

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

Operator: License # 6039
Name: L. D. DRILLING, INC.
Address: 7 SW 26 AVE
City/State/Zip: GREAT BEND, KS 67530
Purchaser: NCRA
Operator Contact Person: L. D. DAVIS
Phone: (620) 793-3051
Contractor: Name: L. D. DRILLING, INC.
License: 6039
Wellsite Geologist: KIM SHOEMAKER

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>12/14/05</u>	<u>12/30/05</u>	<u>1/16/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 063-21606-00-00
County: GOVE
NE NW SW SE 33 Twp. 15 S. R. 30 East West
2310 feet from (S) N (circle one) Line of Section
1100 feet from (W) E (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: YORK TRUST "V" Well #: 1
Field Name: DOLL NORTHWEST
Producing Formation: MISSISSIPPI
Elevation: Ground: 2715' Kelly Bushing: 2720'
Total Depth: 4500' Plug Back Total Depth: _____
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.

Alt- Dig - 10/22/08
Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: RECEIVED
Lease Name: MAR License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: KCC WICHITA 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.

Signature: Bessie Dewhoff
Title: SEC/TREASURER Date: March 3, 2006
Subscribed and sworn to before me this 3 day of March,
20 06
Notary Public: Rashell Patten Rashell Patten
Date Commission Expires: 2-2-07

KCC Office Use ONLY

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

NOTARY PUBLIC - STATE OF KANSAS
Rashell Patten
MY APPL. EXP. 2-2-07

JAN 12 1990

Operator Name: L. D. DRILLING, INC. Lease Name: YORK TRUST "V" Well #: 1
 Sec. 33 Twp. 15 S. R. 30 East West County: GOVE

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)

Log Formation (Top), Depth and Datum Sample
 Name Top Datum

List All E. Logs Run:

*** SEE ATTACHED ***

SONIC CEMENT BOND LOG, DUAL INDUCTION LOG, DUAL COMPENSATED POROSITY LOG & RADIATION GUARD LOG

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#	309'	COMMON	200	3%CC, 2%GEL
PRODUCTION	7 7/8"	4 1/2"	10.5#	4499'	AA-2/POZMIX	180 / 25	/RATHOLE

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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
2	4412 - 4414'	250 GAL 15% HCL ACID	
2	4402 - 4404'	250 GAL MCA CONVERSION	
2	4391 - 4393'	1250 GAL 28% HCL	
4	4308 - 4312'	1250 GAL NE CONVERSION	
		500 GAL 15% HCL	

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	4498'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
1/18/06	<input type="checkbox"/> Flowing <input checked="" 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
	25		15		

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled

Production Interval Other (Specify) _____

** Attachment to and Made a Part of ACO1: York Trust V #1, NE NW SW Sec 33-15-30, Gove Co

DAILY DRILLING REPORT

OPERATOR: L.D. DRILLING, INC. LEASE: YORK TRUST 'V' #1
NE NW SW Sec 33-15-30
WELLSITE GEOLOGIST: KIM SHOEMAKER Gove Co, KS
CONTRACTOR: L.D. DRILLING, INC. ELEVATION: GR: 2715'
KB: 2720'
SPUD: 12/14/05 @ 6:30 P.M. PTD: 4550'

RECEIVED
MAR 6 2006
KCC WICHITA

SURFACE: Ran 7 jts New 24# 8 5/8" Casing, tally 301.14', Set @ 309' w/ 200 sx Common
3% CC 2% Gel, DID CIRCULATE, by Allied Cementing, Plug Down 12:45 a.m.

12/15/05, Strap & Weld 1st 2 jts, Spot the rest by Scotts Welding, Survey @ 312' 1 degree

