

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

Form ACO-1  
 September 1999  
 Form Must Be Typed

**ORIGINAL**

Operator: License # 31900  
 Name: Nor-West Kansas Oil, L.L.C.  
 Address: RR 2, Box 14,  
 City/State/Zip: WaKeeney, KS 67672  
 Purchaser: \_\_\_\_\_  
 Operator Contact Person: Patrick G. Wanker  
 Phone: ( 785 ) 743-2769  
 Contractor: Name: Anderson Drilling  
 License: 33237  
 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>9-15-2004</u>	<u>9-22-2004</u>	<u>10-25-04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

RECEIVED  
 OCT 27 2004  
 KCC WICHITA

API No. ~~15~~ - 151792112000-00  
 County: Sheridan  
C E/2 NW Sec. 33 Twp. 9 S. R. 29  East  West  
1310 feet from S (N) (circle one) Line of Section  
1870 feet from E (W) (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE (NW) SW  
 Lease Name: Weber Well #: 1  
 Field Name: WCC North  
 Producing Formation: Lansing-Kansas City  
 Elevation: Ground: 2820.5 Kelly Bushing: 2825.5  
 Total Depth: 4260 Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 284 @ 292 Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 293  
 feet depth to cellar w/ 175, 3% cc, 2% gel sx cmt.

Drilling Fluid Management Plan P+A - KGR 12/11/07  
 (Data must be collected from the Res.)  
 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: Secretary-Treasurer Date: October 26, 2004  
 Subscribed and sworn to before me this 26<sup>th</sup> day of October  
20 04.  
 Notary Public: Mary Ann Schneider  
 Date Commission Expires: 9/9/2008

**KCC Office Use ONLY**

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

MARY ANN SCHNEIDER  
 NOTARY PUBLIC  
 STATE OF KANSAS  
 My Appt Exp. 9/9/08

Operator Name: Nor-West Kansas Oil, L.L.C. Lease Name: Weber Well #: 1  
 Sec. 33 Twp. 9 S. R. 29  East  West County: Sheridan

**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:  <b>Compensated density, dual induction sonic and micro.</b>	<input type="checkbox"/> Log, Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhydrite</td> <td>2436</td> <td>+389</td> </tr> <tr> <td>Topeka</td> <td>3680</td> <td>-855</td> </tr> <tr> <td>Hebner</td> <td>3901</td> <td>-1076</td> </tr> <tr> <td>Lansing</td> <td>3939</td> <td>-1114</td> </tr> <tr> <td>Stark Shale</td> <td>4136</td> <td>-1311</td> </tr> <tr> <td>Base of KC</td> <td>4196</td> <td>-1371</td> </tr> </table>	Name	Top	Datum	Anhydrite	2436	+389	Topeka	3680	-855	Hebner	3901	-1076	Lansing	3939	-1114	Stark Shale	4136	-1311	Base of KC	4196	-1371
Name	Top	Datum																				
Anhydrite	2436	+389																				
Topeka	3680	-855																				
Hebner	3901	-1076																				
Lansing	3939	-1114																				
Stark Shale	4136	-1311																				
Base of KC	4196	-1371																				

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
Dry hole plugged							
Surface	12 1/4	8 5/8	28 lb	292	Common	175	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				

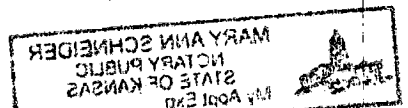
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input checked="" 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 *(If vented, Submit ACO-18.)*

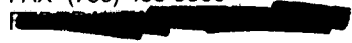
METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

