

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 # 32204  
Name: REDLAND RESOURCES, INC.  
Address: 6001 NW 23RD STREET  
City/State/Zip: OKLAHOMA CITY, OK 73127  
Purchaser: ATLAS PIPELINE  
Operator Contact Person: ALAN THROWER  
Phone: (405) 789-7104  
Contractor: Name: DAN D DRILLING  
License: 33132  
Wellsite Geologist: MIKE POLLOK

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. \_\_\_\_\_  
09/23/07 10/30/07 WOC  
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 007-23198-0000  
County: BARBER  
\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ NE Sec. 22 Twp. 34 S. R. 14  East  West  
1320 feet from S / (N) (circle one) Line of Section  
1320 feet from (E) / \_\_\_\_\_ (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: RAY Well #: 22-2  
Field Name: AETNA GAS AREA  
Producing Formation: \_\_\_\_\_  
Elevation: Ground: 1635' Kelly Bushing: \_\_\_\_\_  
Total Depth: \_\_\_\_\_ Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 925 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ sx cmt.

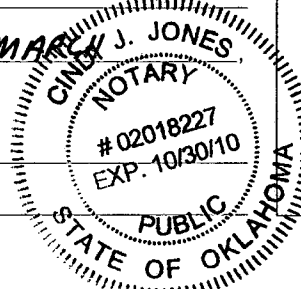
**Drilling Fluid Management Plan**  
(Data must be collected from the Reserve Pit)  
Chloride content 4400 ppm Fluid volume 440 bbls  
Dewatering method used TRUCKING TO DISPOSAL  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: OIL PRODUCERS  
Lease Name: LEON License No.: 8061  
Quarter NE Sec. 13 Twp. 35 S. R. 16  East  West  
County: COMANCHE Docket No.: D 28472

*API - Log 5/20/08*

**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: Alan Thrower  
Title: PRESIDENT Date: MARCH 11, 2008  
Subscribed and sworn to before me this 11<sup>th</sup> day of MARCH  
20 08  
Notary Public: Cindy J. Jones  
Date Commission Expires: 10/30/10



**KCC Office Use ONLY**

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

**RECEIVED**  
KANSAS CORPORATION COMMISSION  
**MAR 17 2008**  
CONSERVATION DIVISION  
WICHITA, KS

ORIGINAL

Side Two

Operator Name: REDLAND RESOURCES, INC. Lease Name: RAY Well #: 22-2  
Sec. 22 Twp. 34 S. R. 14  East  West County: BARBER

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 <i>(Attach Additional Sheets)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CHASE	2090	-448
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	TOP PENN	3053	-1411
List All E. Logs Run:		BS HEEBNER	3996	-2354
		LANSING	4174	-2532
		STARK SH	4579	-2937
		CHEROKEE SH	4762	-3120
		MISSISSIPPIAN	4790	-3148

DUAL INDUCTION, MICROLOG, NEUTRON DENSITY

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	12.25"	8.625"	24#	925'	65/35 POZ/CLASS A	475	6% GEL, .25# FLOSEAL, 3% CC
PRODUCTION	7.875"	4.5"	10.50#	4998'	CLASS H	222	.5# KOLSEAL, .5 FL160, .25# FLOSEAL

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 <i>(Amount and Kind of Material Used)</i>		Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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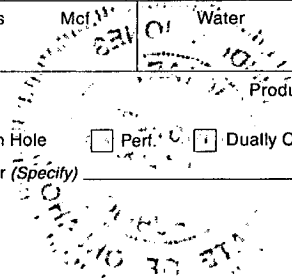
Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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Disposition of Gas      METHOD OF COMPLETION      Production Interval

Vented    Sold    Used on Lease    Open Hole    Perforated    Dually Comp.    Commingled

*(If vented, Submit ACO-18.)*    Other (Specify)



# Redland Resources, Inc.

March 12, 2008

Kansas Corporation Commission  
130 S. Market Street  
Room 2078  
Wichita, KS 67202

Re: ACO-1 Form – Ray #22-2  
NE/4 Section 22-34S-14W  
Barber County, KS

Gentlemen:

During the drilling of the referenced well, we were notified of title problems relating to our lease. We have been working to resolve the problem and now believe we will be able to commence completion operations in the near future.

