

ORIGINAL

SIDE ONE

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

Operator: License # 5135
Name: John O. Farmer, Inc.
Address P. O. Box 352
Russell, KS 67665
Purchaser: Farmland Industries, Inc.
Operator Contact Person: Sam Farmer
Phone (913) 483-3144

Contractor: Name: Emphasis Oil Operations
License: 8241
Wellsite Geologist: Roger Welty

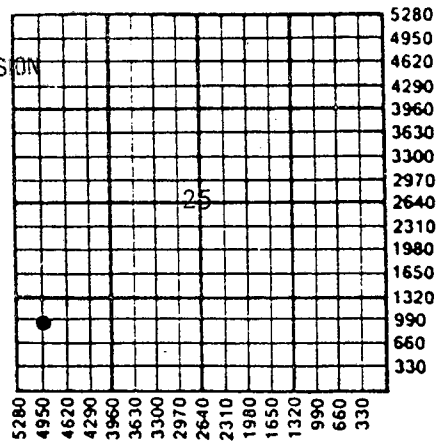
Designate Type of Completion
 New Well Re-Entry Workover
 Oil SWD Temp. Abd.
 Gas Inj Delayed Comp.
 Dry Other (Core, Water Supply, etc.)

If OWMO: old well info as follows:
Operator: _____
Well Name: _____
Comp. Date _____ Old Total Depth _____

Drilling Method:
 Mud Rotary Air Rotary Cable
6/21/91 Spud Date 6/28/91 Date Reached TD 7/12/91 Completion Date

API NO. 15- 179-21,012-00-00
County Sheridan
NW SW SW Sec. 25 Twp. 9S Rge. 26 East West
990 Ft. North from Southeast Corner of Section
4950 Ft. West from Southeast Corner of Section
(NOTE: Locate well in section plat below.)
Lease Name Transue Well # 1
Field Name _____
Producing Formation Lansing "H" and "I" zones
Elevation: Ground 2599' KB 2604'
Total Depth 4097' PBD _____

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08-21-1991
CONSERVATION DIVISION
Wichita, Kansas



5280
4950
4620
4290
3960
3630
3300
2970
2640
2310
1980
1650
1320
990
660
330
9-10-91

Amount of Surface Pipe Set and Cemented at 226 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 2287 Feet
If Alternate II completion, cement circulated from 2287
feet depth to surface w/ 400 sx cmt.

INSTRUCTIONS: This form shall be completed in triplicate and filed with the Kansas Corporation Commission, 200 Colorado Derby Building, Wichita, Kansas 67202, within 120 days of the spud date of any well. Rule 82-3-130, 82-3-107 and 82-3-106 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 drillers time log 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. Any recompletion, workover or conversion of a well requires filing of ACO-2 within 120 days from commencement date of such work.

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 John O. Farmer III
Title John O. Farmer III President Date 8-19-91
Subscribed and sworn to before me this 19th day of August, 19 91.
Notary Public Margaret A. Schulte
Date Commission Expires _____



K.C.C. OFFICE USE ONLY
F Letter of Confidentiality Attached
C Wireline Log Received
C Drillers Timelog Received
Distribution
 KCC SWD/Rep NGPA
 KGS Plug Other (Specify)
NP 89115

PI

SIDE TWO

Operator Name John O. Farmer, Inc. Lease Name Transue Well # 1
 Sec. 25 Twp. 9S Rge. 26 East West
 County Sheridan

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 Yes No
 (Attach Additional Sheets.)
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy.)