Production Interval \_\_\_\_\_



**ALLIED CEMENTING CO., INC.**

P.O. BOX 31  
 RUSSELL, KS 67665  
 PH (785) 483-3887  
 FAX (785) 483-5566



**RECEIVED**  
**OCT 27 2004**  
**KCC WICHITA**

\*\*\*\*\*  
 \* I N V O I C E \*  
 \*\*\*\*\*

Invoice Number: 094496

Invoice Date: 09/22/04

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

Cust I.D.....: NorWKS  
 P.O. Number...: Weber #1  
 P.O. Date.....: 09/22/04

Due Date.: 10/22/04  
 Terms....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	175.00	SKS	9.1000	1592.50	T
Gel	3.00	SKS	11.0000	33.00	T
Chloride	6.00	SKS	33.0000	198.00	T
Handling	184.00	SKS	1.3500	248.40	E
Mileage (27)	27.00	MILE	9.2000	248.40	E
184 sks @\$ .05 per sk per mi					
Surface	1.00	JOB	570.0000	570.00	E
Mileage pmp trk	27.00	MILE	4.0000	108.00	E
Surface 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 \$ 305.33  
 ONLY if paid within 30 days from Invoice Date

Subtotal: 3053.30  
 Tax.....: 118.35  
 Payments: 0.00  
 Total....: 3171.65

- 305.33  
2866.32

**PAID SEP 20 2004**

# ALLIED CEMENTING CO., INC. 12096

Federal Tax I.D.# XXXXXXXXXX

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

SERVICE POINT:  
OARLEY

DATE <u>9-15-04</u>	SEC. <u>33</u>	TWP. <u>9S</u>	RANGE <u>29W</u>	CALLED OUT	ON LOCATION <u>7:30 AM</u>	JOB START <u>9:00 AM</u>	JOB FINISH <u>9:30</u>
LEASE <u>WEBER</u>	WELL # <u>1</u>	LOCATION <u>GRINWELL 8N-3 1/8 E - S into</u>			COUNTY <u>SHERIDAN</u>	STATE <u>Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR <u>A+A DRILL</u>	OWNER <u>SAME</u>
TYPE OF JOB <u>SURFACE</u>	
HOLE SIZE <u>12 1/4"</u> T.D. <u>293'</u>	CEMENT
CASING SIZE <u>8 5/8"</u> DEPTH <u>292'</u>	AMOUNT ORDERED <u>175 SKS com 3 1/2 cc 2 1/2 6 1/2</u>
TUBING SIZE _____ DEPTH _____	
DRILL PIPE _____ DEPTH _____	
TOOL _____ DEPTH _____	
PRES. MAX _____ MINIMUM _____	COMMON <u>175 SKS @ 9<sup>10</sup>/<sub>100</sub> 1592<sup>50</sup></u>
MEAS. LINE _____ SHOE JOINT _____	POZMIX _____ @ _____
CEMENT LEFT IN CSG. <u>15'</u>	GEL <u>3 SKS @ 11<sup>00</sup>/<sub>100</sub> 33<sup>00</sup></u>
PERFS. _____	CHLORIDE <u>6 SKS @ 33<sup>00</sup>/<sub>100</sub> 198<sup>00</sup></u>
DISPLACEMENT <u>17 1/2 BBL.</u>	_____ @ _____

**EQUIPMENT**

PUMP TRUCK # <u>177</u>	CEMENTER <u>TERRY</u>
	HELPER <u>WAYNE</u>
BULK TRUCK # <u>377</u>	DRIVER <u>ALAN</u>
BULK TRUCK # _____	DRIVER _____

HANDLING <u>184 SKS @ 135<sup>00</sup>/<sub>100</sub> 248<sup>40</sup></u>
MILEAGE <u>059 PER SK / MILE 248<sup>40</sup></u>
TOTAL <u>2320<sup>50</sup></u>

RECEIVED  
OCT 27 2004  
KCC WICHITA

**REMARKS:**

CEMENT ADV CTRC,

**SERVICE**

DEPTH OF JOB <u>292'</u>
PUMP TRUCK CHARGE <u>570<sup>00</sup></u>
EXTRA FOOTAGE _____ @ _____
MILEAGE <u>27 MI @ 4<sup>00</sup>/<sub>100</sub> 108<sup>00</sup></u>
PLUG _____ @ _____
_____ @ _____
TOTAL <u>678<sup>00</sup></u>

THANK YOU

CHARGE TO: NOR-WEST KANSAS OIL LLC.

