

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

**ORIGINAL**

Operator: License # 3553  
Name: Citation Oil & Gas Corp.  
Address: P.O. Box 690688  
City/State/Zip: Houston, Texas 77269-0688  
Purchaser: N/A  
Operator Contact Person: Debra Harris  
Phone: (281) 517-7194  
Contractor: Name: Vonfeldt Drilling, Inc.  
License: 9431  
Wellsite Geologist: Jerry Greer

Designate Type of Completion:  
 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: 2/23/2005 Original Total Depth: 3349'  
 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. E-10416

<u>10/7/2004</u>	<u>10/12/2004</u>	<u>2/23/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25324-00-00  
County: Ellis  
NW NE SW  
NE NW NE SE Sec. 36 Twp. 12 S. R. 16  East  West  
2500 FSL 2198 feet from (S) N (circle one) Line of Section  
825 FEL 3525 feet from (E) W (circle one) Line of Section  
KCC GPS Footages KJR  
Footages Calculated from Nearest Outside Section Corner:

(circle one) NE (SE) NW SW  
Lease Name: Wieland Unit Well #: 1-18  
Field Name: Fairport

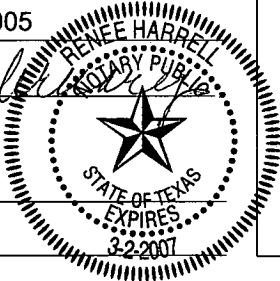
Producing Formation: LKC  
Elevation: Ground: 1859' Kelly Bushing: 1864'  
Total Depth: 3319' Plug Back Total Depth: 3270'  
Amount of Surface Pipe Set and Cemented at 918 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

Drilling Fluid Management Plan alt I KJR 3/5/08  
(Data must be collected from the Reserve Pit)  
Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used Allow to dry and backfill  
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: Debra Harris  
Title: Prod/Reg Coordinator Date: 2/25/2005  
Subscribed and sworn to before me this 25th day of February  
20 05  
Notary Public: Renee Harrell  
Date Commission Expires: 3-2-07



**KCC Office Use ONLY**

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

**RECEIVED**  
**MAR 07 2005**  
**KCC WICHITA**

Operator Name: Citation Oil & Gas Corp. Lease Name: Wieland Unit Well #: 1-18  
 Sec. 36 Twp. 12 S. R. 16  East  West County: Ellis

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

Drill Stem Tests Taken  Yes  No  
 (Attach Additional Sheets)  
 Samples Sent to Geological Survey  Yes  No  
 Cores Taken  Yes  No  
 Electric Log Run  Yes  No  
 (Submit Copy)  
 List All E. Logs Run:

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Topeka	2700	-836 SS
LKC	2975	-1111 SS
Marmator	3243	-1379 SS
Arbuckle	3284'	-1420 SS

DIL/Dual Compensated Porosity/Microresistivity/  
 GR Correlation and CBL

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#	918'	Class "C"	500	3% CC 2% Gel
Production	7-7/8"	5-1/2"	15.5#	3319'	ASC	150	2% Gel; Gilsonite
							Flowseal

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
4 spf	LKC 3047' - 3230'	1500 gals 15% NEFe + 50 balls	3189'-3230'
		2000 gals 15% NEFe + 120 balls	3138'-3173'
		1000 gals 15% NEFe + 20 balls	3112'-3124'
		3000 gals 15% NEFe + 120 balls	3047'-3096'

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2-3/8"	3006'	Lock set pkr @3006'	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. 1st Injection - 2/24/2005			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
	N/A - WIW				

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

**DRILLERS WELL LOG**

Date Commenced: October 7, 2004  
Date Completed: October 12, 2004

Citation Oil & Gas Corp.  
Wieland Unit #1-18  
115'N NE NW NE SE  
Section 36-12S-16W  
Ellis County, Kansas

Elevation: 1859' G.L.  
1864' K.B.

