

ORIGINAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
September 1999  
Form Must Be Typed

*KW  
MUN  
7/11/08*

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 33625  
 Name: HERTEL OIL COMPANY  
 Address: 704 E 12TH ST  
 City/State/Zip: HAYS KS 67601  
 Purchaser: \_\_\_\_\_  
 Operator Contact Person: MIKE HERTEL  
 Phone: (785) 628-2445  
 Contractor: Name: ANDERSON DRILLING  
 License: 33237  
 Wellsite Geologist: \_\_\_\_\_  
 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. \_\_\_\_\_

04-01-08	04-09-08	04-10-08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25768-00-00  
 County: ELLIS  
 SE  SW  Sec. 35 Twp. 13 S. R. 20  East  West  
330 feet from S (circle one) Line of Section  
2310 feet from E W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW SW  
 Lease Name: DREILING Well #: C-2  
 Field Name: WILDCAT  
 Producing Formation: \_\_\_\_\_  
 Elevation: Ground: 2215 2218 Kelly Bushing: \_\_\_\_\_  
 Total Depth: 3860 Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 206 Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from \_\_\_\_\_  
 feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

*Per  
CP 23  
in 500*

Drilling Fluid Management Plan Ait II NCR 7-30-08  
 (Data must be collected from the Reserve Pit) P+A  
 Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
 Dewatering method used \_\_\_\_\_  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]  
 Title: Managing Member Date: \_\_\_\_\_  
 Subscribed and sworn to before me this 9th day of July  
20 08  
 Notary Public [Signature]  
 Date Commission Expires: 3-20-2009

ARLENE M. BRUNGARDT  
 NOTARY PUBLIC  
 STATE OF KANSAS  
 3-20-2009

**KCC Office Use ONLY**

Letter of Confidentiality Received  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

If Denied, Yes  Date: \_\_\_\_\_

**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
**JUL 11 2008**  
 CONSERVATION DIVISION  
 WICHITA, KS

Operator Name: HERTEL OIL COMPANY Lease Name: DREILING Well #: C-2  
 Sec. 35 Twp. 13 S. R. 20  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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets)  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Submit Copy)  List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum
---	---

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"	20	206211	COM	150	3% CC; 2% GEL

*Per  
OK 23  
abr.  
in  
sup.*

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		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)	
				Depth

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

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

*Janet sent 7/14/08  
emril @ 9:55 am  
stating  
went through.*

# KANSAS

CORPORATION COMMISSION

Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

## FAX COVER SHEET

KANSAS CORPORATION COMMISSION  
CONSERVATION DIVISION  
FINNEY STATE OFFICE BUILDING  
130 S. MARKET, ROOM 2078  
WICHITA, KS 67202-3802  
(316) 337-6200 FAX (316) 337-6211

PLEASE DELIVER THE FOLLOWING PAGES TO:

DATE: 7/14/08 FAX NUMBER: (785) 628-20

NAME: Dance Hertel

FROM: Maggie Marcotte

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 1

NOTES: Per our telephone conversation this morning regarding the ACOI and supporting documents submitted for the Drilling C-2 (API #: 15-051-25766-0000) well, please update your records to reflect correct API no. of ... 25766 rather than ... 25768. Per regulations, please also submit the original ACOI and 2 copies on any future wells. Please call me if you have

This facsimile is intended only for the use of the individual or entity to which it is addressed. It may contain information that is confidential, attorney work product, or otherwise protected from disclosure under applicable law. If the reader of this transmission is not the intended recipient or the employee or agent responsible for delivering the transmission to the intended recipient, you are hereby notified that any dissemination, distribution, copying or use of this transmission or its contents is strictly prohibited. If you have received this transmission in error, please notify the sender by telephoning the number above.

any questions. Thanks so much for your help. Maggie

# ALLIED CEMENTING CO., INC.

24848

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

SERVICE POINT:  
Russell KS

DATE <u>4-10-08</u>	SEC. <u>35</u>	TWP. <u>13S</u>	RANGE <u>20w</u>	CALLED OUT	ON LOCATION	JOB START <u>8:00am</u>	JOB FINISH <u>9:00am</u>
LEASE <u>Dreilling C</u>		WELL # <u>2</u>	LOCATION <u>Ellis KS 3 East 4 South</u>		COUNTY <u>Ellis</u>	STATE <u>KS</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			East into				

CONTRACTOR A&A Drilling Company Rig#1 OWNER

TYPE OF JOB Rotary Plug

HOLE SIZE 7 7/8 T.D. 3860'

CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

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

DRILL PIPE 4 1/2 DEPTH 3820'

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

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

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

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

DISPLACEMENT \_\_\_\_\_

CEMENT AMOUNT ORDERED 215 60/40 4% Gel 1/4# Flo

COMMON	<u>129</u>	@	<u>12.15</u>	<u>1576.35</u>
POZMIX	<u>86</u>	@	<u>6.80</u>	<u>584.80</u>
GEL	<u>8</u>	@	<u>18.25</u>	<u>146.00</u>
CHLORIDE		@		
ASC		@	<u>2.5</u>	
<u>Flo Seal</u>	<u>53.25#</u>	@	<u>2.20</u>	<u>118.25</u>
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>223</u>	@	<u>2.05</u>	<u>457.15</u>
MILEAGE	<u>.09/sk/mi.</u>			<u>943.29</u>
TOTAL				<u>3816.84</u>

