

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 31900
 Name: Nor-West Kansas Oil, L.L.C.
 Address: RR 2, Box 14
 City/State/Zip: WaKeeney, Kansas 67672
 Purchaser: N/A
 Operator Contact Person: Patrick G. Wanker, Sec.-Treas.,
 Phone: (785) 743-2769
 Contractor: Name: W.W. Drilling, L.C
 License: 33575
 Wellsite Geologist: Kitt Noah
 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. _____

<u>02/17/06</u>	<u>02/23/06</u>	<u>02/23/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

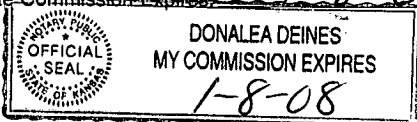
API No. 15 - 065-23143.0000
 County: Graham
50°E SW NE SE Sec. 7 Twp. 7 S. R. 21 East West
1,650 feet from (S) / N (circle one) Line of Section
940 feet from (E) / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE (SE) NW SW
 Lease Name: Brekke Well #: 1
 Field Name: Unknown
 Producing Formation: N/A
 Elevation: Ground: 2182.21 Kelly Bushing: 2187
 Total Depth: 3,762 Plug Back Total Depth: N/A
 Amount of Surface Pipe Set and Cemented at 219 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from N/A
 feet depth to _____ w/ _____ sx cm.

Drilling Fluid Management Plan *P+H KGR 12/11/07*
 (Data must be collected from the Reserve Pit)
 Chloride content 1,700 ppm Fluid volume 500 bbls
 Dewatering method used Chemical Mud
 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: *Patrick G. Wanker*
 Title: Sec.-Treas., Date: 5/22/06
 Subscribed and sworn to before me this 22nd day of May
 20 06.
 Notary Public: *Donalea Deines*
 Date Commission Expires: 1-8-08



KCC Office Use ONLY
 Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
RECEIVED
MAY 23 2006

KCC WICHITA

ORIGINAL

Side Two

Operator Name: Nor-West Kansas Oil, L.L.C. Lease Name: Brekke Well #: 1
Sec. 7 Twp. 7 S. R. 21 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 Yes No
Samples Sent to Geological Survey Yes No
Cores Taken Yes No
Electric Log Run Yes No
List All E. Logs Run:

Table with 3 columns: Name, Top, Datum. Rows include Anhydrite, Bottom Anhydrite, Topeka, Hebener, Toronto, Lansing, Mun. Creek, Arbuckle.

Radiation Guard Log

CASING RECORD Table with 8 columns: Purpose of String, Size Hole Drilled, Size Casing Set, Weight Lbs./Ft., Setting Depth, Type of Cement, # Sacks Used, Type and Percent Additives.

ADDITIONAL CEMENTING / SQUEEZE RECORD Table with 5 columns: Purpose, Depth, Type of Cement, #Sacks Used, Type and Percent Additives.

PERFORATION RECORD - Bridge Plugs Set/Type Table with 4 columns: Shots Per Foot, Specify Footage of Each Interval Perforated, Acid, Fracture, Shot, Cement Squeeze Record, Depth.

TUBING RECORD Table with 4 columns: Size, Set At, Packer At, Liner Run. Includes Date of First, Resumed Production, SWD or Enhr. and Producing Method.

Disposition of Gas METHOD OF COMPLETION Production Interval
Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
Other (Specify)

Allied Cementing Co., Inc
P.O. Box 31

Russell, KS 67665

* I N V O I C E *

Invoice Number: 101017

Invoice Date: 02/28/06

Sold Nor West Kansas Oil LLC
To: R. R. #2, Box 14
WaKeeney, KS
67672

RECEIVED
MAY 23 2006
KCC WICHITA

Cust I.D.....: NorWKS
P.O. Number...: Brelke #1
P.O. Date.....: 02/28/06

Due Date.: 03/30/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	120.00	SKS	9.6000	1152.00	T
Pozmix	80.00	SKS	5.2000	416.00	T
Gel	10.00	SKS	15.0000	150.00	T
FloSeal	50.00	LBS	1.8000	90.00	T
Handling	210.00	SKS	1.7000	357.00	T
Mileage	75.00	MILE	14.7000	1102.50	T
210 sks @.07 per sk per mi					
Rotary Plug	1.00	JOB	735.0000	735.00	T
Mileage pmp trk	75.00	MILE	5.0000	375.00	T
Dryhole Plug	1.00	EACH	35.0000	35.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$441.25
ONLY if paid within 30 days from Invoice Date

Subtotal:	4412.50
Tax.....:	244.89
Payments:	0.00
Total....:	4657.39

ALLIED CEMENTING CO., INC. 25067

Federal Tax I.D.#

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

SERVICE POINT:
Russell

DATE <u>2/22/06</u>	SEC. <u>7</u>	TWP. <u>7S</u>	RANGE <u>21 W</u>	CALLED OUT	ON LOCATION <u>8:15 pm.</u>	JOB START	JOB FINISH <u>11:30</u>
LEASE <u>Brekke</u>		WELL # <u>1</u>	LOCATION <u>Hwy 18 + 24 jct 5 N</u>			COUNTY <u>Graham</u>	STATE <u>Ks.</u>
<input checked="" type="radio"/> OLD OR NEW (Circle one)			<u>1 W Nit</u>				