I have prepared the ACO-1 with the information available at this time. I will submit an amended ACO-1 as soon as completion data is available.

Please let me know if you have any questions.

REDLAND RESOURCES, INC.



Alan Thrower  
President

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KANSAS CORPORATION COMMISSION

MAR 17 2008

CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC.

31272

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

SERVICE POINT:

*medicine lodge*

DATE <i>9-30-07</i>	SEC. <i>22</i>	TWP. <i>34S</i>	RANGE <i>14W</i>	9.29. CALLED OUT <i>9:00 A.M.</i>	ON LOCATION <i>12:00 P.M.</i>	JOB START <i>8:00 P.M.</i>	JOB FINISH <i>9:00 P.M.</i>
LEASE: <i>Ray</i>	WELL # <i>222</i>	LOCATION <i>Hardtree Rd, 6 1/2 W, 2 1/2 N,</i>			COUNTY <i>Barber</i>	STATE <i>Ko.</i>	
OLD OR <u>NEW</u> (Circle one)			<i>4 west, South into.</i>				

CONTRACTOR *Dan D. Orlg* OWNER *Redland Res.*

TYPE OF JOB *production*

HOLE SIZE *7 7/8* T.D. *5011*

CASING SIZE *4 1/2* DEPTH *5014.22*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX *1500* MINIMUM *-*

MEAS. LINE SHOE JOINT *17.54*

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT *80 1/2 BBS Fresh H<sub>2</sub>O*

EQUIPMENT

PUMP TRUCK CEMENTER *Mark C.*

# *343* HELPER *Steve K.*

BULK TRUCK

# *421* DRIVER *Heata m.*

BULK TRUCK

# DRIVER

CEMENT

AMOUNT ORDERED *225 Sx "H" Asc +*

*5# Kol-Seal + 5% of 1-160 + 1/4# flo-Seal*

COMMON @

POZMIX @

GEL @

CHLORIDE @

ASC *Class H 225 @ 5.90 3577.50*

*Kol-Seal 1125 @ 0.70 787.50*

*Fl-Seal 57 @ 2.00 114.00*

*Fl-160 106 @ 10.65 1128.90*

@

@

@

@

@

HANDLING *292 @ 1.90 554.80*

MILEAGE *292 x 3.31, 09 998.64*

TOTAL *7,161.34*

REMARKS:

*Ripe on Bottom, Break Circ. Dump 5 BBS  
Fresh H<sub>2</sub>O, mix 50 Sx "H" Asc + 5# Kol-  
Seal + 1/4# flo-Seal @ 12.0 M<sub>4</sub> 175 Sx  
Class H Asc + 5# Kol-Seal + 1/4# flo-Seal + 5%  
fl-160. Stop. release. Work pump + line  
deep w/ fresh. Seal off slow rate @ 75  
to 38pm. Bump ply 700 over @ 80.5  
BBS, Release flow did hold*