12/14/05 Move in & Rig Up to Spud
12/15/05 312' Wait on Cement
DP & 15' cement @9:45 a.m.
12/16/05 1500' Drilling
12/17/05 2662' Drilling
12/18/05 3340' Drilling
12/19/05 3852' Drilling
12/20/05 4010' Drilling Straight hole @ 3871' 1/2 deg
12/21/05 4180' Drilling
12/22/05 4280' Pulling Hydromatic out for Repair
12/23/05 4280' Shut down for repairs &
12/27/05 Still shut down for repairs
12/28/05 4320' Go in w/Tool for DST #4 (Start 1 a.m.)
12/29/05 4407' DST #5 in progress
12/30/05 RTD 4500' L.D.D.P.
LTD 4502'
Ran 146 jts New 10.5# 4 1/2" Casing, Tally 4504.57'
Set @ 4499', 1' Off Bottom, Cement w/ 180 sx
AA2 - 25 sx 60/40 Pozmix Rathole
By Acid Service, Port Collar @ 2194'
Plug Down @ 5 P.M. 12-30-05

DST #1 3835 - 3871' Lansing B 35'
TIMES: 30-45-45-60
BLOW: 1st Open: blt to 2 1/2"
2nd Open: blt to 1"
RECOVERY: 50' smco 3% mud, 97% oil,
25 degrees Gravity, 10' gip
IFP: 31-36 ISIP: 1116
FFP: 37-48 FSIP: 1079
TEMP: 109 degrees

DST #2 4014 - 4050' LKC-I or 160 Zone
TIMES: 30-30-30-30
BLOW: 1st Open: 1/2 blo decrease to SB
2nd Open: no blow
RECOVERY: 35' vsocwm, 5% oil, 5% w,
94% mud, chlor 3000
IFP: 30-39 ISIP: 996
FFP: 39-47 FSIP: 948
TEMP: 110 degrees

DST #3 4157 - 4280' Marmaton/Pawnee
TIMES: 30-30-30-30
BLOW: 1st Open: 1" decrease to 1/4"
2nd Open: no blow
RECOVERY: 15' oswm 8% w, 92% mud
chlorides 4000
IFP: 31-35 ISIP: 489
FFP: 34-35 FSIP: 164
TEMP: 114 degrees

DAILY DRILLING REPORT

OPERATOR: L.D. DRILLING, INC. LEASE: YORK TRUST 'V' #1
NE NW SW Sec 33-15-30
WELLSITE GEOLOGIST: KIM SHOEMAKER Gove Co, KS
CONTRACTOR: L.D. DRILLING, INC. ELEVATION: GR: 2715'
KB: 2720'
SPUD: 12/14/05 @ 6:30 P.M. PTD: 4550'

DST #4 4293 - 4320' Myrick Station

TIMES: 30-45-45-60 IFP: 25-32 ISIP: 426
BLOW: 1st Open: Set to 1/4", Tool Slid to Bottom FFP: 35-31 FSIP: 413
2nd Open: 1/2" TEMP: 114 degrees

Recovery: 35' Mud w/oil specks, show of free Oil on Tool

DST #5 4367 - 4407' Johnson

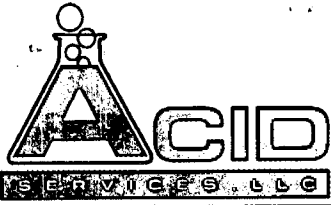
TIMES: 30-45-45-60 IFP: 17-23 ISIP: 593
BLOW: 1st Open: blt to 6" FFP: 30-43 FSIP: 594
2nd Open: blt to 9" TEMP: 120 degrees

RECOVERY: 230' gip, 80' sg & mco, 5% gas, 65% oil 30% mud

SAMPLE TOPS:

LOG TOPS:

Anhy	Top	2140	+580		2139	+581
Anhy	Base	2172	+548	+2 to Dubh Fus	2170	+550
Stotler		3393	(-672)		3392	(-672)
Herbner		3774	(-1054)	-2 to Dubh Fus	3774	(-1054)
Lansing		3811	(-1091)	Flat to Dubh Fus	3813	(1093)
Munice Creek		3982	(-1262)	Flat to Dubh Fus	3982	(-1262)
Stark		4076	(-1356)		4076	(-1356)
Hush Puckney		4109	(-1389)		4109	(-1389)
Base Kansas City		4146	(-1426)		4148	(-1428)
Marmaton		4176	(-1456)		4178	(1458)
Pawnee		4272	(-1552)		4271	(-1551)
Myrick Station		4305	(-1585)	-2 Dubh Fuss	4306	(-1586)
Fort Scott		4324	(-1604)		4325	(-1605)
Cherokee		4349	(-1629)		4349	(-1629)
Johnson		4367	(-1667)	Flat to Dubh Fus	4390	(-1670)
Mississippi		4438	(-1718)		4438	(-1718)
RTD		4500	(-1780)		LTD 4502	(-1782)