0 - 784' Shale & Lime  
784 - 915' Sand & Shale  
915 - 1499' Anhydrite  
1499 - 1934' Lime & Shale  
1934 - 2273' Shale  
2273 - 2771' Lime & Shale  
2771 - 3109' Shale  
3109 - 3250' Lime & Shale  
3250 - 3318' Shale & Lime  
3318' R.T.D.

**FORMATION DATA**

Anhydrite 915'  
Base Anhydrite 1499'

Surface Pipe: Set 24#, new, 8 5/8"  
casing @ 918' with 500 sacks  
Common, 3% Gel., 2% CC.

Production Pipe: Set 15.5#, new,  
5 1/2" casing @ 3318' with 200 sacks  
ASC, 500 gallon flush.

**AFFIDAVIT**

**RECEIVED**

STATE OF KANSAS )  
 ) ss:  
COUNTY OF RUSSELL )

**MAR 07 2005**  
**KCC WICHITA**

Alan Vonfeldt of lawful age, does swear and state that the facts and statements  
herein are true and correct to the best of his knowledge.

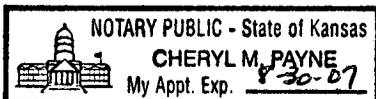
Alan Vonfeldt  
Alan Vonfeldt

Subscribed and sworn to before me this 18th day of October, 2004.

My Commission Expires:

August 30, 2007

Cheryl M. Payne  
Cheryl M. Payne, Notary Public



# ALLIED CEMENTING CO., INC. 18769

Federal Tax I.D

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

SERVICE POINT: R

DATE <u>10/20/04</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
LEASE <u>Wichita Unit</u>	WELL# <u>1-18</u>	LOCATION <u>Corham 1W 5E N 4W</u>			COUNTY <u>Ellis</u>	STATE <u>K</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Montfeldt Dry

TYPE OF JOB prod string

HOLE SIZE 7 7/8 T.D. 3319

CASING SIZE 5 1/2 DEPTH 3318

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 40

PERFS. 78 1/2 BBL

DISPLACEMENT 15.50 ~~17.88~~

OWNER \_\_\_\_\_

CEMENT

AMOUNT ORDERED 190 ASC 2% gel

5# per sk Gilsonite 1/4 lb floeal per sk

3/4 lb of 1% CD-31 + deframer

500 gal WFR-2

COMMON	@		
POZMIX	@		
GEL <u>4</u>	@	<u>11.00</u>	<u>44.00</u>
CHLORIDE	@		
ASC <u>190</u>	@	<u>9.80</u>	<u>1,862.00</u>
<u>Gilsonite 893#</u>	@	<u>1.50</u>	<u>414.50</u>
<u>CD-31 133#</u>	@	<u>5.50</u>	<u>731.50</u>
<u>Deframer 36#</u>	@	<u>5.25</u>	<u>189.00</u>
<u>WFR-2 500 Gal.</u>	@	<u>1.00</u>	<u>500.00</u>
<u>Floeal 47.5#</u>	@	<u>1.40</u>	<u>66.50</u>
	@		
	@		
	@		
HANDLING <u>194</u>	@	<u>1.35</u>	<u>261.90</u>
MILEAGE <u>.05/sk/mi.</u>		<u>min</u>	<u>150.00</u>
TOTAL			<u>4251.40</u>

EQUIPMENT

345

PUMP TRUCK # \_\_\_\_\_ CEMENTER Dave HELPER Steve

BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

BULK TRUCK # 213 DRIVER Gary

REMARKS:

plug mouse hole 10 sk

Run hole 15 sk

Float Hold.

Landed @ 1100 psi.

