

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 32204
Name: REDLAND RESOURCES, INC.
Address 1: 6001 NW 23RD STREET
Address 2: _____
City: OKLAHOMA CITY State: OK Zip: 73127 + _____
Contact Person: ALAN THROWER
Phone: (405) 789-7104
CONTRACTOR: License # 5929
Name: DUKE DRILLING
Wellsite Geologist: MIKE POLLOK
Purchaser: ONEOK/HIGH SIERRA CRUDE
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.: _____
11/12/08 11/22/08 02/23/09
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

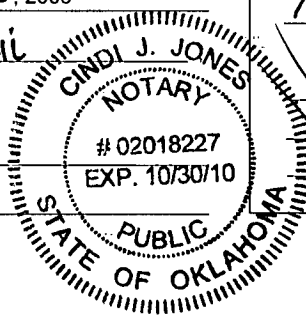
API No. 15 - 15-033-21534-0000
Spot Description: _____
C NW SE Sec. 8 Twp. 31 S. R. 18 East West
1980 Feet from North / South Line of Section
1730 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: COMANCHE
Lease Name: BUNNY Well #: 8-10
Field Name: ALFORD
Producing Formation: MISSISSIPPIAN
Elevation: Ground: 2163' Kelly Bushing: 2176'
Total Depth: 5265' Plug Back Total Depth: 5242
Amount of Surface Pipe Set and Cemented at: 309' 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 Art I NCR 5-29-09
(Data must be collected from the Reserve Pit)
Chloride content: 3800 ppm Fluid volume: 1220 bbls
Dewatering method used: TRUCKING TO DISPOSAL
Location of fluid disposal if hauled offsite: _____
Operator Name: OIL PRODUCERS
Lease Name: RICH C-9 SWD License No.: 8061
Quarter _____ Sec. 22 Twp. 32S S. R. 19 East West
County: COMANCHE Docket No.: D-28178

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: APRIL 30, 2009
Subscribed and sworn to before me this 30th day of APRIL
2009
Notary Public: [Signature]
Date Commission Expires: 10/30/10



KCC Office Use ONLY

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

KANSAS CORPORATION COMMISSION
MAY 07 2009

Operator Name: REDLAND RESOURCES, INC. Lease Name: BUNNY Well #: 8-10
 Sec. 8 Twp. 31 S. R. 18 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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Attach Additional Sheets) 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 (Submit Copy) List All E. Logs Run: DUAL INDUCTION, NEUTRON DENSITY, MICROLOG	<input checked="" 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>CHASE</td> <td>2234</td> <td>-358</td> </tr> <tr> <td>TOP PENN</td> <td>3398</td> <td>-1222</td> </tr> <tr> <td>BS HEEBNER</td> <td>4256</td> <td>-2080</td> </tr> <tr> <td>STARK SH</td> <td>4712</td> <td>-2535</td> </tr> <tr> <td>ALTAMONT</td> <td>4924</td> <td>-2748</td> </tr> <tr> <td>CHEROKEE SH</td> <td>5010</td> <td>-2834</td> </tr> <tr> <td>MISS UNCONFORM</td> <td>5070</td> <td>-2894</td> </tr> </table>	Name	Top	Datum	CHASE	2234	-358	TOP PENN	3398	-1222	BS HEEBNER	4256	-2080	STARK SH	4712	-2535	ALTAMONT	4924	-2748	CHEROKEE SH	5010	-2834	MISS UNCONFORM	5070	-2894
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
CONDUCTOR	30"	20"		91'	GROUT	10 YDS	
SURFACE	17.5	13.375"	48#	309'	CLASS A	325	2% CC, 3% GEL
PRODUCTION	7.875"	4.5"	10.50#	5264'	ASC	200	6#KOLSEAL, .25# FLOSEAL, .5% F...

