

ORIGINAL

Form ACO-1  
October 2008  
Form Must Be Typed

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

*KL*  
*12/21/09*

OPERATOR: License # 3942  
Name: dba MONROE, ORVILLE  
Address 1: 2820 Paseo Dr, Great Bend, Ks. 67530  
Address 2: \_\_\_\_\_  
City: Great Bend State: KS Zip: 67530 + \_\_\_\_\_  
Contact Person: Orville Monroe  
Phone: ( 620 ) 793-2134  
CONTRACTOR: License # 33350  
Name: Southwind Drilling, Inc. Rig #3  
Wellsite Geologist: James Musgrove  
Purchaser: NONE  
Designate Type of Completion: well was plugged & abd  
\_\_\_\_ New Well    \_\_\_\_ Re-Entry    \_\_\_\_ Workover  
\_\_\_\_ Oil    \_\_\_\_ SWD    \_\_\_\_ SIOW  
\_\_\_\_ Gas    \_\_\_\_ ENHR    \_\_\_\_ SIGW  
\_\_\_\_ CM (Coal Bed Methane)    \_\_\_\_ Temp. Abd.  
 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.    \_\_\_\_ Conv. to SWD  
\_\_\_\_ Plug Back: \_\_\_\_\_ Plug Back Total Depth  
\_\_\_\_ Commingled    Docket No.: \_\_\_\_\_  
\_\_\_\_ Dual Completion    Docket No.: \_\_\_\_\_  
\_\_\_\_ Other (SWD or Enhr.?)    Docket No.: \_\_\_\_\_

Spud Date of 12-4-08 Gate Reached TD 12-11-08 Completion Date or  
Recompletion Date    Recompletion Date

API No. 15 - 009-25224-0000  
Spot Description: 210' N & 150' E  
SE-NW-SE-\_\_\_\_ Sec. 19 Twp. 20 S. R. 15  East  West  
1,860 Feet from  North /  South Line of Section  
1,500 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Barton  
Lease Name: Smith Well #: 1-19  
Field Name: converse  
Producing Formation: none  
Elevation: Ground: 2096 Kelly Bushing: 2104  
Total Depth: 3850 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 1105' 425 sks 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 P+A Alt I ncr  
(Data must be collected from the Reserve Pit) 3-27-09  
Chloride content: 78,000 ppm Fluid volume: 70 bbls  
Dewatering method used: vacum truck  
Location of fluid disposal if hauled offsite:  
Operator Name: Big O, L.L.C.  
Lease Name: Denker License No.: 3942  
Quarter SW Sec. 10 Twp. 22 S. R. 12  East  West  
County: Stafford Docket No.: D-24657

*KL*  
*12/22/09*

**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: Owner-Operator Date: 1-16-09  
Subscribed and sworn to before me this 16 day of January  
20 09.  
Notary Public: Toyia Roblyer  
Date Commission Expires: 8-20-2010

**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

**TOYIA ROBLYER**  
Notary Public - State of Kansas  
My Appt. Expires 8-20-2010

**JAN 21 2009**  
CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Big O, L.L.C. Lease Name: Smith Well #: 1-19  
 Sec. 19 Twp. 20 S. R. 15  East  West County: Barton

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

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input 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 <i>(Submit Copy)</i>  List All E. Logs Run: <u>no logs run</u>	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample Name <u>Heebner</u> Top <u>4311</u> Datum <u>-1307</u> <u>Toronto</u> <u>3429</u> <u>-1328</u> <u>Douglas</u> <u>3446</u> <u>-1345</u> <u>Brown Lime</u> <u>3498</u> <u>-1394</u> <u>Lansing</u> <u>3510</u> <u>-1406</u> <u>Base Kansas City</u> <u>3740</u> <u>-1636</u> <u>Conglomerate</u> <u>3751</u> <u>-1647</u> <u>Simpson Dolomite</u> <u>3776</u> <u>-1672</u> <u>Simpson Sand</u> <u>3784</u> <u>-1680</u> <u>Arbuckle</u> <u>3795</u> <u>-1691</u> <u>RTD</u> <u>3850</u> <u>-1746</u>
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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	23	1105'	common	425	3%CC 2% Gel

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

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
	P&A		
RECEIVED KANSAS CORPORATION COMMISSION JAN 21 2009 CONSERVATION DIVISION WICHITA, KS			

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First, Resumed 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: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



24 S. Lincoln Street  
P.O. Box 31  
Russell, KS 67665-2906

Voice: (785) 483-3887  
Fax: (785) 483-5566

# INVOICE

Invoice Number: 117466  
Invoice Date: Dec 5, 2008  
Page: 1

<b>Bill To:</b>
Big "O" 2820 Paseo Dr. Great Bend, KS 67530

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Big O	Smith #1-19	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Great Bend	Dec 5, 2008	1/4/09

Quantity	Item	Description	Unit Price	Amount
425.00	MAT	Class A Common	13.50	5,737.50
9.00	MAT	Gel	20.25	182.25
13.00	MAT	Chloride	51.50	669.50
447.00	SER	Handling	2.25	1,005.75
16.00	SER	Mileage 447 sx @.10 per sk per mi	44.70	715.20
1.00	SER	Surface	991.00	991.00
813.00	SER	Extra Footage	0.75	609.75
16.00	SER	Mileage Pump Truck	7.00	112.00
1.00	SER	Manifold Head Rental	110.00	110.00
1.00	EQP	Rubber Plug	110.00	110.00

