

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

Handwritten: KCC
12/23/09

Operator: License # 8628
Name: CREDO PETROLEUM CORPORATION
Address: 1801 Broadway, Suite 900
City/State/Zip: Denver, CO 80202
Purchaser: N/A
Operator Contact Person: Jack Renfro
Phone: (303) 297-2200
Contractor: Name: American Eagle Drilling LLC
License: 33493
Wellsite Geologist: Jim Musgrove
Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)
If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____
11/10/08 11/17/08 11/17/08
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 009-25242-0000
County: Barton
SW - SE - NE - SW Sec. 17 Twp. 19 S. R. 12 East West
1600 feet from S N (circle one) Line of Section
2020 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Schartz CPC Well #: 1-17
Field Name: FT. ZARAH NORTH
Producing Formation: N/A
Elevation: Ground: 1884 Kelly Bushing: 7
Total Depth: 3545 Plug Back Total Depth: 3545
Amount of Surface Pipe Set and Cemented at 328 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 AIT I NGR 5-7-09
(Data must be collected from the Reserve Pit)
Chloride content 14500 ppm Fluid volume 300 bbls
Dewatering method used Evaporation
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

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

Notary Seal: Notary Public, State of Kansas, Commission Expires 8.19.2012

OPERATIONS MANAGER Date: 04/03/2009
Subscribed and sworn to before me this 3 day of April
Notary Public: _____
Date Commission Expires: 8.19.2012

KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes No Date: 5/04/09
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

KANSAS CORPORATION COMMISSION
APR 23 2009
RECEIVED

Operator Name: CREDO PETROLEUM CORPORATION Lease Name: Schartz CPC Well #: 1-17
 Sec. 17 Twp. 19 S. R. 12 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 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:

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Topeka	2797	906
Lansing	3199	1308
Arbuckle	3482	1591

**Borehole Compensated Sonic, Microresistivity,
 Dual Induction, Dual Compensated Porosity**

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"	24	328	Regular	250	2%gel, 3%CaCl

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

TUBING RECORD	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 Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify)

Production Interval

KANSAS CORPORATION COMMISSION

APR 23 2009

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**United oil
corporation**

1801 BROADWAY • SUITE 900 • DENVER, CO • 80202 • (303) 297-2200

April 14, 2009

Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market – Room 2078
Wichita, KS 67202

RE: ~~C Scharz CPC 1-17-~~
~~API # 15-009-25242~~
Sec 17-19S-12W
Barton County, KS

Dear Sir/Madame:

Credo Petroleum Corporation drilled and plugged the referenced well. Please find attached Well Completion Forms, cementing tickets, Well Plugging Record, copies of all logs, and geologist's well report for the referenced well. Closure of Surface Pit form is also attached.

~~Please hold the logs and information on page two of the Well Completion Form confidential for 12 months.~~

Sincerely,

CREDO PETROLEUM CORPORATION


Jack Renfro
Operations Manager

JR/mdh

Enclosures: As stated

KANSAS CORPORATION COMMISSION

APR 23 2009
RECEIVED

ALLIED CEMENTING CO., INC.

28936

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

SERVICE POINT:

Great Bend KS

DATE <u>11-16-08</u>	SEC. <u>17</u>	TWP. <u>19S</u>	RANGE <u>12 W</u>	CALLED OUT <u>600 PM</u>	ON LOCATION <u>830 PM</u>	JOB START <u>1230 AM</u>	JOB FINISH <u>230 AM</u>
LEASE <u>Schantz CPE</u>	WELL # <u>1-17</u>		LOCATION <u>Doonan 2 mile north</u>	COUNTY <u>Barton</u>	STATE <u>KS</u>		
OLD OR <u>NEW</u> (Circle one)			<u>west 100 feet north 3/4 west into</u>				

CONTRACTOR American Eagle OWNER Credo Petroleum Co-P

TYPE OF JOB _____
 HOLE SIZE 7 7/8 T.D. 3545 CEMENT _____
 CASING SIZE 2 3/8 DEPTH _____ AMOUNT ORDERED 180 SB 60/40 4% Gel
 TUBING SIZE _____ DEPTH _____ 1/2 flo seal

DRILL PIPE 5 DEPTH 3460
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT 15 BBLs Displacement 42 BBLs EQUIPMENT Rig mud

COMMON	<u>108 Bbl</u>	@	<u>13.50</u>	<u>1458.00</u>
POZMIX	<u>72 Bbl</u>	@	<u>7.96</u>	<u>573.12</u>
GEL	<u>6 gal</u>	@	<u>20.25</u>	<u>121.50</u>
CHLORIDE		@		
ASC		@		
	<u>45 #</u>	@	<u>2.45</u>	<u>110.25</u>
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>180 Bbl</u>	@	<u>2.25</u>	<u>405.00</u>
MILEAGE	<u>180 Bbl</u>	@	<u>1.67</u>	<u>300.60</u>
TOTAL				<u>2956.35</u>

