

**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 # 6039
 Name: L. D. DRILLING, INC.
 Address: 7 SW 26 AVE
 City/State/Zip: GREAT BEND, KS 67530
 Purchaser: _____
 Operator Contact Person: L. D. DAVIS
 Phone: (620) 793-3051
 Contractor: Name: SOUTHWIND DRILLING, INC
 License: 33350
 Wellsite Geologist: KIM SHOEMAKER
 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>4/17/07</u>	<u>4/24/07</u>	
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 165-21816-0000
 County: RUSH
SW NE NE Sec. 31 Twp. 16 S. R. 16 East West
1180 feet from S / (N) (circle one) Line of Section
930 feet from (E) / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) (NE) SE NW SW
 Lease Name: THIELENHAUS Well #: 1
 Field Name: REICHEL
 Producing Formation: _____
 Elevation: Ground: 1992' Kelly Bushing: 2001'
 Total Depth: 3598' Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 1106 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 PAAITINH 7-11-08
 (Data must be collected from the Reserve Pit)
 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.

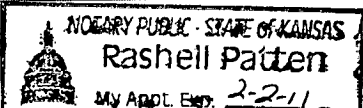
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]
 Title: CLERK Date: JUNE 7, 2007
 Subscribed and sworn to before me this 7 day of June,
 20 07.
 Notary Public: [Signature] Rashell Patten
 Date Commission Expires: 2-02-11

KCC Office Use ONLY

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

RECEIVED
 KANSAS CORPORATION COMMISSION



JUN 11 2007

CONSERVATION DIVISION
WICHITA, KS

Operator Name: L. D. DRILLING, INC. Lease Name: THIELENHAUS Well #: 1
 Sec. 31 Twp. 16 S. R. 16 East West County: RUSH

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets) Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Submit Copy) List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum SEE ATTACHED
--	---

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
SURFACE	12 1/4"	8 5/8"	24#	1106'	A-CON	210	
					60/40 POZMIX	210	

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

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

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 (If vented, Submit ACO-18.)	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	RECEIVED KANSAS CORPORATION COMMISSION

JUN 11 2007
 CONSERVATION DIVISION
 WICHITA, KS

DAILY DRILLING REPORT

OPERATOR: L.D. DRILLING, INC. LEASE: THIELENHAUS #1
 SW NE NE Sec 31-16-16
 WELLSITE GEOLOGIST: KIM SHOEMAKER RUSH CO., KS
 CONTRACTOR: Southwind Drilling Rig #2 ELEVATION: GR: 1992'
 KB: 2001'
 SPUD: 4/17/07 @ 7:30 P.M. PTD: 3650'
 SURFACE: Ran 26 jts 24# New 8 5/8" Surface Casing, Tally @ 1095.6', Cement 210 sx
 A-Con & 210 sx 60/40 Pozmix, DID CIRCULATE, Plug Down @ 6:30 A.M.
 4/19/07 By Jet Star (Ticket #16103)

4/17/07 Move in, Rig up & Spud
 4/18/07 609' Drilling Surface Hole
 4/19/07 1106' Waiting on Cement
 4/20/07 1885' Drilling
 4/21/07 2506' Drilling
 4/22/07 3035' CFS
 4/23/07 3702' Drilling
 4/24/07 3440' Drilling
 4/25/07 3598' Plugging the Well - D & A

Plugging: 1st Plug @ 1130' w/ 50 sx,
 2nd Plug @ 500' w/ 50 sx, 3rd Plug @ 60' w/ 20 sx,
 4th Plug @ Rathole w/ 15 sx, 5th Plug @
 Mousehole w/ 10 sx, Total 145 sx of 60/40 Pozmix
 6% Gel, Plug Down @ 1:15 P.M. on 4/25/07
 by Allied Cementing; State KCC: Jim Holland

SAMPLE TOPS:

Anhy	Top	1100	+901
Anhy	Base	1134	+867
Topeka		3007	(-1006)
Heebner		3238	(-1237)
Lansing		3293	(-1292)
Base Kansas City		3514	(-1513)
RTD		3598	(-1597)

DST #1 2988 - 3050' Topeka
 TIMES: 30-30-30-30
 BLOW: 1st Open: blt 6"
 2nd Open: blt to 2"
 RECOVERY: 165' gip, 15' gcm 10% gas
 IFP: 32-34 ISIP: 251
 FFP: 34-36 FSIP: 227
 TEMP: 96 degrees

DST #2 3365 - 3413'
 TIMES: 30-30
 BLOW: 1st Open: weak surface blow thru out
 2nd Open: N/A
 RECOVERY: 15' Drilling mud
 IFP: 33-37 ISIP: 1009
 FFP: FSIP:
 TEMP: 101 degrees