SERVICE

DEPTH OF JOB \_\_\_\_\_

PUMP TRUCK CHARGE \_\_\_\_\_ 1,180.00

EXTRA FOOTAGE @ \_\_\_\_\_

MILEAGE 15 mi @ 4.00 60.00

MANIFOLD @ \_\_\_\_\_

@ \_\_\_\_\_

@ \_\_\_\_\_

RECEIVED

MAR 07 2005

TOTAL 1,240.00

KCC WICHITA

PLUG & FLOAT EQUIPMENT

<u>1 Latch down Insert</u>		<u>350.00</u>
<u>10 Centralizers</u>	@	<u>500.00</u>
<u>1 Guide Shoe</u>	@	<u>150.00</u>
<u>1 Baker Lock</u>	@	<u>30.00</u>
<u>1 Limit Clamp</u>	@	<u>20.00</u>
	@	<del>1050.00</del>
TOTAL		<u>1050.00</u>

CHARGE TO: Citation Oil & Gas Corp

STREET \_\_\_\_\_

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

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 1050.00

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

T.O. Taylor

PRINTED NAME

OCT 25 2004

## 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.

# ALLIED CEMENTING CO., INC.

17437 ✓

Federal Tax I.D.#

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

SERVICE POINT:

Mass City

DATE <u>10-8-04</u>	SEC. <u>36</u>	TWP. <u>12</u>	RANGE <u>16</u>	CALLED OUT <u>10:00 am</u>	ON LOCATION <u>12:15 pm</u>	JOB START <u>11:30 pm</u>	JOB FINISH <u>2:40 pm</u>
LEASE <u>Unit</u>		WELL # <u>1-18</u>	LOCATION <u>Garham 1w 5 1/2 w.s.</u>	COUNTY <u>Ellis</u>	STATE <u>KS</u>		
OLD OR <u>(NEW)</u> (Circle one)							

CONTRACTOR Von Feldt, Dely.  
 TYPE OF JOB Surface  
 HOLE SIZE 12 1/4 T.D. 918  
 CASING SIZE 8 5/8 DEPTH 918  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 700 MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 37  
 CEMENT LEFT IN CSG. 37  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT 59

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED 500 Com 3% cc 2% del

EQUIPMENT  
 PUMP TRUCK CEMENTER Mark  
 # 224 HELPER J. Weyhous  
 BULK TRUCK  
 # 344 DRIVER Burr  
 BULK TRUCK  
 # 341 DRIVER Steve

COMMON	<u>500 Mt</u>	@	<u>7.85</u>	<u>3925.00</u>
POZMIX		@		
GEL	<u>9 Mt</u>	@	<u>11.00</u>	<u>99.00</u>
CHLORIDE	<u>15 Mt</u>	@	<u>33.00</u>	<u>495.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>524 Mt</u>	@	<u>1.35</u>	<u>707.40</u>
MILEAGE	<u>524 Mt OS</u>	@	<u>16</u>	<u>419.20</u>
TOTAL				<u>5645.60</u>

REMARKS:

circ 8 5/8 casing w/ aug pump  
Max Cemt, deep plug w/  
57 BBL. Cemt did circ

Thanks

SERVICE

DEPTH OF JOB	<u>918'</u>		
PUMP TRUCK CHARGE			<u>570.00</u>
EXTRA FOOTAGE	<u>618'</u>	@	<u>50</u> <u>309.00</u>
MILEAGE	<u>16</u>	@	<u>4.00</u> <u>64.00</u>
		@	
		@	
		@	
		@	

TOTAL 943.00

CHARGE TO: Citation Oil & Gas Corp.  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PLUG & FLOAT EQUIPMENT

MANIFOLD		@		
<u>8 5/8 1-Rubber Plug</u>		@	<u>100.00</u>	<u>100.00</u>
<u>1- AFU</u>		@	<u>325.00</u>	<u>325.00</u>
<u>3- Centerlines</u>		@	<u>55.00</u>	<u>165.00</u>
		@		

RECEIVED

MAR 07 2005

TOTAL 590.00

TAX KCC WICHITA  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

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SIGNATURE [Signature]

TJ TAYLOR  
 PRINTED NAME

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—**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.