

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

ORIGINAL Form ACO-1  
October 2008  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 3910  
Name: LD. Hale  
Address 1: 15000 Timber Lake Rd.  
Address 2: \_\_\_\_\_  
City: Wichita State: KS Zip: 67230 + \_\_\_\_\_  
Contact Person: LD. Hale

Phone: ( 316 ) 733-5590  
CONTRACTOR: License # 33350  
Name: Southwind Drilling, Inc.  
Wellsite Geologist: Toby Elster

Purchaser: \_\_\_\_\_  
Designate Type of Completion:  
 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.: \_\_\_\_\_  
2-18-09 2-25-09  
Spud Date or \_\_\_\_\_ Date Reached TD \_\_\_\_\_ Completion Date or  
Recompletion Date \_\_\_\_\_ Recompletion Date \_\_\_\_\_

API No. 15 - 079-20681-00-00  
Spot Description: \_\_\_\_\_  
C NW SW Sec. 13 Twp. 22 S. R. 2  East  West  
1980 Feet from  North /  South Line of Section  
660 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Harvey

Lease Name: EWY Well #: A-2  
Field Name: Sperling  
Producing Formation: Hunton  
Elevation: Ground: 1466 Kelly Bushing: 1475  
Total Depth: 3490 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at: 210' at 214 GL. 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/ PA-Dlg-4/6/09<sup>65X cmf</sup>

**Drilling Fluid Management Plan**  
*(Data must be collected from the Reserve Pit)*  
Chloride content: \_\_\_\_\_ ppm Fluid volume: \_\_\_\_\_ bbls  
Dewatering method used: \_\_\_\_\_  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: American Energies Corp.  
Lease Name: EWY License No.: 5399  
Quarter SW/4 Sec. 13 Twp. 22 S. R. 2  East  West  
County: Harvey Docket No.: 15-079-20136-001

**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: LD. Hale  
Title: Owner Date: 3.16.09  
Subscribed and sworn to before me this 16 day of March  
20 09.  
Notary Public: Lynette White **LYNETTE WHITE**  
Date Commission Expires: 11-13-11 Notary Public - State of Kansas  
My Appt. Expires 11-13-11

**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

Operator Name: LD. Hale Lease Name: EWY Well #: A-2  
 Sec. 13 Twp. 22 S. R. 2  East  West County: Harvey

**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 type="checkbox"/> Yes <input checked="" 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:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Mississippian</td> <td>2885</td> <td>-1410</td> </tr> <tr> <td>Kinderhook Shale</td> <td>3219</td> <td>-1744</td> </tr> <tr> <td>Misener Sand</td> <td>3239</td> <td>-1764</td> </tr> <tr> <td>Hunton</td> <td>3245</td> <td>-1470</td> </tr> <tr> <td>Simpson Sand</td> <td>3449</td> <td>-1974</td> </tr> <tr> <td>RTD</td> <td>3490</td> <td>-2018</td> </tr> </table>	Name	Top	Datum	Mississippian	2885	-1410	Kinderhook Shale	3219	-1744	Misener Sand	3239	-1764	Hunton	3245	-1470	Simpson Sand	3449	-1974	RTD	3490	-2018
Name	Top	Datum																				
Mississippian	2885	-1410																				
Kinderhook Shale	3219	-1744																				
Misener Sand	3239	-1764																				
Hunton	3245	-1470																				
Simpson Sand	3449	-1974																				
RTD	3490	-2018																				

CASING RECORD <input 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	210'	214' GL	Common	140	2%G / 3%CC

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)	Depth
		<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b>  <b>MAR 23 2009</b>  <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>	