DST #3 3439 - 3515' LKC
 TIMES: 30-30-30-30
 BLOW: 1st Open: weak - died 20 min
 2nd Open: no blow
 RECOVERY: 10' vsocm
 IFP: 31-32 ISIP: 57
 FFP: 32-34 FSIP: 47
 TEMP: 103 degrees

RECEIVED
 KANSAS CORPORATION COMMISSION

JUN 11 2007



Drill 4 west to CR350 - 5 3/4 North

FIELD ORDER 16103

Subject to Correction

Date 4-19-07		Customer ID		Lease Thielhaus	Well # 1	Legal 31-165-16W	
C H A R G E L.D. Drilling Inc		County Rush	State KS	Formation	Station Pratt		
Depth 1106		Shoe Joint 43'		Casing 8 7/8 2 1/2"	Casing Depth 1106	TD 1106	Job Type Cespw S.P. Newbell
Customer Representative L. Tressner					Treater Steve Orlando		

AFE Number _____ PO Number _____
 Materials Received by **X Duwayne Tressner**

Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT	
P	D201	210SK	Acon Blow		3584.70	
P	D203	210SK	60/40 P02		2249.10	
P	C310	1137Lb	Calcium Chloride		1137.00	
P	C194	105Lb	Cell Flake		388.50	
P	F163	1ea	Wooden Cement plug		88.90	
P	E100	150mi	Heavy Vehicle Mileage		750.00	
P	E101	75mi	Pick up mileage		225.00	
P	E104	14214m	Bulk Delivery		2274.00	
P	E107	420SK	Cement Service Charge		630.00	
P	R203	1ea	Coring Cement pump; 100' - 150'		1229.00	
P	R701	1ea	Cement Head Rental		250.00	
Discounted price plus taxes						10757.21

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 11 2007

CONSERVATION DIVISION
WICHITA, KS

TOTAL

As consideration, the Customer agrees:

a) To pay JET STAR ENERGY SERVICE, INC. in accordance with the rates and terms stated in JET STAR ENERGY SERVICE, INC.'s current price list. Invoices are payable NET 30 after date of invoice. Upon Customer's default payment of Customer's account by the last day of the month following the month in which the invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% per annum. In the event it becomes necessary to employ attorneys to enforce collection of said account, Customer agrees to pay all collection cost and attorney fees in the amount of the unpaid account.

b) To defend indemnify, release and hold harmless JET STAR ENERGY SERVICE, INC., its divisions, subsidiaries, parent and affiliated companies and the officers, directors, employees, agents and servants of all of them from and against any claims, liability, expenses, attorney's fees and costs of defense to the extent permitted by law for:

1. Damage to property owned by, in the possession of, or leased by Customer, and/or the well owner (if different from Customer), including but not limited to, surface and subsurface damage. The term "well owner" shall include working and royalty interest owners.
2. Reservoir, formation, or well loss or damage, subsurface trespass or any action in the nature thereof.
3. Personal injury of death or property damage (including, but not limited to, damage to the reservoir, formation or well), or any damages whatsoever, growing out of or in any way connected with or resulting from pollution, subsurface pressure, losing control of the well and/or a well blowout or the use of radioactive material. The amount of this invoice is due and payable at JET STAR ENERGY SERVICE, INC., Dept. No. 1131, Tulsa, Oklahoma 74182. All terms of the Service order with customer are incorporated herein and made a part hereof by reference.

The defense, indemnity, release and hold harmless obligations of Customer provided for in this Section b) and Section c) below shall apply to claims or liability even if caused or contributed to by JET STAR ENERGY SERVICE, INC. negligence, strict liability, or operated, or furnished by JET STAR ENERGY SERVICE, INC. or any defect in the data, products, supplies, materials, or equipment of JET STAR ENERGY SERVICE, INC. whether the preparation, design, manufacture, distribution, or marketing thereof, or from a failure to warn any person of such defect. Such defense, indemnity, release and hold harmless obligations of Customer shall not apply where the claims or liability are caused by the gross negligence or willful misconduct of JET STAR ENERGY SERVICE, INC. The term "JET STAR ENERGY SERVICE, INC." as used in said Section b) and c) shall mean JET STAR ENERGY SERVICE, INC., its divisions, subsidiaries, parent and affiliated companies, and the officers, directors, employees, agents and servants of all of them.

c) That because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, JET STAR ENERGY SERVICE, INC. is unable to guarantee the effectiveness of the products, supplies, or materials, nor the results of any treatment or service, nor the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by JET STAR ENERGY SERVICE, INC. JET STAR ENERGY SERVICE, INC. personnel will use their best efforts in gathering such information and their best judgement in interpreting it, but Customer agrees that JET STAR ENERGY SERVICE, INC. shall not be liable for and Customer shall indemnify JET STAR ENERGY SERVICE, INC. against any damages from the use of such information.