Name	Formation Description	
	Top	Bottom
Anhydrite	2247'	(+357)
Base/Anhy.	2286'	(+318)
Topeka	3608'	(-1004)
Heebner	3818'	(-1214)
Toronto	3839'	(-1235)
Lansing	3856'	(-1252)
Base/LKC	4088'	(-1484)
L.T.D.	4097'	(-1493)

* COPY OF 6-28-91 DRILLERS LOG ATTACHED.
 ** (CONTINUED ON SIDE TWO, PAGE TWO)

CASING RECORD New 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#	226'	60-40 Pozmix	150	3% C.C., 2% gel
Production	7-7/8"	4-1/2"	10.5#	4093'	60-40 Pozmix	150	10% salt, 5% gilsonite 1/10th of 3/4% CFR-2
D.V. Tool				2287'	50-50 Pozmix	400	8% gel

Shots Per Foot	PERFORATION RECORD Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4 SPF	3992-97 (5')	1250 gals. 28% NE	3992-4026'
4 SPF	4024-26 (2')	zones treated together	

TUBING RECORD Size 2-3/8" Set At 4055' Packer At _____ Liner Run Yes No

Date of First Production <u>7-17-91</u>	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls. <u>16.50</u>	Gas Mcf	Water Bbls. <u>151</u>	Gravity <u>38</u>

Disposition of Gas: Vented Sold Used on Lease (If vented, submit ACO-18.)
 METHOD OF COMPLETION: Open Hole Perforation Dually Completed Commingled
 Other (Specify) _____
 Production Interval: 3992-97 (5')
4024-26 (2')

15-179-21012-00-00

ORIGINAL

SIDE TWO (Page Two)

ACO-1 WELL HISTORY

OPERATOR John O. Farmer, Inc. LEASE NAME Transue

SEC. 25 TWP. 9S RGE. 26W

FILL IN WELL LOG AS REQUIRED:

Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

SHOW GEOLOGICAL MARKERS, LOGS RUN, OR OTHER DESCRIPTIVE INFORMATION.

FORMATION DESCRIPTION, CONTENTS, ETC.	TOP	BOTTOM	NAME	DEPTH
<p>DST #1 3967-4097' Tool open 60-45-60-60 Strong blow in 6 min. Rec: 1240' gas 660' muddy gassy oil 38° gravity BHP: 1240-1141</p>				
<p>DST #2 4004-4097' Tool open 30-60-60-60 Fair to good blow Rec: 90' oil 110' oilcut mud, 28% oil BHP: 1236-1111 IFP: 78-84 FFP: 95-115</p>				

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STATE COMMISSION

AUG 21 1991

COMMISSION DIVISION
Wichita, Kansas

ORIGINAL

15-179-21012-00-00

EMPHASIS OIL OPERATIONS

P. O. BOX 506

RUSSELL, KS 67665

DRILLERS LOG

OPERATOR: John O. Farmer, Inc.
P. O. Box 352
Russell, Kansas 67665

CONTRACTOR: Emphasis Oil Operations
Box 506
Russell, KS 67665

LEASE: Transue

WELL #1

LOCATION: NW SW SW
Section 25-9S-26W
Sheridan County, Kansas

LOGGERS TOTAL DEPTH: 4097'

ROTARY TOTAL DEPTH: 4097'

ELEVATION: 2604' K.B.

COMMENCED: 6/21/91

COMPLETED: 6/28/91

CASING: 8-5/8" @ 226' w/150 sks cement
4-1/2" @ 4093' w/150 sks cement (Bottom Stage)
w/~~150~~ 400 sks cement (Top Stage)

STATUS: Oil Well

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CONSERVATION DIVISION
Wichita, Kansas


DEPTHS & FORMATIONS

(All measurements from K.B.)

Sand & Shale	229'	Shale	3205'
Dakota Sand	555'	Topeka	3570'
Sand & Shale	620'	Heebner	3820'
Anhydrite	2248'	Toronto	3841'
Shale	2250'	Kansas City	3850'
Shale & Lime	2960'	R.T.D.	4097'

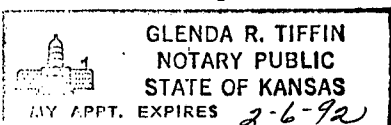
STATE OF KANSAS)
) ss
COUNTY OF RUSSELL)


Kelly P. Branum, of Emphasis Oil Operations, states that the above and foregoing is a true and correct log of the above captioned well, to the best of his knowledge.


