁰</u>	<u>823⁶⁰</u>
GEL	<u>22</u>	@	<u>16⁶⁵</u>	<u>366³⁰</u>
CHLORIDE		@		
ASC		@		
<u>FLO-SEAL</u>	<u>89</u>	@	<u>2⁰⁰</u>	<u>178⁰⁰</u>
HANDLING	<u>397</u>	@	<u>19⁰</u>	<u>754³⁰</u>
MILEAGE	<u>91/5K/MILE</u>			<u>1429²⁰</u>
TOTAL				<u>5819⁸⁵</u>

EQUIPMENT

PUMP TRUCK CEMENTER Mark Craig

409 HELPER Steve

BULK TRUCK

1362 DRIVER ADRIAN

BULK TRUCK

_____ DRIVER _____

REMARKS:

OPEN TOOL 800⁰⁰ @ 4:30pm

CIRC 4 HRS MIX 340 SK CIRC

105 SK IN PIT RELEASE PLUG

DISPLACE 32 3/4 BBL CLOSE TOOL @

1500⁰⁰ RELEASE DV

Cem did circulate

15 SK @ 2H.

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE 955⁰⁰

EXTRA FOOTAGE @ _____

MILEAGE @ 4K

MANIFOLD @ _____

TOTAL 955⁰⁰

CHARGE TO: Citation 21 + 695

STREET _____

CITY _____ STATE _____ ZIP _____



PLUG & FLOAT EQUIPMENT

RECEIVED

KANSAS CORPORATION COMMISSION

JAN 04 2007

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.

SIGNATURE [Signature]

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

Gilbert Davila

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 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.