EQUIPMENT

PUMP TRUCK CEMENTER John Roberts

# 409 HELPER Adrian

BULK TRUCK

# 345 DRIVER Chris B.

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

25 sks @ 3820

25 sks @ 1845

100 sks @ 795

40 sks @ 260

10 sks @ 40'

15 sks Rathole

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>893.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>47 mi.</u>	@	<u>7.00</u> <u>329.00</u>
MANIFOLD		@	
		@	
		@	

RECEIVED  
KANSAS CORPORATION COMMISSION

JUL 11 2008

TOTAL 1222.00

CHARGE TO: Hental Oil

STREET \_\_\_\_\_

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

CONSERVATION DIVISION  
WICHITA, KS

PLUG & FLOAT EQUIPMENT

		@	
		@	
<u>Dry Hole Plug</u>		@	<u>39.00</u>
		@	
		@	
TOTAL <u>39.00</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.

Thanks!

SIGNATURE Eldo Senesal

TAX \_\_\_\_\_

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

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

PRINTED NAME Eldo Senesal

## 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.

30683

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

SERVICE POINT: *Russell*  
*New City*

DATE <i>4.2.08</i>	SEC. <i>35</i>	TWP. <i>13</i>	RANGE <i>20</i>	4.1.08 CALLED OUT <i>11:00PM</i>	4.2.08 ON LOCATION <i>1:00AM</i>	JOB START <i>1:30AM</i>	JOB FINISH <i>2:00AM</i>
LEASE <i>Drilling</i>		WELL # <i>C-2</i>	LOCATION <i>Ellis east on 40 HWY to</i>	COUNTY <i>Ellis</i>	STATE <i>Ka</i>		
OLD OR NEW (Circle one)		<i>propane tanks, 4 south 1/4 east</i>					

CONTRACTOR *Anderson* OWNER *Hertel Oil Co. L.L.C.*

TYPE OF JOB *Surface*  
HOLE SIZE *12 1/4* T.D. *215'*  
CASING SIZE *8 7/8* DEPTH *211'*  
TUBING SIZE DEPTH  
DRILL PIPE DEPTH  
TOOL DEPTH

PRES. MAX MINIMUM  
MEAS. LINE SHOE JOINT  
CEMENT LEFT IN CSG. *15'*  
PERFS.  
DISPLACEMENT *12.7 BBLs H<sub>2</sub>O*

EQUIPMENT  
*L.T.B.*  
PUMP TRUCK CEMENTER *J.D. Drilling*  
# *120* HELPER *David Jurgensen*  
BULK TRUCK  
# *344* DRIVER *Gailen Davis*  
BULK TRUCK  
# DRIVER

CEMENT	AMOUNT ORDERED		
COMMON	<i>160 sx</i>	@ <i>12.15</i>	<i>1,944.00</i>
POZMIX		@	
GEL	<i>3 sx</i>	@ <i>18.25</i>	<i>54.75</i>
CHLORIDE	<i>5 sx</i>	@ <i>51.00</i>	<i>255.00</i>
ASC		@	
		@	
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<i>168 sx</i>	@ <i>2.05</i>	<i>344.40</i>
MILEAGE	<i>168 X 4.5 X .09 =</i>		<i>680.40</i>
			<b>TOTAL <i>3,278.55</i></b>

REMARKS:

*Ran 8 7/8 casing to Bottom,  
Break circulation with rig mud.  
Hook pump truck up to 8 7/8 swedge  
& mixed 160 sx Common 3% cc  
2% Gel. Displace with 12.7 BBLs  
fresh H<sub>2</sub>O. Cement did circulate  
Shut in 8 7/8 swedge.*

CHARGE TO: *Hertel Oil Co. L.L.C.*  
STREET *704 East 12<sup>th</sup> Street*  
CITY *Hays* STATE *Kansas* ZIP *67601*

RECEIVED  
KANSAS CORPORATION COMMISSION  
JUL 11 2008  
CONSERVATION DIVISION  
WICHITA, KS

SERVICE

DEPTH OF JOB	<i>211'</i>		
PUMP TRUCK CHARGE			<i>893.00</i>
EXTRA FOOTAGE		@	
MILEAGE	<i>45</i>	@ <i>7.00</i>	<i>315.00</i>
MANIFOLD		@	
		@	
		@	

TOTAL *1,208.00*

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.

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		

TOTAL \_\_\_\_\_

TAX \_\_\_\_\_  
TOTAL CHARGE \_\_\_\_\_  
DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE *A Eldo Senesac* *A Eldo Senesac*  
PRINTED NAME

*Thank you!*

## GENERAL TERMS AND CONDITIONS

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—**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.

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—**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.

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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.