*B*  
*PA 12-11-08*  
*C 4972*  
*9640-71*  
*X*

RECEIVED  
KANSAS CORPORATION COMMISSION  
**JAN 21 2009**  
CONSERVATION DIVISION  
WICHITA, KS

ALL PRICES ARE NET, PAYABLE  
30 DAYS FOLLOWING DATE OF  
INVOICE. 1 1/2% CHARGED  
THEREAFTER. IF ACCOUNT IS  
CURRENT, TAKE DISCOUNT OF

\$ 1024.29

ONLY IF PAID ON OR BEFORE

**Jan 4, 2009**

Subtotal	10,242.95
Sales Tax	422.05
Total Invoice Amount	10,665.00
Payment/Credit Applied	
<b>TOTAL</b>	<b>10,665.00</b>

# ALLIED CEMENTING CO., LLC.

33418

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

SERVICE POINT:  
Great Bend

DATE <u>12-5-08</u>	SEC. <u>19</u>	TWP. <u>20S</u>	RANGE <u>15 W</u>	CALLED OUT <u>2:30 AM</u>	ON LOCATION <u>5:00 AM</u>	JOB START <u>12:30 pm</u>	JOB FINISH <u>1:30 pm</u>
LEASE <u>Smith</u>		WELL # <u>1-19</u>	LOCATION <u>Great Bend #10 g Patton</u>		COUNTY <u>Pawnee</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> (Circle one)			<u>11 W TO 130 AVE 4 S 1/2 W S/S</u>				

CONTRACTOR SOUTHwind Rig 3  
 TYPE OF JOB SURFACE  
 HOLE SIZE 12 1/4 T.D. 1127'  
 CASING SIZE 8 5/8 DEPTH 1113'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 DEPTH 1127'  
 TOOL 4 1/2 DEPTH \_\_\_\_\_  
 PRES. MAX 350 PSI MINIMUM 100  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 25'  
 CEMENT LEFT IN CSG. 25'  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT FRESH WATER 69 BBLS

OWNER Big O, LLC  
 CEMENT  
 AMOUNT ORDERED 4255x Common + 3x cc + 2x GEL

EQUIPMENT  
 PUMP TRUCK CEMENTER DWAYNE W  
 # 181 HELPER CARL S  
 BULK TRUCK  
 # 344 DRIVER JOHN G  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>425</u>	@	<u>13.50</u>	<u>5737.50</u>
POZMIX		@		
GEL	<u>9</u>	@	<u>20.25</u>	<u>182.25</u>
CHLORIDE	<u>13</u>	@	<u>51.50</u>	<u>669.50</u>
ASC		@		

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 @ JAN 21 2009  
 @ CONSERVATION DIVISION  
 @ WICHITA, KS

HANDLING	<u>447</u>	@	<u>2.25</u>	<u>1,005.75</u>
MILEAGE	<u>447x 16x.10</u>			<u>715.20</u>

TOTAL 8310.20

REMARKS:

PIPE ON BOTTOM Break CIRCULATION  
PUMP 4255x Common 3x cc + 2x GEL PUMP 100BLS A Head SERVICE  
SHUT DOWN RELEASED PLUG AND  
DISP WITH 69 BBLS OFF FRESH WATER  
SHUT IN CEMENT DID  
CIRCULATE  
PLUG DOWN 1:30 PM

DEPTH OF JOB	<u>1113'</u>			
PUMP TRUCK CHARGE				<u>991.00</u>
EXTRA FOOTAGE	<u>813'</u>	@	<u>.75</u>	<u>609.75</u>
MILEAGE	<u>16</u>	@	<u>7.00</u>	<u>112.00</u>
MANIFOLD	<u>Head RENT</u>	@	<u>110.00</u>	<u>110.00</u>

CHARGE TO: Big O, LLC  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TOTAL 1,823.75

PLUG & FLOAT EQUIPMENT

<u>1 1/2" RUBBER PLUG</u>	@	<u>110.00</u>	<u>110.00</u>
	@		
	@		
	@		

TOTAL 110.00

To Allied Cementing Co., LLC.  
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) \_\_\_\_\_  
 TOTAL CHARGES \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME x Jay H Hiet  
 SIGNATURE x Jay H Hiet

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, 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 willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.



24 S. Lincoln Street  
 P.O. Box 31  
 Russell, KS 67665-2906

Voice: (785) 483-3887  
 Fax: (785) 483-5566

# INVOICE

Invoice Number: 117516  
 Invoice Date: Dec 11, 2008  
 Page: 1

**Bill To:**

Big "O"  
 2820 Paseo Dr.  
 Great Bend, KS 67530

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Big O	Smith #1-19	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2	Great Bend	Dec 11, 2008	1/10/09

Quantity	Item	Description	Unit Price	Amount
111.00	MAT	Class A Common	13.50	1,498.50
74.00	MAT	Pozmix	7.55	558.70
8.00	MAT	Gel	20.25	162.00
46.00	MAT	Flo Seal	2.45	112.70
193.00	SER	Handling	2.25	434.25
16.00	SER	Mileage 193 sx @ .10 per sk per mi	19.30	308.80
1.00	SER	Rotary Plug	1,957.00	1,957.00
16.00	SER	Mileage Pump Truck	7.00	112.00

*B Pd 12-19-08  
 4,992  
 \$ 4,953.63  
 A*

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 JAN 1 2009  
 CONSERVATION DIVISION  
 WICHITA, KS

ALL PRICES ARE NET, PAYABLE  
 30 DAYS FOLLOWING DATE OF  
 INVOICE. 1 1/2% CHARGED  
 THEREAFTER. IF ACCOUNT IS  
 CURRENT, TAKE DISCOUNT OF

**\$ 514.39**

ONLY IF PAID ON OR BEFORE

**Jan 10, 2009**

Subtotal	5,143.95
Sales Tax	324.07
Total Invoice Amount	5,468.02
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,468.02</b>



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(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 willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.