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: _____ _____
---	--	--

# QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 2037

Date	2-19-09	Sec.	13	Twp.	22	Range	2	Called Out		On Location		Job Start		Finish	6:30
Lease	EWY	Well No.	A #2			Location	Halstead KS			Harvey County	State	K.			
Contractor	Southwind Dels #2					Owner	9N 1E 1/2 S E INTO								
Type Job	SURFACE					To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.									
Hole Size	12 1/4		T.D.	226											
Csg.	8 5/8 23		Depth	221.84		Charge To	LD HALE OIL								
Tbg. Size			Depth			Street									
Drill Pipe			Depth			City					State				
Tool			Depth			The above was done to satisfaction and supervision of owner agent or contractor.									
Cement Left in Csg.	15		Shoe Joint												
Press Max.			Minimum												
Meas Line			Displace	13.2 Bbls		CEMENT									
Perf.						Amount Ordered	140 sz Common								
EQUIPMENT						Consisting of									
Pumptrk	5	No.	Cementer	Bobby		20% GEL 30% CL 1/4 Flowseal									
Bulktrk	3	No.	Driver	BENJ		Common 140 J									
Bulktrk	PU	No.	Driver	TODD		Poz. Mix									
JOB SERVICES & REMARKS						Gel.	3 J								
Pumptrk Charge						Chloride	5 J								
Mileage						Hulls									
Footage						Salt									
Total						Flowseal	35								
Remarks:						RECEIVED KANSAS CORPORATION COMMISSION MAR 23 2009 CONSERVATION DIVISION WICHITA, KS									
Run 5 #2's 8 5/8 set 221.84						Sales Tax									
MIX: Pump 140 sz Common						Handling	149 J								
20% GEL 30% CL 1/4" C.F.						Mileage	.03 PER sz PER MILE								
15 1/2 gal - 1.36 Bbls						Sub Total									
DISP 13.2 Bbls total						Total									
Good CIRC then JOB						Floating Equipment & Plugs									
CIRC OUT TO PIT						Squeeze Manifold									
Thank						Rotating Head									
TODD															
Bobby Benj															
X Signature						Tax									
						Discount									
						Total Charge									

PLEASE  
CALL  
AGAIN

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

- **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

- **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

- **DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 constructed as a warranty by QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data.

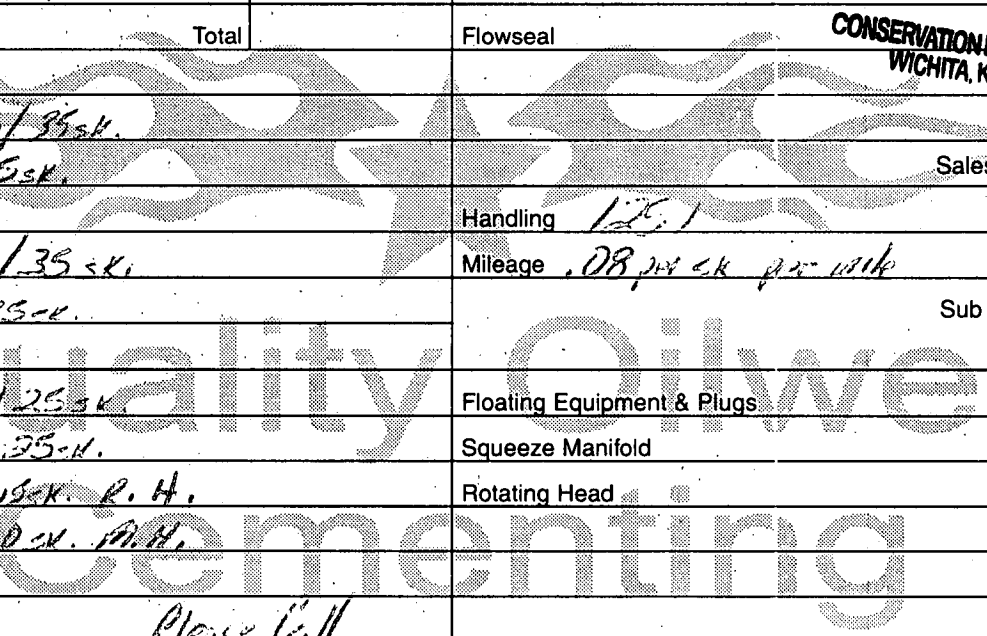
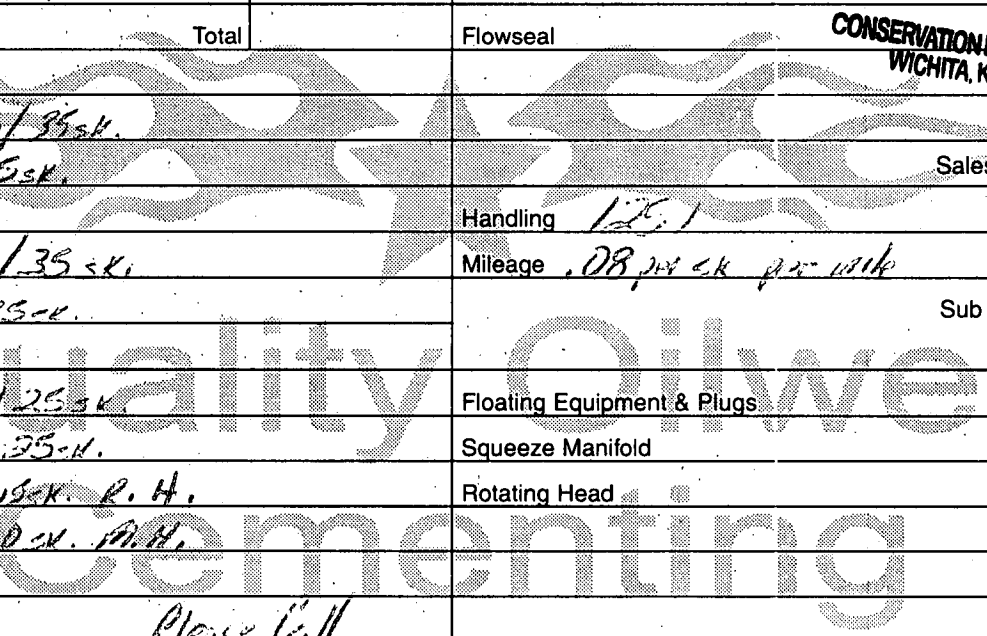
(C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

# QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025  
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 2342

Date	2-25-09	Sec.	13	Twp.	22	Range	2	Called Out		On Location		Job Start		Finish	12:00
Lease	AWY	Well No.	A-2			Location	50 + Halsted Rd. - 9 N.			County	WABEY	State	KS.		
Contractor	Southwind Drilling					Owner	IE. - 1/2 S. - E. IN 10								
Type Job	PTA					To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.									
Hole Size	7 7/8					T.D.									
Csg.	2 1/4					Depth	Charge To: L D HALE								
Tbg. Size						Depth	Street								
Drill Pipe						Depth	City				State				
Tool						Depth	The above was done to satisfaction and supervision of owner agent or contractor.								
Cement Left in Csg.						Shoe Joint									
Press Max.						Minimum									
Meas Line						Displace									
Perf.						CEMENT									
EQUIPMENT						Amount Ordered	120 sk. 60/40 Poz 4% bel								
Pumptrk	5	No.	Cement Helper TOSD			Consisting of 4% bel - <del>                    </del>									
Bulktrk	8	No.	Driver JHE			Common 60 sk. 72 sk.									
Bulktrk	PU	No.	Driver B. B. B.			Poz. Mix 48 sk.									
JOB SERVICES & REMARKS						Gel.	5								
Pumptrk Charge	PTA					Chloride									
Mileage						Hulls									
Footage						Salt									
Total						Flowseal									
Remarks:															
1st Plug 400' w/ 35 sk.															
Mix & Pump 35 sk.															
DISP. 3 Bbl.															
2nd Plug 270' w/ 35 sk.															
Mix & Pump 35 sk.															
Disp. 15 Bbl.															
3rd Plug 400' w/ 25 sk.															
Mix & Pump 35 sk.															
Mix & Pump 15 sk. R.H.															
Mix & Pump 10 sk. R.H.															
The King															
Bobby - Todd															
Joe															
Signature: <i>[Signature]</i>															
						Sales Tax									
						Handling	12.1								
						Mileage	.08 per sk per mile								
						Sub Total									
						Total									
						Floating Equipment & Plugs									
						Squeeze Manifold									
						Rotating Head									
						Tax									
						Discount									
						Total Charge									

RECEIVED  
KANSAS CORPORATION COMMISSION  
MAR 23 2009  
CONSERVATION DIVISION  
WICHITA, KS

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

– **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

– **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

– **DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 constructed as a warranty by QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data.

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