

**CONFIDENTIAL**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**WELL COMPLETION FORM**  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

**ORIGINAL**

3/4/09

Form ACO-1  
September 1999  
Form Must Be Typed

Operator: License # 5474  
Name: NORTHERN LIGHTS OIL CO., LC  
Address: P.O. BOX 164  
City/State/Zip: ANDOVER, KS 67002  
Purchaser: \_\_\_\_\_  
Operator Contact Person: KURT SMITH  
Phone: (316) 733-1515  
Contractor: Name: MALLARD JV  
License: 4958  
Wellsite Geologist: JEFF CHRISTIAN

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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>1-21-08</u>	<u>1-31-08</u>	<u>2-1-08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-101-22069-00-00  
County: LANE  
e/2. <sup>NW</sup> ne se Sec. 3 Twp. 19s S. R. 29  East  West  
1970 feet from (S) N ((circle one)) Line of Section  
1630 feet from (E) W ((circle one)) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: HILGENBERGER Well #: 1  
Field Name: WC  
Producing Formation: LKC, MARMATON  
Elevation: Ground: 2814 Kelly Bushing: 2819  
Total Depth: 4626 Plug Back Total Depth: 4619  
Amount of Surface Pipe Set and Cemented at 249 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 2160 Feet  
If Alternate II completion, cement circulated from 2160  
feet depth to SURFACE w/ 235 sx cmt.

**Drilling Fluid Management Plan** AK II NH 10-30-08  
(Data must be collected from the Reserve Pit)

Chloride content 2000 ppm Fluid volume 2500 bbls  
Dewatering method used EVAPORATION

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: MANAGING PARTNER Date: 3-4-2008  
Subscribed and sworn to before me this 4th day of MARCH, 2008.  
Notary Public: [Signature]  
Date Commission Expires: \_\_\_\_\_

**OFFICIAL SEAL**  
KURT L. SMITH  
MY COMMISSION EXPIRES  
July 14, 2009

**KCC Office Use ONLY**  
 Letter of Confidentiality Attached  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
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KANSAS CORPORATION COMMISSION  
**MAR 04 2008**

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: NORTHERN LIGHTS OIL CO., LC Lease Name: HILGENBERGER Well #: 1  
 Sec. 3 Twp. 19s S. R. 29 East  West County: LANE

**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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes No	<b>CONFIDENTIAL</b> <b>MAR 04 2008</b> <b>KCC</b>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes No		Name	Top	Datum
Cores Taken	Yes <input checked="" type="checkbox"/> No		ANHY	2150	+669
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes No		LKC	3982	-1163
List All E. Logs Run:  RAG			FTSC	4513	-1694
		MISS	4602	-1783	

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 Libs./Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
SURFACE	12 1/4	8 5/8	24#	249	common	175	3%gel 2%cc
Production	7 7/8	5 1/2	14#	4619	EA2	175	-

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top/Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input checked="" type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	2160-SURF	SMD	235	-

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	4374-78	250 GAL MCA, 1000 GAL NEFE	4374
4	4322-27	250 GAL MCA, 1000 GAL NEFE	4322

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 7/8	4377	-	Yes <input checked="" type="checkbox"/> No

Date of First, Resumed Production, SWD or Enhr.	Producing Method	Flowing	<input checked="" type="checkbox"/> Pumping	Gas Lift	Other (Explain)
3-1-2008					

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	95		0		

Disposition of Gas:  Vented  Sold  Used on Lease *(If vented, Submit ACO-1B.)*

METHOD OF COMPLETION:  Open Hole  Perf.  Other (Specify) \_\_\_\_\_

Production Interval:  Dually Comp.  Commingled \_\_\_\_\_

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CONSERVATION DIVISION  
WICHITA, KS

**NORTHERN**   
**LIGHTS OIL CO., L.C.**

P.O. BOX 164 / ANDOVER, KS 67002 / 316-733-1515

**CONFIDENTIAL**  
MAR 04 2008  
**KCC**

Kansas Corporation Commission  
130 S. Market, #2078  
Wichita, KS 67202-3802

**March 4th, 2008**

**RE:** Hilgenberger #1  
API# 15-101-22069  
REQUEST FOR CONFIDENTIALITY  
3-19S-29W, Lane Co., KS

Dear Sirs:

This letter requests the status of confidentiality be applied to this well as per the rules and regulations of the Kansas Corporation Commission, Conservation Division, allowing the initial period of 1 year from date of filing..

Thank you and please call me if there is any problem or question.