Kelly P. Branum

Subscribed and sworn to before me on June 28, 1991.

My commission expires: February 6, 1992.


GLEND A. R. TIFFIN
NOTARY PUBLIC
STATE OF KANSAS
MY APPT. EXPIRES 2-6-92


Glenda R. Tiffin, Notary Public

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

15-179-21012-00-00
 ORIGINAL

Phone Plainville 913-434-2812
 Phone Ness City 913-798-3843
 No 2133

ALLIED CEMENTING CO., INC.

Home Office P. O. Box 31 Russell, Kansas 67665

Date	6-21-91	Sec.	25	Twp.	9	Range	26	Called Out		On Location	6:00 PM	Job Start		Finish	8:45 PM	
Lease	Transue	Well No.	1	Location	Studley 75-S.S.			County	Sheridan		State	Kan				
Contractor	Emphasis Oil Operations							Owner	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.							
Type Job	Surface															
Hole Size	12 1/4		T.D.	229'												
Csg.	8 5/8		Depth	226'												
Tbg. Size			Depth													
Drill Pipe			Depth													
Tool			Depth													
Cement Left in Csg.	15'		Shoe Joint													
Press Max.			Minimum													
Meas Line			Displace	✓												
Perf.																

Charge To John O. Farmer, Inc
 Street P.O. Box 352
 City Russell State Kan 67665
 The above was done to satisfaction and supervision of owner agent or contractor.
 Purchase Order No. [Signature]
 X [Signature]

CEMENT

Amount Ordered	150 SKS 60% PORT, 3% CC-2% 66		
Consisting of			
Common	90	5.25	472.50
Poz. Mix	60	2.25	135.00
Gel.	3	6.75	NK
Chloride	5	21.00	105.00
Quickset			
		Sales Tax	
Handling	1.00 per SK		150.00
Mileage	4¢ per SK/mile	62m	372.00
		Sub Total	1234.50
		Total	

EQUIPMENT

No.	Cementer	<u>Walt</u>
Pumptrk 153	Helper	<u>Gerald</u>
No.	Cementer	
Pumptrk	Helper	
	Driver	<u>Jason</u>
Bulktrk 155	Driver	

DEPTH of Job

Reference:	Pumptruck	380.00
	8 5/8 wooden Plus	42.00
	2.00 per SK 62m	124.00
	Sub Total	546.00
	Tax	
	Total	

Remarks: Cement Die Pipe

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 Topeka, 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.

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

15-179-21012-00-00

Phone Plainville 913-434-2812

Phone Ness City 913-798-3843

ALLIED CEMENTING CO., INC.

Home Office P. O. Box 31

Russell, Kansas 67665

No 2597

6-27-91

6-28-91

Date	6-28-91	Sec.	25	Twp.	9S	Range	26W	Called Out	8:00 P.M.	On Location	10:30 P.M.	Job Start	3:30 A.M.	Finish	4:05 AM
Lease	Transue	Well No.	1	Location	Studley 1W 7 1/2 S E, side			County	Shenidan	State	Ks.				
Contractor	Emphasis Oil Operations Rig #7					Owner	Same								
Type Job	Two-Stage Production String					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	7 7/8"	T.D.	4097'												
Csg.	4 1/2"	Depth	4097'												
Csg. Size	8 3/8"	Depth	228'												
Drill Pipe		Depth													
Tool		Depth													
Cement Left in Csg.	18'	Shoe Joint	17.80'												
Press Max.	1000 #	Minimum													
Meas Line	X	Displace													
Perf.															

EQUIPMENT

No.	Cementer	Garry H. Wayne Mc.
Pumptrk 191	Helper	
No.	Cementer	
Pumptrk	Helper	
	Driver	Joe S
Bulktrk #212	Driver	

DEPTH of Job

Reference:	#3 Pumptruck-bottom stage	880.00
	#13 mileage @ 2.00/mi.	122.00
	#12 4 1/2" rotating swivel	N/C
	Sub Total	1002.00
	Tax	
	Total	

Float Held.