CONTRACTOR W W Drilling Rig #2

TYPE OF JOB Rotary Plug

HOLE SIZE 7 7/8 T.D. 3760

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT

AMOUNT ORDERED 200 60/40 670 0.01
1/4 # F10

COMMON	<u>120</u>	@	<u>960</u>	<u>1152.00</u>
POZMIX	<u>80</u>	@	<u>520</u>	<u>416.00</u>
GEL	<u>10</u>	@	<u>15.00</u>	<u>150.00</u>
CHLORIDE		@		
ASC		@		
<u>Floated</u>	<u>50#</u>	@	<u>1.80</u>	<u>90.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>210</u>	@	<u>1.70</u>	<u>357.00</u>
MILEAGE	<u>74/SK/MILE</u>			<u>1102.50</u>
TOTAL				<u>3267.50</u>

EQUIPMENT

PUMP TRUCK CEMENTER Shane

358 HELPER Gary

BULK TRUCK

345 DRIVER Doug

BULK TRUCK

_____ DRIVER _____

REMARKS:

1850' with 25 sks

1025' with 100 sks

275' " 40 sks

40' " 10 sks

Rat Hole " 15 sks

Mouse Hole " 10 sks

CHARGE TO: Nor-west Kansas Oil LLC

STREET RR #2, Box 14

CITY Wakeeney STATE Ks. ZIP 67672

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 735.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 75 @ 5.00 375.00

MANIFOLD _____ @ _____

RECEIVED

MAY 23 2006

KCC WICHITA

TOTAL 110.00

PLUG & FLOAT EQUIPMENT

_____	@	_____
_____	@	_____
<u>Rat Hole Plug</u>	@	<u>35.00</u>
_____	@	_____
_____	@	_____
TOTAL <u>35.00</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 Dusty Rhoads

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAY:

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/o 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 cement 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 herei 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 an 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
P.O. Box 31
(785) 483-2627
Russell, KS 67665

*
* I N V O I C E *
*

Invoice Number: 100928

Invoice Date: 02/22/06

ENTERED MAR - 1 2006
2445

Sold Nor West Kansas Oil LLC
To: R. R. #2, Box 14
WaKeeney, KS
67672

Cust I.D.....: NorWKS
P.O. Number...: *Breake #1*
P.O. Date....: 02/22/06

Due Date.: 03/24/06
Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	11.0000	1760.00	T
Gel	3.00	SKS	15.0000	45.00	T
Chloride	5.00	SKS	42.0000	210.00	T
Handling	168.00	SKS	1.7000	285.60	E
Mileage	82.00	MILE	11.7600	964.32	E
168 sks @.07 per sk per mi					
Surface	1.00	JOB	735.0000	735.00	E
Mileage pmp trk	82.00	MILE	5.0000	410.00	E
Plug	1.00	EACH	55.0000	55.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter
If Account CURRENT take Discount of \$ 446.49
ONLY if paid within 30 days from Invoice Date

Subtotal: 4464.92
Tax.....: 114.89
Payments: 0.00
Total....: 4579.81

0. C . . *
. C.00
4,579.81 +
446.49
.
002 *
4,133.32

*Called 3/1/06
Sylvia*

RECEIVED
MAY 23 2006
KCC WICHITA

ALLIED CEMENTING CO., INC.

22336

Federal Tax I.D. XXXXXXXXXX

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

SERVICE POINT:

Oaklens KS

DATE <u>2-16-06</u>	SEC. <u>7</u>	TWP. <u>7</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION <u>2:00 pm</u>	JOB START <u>2:15 pm</u>	JOB FINISH <u>2:45</u>
LEASE <u>B. H. K. E.</u>	WELL # <u>#1</u>	LOCATION <u>H. H. City E to Rd 340</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)			<u>W - Rd W - 1 3/4 E N + W. N</u>				

CONTRACTOR W-W #2

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 220'

CASING SIZE 8 5/8 DEPTH 219'

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. 15'

PERFS.

DISPLACEMENT 12.9 BBLs

OWNER Same

CEMENT

AMOUNT ORDERED 160 Com 326

270 gel

COMMON	<u>160</u>	@ <u>11.00</u>	<u>1760.00</u>
POZMIX		@	
GEL	<u>3</u>	@ <u>15.00</u>	<u>45.00</u>
CHLORIDE	<u>5</u>	@ <u>42.00</u>	<u>210.00</u>
ASC		@	

EQUIPMENT

PUMP TRUCK CEMENTER Fuzzy

102 HELPER WALT

BULK TRUCK

377 DRIVER JR

BULK TRUCK

DRIVER

HANDLING	<u>168</u>	@ <u>1.70</u>	<u>285.60</u>
MILEAGE	<u>.07 x 5 km</u>		<u>964.00</u>
TOTAL			<u>3261.00</u>

REMARKS:

cement did circulate

Plug down @ 2:45 pm

Thanks Fuzzy

+ crew

SERVICE

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>735.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>82</u>	@ <u>5.00</u>	<u>410.00</u>
MANIFOLD		@	
		@	
TOTAL			<u>1145.00</u>

CHARGE TO: Nor-West Kansas Oil LLC

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<u>1-8 5/8 Plug</u>	@	<u>55.00</u>
RECEIVED	@	
<u>MAY 23 2006</u>	@	
KCC WICHITA	@	
TOTAL		<u>55.00</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

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Bill Wynn

Bill Wynn
PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—PRICES AND TAXES: All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—TOWING CHARGES: ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—PREPARATION CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—DEADHAUL, CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—SERVICE CONDITIONS AND LIABILITIES: 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

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

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

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.