

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 3956  
 Name: Brungardt Oil & Leasing, Inc.  
 Address: P.O. Box 871  
 City/State/Zip: Russell, KS 67665  
 Purchaser: \_\_\_\_\_  
 Operator Contact Person: Gary L. Brungardt  
 Phone: (785) 483-4975  
 Contractor: Name: Shields Drilling Company  
 License: 5184  
 Wellsite Geologist: Brad Hutchison  
 Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     Temp. Abd.  
 Gas     ENHR     SIGW  
 Dry     Other (Core, WSW, Expl., Cathodic, etc)  
 If Workover/Re-entry: Old Well Info as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Comp. Date: \_\_\_\_\_ 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. \_\_\_\_\_  

3-21-08	3-29-08	3-29-08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 167-23492-0000  
 County: Russell  
SE SE SW Sec. 24 Twp. 11 S. R. 14  East  West  
490 feet from S / N (circle one) Line of Section  
2630 feet from E / W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW SW  
 Lease Name: Newachek Well #: 1  
 Field Name: Unknown  
 Producing Formation: Dry Hole  
 Elevation: Ground: 1728 Kelly Bushing: 1733  
 Total Depth: 3536 Plug Back Total Depth: Dry Hole  
 Amount of Surface Pipe Set and Cemented at 219 Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 219  
 feet depth to surface Alt 2 - Dg 12/20/08 sx cmt.  
**Drilling Fluid Management Plan**  
 (Data must be collected from the Reserve Pit) ket dry and backfill  
 Chloride content \_\_\_\_\_ ppm Fluid volume 600 bbls  
 Dewatering method used Hauled water off to SWD  
 Location of fluid disposal if hauled offsite:  
 Operator Name: Brungardt Oil & Leasing, Inc.  
 Lease Name: Rogg Farms License No.: 3956  
 Quarter NW 1/4 Sec. 23 Twp. 12 S. R. 13  East  West  
 County: Russell Docket No.: D-28,424

**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.

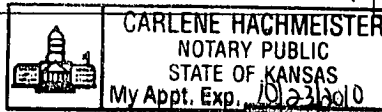
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Gary L. Brungardt  
 Title: Owner Date: 4/11/08  
 Subscribed and sworn to before me this 11<sup>th</sup> day of April  
20 08  
 Notary Public: Carlene Hachmeister  
 Date Commission Expires: 10/23/2010

**KCC Office Use ONLY**

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

**RECEIVED**  
 KANSAS CORPORATION COMMISSION



**APR 14 2008**  
 CONSERVATION DIVISION  
 WICHITA, KS

Operator Name: Brungardt Oil & Leasing, Inc. Lease Name: Newachek Well #: 1  
 Sec. 24 Twp. 11 S. R. 14  East  West County: Russell

**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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  <b>Radiation Guard</b> <b>Sonic</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample  Name Top Datum  See attached Geologist Report with all the information.
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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	219	common	165	3% gel 6% chlorides

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		See plugging report		

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type		Acid, Fracture, Shot, Cement Squeeze Record		Depth
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)		

<b>TUBING RECORD</b>		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd 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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**APR 14 2008**

CONSERVATION DIVISION  
WICHITA, KS

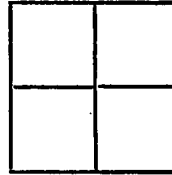


# Shields

Russell, Kansas

## WELL LOG

Operator: Brungardt Oil & Leasing, Inc. Well Description: 490' FSL, 2,630' FWL  
 Well: Newachek #1 SW/4 Sec. 24-11S-14W  
 Commenced: 3-20-2008 Russell Co., KS  
 Completed: 3-28-2008  
 Contractor: SHIELDS DRILLING CO.



### CASING RECORD

Size	Run	Pulled
8 5/8"	219'	Cmtd. w/165 sax

Elevation: 1,733' KB

Treatment:

Production: D & A

Tops:

..... Figures Indicate Bottom of Formations .....

Sand & shale	315'
Sand	480'
Sand & redbed	824'
Anhydrite	857'
Redbed & shale	1,415'
Shale	1,780'
Shale & lime	2,640'
Lime	3,536' RTD

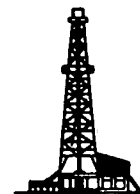
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CONSERVATION DIVISION  
WICHITA, KS

# Brungardt Oil & Leasing Inc.

Gary L. Brungardt, Owner  
P.O. Box 871  
213 West Seventh Street  
Russell, Kansas 67665  
(785) 483-4975



April 11, 1008

Kansas Corporation Commission  
130 S. Market – Room 2078  
Wichita, Kansas 67202

RE: Newacheck #1  
API # 15-167-2349-0000  
SW ¼ 24-11S-14W  
Russell County

Dear Sir or Madam:

Please find enclosed the following documents concerning the above-entitled matter:

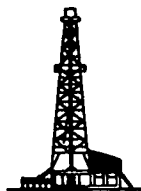
1. Intent to Drill
2. Completion Report (original & 2 copies)
3. Plugging Report
4. Drill Stem Test Report
5. Geologist Report
6. Waste Transfer Report
7. Copies of Cement Tickets
8. Radiation Guard Log
9. Sonic Log

If you have any questions, please contact me.