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AUG 21 1991

Thanks
Wichita, Kansas

Amount Ordered	150 sks 6 1/4" @ 2 10% salt, 5 lb Gilsonite	
Consisting of	1/2 of 3/4 of CFR ₂	
Common	90 sks @ 5.25/sk.	472.50
Poz. Mix	60 sks @ 2.25/sk.	135.00
CFR ₂	10 # @ 4.50/1lb.	45.00
Salt	15 sks @ 4.75/sk.	71.25
Quickset		
Gilsonite	648 # @ 33¢/1lb.	213.84
Sales Tax		
Handling	@ 1.00/sk (150 sks)	150.00
Mileage	@ 0.4¢/sk./mi. (61 mi.)	366.00
Sub Total		1453.59
Total		
Floating Equipment	4 1/2"	
1- Two-stage collar (Annow)		1890.00
1- regular guide shoe		109.00
1- AFU insert (Model "C")		169.00
4- centralizers @ 43.00 ea		172.00
4- 5' sections-rotating scratchers @ 21.00 ea		84.00
7- Limit clamps @ 13.00 ea		91.00
1- cementing basket		113.00
		<u>2628.</u>

GENERAL TERMS AND CONDITIONS

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(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

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

15-179-21012-00-00

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

ALLIED CEMENTING CO., INC.

Home Office P. O. Box 31

Russell, Kansas 67665

6-27-91

6-28-91

No 2598

NEW ORIGINAL

Date	6-28-91	Sec.	25	Twp.	9 ^s	Range	26 ^w	Called Out	8:00 P.M.	On Location	10:30 P.M.	Job Start	4:40 A.M.	Finish	5:30 A.M.
Lease	TRANSUE		Well No.	1		Location			Studley 1W 7 1/2 E. Side			County	Sheridan Ks.		
Contractor	Emphasis Oil Operations Rig #7														
Type Job	Two-Stage Production String														
Hole Size	7 1/8"			T.D.	4097'										
Csg.	4 1/2"			Depth	4098'										
Csg. Size	8 5/8"			Depth	226'										
Drill Pipe				Depth											
Tool (Arrow)	D.V.			Depth	2296'										
Cement Left in Csg.	18'			Shoe Joint	17.80'										
Press Max.	1300 #			Minimum											
Meas Line	x			Displace											
Perf.															

Owner Same
 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 John O. Farmer, Inc.
 Street P.O. Box 352
 City Russell, State Ks. 67665
 The above was done to satisfaction and supervision of owner agent or contractor.

Purchase Order No.
[Signature]

CEMENT

Amount Ordered 400 sks 50/50 poz 8 bagged
 Consisting of
 Common 200 sks @ 5.25/sk. \$1050.00
 Poz. Mix 200 sks @ 2.25/sk. 450.00
 Gel. 20 sks @ 6.75/sk. (Used 27 sks) 135.00
 Chloride
 Quickset

Sales Tax
 Handling 1.00/sk. (400 sks) 400.00
 Mileage 2.04¢/sk/mi (61 mi.) 976.00
 Sub Total \$3011.00
 Total

EQUIPMENT

No.	Cementer	Larry H. Wayne, Mo.
Pumptrk 191	Helper	
No.	Cementer	Bill Mike
Pumptrk	Helper	
Bulktrk #199	Driver	
Bulktrk	Driver	

DEPTH of Job

Reference: #3	Pump truck-top stage	\$475.00
	Sub Total	\$475.00
	Tax	
	Total	

Remarks:
 Plugged rat hole w/15 sks.
 Plugged mouse hole w/10 sks.
 D.V. tool opened & closed OK and held.
 Cement Circulated.

Thanks

RECEIVED
 STATE CORPORATION COMMISSION

AUG 21 1991

Wichita, Kansas

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.