

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

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

Operator: License # 30535
Name: Hartman Oil Co., Inc
Address: 12950 E 13th St. N
City/State/Zip: Wichita, Ks. 67230-1457
Purchaser: _____
Operator Contact Person: Stan Mitchell
Phone: (620) 277-2511
Contractor: Name: H2 Drilling
License: 33793
Wellsite Geologist: Bob Bayer
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. _____
11/27/06 12/02/06 12/02/06 (P & A)
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 101-21959-00-00
County: Lane
____ SE ____ SW ____ NW Sec. 32 Twp. 16 S. R. 27 ☐ East ☒ West
2287 2310 KJR KCC feet from S / N (circle one) Line of Section
1050' feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Waterson Well #: 1
Field Name: wild cat
Producing Formation: L/KC - Marmanton
Elevation: Ground: 2714' Kelly Bushing: 2725'
Total Depth: 4660' Plug Back Total Depth: surface
Amount of Surface Pipe Set and Cemented at 331' 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.

Drilling Fluid Management Plan P&A KJR 11/01/07
(Data must be collected from the Reserve Pit)
Chloride content 2550 ppm Fluid volume 8000 bbls
Dewatering method used Evaporation
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: A.T. Mitchell
Title: Production Superintendent Date: 12/05/06
Subscribed and sworn to before me this 7th day of December
2006
Notary Public: Mary L. Riffel
Date Commission Expires: 1-13-2010



KCC Office Use ONLY	
<u>N</u>	Letter of Confidentiality Received
_____	If Denied, Yes ☐ Date: _____
_____	Wireline Log Received
_____	Geologist Report Received
_____	UIC Distribution
RECEIVED DEC 08 2006	

KCC WICHITA

Operator Name: Hartman Oil Co., Inc Lease Name: Waterson Well #: 1
 Sec. 32 Twp. 16 S. R. 27 ☐ East ☒ West County: Lane

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: No Logs Ran	☐ Log Formation (Top), Depth and Datum ☒ Sample <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td>Heebner Shale</td> <td>3968'</td> <td>-1244'</td> </tr> <tr> <td>Lansing</td> <td>4003'</td> <td>-1279'</td> </tr> <tr> <td>Stark Shale</td> <td>4260'</td> <td>-1536'</td> </tr> <tr> <td>Marmaton</td> <td>4349'</td> <td>-1615'</td> </tr> <tr> <td>Pawnee</td> <td>4460'</td> <td>-1736'</td> </tr> <tr> <td>Fort Scott</td> <td>4510'</td> <td>-1786'</td> </tr> <tr> <td>Mississippi</td> <td>4611'</td> <td>-1887'</td> </tr> <tr> <td>RTD</td> <td>4600'</td> <td></td> </tr> </tbody> </table>	Name	Top	Datum	Heebner Shale	3968'	-1244'	Lansing	4003'	-1279'	Stark Shale	4260'	-1536'	Marmaton	4349'	-1615'	Pawnee	4460'	-1736'	Fort Scott	4510'	-1786'	Mississippi	4611'	-1887'	RTD	4600'	
Name	Top	Datum																										
Heebner Shale	3968'	-1244'																										
Lansing	4003'	-1279'																										
Stark Shale	4260'	-1536'																										
Marmaton	4349'	-1615'																										
Pawnee	4460'	-1736'																										
Fort Scott	4510'	-1786'																										
Mississippi	4611'	-1887'																										
RTD	4600'																											

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	12-3/4'	8-5/8"	23#	331'	common	225	w/ 2% Gel + 3% CC

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
☐ Perforate ☐ Protect Casing ☐ Plug Back TD ☐ 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

TUBING RECORD	Size	Set At	Packer At	Liner Run ☐ Yes ☒ No
N/A				

Date of First, Resumed Production, SWD or Enhr.	Producing Method
	☐ Flowing ☐ Pumping ☐ Gas Lift ☐ 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 ☒ Other (Specify) Plugged AS PER KCC 12/02/06

RECEIVED

DEC 0-8 2006
KCC WICHITA

HARTMAN OIL COMPANY

12950 E. 13th St. N.

Wichita, Kansas 67230-1457

Morning Report

Well: Hartman Oil Co., Waterson #1 API 15-101-21959

Contractor: H2 Drilling LLC

Elevation: 2714 GR 2724 KB

Spot: 60' E of SE SW NW Sec.32-T16S-R27W, Lane County, Ks

11/27/06

Rigged up, spudded well, set 331' of 8 5/8" surf. pipe, plug down @ 6:30p.m.

11/28/06

7:00a.m. - Drilling ahead @ 460'. Drilled out from under surface pipe @ 2:30a.m.

11/29/06

7:00a.m. - Drilling ahead @ 2525'. Anhydrite top 2150 (+574) base 2185 (+539)

11/30/06

7:00a.m. - Drilling ahead @ 3565'. Geol. Bob Bayer in route to well. Lansing top 4000' approx.