Thank you,

A handwritten signature in cursive script that reads "Gary L. Brungardt".

Gary L. Brungardt  
Brungardt Oil & Leasing, Inc.



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KANSAS CORPORATION COMMISSION

APR 14 2008

CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., LLC.

34303

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

SERVICE POINT:

Russell

DATE <u>3/28/08</u>	SEC. <u>24</u>	TWP. <u>11</u>	RANGE <u>14</u>	CALLED OUT	ON LOCATION	JOB START <u>12:00pm</u>	JOB FINISH <u>10:00pm</u>
LEASE <u>Brangardt Oil</u>	WELL# <u>1</u>	LOCATION <u>Russell - Anderson St SE</u>			COUNTY <u>Russell</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)		<u>1st 1924 well</u>					

CONTRACTOR Sh. 1125

TYPE OF JOB Retail Plug

HOLE SIZE \_\_\_\_\_ T.D. 3536

CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

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

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

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

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

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

CEMENT LEFT IN CSG. \_\_\_\_\_

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

DISPLACEMENT \_\_\_\_\_

OWNER \_\_\_\_\_

CEMENT

AMOUNT ORDERED 125 60/40 40/60

1/4 H.P. 10

COMMON \_\_\_\_\_ @ \_\_\_\_\_

POZMIX \_\_\_\_\_ @ \_\_\_\_\_

GEL \_\_\_\_\_ @ \_\_\_\_\_

CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_

ASC \_\_\_\_\_ @ \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK CEMENTER Craig

# 409 HELPER Wesley

BULK TRUCK

# 378 DRIVER Mike

BULK TRUCK

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

**REMARKS:**

1st Plug 850' 235K

2nd Plug 450' 255K

3rd Plug 250' 405K

4th 110' 105K

Rethole 155K

Mud 30 hrs 105K

Thanks!

CHARGE TO: Brangardt Oil

STREET \_\_\_\_\_

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

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.

PRINTED NAME Thomas Boyd

SIGNATURE \_\_\_\_\_

RECEIVED  
KANSAS CORPORATION COMMISSION  
APR 14 2008  
CONSERVATION DIVISION  
WICHITA, KS

HANDLING \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

**SERVICE**

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

PUMP TRUCK CHARGE \_\_\_\_\_

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

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

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

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

1878 Dry Hole Plug @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES \_\_\_\_\_

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

## 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.

# ALLIED CEMENTING CO., INC.

24746

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

SERVICE POINT: 2

DATE <u>3-21-08</u>	SEC <u>21</u>	TWP <u>11</u>	RANGE <u>14W</u>	CALLED OUT	ON LOCATION	JOB START <u>3:00 PM</u>	JOB FINISH <u>3:00 PM</u>
LEASE <u>WALDO</u> WELL # <u>1</u>			LOCATION <u>WALDO 35 1/2 W</u>		COUNTY <u>RUSSELL</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR SHERDS OWNER \_\_\_\_\_

TYPE OF JOB Refract

HOLE SIZE 12 1/4 T.D. 222

CASING SIZE 8 7/8 DEPTH 222

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

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

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

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

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

CEMENT LEFT IN CSG. 10-15"

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

DISPLACEMENT 13.16 BBL

CEMENT AMOUNT ORDERED 165 units 37.00 29.00

**EQUIPMENT**

PUMP TRUCK CEMENTER MARK

# 266 HELPER MATT

BULK TRUCK

# 410 DRIVER MARTIN

BULK TRUCK

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

COMMON \_\_\_\_\_ @ \_\_\_\_\_

POZMIX \_\_\_\_\_ @ \_\_\_\_\_

GEL \_\_\_\_\_ @ \_\_\_\_\_

CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_

ASC \_\_\_\_\_ @ \_\_\_\_\_

HANDLING \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

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KANSAS CORPORATION COMMISSION  
APR 14 2008  
CONSERVATION DIVISION  
WICHITA, KS

**REMARKS:**

22' 5 7/8 on 2700 - Black Gel  
ordered 165 SK - 11/2  
1/15 - 2nd 1st 1st water cement  
500 - Plug down @ 3:00 PM

T. Sherds  
11

CHARGE TO: BILLMART OTC E LEASTON

STREET \_\_\_\_\_

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

**SERVICE**

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

PUMP TRUCK CHARGE \_\_\_\_\_

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

MILEAGE \_\_\_\_\_ @ \_\_\_\_\_

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

TOTAL \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

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TAX \_\_\_\_\_

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

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

SIGNATURE [Signature]

PRINTED NAME \_\_\_\_\_

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(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.