

ORIGINAL

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

Operator: License # 30535
Name: Hartman Oil Co., Inc
Address: 12950 w. 13 th St.
City/State/Zip: Wichita, Ks.
Purchaser: NCRA
Operator Contact Person: Stan Mitchell
Phone: (620) 277-2511
Contractor: Name: Abercrombie
License: 30684
Wellsite Geologist: Wes Hansen

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. _____

06/29/04 07/09/04 07/21-04
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 16-055-21836 - 0000
County: Finney
NE NE NE Sec. 28 Twp. 22 S. R. 33 East West
510 feet from S N (circle one) Line of Section
1300 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW

Lease Name: Damme Well #: 34
Field Name: Damme
Producing Formation: Morrow

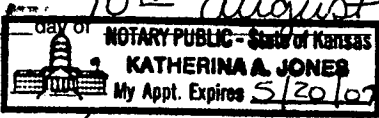
Elevation: Ground: 2883' Kelly Bushing: 2888'
Total Depth: 4896' Plug Back Total Depth: 4846'
Amount of Surface Pipe Set and Cemented at 334' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 2634' Feet
If Alternate II completion, cement circulated from 4846'
feet depth to surface w/ 975 sx cmt.

Drilling Fluid Management Plan Alt II KGR 2/22/08
(Data must be collected from the Reserve Pit)
Chloride content 1600 ppm Fluid volume 8000 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: S. T. Mitchell
Title: Production Supervisor Date: 8-10-04
Subscribed and sworn to before me this 10th day of August
20 04
Notary Public: Katherine A Jones
Date Commission Expires: May 5, 2007



KCC Office Use ONLY
No Letter of Confidentiality Received
If Denied, Yes Date: _____
_____ Wireline Log Received
_____ Geologist Report Received
_____ UIC Distribution

Operator Name: Hartman Oil Co., Inc Lease Name: Damme Well #: 34
 Sec. 28 Twp. 22 S. R. 33 East West County: Finney

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:

Spectral Density Dual Spaced Neutron Log - High Resolution Induction Log - Microlog - Sonic Bond Log

<input type="checkbox"/> Log	Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample
Name	Top	Datum
Heebner Shale	3781'	-893
Lansing	3833'	-945'
Marmaton	4325'	-1437'
Pawnee	4394'	-1508
Fort Scott	4426'	-1538
Cherokee Shale	4438'	-1550'

CASING RECORD <input type="checkbox"/> New <input checked="" 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	12-3/4"	8-5/8"	23#	334'	Class A	225	w/ 3% C. C.
Production	7-7/8"	5-1/2"	14#	4896'	Lite & ASC	625 & 350	w/1/4 # Floseal
							10% salt

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
2 / SPF	4668-78'	Acidized 1500 Gal 7-1/2 % w/ 30 Ball sealers	4650'
RECEIVED AUG 1 2 2004 KCC WICHITA			

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2-7/8"	4804'	N/A	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
		<input type="checkbox"/> Flowing <input checked="" 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
	35	-0-	-0-		

Disposition of Gas **METHOD OF COMPLETION** Production Interval

Vented Sold Used on Lease (If vented, Submit ACO-18.) Open Hole Perf. Dually Comp. Commingled _____
 Other (Specify) _____

Damme #34

7/19/04

Ran CBL from PBTD 4846' to surface - swab CSG to 2900' perf 4668-78' (10') 2/SPF - RIH w/ CSG swab FL @ 2900' - swab to 4650' (show of oil) RIH w/ PKR on 2 7/8" TBG - spot acid across perfs 4668-78' - set PKR @ 4620 - broke down @ 1300# - treated 500 GAL 7 1/2 PAD acid @ max 1000# @ 4.75 BPM ISIP @ 250# VAC in 15 sec. - shut in 30 min. - RIH w/ swab FL @ 600' - swab back 32 BBL - 5 BBL short of load (38 BBL)

7/20/04

TBG PSI @ 20# - RIH w/ swab FL @ 3000' from surface - swab back total 56 BBL - 18 BBL over seed - last 2 Hrs swabbing from SN, 6.38 BBL last 2 hrs - retreated w/ 1000 GAL 7 1/2 % Ne/Fe (54 BBL load) & 30 1.3 S.G. ball sealers @ max 570# 4.5 BPM - (did not ball off) ISIP VAC - shut in 1 hr - RIH w/ swab - FL @ 2400' FS - swab back (37 BBL's) good show of oil 17 BBL short of seed, shut in overnight

7/21/04

TBG PSI @ 25# - RIH w/ swab - FL @ 3000' FS - swab down to SN in 2 hrs - (recovered 17.4 BBLs) most all oil - released PKR - lowered PKR through perforations to knot off all frac balls - POOH w/ PKR - RIH w/ MA, SN, 6 JTS 2 7/8" TBG, anchor catcher & 150 JTS 2 7/8" TBG - TAG PBTD @ 4846' - set anchor catcher @ 20,000# over TBG wt.