Sincerely,

  
Kurt L. Smith  
Exploration Manager

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CONSERVATION DIVISION  
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CHARGE TO: **NORTHERN LIGHTS**  
 ADDRESS: \_\_\_\_\_  
 CITY, STATE, ZIP CODE: \_\_\_\_\_

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TICKET No. **13348**  
 PAGE 1 OF 2

1. SERVICE LOCATIONS <b>NESS CITY, KS</b>	WELL/PROJECT NO. # <b>1</b>	LEASE <b>HILGENBERGER</b>	COUNTY/PARISH <b>LANE</b>	STATE <b>Ks</b>	CITY	DATE <b>2-1-08</b>	OWNER <b>SAME</b>
2. TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <b>MALLARD DRILLING</b>		RIG NAME/NO.	SHIPPED VIA <b>CT</b>	DELIVERED TO <b>LOCATION</b>	ORDER NO.	
3. WELL TYPE <b>OIL</b>	WELL CATEGORY <b>DEVELOPMENT</b>	JOB PURPOSE <b>5 1/2" 2-STAGE LONGSTRECK</b>		WELL PERMIT NO.	WELL LOCATION <b>DIGHTON, KS - 2S, 2W, 1 3/4S, W3S</b>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UM		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE #104	40		ME		4.00	160.00
579		1			PUMP SERVICE 2-STAGE	1		JOB	4614	1750.00	1750.00
221		1			LIQUIDS KCL	4		GAL		26.00	104.00
281		1			MUD FLUSH	500		GAL		.75	375.00
402		1			CENTRALIZERS	8		EA	5 1/2"	100.00	800.00
403		1			CMSRT BASKETS	2		EA		300.00	600.00
407		1			INSRT FLOAT SHOE W/AUTO FLL	1		EA		310.00	310.00
408		1			DV TOOL - PLUG SET	1		EA	2160	3200.00	3200.00
417		1			DV LATCH DOWN PLUG - BAFFLE	1		EA		200.00	200.00
419		1			ROTATING HEAD RENTAL	1		JOB		250.00	250.00
580		1			ADDITIONAL HOURS	10		HRS		150.00	

**LEGAL TERMS:** Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

X *[Signature]*  
 DATE SIGNED: **2-1-08** TIME SIGNED: **0200**  A.M.  P.M.

REMIT PAYMENT TO:  
**SWIFT SERVICES, INC.**  
 P.O. BOX 466  
 NESS CITY, KS 67560  
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL #1	7749.00	
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				#2	8152.01	
WE UNDERSTOOD AND MET YOUR NEEDS?				subtotal	15,901.01	
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				TAX	670.25	
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Lane 5.3%		
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO					TOTAL	16,571.26
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND						

**CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES** The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR  
*Waxie Wilson*

APPROVAL

Thank You!



PO Box 466  
Ness City, KS 67560  
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 13348

CUSTOMER: NORTHERN LIGHTS WELL: HILGENBERGER #1 DATE: 2-1-08 PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF			QTY.	U/M	QTY.	U/M		
325		1				STANDARD CEMENT	175	SKS			12.50	2187.50
330		1				SWIFT MULTI-DRY STANDARD	235	SKS			15.00	3525.00
276		1				FLOCELE	103	UBS			1.25	128.75
283		1				SALT	900	UBS			.20	180.00
284		1				CALSAL	8	SKS	800	UBS	30.00	240.00
285		1				CFR-1	100	UBS			4.50	450.00
290		1				D-ADR	3	GAL			32.00	96.00
581		1				SERVICE CHARGE						
583		1				MILEAGE CHARGE						
						TOTAL WEIGHT	41613					
						LOADED MILES	40					
						CUBIC FEET			410		1.25	512.50
						TON MILES			832.26		1.00	832.26

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 SWIFT SYSTEMS  
 PRODUCTION CONTINUATION DEPARTMENT  
 8007 10 00 AM  
 WILMINGTON, NC