d) That JET STAR ENERGY SERVICE, INC. warrants only title to the products, supplies, and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. JET STAR ENERGY SERVICE, INC.'s liability and Customer's exclusive remedy in and cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials in expressly limited to the replacement of such products, supplies or materials on their return to JET STAR ENERGY SERVICE, INC. or, at JET STAR ENERGY SERVICE, INC.'s option, to the allowance to the Customer of credit for the cost of such items. In no event shall JET STAR ENERGY SERVICE, INC. be liable for special, incidental, indirect, punitive or consequential damages.

e) To waive the provisions of the Deceptive Trade Practices - Consumer Protection Act, to the extent permitted by law. We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to service furnished under this contract.

f) That this contract shall be governed by the law of the state where services are performed or materials are furnished.

g) That JET STAR ENERGY SERVICE, INC. shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized manager of JET STAR ENERGY SERVICE, INC.

Customer L.D. DRILLING	Lease No.	Date 4-19-07
Lease THIELENHAUS	Well # 1	
Field Order # 16103	Station PRATT, KS.	Casing 8 5/8
		Depth 1106
Type Job CCSPW - SURFACE N.W.	Formation	County RUSH
		State KS.
		Legal Description 31-165-16W

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 8 7/8	Tubing Size	Shots/Ft		Acid 210SKS ACON	RATE	PRESS	ISIP	
Depth 1106	Depth	From	To	Pre Pad 2.71 FT³	Max		5 Min.	
Volume 70.3	Volume	From	To	Pad 240 SKS. 60/40 PZ	Min		10 Min.	
Max Press 500	Max Press	From	To	Frac 1.25 FT³	Avg		15 Min.	
Well Connection P.C.	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
Plug Depth 1091	Packer Depth	From	To	Flush 69.4	Gas Volume		Total Load	

Customer Representative L. I. SMITH	Station Manager DAVE SCOTT	Treater STEVE ORLANDO
---	--------------------------------------	---------------------------------

Service Units	19869	19829	19842	19826	19863				
Driver Names	STEVE	LEEVEN	MIKEM.						

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
12:00 AM					ON LOCATION - SAFETY MEETING
					RUN 20 jts. 8 5/8 x 24"
					CSG. ON BOTTOM
					HOOK UP TO CSG. - BREAK CIRC/W RIG
5:30	200		5	5	H2O AHEAD
5:31	300		101	5	MIX CEMENT @ 11.8[#]/gal ACON-BLEND
5:50	300		47	5	MIX CEMENT @ 14.7[#]/gal 60/40 BLEND
					RELEASE PLUG
6:15	0		0	5	START DISPLACEMENT
6:30	550		69.4	5	PLUG DOWN
					CIRCULATION THRU JOB
					CIRCULATED ISBBL CEMENT TO PIT
					JOB COMPLETE
					THANKS,
					STEVE

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 11 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC. 30615

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

SERVICE POINT: Great Bend

DATE <u>4.25.07</u>	SEC. <u>31</u>	TWP. <u>16</u>	RANGE <u>16</u>	CALLED OUT <u>9:00 AM</u>	ON LOCATION <u>11:00 AM</u>	JOB START <u>12:00 Noon</u>	JOB FINISH <u>1:00 PM</u>
LEASE <u>Thompson</u>		WELL # <u>1</u>	LOCATION <u>Plot 4 west to Co road # 350</u>		COUNTY <u>Rush</u>	STATE <u>Ka</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			<u>5 3/4 north</u>				

CONTRACTOR Louthwind
 TYPE OF JOB Retain Plug
 HOLE SIZE 7 7/8" I.D. T.D. 3598'
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2" DEPTH 1130'
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER L.A. Drilling Inc.
 CEMENT AMOUNT ORDERED 145.00 60/40 6% gel

EQUIPMENT

NP
 PUMP TRUCK CEMENTER J.D. Strickling
 #181 HELPER Kevin Davis
 BULK TRUCK DRIVER Steve Turley
 #341
 BULK TRUCK DRIVER _____
 # _____

COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE _____

REMARKS:

1st 1130' 50.00
2nd 500' 50.00
3rd 60' 20.00
4th 15.00 in cat hole
5th 10.00 in manhole

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 11 2007

DEPTH OF JOB 1130'
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____

CHARGE TO: L.A. Drilling Inc.
 STREET 7 SW 26 AVE
 CITY Great Bend STATE Kansas ZIP 67530

Thanks

PLUG & FLOAT EQUIPMENT

_____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____

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.

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

SIGNATURE [Signature]

SIGNATURE L. WAYNE TRESNER
 PRINTED NAME

Thank you!

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.