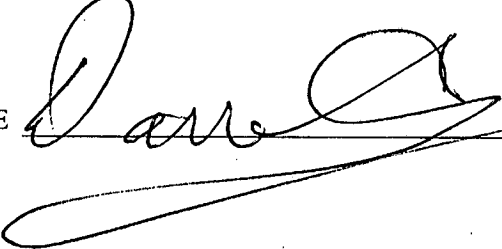
STREET \_\_\_\_\_

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

**FLOAT EQUIPMENT**

<u>8 5/8 SURFACE</u>	@	<u>55<sup>00</sup></u>
_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
TOTAL <u>55<sup>00</sup></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.

SIGNATURE 

TAX \_\_\_\_\_

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

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

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 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 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. 19806

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT:

OAKLEY

DATE <u>9-25-04</u>	SEC <u>33</u>	TWP <u>9S</u>	RANGE <u>29W</u>	CALLED OUT	ON LOCATION <u>7:30 AM</u>	JOB START <u>11:15 AM</u>	JOB FINISH <u>2:45 PM</u>
LEASE <u>WEBER</u>		WELL # <u>1</u>		LOCATION <u>GREENWELL 8N-3 1/4E-S 2W</u>		COUNTY <u>SHERBORN</u>	STATE <u>KS</u>
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR <u>ATA DRILL</u>	OWNER <u>SAME</u>
TYPE OF JOB <u>ATA</u>	CEMENT
HOLE SIZE <u>7 7/8"</u>	DEPTH <u>4260'</u>
CASING SIZE	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE <u>1 1/2"</u>	DEPTH <u>2475'</u>
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT	

AMOUNT ORDERED  
190 SKS 60/40 202 G. 66L 1/2" FLO-SEAL

COMMON	<u>114 SKS</u>	@	<u>9 1/2</u>	<u>1037</u>
POZMIX	<u>74 SKS</u>	@	<u>4 1/2</u>	<u>311 1/2</u>
GEL	<u>10 SKS</u>	@	<u>11 00</u>	<u>110 00</u>
CHLORIDE		@		
ASC		@		
		@		
		@		
<u>FLO-SEAL 48"</u>		@	<u>1 40</u>	<u>67 20</u>
		@		
		@		
		@		
		@		
HANDLING	<u>200 SKS</u>	@	<u>1 35</u>	<u>270 00</u>
MILEAGE	<u>054 PER ST / MILE</u>			<u>270 00</u>
				<b>TOTAL</b> <u>2066</u>

**EQUIPMENT**

PUMP TRUCK #	CEMENTER <u>177</u>	HELPER <u>TERRY FUZZY</u>
BULK TRUCK #	DRIVER <u>377</u>	<u>LARRY</u>
BULK TRUCK #	DRIVER	

**REMARKS:**

- 25 SKS AT 2475'  
100 SKS AT 1600'  
40 SKS AT 340'  
10 SKS AT 40'  
15 SKS RAT HOLE

RECEIVED  
OCT 27 2004  
KCC WICHITA

THANK YOU

**SERVICE**

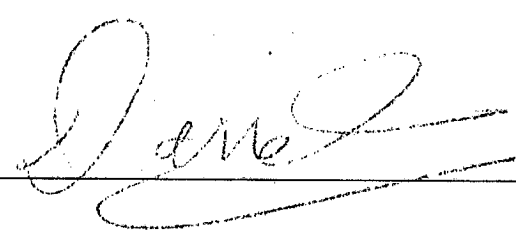
DEPTH OF JOB	<u>2475'</u>		
PUMP TRUCK CHARGE			<u>700 00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>27 MILE</u>	@	<u>4 00</u> <u>108 00</u>
MANIFOLD		@	
		@	
		@	
		@	
			<b>TOTAL</b> <u>808 00</u>

**PLUG & FLOAT EQUIPMENT**

<u>1- 8 5/8 DRY HOLE PLUG</u>	@	<u>23 00</u>
	@	
	@	
	@	
	@	
		<b>TOTAL</b> <u>23 00</u>

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.

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 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.