INVOICE NO.
Date 12-30-05
Customer ID

Subject to Correction

FIELD ORDER 10368

Lease YORK TRUST V
Well # 1
Legal 33-15^s 30^w
County Gove
State KS
Station Pratt KS
Depth
Formation New Well
Shoe Joint 21.32'
Casing 4 1/2
Casing Depth 4499 sets
TD 4500
Job Type 4 1/2 L.S. w/ P.C.
Customer Representative Bill Owens
Treater Allen F. Werth

CHARGE

L.O Drilling INC

AFE Number PO Number

Materials Received by X *Bill Owens*

Product Code	QUANTITY	MATERIAL, EQUIPMENT and SERVICES USED	UNIT PRICE	AMOUNT	ACCOUNTING	
					CORRECTION	AMOUNT
D205	180SK	AA-2				
D203	25SK	60/40 P02				
C221	849lb	SALT (FINE)				
C243	43lb	DeFoamer				
C312	128lb	GAS BLOK				
C321	90lb	GILSONITE				
C244	51lb	cement friction Reducer				
C195	51lb	FLA-322				
C141	2gal	CC-1				
C302	500gal	MUD Flush				
F100	8EA	Turbolizer 4 1/2" Liberal				
F142	1EA	Top Rubber Plug 4 1/2" Liberal				
F190	1EA	Guide Shoe Reg 4 1/2" Liberal				
F230	1EA	Flapper Type Insect Float Valve 4 1/2" Liberal				
F260	1EA	Cement Port collar 4 1/2" Liberal				
F120	1EA	BASKET 4 1/2" Liberal				
E100	300mi	Heavy Vehicle mi. 1-way				
E101	150mi	Pickup mi. 1-way				
E104	1440Tm	Blk Del per ton mi.				
E107	205SK	cmt service Chg.				
R209	1EA	Casing cmt Pumper 4001-4500' First 4hrs				
R701	1EA	Cmt Head RENTAL				
		Discounted Price				
		Plus Taxes		\$2,715.91		

RECEIVED
MAR 06 2006
KCC WICHITA

10244 NE Hiway 61 • P.O. Box 8613 • Pratt, KS 67124-8613 • Phone (620) 672-1201 • Fax (620) 672-5383

TOTAL

As consideration, the Customer agrees:

a) To pay ACID SERVICES, LLC in accord with the rates and terms stated in ACID SERVICES, LLC's current price list. Invoices are payable NET 30 after date of invoice. Upon Customers' default payment of Customer's account by the last day of the month following the month in which the invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% per annum. In the event it becomes necessary to employ attorneys to enforce collection of said account, Customer agrees to pay all collection cost and attorney fees in the amount of the unpaid account.

b) To defend, indemnify, release and hold harmless ACID SERVICES, LLC, its divisions, subsidiaries, parent and affiliated companies and the officers, directors, employees, agents and servants of all of them from and against any claims, liability, expenses, attorney's fees, and costs of defense to the extent permitted by law for:

1. Damage to property owned by, in the possession of, or leased by Customer, and/or the well owner (if different from Customer), including, but not limited to, surface and subsurface damage. The term "well owner" shall include working and royalty interest owners.
2. Reservoir, formation, or well loss or damage, subsurface trespass or any action in the nature thereof.
3. Personal injury of death or property damage (including, but not limited to, damage to the reservoir, formation or well), or any damages whatsoever, growing out of or in any way connected with or resulting from pollution, subsurface pressure, losing control of the well and/or a well blowout or the use of radioactive material. The amount of this invoice is due and payable at ACID SERVICES, LLC, Dept. No. 1131, Tulsa, Oklahoma 74182. All terms of the Service Order with customer are incorporated herein and made a part hereof by reference.