CONTINUATION TOTAL 8152.01

CUSTOMER NORTHW LIGHTS WELL NO. #1 LEASE HZL69J BURGER JOB TYPE 5 1/2" 2-STAGE LOWSTDRG TICKET NO. 13348

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL/GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0100							ON LOCATION
	0400							START 5 1/2" CASING IN WELL
								TD-4625 SET = 4619
								TP-4624 5 1/2 #/ft 14
								ST-40.34
								CONTRACTORS-3,6,7,8,9,10,11,61
								OMT BSPTS-16,62
								DV TOOL = 2160 TOP JT # 62
	0600							DROP BALL - CIRCULATE ROTATE
	0640	6	12		✓	500		PUMP 500 GAL MUD FLUSH "
	0642	6	20		✓	500		PUMP 20 BBL KCL-FLUSH "
	0648	4 1/2	42		✓	350		MIX COMPT - 175 SKS EA-2 = 15.5 PPG "
	0658							WASH OUT PUMP - LEVES
	0659							RELEASE 1ST STAGE DV LATCH DOWN PLUG
	0700	7	0		✓			DISPLACE PLUG "
		7	101			850		SHUT OFF ROTATING
	0715	6 1/2	111.8			1500		PLUG DOWN - PSE UP LATCH IN PLUG
	0717					OK		RELEASE PSE- HELD WASH TRUCK
								CONFIDENTIAL
	0720							DROP DV OPENING PLUG MAR 04 2008
	0735				✓	1300		OPEN DV TOOL - CIRCULATE KCC
	0800	6	20		✓	350		PUMP 20 BBL KCL-FLUSH
	0805		4 1/2					PLUG RH-MH
	0810	6 1/2	130		✓	350		MIX COMPT - 235 SKS SMD = 11.2 PPG
	0835							WASH OUT PUMP - LEVES
	0836							RELEASE DV CLOSING PLUG
	0838	6 1/2	0		✓			DISPLACE PLUG
	0845	5	52.7			1500		PLUG DOWN - PSE UP CLOSE DV TOOL
	0847					OK		RELEASE PSE- HELD
								CIRCULATE 30 SKS COMPT TO PET
								WASH TRUCK
	1000							JOB COMPLETE THANK YOU
								WAVE, BRETT, ROB

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CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC.

31044

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

SERVICE POINT:  
Ness City

DATE <u>1-22-08</u>	SEC. <u>3</u>	TWP. <u>19S</u>	RANGE <u>29W</u>	CALLED OUT <u>1:00 PM</u>	ON LOCATION <u>4:00 PM</u>	JOB START <u>5:30 PM</u>	JOB FINISH <u>6:00 PM</u>
LEASE <u>H. Genberger</u>	WELL # <u>1</u>	LOCATION <u>Dighton, 2S, 2W, 1/2 S, 1/2 Lane</u>		COUNTY <u>Lane</u>	STATE <u>Ks</u>		

OLD OR (NEW) (Circle one)

CONTRACTOR Maillard

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 249'

CASING SIZE 8 3/8" 23# DEPTH 249'

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

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

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

PRES. MAX 2000 MINIMUM 6

MEAS. LINE \_\_\_\_\_ SHOE JOINT 15'

CEMENT LEFT IN CSG. 15'

PERFS. \_\_\_\_\_

DISPLACEMENT 14 3/4 BBLs of freshwater

OWNER Northern Lights

CEMENT AMOUNT ORDERED 175 SK Common 3%CL 2%Gel

EQUIPMENT

PUMP TRUCK CEMENTER Rick H.

# 224 HELPER Tyler W.

BULK TRUCK DRIVER Joe D.

# 342 DRIVER \_\_\_\_\_

COMMON	<u>175 SK</u>	@	<u>12.30</u>	<u>2152.50</u>
POZMIX		@		
GEL	<u>3 SK</u>	@	<u>18.40</u>	<u>55.20</u>
CHLORIDE	<u>6 SK</u>	@	<u>51.50</u>	<u>309.00</u>
ASC		@		
HANDLING	<u>184</u>	@	<u>2.10</u>	<u>386.40</u>
MILEAGE	<u>184 X .09 X 37 =</u>			<u>612.72</u>
TOTAL				<u>3515.82</u>

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WICHITA, KS

REMARKS:  
pipe on bottom, break circulation, mixed 175 SK Common 3%CL, 2% Gel and shut down. Released plug & displaced with 14 3/4 BBLs and shot in.  
Cement did circulate.

CHARGE TO: Northern Lights

STREET \_\_\_\_\_

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

SERVICE

DEPTH OF JOB	<u>249'</u>		
PUMP TRUCK CHARGE			<u>900.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>37</u>	@	<u>7.00</u>
MANIFOLD		@	
<u>Head Rent</u>		@	<u>111.00</u>
TOTAL <u>1270.00</u>			

PLUG & FLOAT EQUIPMENT

<u>1- wooden plug</u>			<u>67.00</u>
	@		
	@		
	@		
	@		
TOTAL <u>67.00</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.

TAX \_\_\_\_\_

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

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

SIGNATURE [Signature]

[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.