7/22/04

RIH w/ 2 1/2" X 1 1/2" X 14' RWTC - on tapered 7/8" & 3/4" rods - load TBG PSI to 100# - RDMF

RECEIVED

AUG 12 2004

KCC WICHITA

HARTMAN OIL CO.,INC.

DRILLED
6/30/2004

HARTMAN OIL CO.,INC.

LEASE- DAMME

WELL NO. #34

FIELD NAME DAMME
510' FNL & 1300' FEL

LOCATION NE-NE-NE
SEC. 28-22S-32W
FINNEY CO.,KS.

8-5/8" @ 344'
W/ 225 SX CEMENT
REGULAR CLASS A
W/ 3 % C. C.

NOTE: - CEMENT CIRCULATED TO SURFACE

= 2634' - STAGE COLLAR - 475 SX LITE - W/ 1/4 # FLOSEAL + 150 SX CLASS C
NOTE: - CEMENT CIRCULATED TO SURFACE

RECEIVED
AUG 12 2004
KCC WICHITA

X{ }X

4620' TBG ANCHOR CATCHER

7/19/2004

= 4668-78' MORROW SAND

4804' SEATING NIPPLE

PBTD

XXXXXXXX

4846'

XXXXXXXX

CSG TD

XXXXXXXX

5-1/2" - 14# @ 4896" W/ 150 SXS LITE W/ 1/4 # FOLSEAL - 200 SXS ASC
W/ 10 % SALT + 5 % GILSONITE

STAN MITCHELL

ALLIED CEMENTING CO., INC. 13828

Federal Tax I.D. [REDACTED]

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

SERVICE POINT:

Osage

DATE <u>6-30-04</u>	SEC <u>22</u>	TWP. <u>22S</u>	RANGE <u>33W</u>	CALLED OUT	ON LOCATION <u>Midnite</u>	JOB START <u>2:30^{AM}</u>	JOB FINISH <u>3:00^{AM}</u>
LEASE <u>Danone</u>	WELL # <u>34</u>	LOCATION <u>Garden City North to</u>			COUNTY <u>Finney</u>	STATE <u>Kan</u>	
OLD OR (NEW) (Circle one)		<u>9 mile rd 3W-1N-1/4W-S.S.</u>					

CONTRACTOR <u>Abacrombia Dlg #8</u>	OWNER <u>Same</u>
TYPE OF JOB <u>Surface</u>	
HOLE SIZE <u>12 1/4</u>	T.D. <u>347'</u>
CASING SIZE <u>8 5/8</u>	DEPTH <u>344'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT <u>43.37'</u>
CEMENT LEFT IN CSG.	<u>43.37'</u>
PERFS.	
DISPLACEMENT	<u>19.1 BBL</u>

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Walt</u>
# <u>191</u>	HELPER <u>Wayne</u>
BULK TRUCK	
# <u>326</u>	DRIVER <u>Mike</u>
BULK TRUCK	
#	DRIVER

CEMENT	
AMOUNT ORDERED	<u>225 sks</u>
	<u>3%acc - 2% loss</u>

COMMON	<u>225 sks</u>	@	<u>8.88</u>	<u>1,991.25</u>
POZMIX		@		
GEL	<u>4 sks</u>	@	<u>11.00</u>	<u>44.00</u>
CHLORIDE	<u>8 sks</u>	@	<u>26.00</u>	<u>208.00</u>
		@		
		@		
		@		
		@		
HANDLING	<u>237 sks</u>	@	<u>1.25</u>	<u>296.25</u>
MILEAGE	<u>54 per sk/mile</u>			<u>289.80</u>

TOTAL 3,460.25

REMARKS:

Cement in Cellar

Thank You

SERVICE

DEPTH OF JOB	
PUMP TRUCK CHARGE	<u>520.00</u>
EXTRA FOOTAGE	@
MILEAGE	<u>75 miles</u> @ <u>4.00</u> <u>300.00</u>
PLUG	@
	@
	@