12/01/06

7:00a.m. - Circ @ 4268' Lans "K". Geol has reported no shows or gas kick. Gas detector is being checked periodically and is working normally.

Formation tops

		<u>HOC #1 Riley</u>	<u>Helmerich & Payne #1 Linden</u>
			<u>Sec 32-16S-27W</u>
			<u>NE NE SW</u>
Anhydrite	2146 (+578)	+8	+8
Base	2177 (+547)	+7	
Heebner	3968 (-1244)	-6	
Lansing	4003 (-1279)	-3	+6
Stark Sh	4260 (-1536)	-8	+7
Marmaton	4349 (-1615)	-14	
Pawnee	4460 (-1736)	-6	+4
Ft Scott	4510 (-1786)	-8	+6
Miss	4611 (-1887)	-12	+24
RTD	4660		

12/02/06

7:00a.m. - RTD 4660, tripping pipe for short trip, will condition hole for logs.

RECEIVED

DEC 8 8 2006

KCC WICHITA

1:00p.m. – Logging tool hit bridge @ 1550'. Since Geol did not report any oil shows and did not log any gas detector hits, it was not necessary to recondition hole and reattempt to go to bottom with log. Thus, the Waterson #1 was plugged and abandoned as a dry hole.

RECEIVED
DEC 08 2006
KCC WICHITA

ALLIED CEMENTING CO., INC.

25807

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

SERVICE POINT:

Oakley

85044

DATE 12-2-06	SEC. 32	TWP. 16 ^s	RANGE 27 ^w	CALLED OUT	ON LOCATION 8:15 PM	JOB START 8:45 PM	JOB FINISH 11:00 PM
LEASE Waterson	WELL # 1	LOCATION Pandanus 1/4 W - 1 1/2 S - E. S			COUNTY Lane	STATE Kan	
OLD OR NEW (Circle one)							

CONTRACTOR H-2 Dils Co. #1	OWNER Same
TYPE OF JOB PTA	
HOLE SIZE 7 7/8	T.D. 4660'
CASING SIZE	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE 4 1/2 x 4	DEPTH 2180'
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT	

EQUIPMENT

PUMP TRUCK	CEMENTER Walt
# 102	HELPER Chris
BULK TRUCK	
# 218	DRIVER Roy
BULK TRUCK	
#	DRIVER

REMARKS:

50 SKs @ 2180'

80 SKs @ 1360'

50 SKs @ 660'

50 SKs @ 360'

20 SKs @ 60'

15 SKs in R.H.

10 SKs in M.H.

Thank You

CEMENT	
AMOUNT ORDERED	275 SKs @ 940 pcc
	6% Col, 1/4# Flo Seal

COMMON	SKs @ 12.20
POZMIX	SKs @ 6.10
GEL	SKs @ 16.65
CHLORIDE	@
ASC	@
Flo Seal	# @ 2.00

RECEIVED

DEC 08 2006

KCC WICHITA

HANDLING	SKs @ 1.90
MILEAGE	94 pcc SK/mil.

TOTAL

SERVICE

DEPTH OF JOB	
PUMP TRUCK CHARGE	955.00
EXTRA FOOTAGE	@
MILEAGE	miles @ 6.00
MANIFOLD	@
	@
	@

TOTAL

PLUG & FLOAT EQUIPMENT

	@
	@
	@
	@
	@

TOTAL

TAX	
TOTAL CHARGE	
DISCOUNT	IF PAID IN 30 DAYS

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.

12/5/06

SIGNATURE

[Signature]

Gary Fisher

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 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.

SERVICE POINT:

26520

W. B.

OWNER

COMMON 6400 @ _____
POZMIX _____ @ _____
GEL _____ @ _____
CHLORIDE _____ @ _____
ASC _____ @ _____

PUMP TRUCK	CEMENTER	M. H.	M.
# 120	HELPER	Bredden R.	
BULK TRUCK			
# 344	DRIVER	D. C.	D.
BULK TRUCK			
#	DRIVER		

COMMON _____ @ _____
POZMIX _____ @ _____
GEL _____ @ _____
CHLORIDE _____ @ _____
ASC _____ @ _____

HANDLING _____ @ _____
MILEAGE _____ @ _____

**RECEIVED
DEC 08 2006
KCC WICHITA**

REMARKS:

TOTAL _____

circulate H₂O with mud pump
mud cement + Release Plug Displace
Plug Down with water

SERVICE

DEPTH OF JOB 331A
PUMP TRUCK CHARGE _____
EXTRA FOOTAGE _____ @ _____
MILEAGE _____ @ _____
MANIFOLD _____ @ _____
_____ @ _____
_____ @ _____

CHARGE TO: Hartmon oil
STREET _____
CITY _____ STATE _____ ZIP _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

1-88 wooden Phyg

TOTAL 100.00

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.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *Sharon Johnson*

Gary Fisher
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 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.