The defense, indemnity, release and hold harmless obligations of Customer provided for in this Section b) and Section c) below shall apply to claims or liability even if caused or contributed to by ACID SERVICES, LLC's negligence, strict liability, or operated, or furnished by ACID SERVICES, LLC or any defect in the data, products, supplies, materials, or equipment of ACID SERVICES, LLC whether the preparation, design, manufacture, distribution, or marketing thereof, or from a failure to warn any person of such defect. Such defense, indemnity, release and hold harmless obligations of Customer shall not apply where the claims or liability are caused by the gross negligence or willful misconduct of ACID SERVICES, LLC. The term "ACID SERVICES, LLC" as used in said Sections b) and c) shall mean ACID SERVICES, LLC, its divisions, subsidiaries, parent and affiliated companies, and the officers, directors, employees, agents and servants of all of them.

c) That because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, ACID SERVICES, LLC is unable to guarantee the effectiveness of the products, supplies, or materials, nor the results of any treatment or service, nor the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by ACID SERVICES, LLC. ACID SERVICES, LLC personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that ACID SERVICES, LLC shall not be liable for and Customer shall indemnify ACID SERVICES, LLC against any damages from the use of such information.

d) That ACID SERVICES, LLC warrants only title to the products, supplies, and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. Acid Services LLC's liability and Customer's exclusive remedy in and cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on their return to ACID SERVICES, LLC or, at ACID SERVICES, LLC's option, to the allowance to the Customer of credit for the cost of such items. In no event shall ACID SERVICES, LLC be liable for special, incidental, indirect, punitive or consequential damages.

e) To waive the provisions of the Deceptive Trade Practices - Consumer Protection Act, to the extent permitted by law. We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to service furnished under this contract.

f) That this contract shall be governed by the law of the state where services are performed or materials are furnished.

g) That ACID SERVICES, LLC shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized manager of ACID SERVICES, LLC.



TREATMENT REPORT

Customer ID		Date	
Customer L.D. Drilling		12:30-05	
Lease York TRUST V	Lease No.	Well # #1	

Field Order # 10368	Station PRATT KS	Casing 4 1/2	Depth 499'	County Gove	State KS
Type Job 4 1/2 Long String w/ Port collar			Formation New well	Legal Description 33-15S-30W	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 4 1/2	Tubing Size	Shots/Ft	180 SKS	Acid AA-2-5% cal set	3% Friction Reducer	RATE	PRESS	ISIP
Depth 4499'	Depth	From	To 15.43 1/4	Pre Pad 3% FIA-322, 10%	1% SALT	Max	3/4 GAS BLOC	5 Min.
Volume 71.28 bbl	Volume	From	To 25 SKS	Pad 60/40- PLYC-Rat Hole		Min		10 Min.
Max Press 1000 #	Max Press	From	To	Frac		Avg		15 Min.
Well Connection PC	Annulus Vol.	From	To			HHP Used		Annulus Pressure
Plug Depth	Packer Depth	From	To	Flush CG-1 water		Gas Volume		Total Load

Customer Representative Billy Owens	Station Manager DAVE SCOTT	Treater ALLEN F WERTH
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Service Units	125	226	346	501
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Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
1015					DNLOC, set up PLAN-Tab-Rig doing
1145					collar work: can't pull Drlg wipple call wether
1253					Welder on Location
1340					RECEIVED MAR 06 2006 KCC WICHITA Start 4 1/2 csg 10.5# - S.J. 21.32'
					w/ guide shoe + Insert Fill.
					can't 1-3-5-7-9-11-13-81
					Port collar on 80IT w/ BASKET-2194'
1545					csg on Bottom
1550					st. cir w/ Rig - Good cir.
1620	200 #		12	5	Pump 12 BBLs mud Flush
	200 #		3	5	Pump 3 BBLs H ² O SPACER
1625				5	mix 180 SKS AA-2 cont - good cir
			43.5		Finish mix
					wash out Pump + Line - Release Top Plug
1636	200 #			6	Start Disp.
	350 #			6	Lift PSI w/ 45 BBLs Pumped
	1000 #			3	Fin Disp Plug down
	0 #				Release PSI - BK - Plug Rat Hole
			6		with 25 SKS 60/40 P02.
					wash up + RACK UP EQUIP
1735					Job complete THANK ALLEN + crew

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.