

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

ORIGINAL
Form ACO-1
September 1999
Must Be Typed

Operator: License # 31900
Name: Nor-West Kansas Oil, L.L.C.
Address: RR 2, Box 14
City/State/Zip: WaKeeney, KS. 67672
Purchaser: N/A
Operator Contact Person: Patrick G. Wanker, Sec.-Treas.,

Phone: (785) 743-2769
Contractor: Name: WW Drilling
License: 33575
Wellsite Geologist: Roger Fisher

Designate Type of Completion: **KCC WICHITA**
 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. _____

<u>07/25/05</u>	<u>07/31/05</u>	<u>07/31/05</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23084-00-00
County: Graham
E/2 SW NW Sec. 10 Twp. 7 S. R. 22 East West
2,000 feet from S / (circle one) Line of Section
920 feet from E / (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: L. & J. Well #: 1
Field Name: Unknown

Producing Formation: N/A
Elevation: Ground: 2,229' Kelly Bushing: 2,234'
Total Depth: 3,710 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 229 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set Dry Feet
If Alternate II completion, cement circulated from Dry
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan *PJA KGR 12/11/07*
(Data must be collected from the Reserve Pit)
Chloride content 2,350 ppm Fluid volume 600 bbls
Dewatering method used Hauled Off

Location of fluid disposal if hauled offsite: _____
Operator Name: Clute Oil Company
Lease Name: Mildrexler License No.: 30160
Quarter NE Sec. 6 Twp. 7 S. R. 22 East West
County: Graham Docket No.: _____

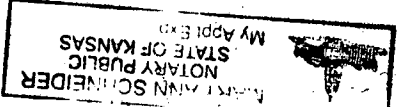
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side 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: Patrick G. Wanker
Title: Sec. - Treas. Date: Feb 9, 2006
Subscribed and sworn to before me this 9th day of February
2006
Notary Public: Mary Ann Schneider
Date Commission Expires: 9/9/08

KCC Office Use ONLY

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



Operator: **JAN 10 1990** Nor West Kansas Oil, L.L.C. Lease Name: L. & J. Well #: 1
 Sec. 10 Twp. 7 S R. 22 East West County: Graham

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 <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" 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 <i>(Submit Copy)</i> List All E. Logs Run: Dual Induction; micro; Sonic; Compensated Neutron Density; Frac-Finder	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhydrite</td> <td>1,841'</td> <td>-393</td> </tr> <tr> <td>Topeka</td> <td>3,238'</td> <td>-1,004</td> </tr> <tr> <td>Toronto</td> <td>3,403'</td> <td>-1,229</td> </tr> <tr> <td>Lansing</td> <td>3,481'</td> <td>-1,247</td> </tr> <tr> <td>Base K.C.</td> <td>3,671'</td> <td>-1,437</td> </tr> </table>	Name	Top	Datum	Anhydrite	1,841'	-393	Topeka	3,238'	-1,004	Toronto	3,403'	-1,229	Lansing	3,481'	-1,247	Base K.C.	3,671'	-1,437
Name	Top	Datum																	
Anhydrite	1,841'	-393																	
Topeka	3,238'	-1,004																	
Toronto	3,403'	-1,229																	
Lansing	3,481'	-1,247																	
Base K.C.	3,671'	-1,437																	

CASING RECORD <input 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"	23	225	COM	150	3%CC: 2%GEL

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

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	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> _____

ALLIED CEMENTING CO., INC.

16517

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT:
Russell

DATE <u>7-31-05</u>	SEC. <u>10</u>	TWP. <u>7</u>	RANGE <u>22</u>	CALLED OUT <u>3:00PM</u>	ON LOCATION <u>6:30 PM</u>	JOB START <u>6:45PM</u>	JOB FINISH <u>9:00 P.</u>
LEASE <u>L & J</u>	WELL # <u>1</u>	LOCATION <u>Hill City 4E 6N 14E</u>		COUNTY <u>GRAHAM</u>	STATE <u>KANSAS</u>		
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR W-W DRG.
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 T.D. 3710'
 CASING SIZE 8 5/8 SURFACE DEPTH 226'
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 X-H DEPTH 1860'
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER _____
 CEMENT AMOUNT ORDERED 200 SK 60 40 6 1/2 g
1/4 # FLO. SEAL
PER SK

EQUIPMENT
 PUMP TRUCK CEMENTER Alton
 # 366 HELPER Fred
 BULK TRUCK DRIVER Keith
 # 396
 BULK TRUCK DRIVER Bryan
 # _____

COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____
 _____ @ _____
 _____ @ _____
RECEIVED
FEB 15 2006
KCC WICHITA
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE 84 Ton mile

REMARKS:
25 SK @ 1860
100 SK @ 1080
40 SK @ 275
10 SK @ 40
15 SK @ RATHOLE
THANKS

TOTAL _____
SERVICE
 DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 84 mile @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____

CHARGE TO: NOR-West Kansas Oil Co.
 STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL _____
PLUG & FLOAT EQUIPMENT
8 5/8 Dry Hole Plug
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 TOTAL _____

To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Dave [Signature]

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 recommendation 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.

21601

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT:
OAKLEY

DATE <u>7-25-05</u>	SEC. <u>10</u>	TWP. <u>7S</u>	RANGE <u>22W</u>	CALLED OUT	ON LOCATION <u>1:45 PM</u>	JOB START <u>2:00 PM</u>	JOB FINISH <u>2:30 P.</u>
LEASE <u>L.M.J.</u>	WELL # <u>1</u>	LOCATION <u>HELL CITY 4E-6N-E 7W</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR W+W ORLL.

TYPE OF JOB SURFACE

HOLE SIZE 12 1/4" T.D. 226'

CASING SIZE 8 5/8" DEPTH 225'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 13 1/4 BBL.

OWNER SAME

CEMENT AMOUNT ORDERED 150 SKS COM 390 (296)

COMMON	<u>150 SKS</u>	@	<u>10%</u>	<u>1500</u>
POZMIX		@		
GEL	<u>3 SKS</u>	@	<u>14%</u>	<u>42</u>
CHLORIDE	<u>5 SKS</u>	@	<u>38%</u>	<u>190</u>
ASC		@		

EQUIPMENT

PUMP TRUCK # 191 CEMENTER TERRY HELPER WAYNE

BULK TRUCK # 377 DRIVER MIKE

BULK TRUCK # DRIVER

RECEIVED

FEB 15 2006

KCC WICHITA

HANDLING	<u>158 SKS</u>	@	<u>1.60</u>	<u>252.80</u>
MILEAGE	<u>67 PER SK / MILE</u>			<u>663</u>
TOTAL				<u>2648</u>

REMARKS:
CEMENT IN CELLAR

SERVICE

DEPTH OF JOB	<u>225</u>		
PUMP TRUCK CHARGE			<u>10.20</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>70 MI</u>	@	<u>5%</u> <u>350</u>
MANIFOLD		@	
TOTAL <u>10.20</u>			

CHARGE TO: NOR-WEST KANSAS OIL LLC.

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<u>1 8 7/8 SURFACE HOLE</u>	<u>55</u>
TOTAL <u>55</u>	

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature] PRINTED NAME Great Tob!!!

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.