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				

KANSAS CORPORATION COMMISSION
 MAY 07 2009
 RECEIVED

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
2 SPF	5130-5140 SET CIBP @ 5110'	ACID W/1000 GAL 15% NEFE	SAME
2 SPF	5070-5090	ACID W/5000 GAL 15% NEFE	SAME

TUBING RECORD: Size: 2.375" Set At: 5104 Packer At: N/A Liner Run: Yes No

Date of First, Resumed Production, SWD or Enhr. 4/08/09 Producing Method: Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours	Oil <u>2</u> Bbbs.	Gas <u>20</u> Mcf	Water <u>40</u> Bbbs.	Gas-Oil Ratio <u>10,000:1</u>	Gravity <u>35</u>
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4/08/09
 Redland Resources, Inc.
 130 S. Market - Room 2078
 Wichita, Kansas 67202
 [Signature]

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	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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ALLIED CEMENTING CO., LLC. 32520

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

SERVICE POINT:

Medicine Lodge
11-14-08 11-14-08

DATE <u>11-13-08</u>	SEC. <u>8</u>	TWP. <u>31 S</u>	RANGE <u>18 W</u>	CALLED OUT <u>0500 pm</u>	ON LOCATION <u>0800 pm</u>	JOB START <u>0115 AM</u>	JOB FINISH <u>0200 AM</u>	
LEASE <u>Bunny</u>		WELL # <u>8-10</u>	LOCATION <u>160x 183 Jct., 4 N, 2 E, 1 N, 1/4 W</u>				COUNTY <u>Comanche</u>	STATE <u>KS</u>
OLD OR <input checked="" type="radio"/> (Circle one)			<u>N/INTO</u>					

CONTRACTOR Duke 9

TYPE OF JOB Surface

HOLE SIZE 17 1/2" T.D. 312

CASING SIZE 13 3/8" 48# DEPTH 308.85

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 800 psi MINIMUM 100 psi

MEAS. LINE _____ SHOE JOINT 41.17'

CEMENT LEFT IN CSG. 41.17'

PERFS. _____

DISPLACEMENT 42 1/2 Bbls Fresh Water

OWNER Redland Resources

CEMENT
AMOUNT ORDERED 3255x class A + 39occt 20 gel

EQUIPMENT

PUMP TRUCK CEMENTER Greg G.

480-486 HELPER Heath M

BULK TRUCK

368-280 DRIVER Score P.

BULK TRUCK

_____ DRIVER _____

COMMON	<u>325 A</u>	@	<u>15.45</u>	<u>5021.25</u>
POZMIX		@		
GEL	<u>6</u>	@	<u>20.80</u>	<u>124.80</u>
CHLORIDE	<u>12</u>	@	<u>58.20</u>	<u>698.40</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>343</u>	@	<u>2.40</u>	<u>823.20</u>
MILEAGE	<u>50 x 343 x .10</u>			<u>1715.00</u>
			TOTAL	<u>8382.65</u>

REMARKS:

Pipe on Bottom, Break Circulation, Pump 5 bbls Fresh Water Ahead, Pump Cement, 3255x + Additives, Stop pumps, Release Plug, Start Disp., See lift, slow Rate, Bump plug, Disp. with 42 1/2 bbls Fresh Water, shut in, Cement Circulated TO Surface

SERVICE

DEPTH OF JOB	<u>312'</u>			
PUMP TRUCK CHARGE	<u>0-300'</u>			<u>1018.00</u>
EXTRA FOOTAGE	<u>12'</u>	@	<u>.85</u>	<u>10.20</u>
MILEAGE	<u>50</u>	@	<u>7.00</u>	<u>350.00</u>
MANIFOLD		@		
<u>Head Rental</u>	<u>1</u>	@	<u>113.00</u>	<u>113.00</u>
		@		
			TOTAL	<u>1491.20</u>

CHARGE TO: Redland Resources.

STREET _____

CITY _____ STATE _____ ZIP _____

13 3/8" PLUG & FLOAT EQUIPMENT

<u>Baffle Plate</u>	<u>1</u>	@	<u>186.00</u>	<u>186.00</u>
<u>Top wooden Plug</u>	<u>1</u>	@	<u>79.00</u>	<u>79.00</u>
		@		
		@		
		@		
			TOTAL	<u>265.00</u>

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) _____

TOTAL CHARGES _____ ~~8382.65~~

DISCOUNT _____ ~~8382.65~~ IF PAID IN 30 DAYS

PRINTED NAME David Hickman

SIGNATURE David Hickman

Thank You

ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING

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., LLC. 32528

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

SERVICE POINT:

Medicine Lodge
11-23-08 11-23-08

DATE <u>11-22-08</u>	SEC. <u>8</u>	TWP. <u>31S</u>	RANGE <u>18W</u>	CALLED OUT <u>0400 pm</u>	ON LOCATION <u>0600 pm</u>	JOB START <u>0130AM</u>	JOB FINISH <u>0230AM</u>
LEASE <u>Bunny</u>		WELL # <u>8-10</u>		LOCATION <u>1608183 Jct Goldenwks, 4N, 2E, 1N, 14W,</u>		COUNTY <u>Comanche</u>	STATE <u>KS</u>
OLD OR <u>NEW</u> (Circle one)				N/INTO			

CONTRACTOR Duke 9
 TYPE OF JOB Production
 HOLE SIZE 7 7/8 T.D. 5265
 CASING SIZE 4 1/2 10.5 # DEPTH 5263.58
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM 100 Psi
 MEAS. LINE _____ SHOE JOINT 21.22'
 CEMENT LEFT IN CSG. 21.22'
 PERFS. _____
 DISPLACEMENT 8 3/4 Bbls 280 KOL water

OWNER Redland Resources

CEMENT
 AMOUNT ORDERED 155x 60:40+4% Gel, 200 SX, Class # ASC+5 # Kolsegit, 5% FL-160+ 1/4 # Flo seal

EQUIPMENT

PUMP TRUCK CEMENTER Greg G.
 # 480-480 HELPER Heath M.
 BULK TRUCK
 # 353-290 DRIVER Randy F
 BULK TRUCK
 # _____ DRIVER _____

COMMON	<u>9</u>	<u>A</u>	@	<u>15.45</u>	<u>139.05</u>
POZMIX	<u>6</u>		@	<u>8.00</u>	<u>48.00</u>
GEL	<u>1</u>		@	<u>20.80</u>	<u>20.80</u>
CHLORIDE			@		
ASC			@		
	<u>200 H ASC</u>		@	<u>21.10</u>	<u>4220.00</u>
	<u>Kol Seal 1000*</u>		@	<u>.89</u>	<u>890.00</u>
	<u>FL-160 94*</u>		@	<u>13.30</u>	<u>1250.20</u>
	<u>Flo Seal 50*</u>		@	<u>2.50</u>	<u>125.00</u>
			@		
			@		
			@		
HANDLING	<u>259</u>		@	<u>2.40</u>	<u>621.60</u>
MILEAGE	<u>50 x 259 x .10</u>				<u>1295.00</u>
TOTAL					<u>8609.65</u>

REMARKS:

Pipe on Bottom, Break Circulation, Aug Rathole - 155x+Additives, Pump Cement, 200sx+Additives, Stop pumps, wash Annular, Release plug, Start Disp, See lift, slow rate, bump plug, First held, Disp with 8 3/4 Bbls 280 KOL water.

RECEIVED
 MAY 07 2009
 KANSAS CORPORATION COMMISSION

SERVICE

DEPTH OF JOB	<u>5265</u>		
PUMP TRUCK CHARGE			<u>2295.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>50</u>	@	<u>7.00</u> <u>350.00</u>
MANIFOLD		@	
<u>Head Rental</u>	<u>1</u>	@	<u>113.00</u> <u>113.00</u>
		@	

CHARGE TO: Redland Resources.
 STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL 2758.00

4 1/2 **PLUG & FLOAT EQUIPMENT**

Latch Down Plug	<u>1</u>	@	<u>434.00</u>	<u>434.00</u>
AFU Float Shoe	<u>1</u>	@	<u>405.00</u>	<u>405.00</u>
Turbolizers	<u>7</u>	@	<u>68.00</u>	<u>476.00</u>
Baskets	<u>2</u>	@	<u>169.00</u>	<u>338.00</u>
		@		

TOTAL 1653.00

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SALES TAX (If Any) _____
 TOTAL CHARGES ~~2758.00~~
 DISCOUNT IF PAID IN 30 DAYS

PRINTED NAME DAVID HICKMAN

SIGNATURE David Hickman

Thank You

ANY APPLICABLE TAX
 WILL BE CHARGED
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—**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.

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—**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.

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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.