

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 # 32204  
Name: REDLAND RESOURCES, INC.  
Address: 6001 NW 23RD STREET  
City/State/Zip: OKLAHOMA CITY, OK 73127  
Purchaser: ONEOK FIELD SERVICES  
Operator Contact Person: ALAN THROWER  
Phone: ( 405 ) 789-7104  
Contractor: Name: DUKE DRILLING CO., INC.  
License: 5929  
Wellsite Geologist: MIKE POLLOK

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. \_\_\_\_\_

<u>06/02/06</u>	<u>06/10/06</u>	<u>09/15/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 033-21458-0000  
County: COMANCHE  
\_\_\_\_\_ C \_\_\_\_\_ NE Sec. 28 Twp. 32 S. R. 16  East  West  
1420' feet from (S) N (circle one) Line of Section  
1220' feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: KLIESEN Well #: 28-2  
Field Name: SHIMER  
Producing Formation: OSWEGO LIME  
Elevation: Ground: 1966' Kelly Bushing: 1979'  
Total Depth: 5140' Plug Back Total Depth: 5095'  
Amount of Surface Pipe Set and Cemented at 520 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 PA AIT-1 NH 6 19-08  
(Data must be collected from the Reserve Pit)

Chloride content 4000 ppm Fluid volume 140 bbls  
Dewatering method used TRUCK HAULING  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: OIL PRODUCERS  
Lease Name: RICH #9 SWD License No.: 8061  
Quarter \_\_\_\_\_ Sec. 22 Twp. 32S S. R. 19  East  West  
County: COMANCHE Docket No.: D28,178

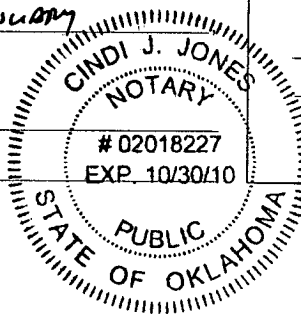
**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information 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: Alan Thrower  
Title: PRESIDENT Date: 01/04/07

Subscribed and sworn to before me this 4 day of JANUARY  
20 07.

Notary Public: [Signature]  
Date Commission Expires: \_\_\_\_\_



**KCC Office Use ONLY**

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

**RECEIVED**  
KANSAS CORPORATION COMMISSION

JAN 08 2007

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: REDLAND RESOURCES, INC. Lease Name: KLIESEN Well #: 28-2  
 Sec. 28 Twp. 32 S. R. 16  East  West County: COMANCHE

**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:

**COMP NEUTRON DENSITY  
 DUAL INDUCTION  
 MICROLOG**

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
CHASE	2392	-413
BS HEEBNER	4179	-2200
LANSING	4359	-2380
STARK SHALE	4719	-2740
OSWEGO LIME	4913	-2934
CHEROKEE SH	4956	-2977
MISS UNCONFORM	4979	-3000

**CASING RECORD**  New  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
CONDUCTOR	32"	20"	53#	82'	READYMIX	8 YDS	
SURFACE	12.25"	8.625"	23#	520'	65/35/ CLASS A	225/100	
PRODUCTION	7.875"	4.5"	10.5#	5130'	CLASS H	165	

**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
4 SPF	4912'-4918'	ACID W/2000 GAL 15%	SAME
		ACID W/ 4000 GAL 20%	SAME

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2.375"	4891'	N/A	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
01/02/07	<input checked="" 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
	0	150'	0	150/1	

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	<input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify)	

# ALLIED CEMENTING CO., INC.

24432

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

SERVICE POINT: Med Lodge

DATE <u>6-2-06</u>	SEC. <u>28</u>	TWP. <u>32S</u>	RANGE <u>16W</u>	CALLED OUT <u>2:00pm</u>	ON LOCATION <u>4:30pm</u>	JOB START <u>7:50pm</u>	JOB FINISH <u>8:30pm</u>
LEASE <u>Kliesen</u>	WELL # <u>28-2</u>	LOCATION <u>1/4 West to mm</u>			COUNTY <u>Comanche</u>	STATE <u>Ks</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>195</u>	<u>1st to Dead end + S/E 5.3 miles</u>			

CONTRACTOR Duke #7

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 520

CASING SIZE 8 5/8 DEPTH 518

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

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

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

PRES. MAX 800 MINIMUM 200

MEAS. LINE \_\_\_\_\_ SHOE JOINT 42.82

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

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

DISPLACEMENT 30 1/2 bbls water

EQUIPMENT \_\_\_\_\_

OWNER Redland Res.

CEMENT

AMOUNT ORDERED 225 of 65.35.6 Egel  
32cc, 1/4 Flo Seal + 18 Ammonia chloride  
100 of # 3+2

COMMON <u>100 A</u>	@	<u>10.65</u>	<u>1065.00</u>
POZMIX _____	@	_____	_____
GEL <u>2</u>	@	<u>16.65</u>	<u>33.30</u>
CHLORIDE <u>4</u>	@	<u>46.60</u>	<u>186.40</u>
ASC _____	@	_____	_____
<u>ALW 225</u>	@	<u>9.95</u>	<u>2238.75</u>
<u>Flo Seal 56</u>	@	<u>2.00</u>	<u>112.00</u>
<u>Ammonium chloride 4</u>	@	<u>40.30</u>	<u>161.20</u>
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
HANDLING <u>349</u>	@	<u>1.90</u>	<u>663.10</u>
MILEAGE <u>30 x 349 x .08</u>			<u>837.60</u>
TOTAL			<u>5297.35</u>

PUMP TRUCK CEMENTER Mark

# 372 HELPER Darrin

BULK TRUCK

# 381 DRIVER JR

BULK TRUCK

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

REMARKS:

Line on bottom calculate pump 2 fresh  
mix 225 x lite + 100 of tail  
Shut down pump, release plug +  
start displacement, bump plug at  
30 1/2 bbls + 300 psi calculate  
100 of cement to pit + float did  
hold thank you

SERVICE

DEPTH OF JOB <u>518 ft</u>		
PUMP TRUCK CHARGE <u>0-300'</u>		<u>815.00</u>
EXTRA FOOTAGE <u>218'</u>	@ <u>.65</u>	<u>141.70</u>
MILEAGE <u>30</u>	@ <u>5.00</u>	<u>150.00</u>
MANIFOLD _____	@	_____
<u>Head Rental</u>	@ <u>100.00</u>	<u>100.00</u>
_____	@	_____

CHARGE TO: Redland

STREET \_\_\_\_\_

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

RECEIVED  
KANSAS CORPORATION COMMISSION  
JAN 08 2007  
TOTAL 1206.70

CONSERVATION DIVISION  
WICHITA, KS  
FLOAT EQUIPMENT

<u>8 5/8</u>		
<u>1- AFU insert</u>	@ <u>325.00</u>	<u>325.00</u>
<u>1- Saskets</u>	@ <u>180.00</u>	<u>180.00</u>
<u>1- Control yoke</u>	@ <u>55.00</u>	<u>110.00</u>
<u>1- TRP</u>	@ <u>100.00</u>	<u>100.00</u>
_____	@	_____

ANY APPLICABLE TAX  
WILL BE CHARGED TOTAL 715.00  
UPON INVOICING

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 5297.35

DISCOUNT 5297.35 IF PAID IN 30 DAYS

SIGNATURE [Signature]

[Signature]  
PRINTED NAME

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

**WARRANTIES:** 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

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

# ALLIED CEMENTING CO., INC.

23962

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

SERVICE POINT:  
Medicine LDC.

DATE <u>6-11-06</u>	SEC. <u>28</u>	TWP. <u>32S</u>	RANGE <u>16W</u>	CALLED OUT <u>1:00 AM.</u>	ON LOCATION <u>4:00 AM.</u>	JOB START <u>8:45 AM.</u>	JOB FINISH <u>9:30 AM.</u>
LEASE <u>Klieser</u>	WELL # <u>28-2</u>	LOCATION <u>Medicine W To MM,</u>		COUNTY <u>Comanche</u>	STATE <u>KS,</u>		
OLD OR <u>(NEW)</u> (Circle one)	<u>195 1S 5.3 ES. into</u>						

CONTRACTOR Duke #7  
 TYPE OF JOB long string  
 HOLE SIZE 7 7/8 T.D. 5140  
 CASING SIZE 4 1/2 DEPTH 5130  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4 1/2 DEPTH 5140  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 700 PSI MINIMUM 100 PSI  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 19 FT  
 CEMENT LEFT IN CSG. 19 FT  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT Kel water 80 BBLs,  
 EQUIPMENT \_\_\_\_\_

OWNER Redland Resources  
 CEMENT  
 AMOUNT ORDERED 1655x H 10% Gyp 10%  
Salt 6# Kol-seal .8% Fl-160 1/4# Flo-  
seal 265x 60:40:6 500 gals. Mud  
Clean 10 gals, Kel  
 COMMON 15 A @ 10.65 159.75  
 POZMIX 10 @ 5.80 58.00  
 GEL 1 @ 16.65 16.65  
 CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_  
 ASC \_\_\_\_\_ @ \_\_\_\_\_  
165 H @ 12.75 2103.75  
Mud clean 500 gal @ 1.00 500.00  
FL-160 124 # @ 10.65 1320.60  
Clc Pro 10 gal @ 25.00 250.00  
Flo Seal 47 # @ 2.00 82.00  
Kol Seal 990 # @ .70 693.00  
Gyp Seal 16 @ 23.35 373.60  
 HANDLING 232 @ 1.90 440.80  
 MILEAGE 30 x 232 x .08 556.80  
 TOTAL 6554.95

PUMP TRUCK CEMENTER David W.  
 # 3414 HELPER Thomas  
 BULK TRUCK  
 # 353 DRIVER Larry F  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

Pipe on Bottom Break e.nc Pump  
12 BBLs, Mud Clean 5 BBLs, Fresh water  
Plug Rat & Mouse w/ 25x 60:40:6 Pump  
1655x H 10% Gyp 10% Salt 6# Kol-seal .8%  
Fl-160 1/4# Flo-seal shut down wash  
pump lines, Displace w/ Kel water 250w  
Rat & Mouse Plug float & hold wash  
UP R. & Down.

SERVICE

DEPTH OF JOB 5130'  
 PUMP TRUCK CHARGE \_\_\_\_\_ 1840.00  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE 30 @ 5.00 150.00  
 MANIFOLD Head Rent @ 100.00 100.00  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

CHARGE TO: Redland Resources  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 JAN 08 2007 TOTAL 2090.00

CONSERVATION DIVISION  
 PLUG & FLOAT EQUIPMENT  
4 1/2  
 1-AFU Float Shoe @ 200.00 200.00  
 1-latch Down Plug @ 325.00 325.00  
 1-Basket @ 130.00 130.00  
 6-Tup Bol. 2 ps, @ 55.00 330.00

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.

ANY APPLICABLE TAX  
 WILL BE CHARGED  
 UPON INVOICING TOTAL 985.00

SIGNATURE X Alan Vratil

TAX \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT ~~200.00~~ IF PAID IN 30 DAYS  
 X Alan Vratil  
 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 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.