PUMP TRUCK CEMENTER Wayne - D
 # 181 HELPER Alvin - R
 BULK TRUCK
 # 341 DRIVER Bobby - R
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

1st Plug 3460 255X 3.98 BBLs fresh water
Displace 5 BBLs fresh water 42 BBLs
Rig mud - 2nd Plug 7950 255X 3.98 BBLs
of water Displace 9 BBLs fresh water
3rd Plug 8820 905X 14.39 fresh water
Displace with fresh water - 1/2 BBLs 4th
Plug 9040 mix 105X 1.59 BBLs fresh water
wash up Rig Down

SERVICE

DEPTH OF JOB	<u>3460</u>
PUMP TRUCK CHARGE	<u>1159.00</u>
EXTRA FOOTAGE	@ _____
MILEAGE	<u>8</u> @ <u>7.00</u> <u>56.00</u>
MANIFOLD	@ _____
	@ _____
	@ _____

CHARGE TO: Credo Petroleum Co-P
 STREET _____
 CITY _____ STATE _____ ZIP _____

KANSAS CORPORATION COMMISSION

APR 23 2009

TOTAL 1215.00

RECEIVED

PLUG & FLOAT EQUIPMENT

	@ _____
	@ _____
	@ _____
	@ _____
	@ _____

TOTAL _____

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 _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Leonard E. Mortis

x Leonard E. Mortis
 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., LLC. 33592

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

SERVICE POINT:
Great Bend

DATE <u>11-9-08</u>	SEC. <u>17</u>	TWP. <u>19s</u>	RANGE <u>12w</u>	CALLED OUT <u>3:30 pm</u>	ON LOCATION <u>6:00 pm</u>	JOB START <u>4:00 AM</u>	JOB FINISH <u>5:00 AM</u>
LEASE <u>Schantz CPC</u>	WELL # <u>1-17</u>	LOCATION <u>281 1/2 College blkt</u>	COUNTY <u>Barton</u>		STATE <u>KS</u>		
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>E to NESORD, 1s, 1/4 E, N into</u>				

CONTRACTOR American Eagle #1

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 331.49

CASING SIZE 8 5/8 DEPTH 331.49

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 400 psi MINIMUM _____

MEAS. LINE _____ SHOE JOINT 30ft

CEMENT LEFT IN CSG. 30ft

PERFS. _____

DISPLACEMENT Fresh Water

OWNER Credo

CEMENT AMOUNT ORDERED 250sx, 3%cc, 2%gel

COMMON	<u>250sx</u>	@	<u>13.50</u>	<u>3,375.00</u>
POZMIX		@		
GEL	<u>5sx</u>	@	<u>20.25</u>	<u>101.25</u>
CHLORIDE	<u>8sx</u>	@	<u>51.50</u>	<u>412.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>263</u>	@	<u>2.25</u>	<u>591.75</u>
MILEAGE	<u>263 X 8 X .10 =</u>			<u>300.00</u>
				TOTAL <u>4,780.00</u>

REMARKS:

Pipe on bottom, break circulation, mix 250sx 3%cc, 2%gel, shut down, Release plug, displace with 19 bbls Fresh water, shut down, close in, Rig down, Cement did circulate

SERVICE

DEPTH OF JOB	<u>331.49</u>			
PUMP TRUCK CHARGE				<u>991.00</u>
EXTRA FOOTAGE	<u>31FT</u>	@	<u>.75</u>	<u>23.25</u>
MILEAGE	<u>8</u>	@	<u>7.00</u>	<u>56.00</u>
MANIFOLD	<u>head Rent</u>	@	<u>110.00</u>	<u>110.00</u>
		@		
		@		
KANSAS CORPORATION COMMISSION				

APR 23 2009

TOTAL 4,180.25

RECEIVED

PLUG & FLOAT EQUIPMENT

<u>8 5/8</u>	<u>Texas Pattern Guid Shoe</u>	@	<u>307.00</u>	<u>307.00</u>
	<u>2-Centralizers</u>	@	<u>60.00</u>	<u>120.00</u>
	1-BSF Plate	@		
	<u>1-Stop Ring</u>	@	<u>32.00</u>	<u>32.00</u>
	<u>Rubber Plug</u>	@	<u>110.00</u>	<u>110.00</u>

TOTAL 569.00

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

CHARGE TO: Credo

STREET _____

CITY _____ STATE _____ ZIP _____

Thank you

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 X Leonard E. Marti

SIGNATURE X Leonard E. Marti

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.

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—**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.