TOTAL 820.00

CHARGE TO: Hartman Oil Co, Inc

STREET _____

CITY _____ STATE _____

RECEIVED

AUG 12 2004

KCC WICHITA

FLOAT EQUIPMENT

	<u>8 5/8</u>		
1- Texas Pattern G.S.	@	<u>265.00</u>	
1- Baffle Plate	@	<u>45.00</u>	
1- Surface Plug	@	<u>45.00</u>	
	@		
	@		

TOTAL 355.00

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	<u>4,635.25</u>
DISCOUNT	<u>-463.52</u>
	<u>4,171.73</u>

IF PAID IN 30 DAYS

SIGNATURE _____

JOHN GIBBS

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.

ALLIED CEMENTING CO., INC.

13803

Federal Tax I.D. [REDACTED]

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

SERVICE POINT:

Oran, KS

DATE <u>7-10-04</u>	SEC. <u>28</u>	TWP. <u>22</u>	RANGE <u>23w</u>	CALLED OUT <u>7:00am</u>	ON LOCATION <u>10:00am</u>	JOB START <u>1:30pm</u>	JOB FINISH <u>9:30pm</u>
LEASE <u>Drilling</u>	WELL# <u>34</u>	LOCATION <u>Garden City 9w-3w-1w</u>		COUNTY <u>Texas</u>	STATE <u>KS</u>		
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Abel #8 OWNER Same

TYPE OF JOB <u>2nd Solnce</u>	CEMENT		
HOLE SIZE <u>7 7/8</u> T.D.	AMOUNT ORDERED <u>475 cc L. 10 w/ 1/4" hole</u>		
CASING SIZE <u>5 1/2 14"</u> DEPTH <u>2634.66</u>	<u>150 class C</u>		
TUBING SIZE _____ DEPTH _____			
DRILL PIPE _____ DEPTH _____			
TOOL _____ DEPTH _____			
PRES. MAX _____ MINIMUM _____			
MEAS. LINE _____ SHOE JOINT _____			
CEMENT LEFT IN CSG. _____			
PERFS. _____			
DISPLACEMENT _____			

COMMON <u>Class C 150</u> @ <u>10⁶⁵</u>	<u>1597⁵⁰</u>
POZMIX _____ @ _____	
GEL _____ @ _____	
CHLORIDE _____ @ _____	
<u>Lite 450</u> @ <u>8⁵⁵</u>	<u>3667⁵⁰</u>
<u>Floreal 138"</u> @ <u>1³⁵</u>	<u>193²⁵</u>
_____ @ _____	
_____ @ _____	
HANDLING <u>735 cc</u> @ <u>12⁵⁰</u>	<u>918²⁵</u>
MILEAGE <u>50 x 63</u> @ <u>1.05</u>	<u>1575⁰⁰</u>

EQUIPMENT

PUMP TRUCK # <u>373</u>	CEMENTER <u>Tuzyt</u>
	HELPER <u>Andrew</u>
BULK TRUCK # <u>361</u>	DRIVER <u>Lolly</u>
BULK TRUCK # <u>377</u>	DRIVER <u>Jacob</u>
<u>315</u>	<u>Wayne</u>

TOTAL 7,952⁵⁰

REMARKS:

min. and pump 105Ks L. 10 w/ 1/4" hole
in well, 150K cement in BH
min. 4 1/2" 125-kg L. 10 w/ 1/4" hole
well and 150K class C.
Displace for 90 DU Total
Total class C
7.10.04 into C 9:30pm
Cement did circulate

SERVICE

DEPTH OF JOB _____	
PUMP TRUCK CHARGE _____	<u>650⁰⁰</u>
EXTRA FOOTAGE _____ @ _____	
MILEAGE <u>50</u> @ <u>1.05</u>	<u>525⁰⁰</u>
PLUG _____ @ _____	
_____ @ _____	
_____ @ _____	

TOTAL 850⁰⁰

CHARGE TO: Pl. Mitchell
 STREET _____
 CITY _____ STATE KS

FLOAT EQUIPMENT

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

TOTAL 8,602⁵⁰

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 _____	<u>7,742²⁵</u>
DISCOUNT <u>860²⁵</u>	IF PAID IN 30 DAYS

SIGNATURE A.T. Mitchell

A.T. Mitchell
 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.

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.