SERVICE

DEPTH OF JOB *5014*

PUMP TRUCK CHARGE *1840.00*

EXTRA FOOTAGE @

MILEAGE *38 @ 6.00 228.00*

MANIFOLD *Head Rental @ 100<sup>00</sup> 100.00*

@

@

RECEIVED  
KANSAS CORPORATION COMMISSION

MAR 17 2008

TOTAL *2168.00*

CONSERVATION DIVISION

*4 1/2* " WICHITA, KS  
PLUG & FLOAT EQUIPMENT

*1-Latch Down @ 360.00 360.00*

*1-Sure Seal Shoe @ 385.00 385.00*

*6-Latch Bars @ 60.00 360.00*

@

@

ANY APPLICABLE TAX

WILL BE CHARGED TOTAL *1405.00*

UPON INVOICING

TAX

TOTAL CHARGE ~~2168.00~~

DISCOUNT ~~763.00~~ IF PAID IN 30 DAYS

CHARGE TO: *Redland Res.*

STREET

CITY STATE ZIP

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 X

*Alan Watson*

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. 21250

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

SERVICE POINT:  
*Medicine Lodge*

DATE <i>9-22-07</i>	SEC. <i>22</i>	TWP. <i>34S</i>	RANGE <i>14W</i>	CALLED OUT <i>6:30 pm</i>	ON LOCATION <i>7:30 pm</i>	JOB START <i>11:00 pm</i>	JOB FINISH <i>11:45 pm</i>
LEASE <i>Ray</i>	WELL # <i>2-22</i>	LOCATION <i>Hardtner, KS. 6 1/2</i>			COUNTY <i>Barber</i>	STATE <i>KS.</i>	
OLD OR NEW (Circle one) <u>NEW</u>			<i>to Laswell Rd. 2 North 4 west</i>				

CONTRACTOR *Hand Drilling*

TYPE OF JOB *Surface*

HOLE SIZE *12 1/4* T.D. *930'*

CASING SIZE *8 7/8 x 2 1/4* DEPTH *927'*

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX *600* MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT *42.21*

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT *56 1/4 Bbls Freshwater*

EQUIPMENT \_\_\_\_\_

OWNER *Redland Resources*

CEMENT AMOUNT ORDERED

*325 sx 65:35:6+3%cc + 1/4" Floseal*

*150 sx Class A + 3%cc + 2%gel*

COMMON	<i>150 A</i>	@	<i>11.10</i>	<i>1665.00</i>
POZMIX		@		
GEL	<i>3</i>	@	<i>16.65</i>	<i>49.95</i>
CHLORIDE	<i>16</i>	@	<i>46.60</i>	<i>745.60</i>
ASC		@		
	<i>ALW 325</i>	@	<i>10.45</i>	<i>3396.25</i>
	<i>Flo Seal 81</i>	@	<i>2.00</i>	<i>162.00</i>
		@		
		@		
		@		
		@		
HANDLING	<i>514</i>	@	<i>1.90</i>	<i>976.60</i>
MILEAGE	<i>38 x 514 x .09</i>			<i>1757.88</i>
TOTAL				<i>8753.28</i>

REMARKS:

*Run 927' 8 7/8-Casing. Break circulation w/ Rig pump. Mix + pump 325 sx 65:35:6+3%cc + 1/4" Floseal + 150 sx Class A + 3%cc + 2%gel stop pumps + Release plug Displace with 56 1/4 Bbls Freshwater. Bump plug. + shut in. Cement did circulate*

SERVICE

DEPTH OF JOB	<i>927'</i>		
PUMP TRUCK CHARGE	<i>0-300'</i>		<i>815.00</i>
EXTRA FOOTAGE	<i>627'</i>	@	<i>.65 407.55</i>
MILEAGE	<i>38</i>	@	<i>6.00 228.00</i>
MANIFOLD		@	
<i>Head Rental</i>		@	<i>100.00 100.00</i>
RECEIVED			
KANSAS CORPORATION COMMISSION			

CHARGE TO: *Redland Resources*

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

MAR 17 2008

TOTAL *1550.55*

CONSERVATION DIVISION

WICHITA, KS

PLUG & FLOAT EQUIPMENT

<i>8 7/8"</i>	<i>1-TRP</i>	@	<i>100.00</i>	<i>100.00</i>
	<i>1-Baffle plate</i>	@	<i>135.00</i>	<i>135.00</i>
		@		
		@		

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

TOTAL *235.00*

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE

*Alan Watson*

PRINTED NAME

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—**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.