

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 # 5474  
Name: NORTHERN LIGHTS OIL CO., LC  
Address: P.O. BOX 164  
City/State/Zip: ANDOVER, KS 67002  
Purchaser: \_\_\_\_\_  
Operator Contact Person: KURT SMITH  
Phone: (316) 733-1515  
Contractor: Name: MALLARD JV  
License: 4958  
Wellsite Geologist: JEFF CHRISTIAN  
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. \_\_\_\_\_  
4-24-06      5-2-06      5-2-06  
Spud Date or      Date Reached TD      Completion Date or  
Recompletion Date                Recompletion Date

**RECEIVED**  
**MAY 22 2006**

**KCC WICHITA**

API No. 15 - 071-204820000 20842-00-60  
County: Greeley  
s/2-sw-se Sec. 22 Twp. 16 S. R. 42  East  West  
70 feet from (S) N (circle one) Line of Section  
1730 feet from (E) W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE (SE) NW SW  
Lease Name: BILLIE JO Well #: 1  
Field Name: SIDNEY SOUTH  
Producing Formation: \_\_\_\_\_  
Elevation: Ground: 3820 Kelly Bushing: 3830  
Total Depth: 5140 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 362 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.  
ALTZ-Dlg - 11/3/08  
**Drilling Fluid Management Plan**  
(Data must be collected from the Reserve Pit)  
Chloride content 2000 ppm Fluid volume 1500 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.

Signature: [Signature]  
Title: Managing Partner Date: 5-18-06  
Subscribed and sworn to before me this 18<sup>th</sup> day of MAY, 2006  
Notary Public: [Signature]  
Date Commission Expires: \_\_\_\_\_

**OFFICIAL SEAL**  
KURT L. SMITH  
MY COMMISSION EXPIRES  
July 14, 2009

**KCC Office Use ONLY**  
N Letter of Confidentiality Attached  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

Operator Name: NORTHERN LIGHTS OIL CO., LC Lease Name: BILLIE JO Well #: 1  
 Sec. 22 Twp. 16 S. R. 42 East  West County: Greeley

**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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run: <b>RECEIVED</b> <b>MAY 22 2006</b>  <b>KCC WICHITA</b> DI, CDN	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">✓ Log</th> <th style="text-align: left;">Formation (Top), Depth and Datum</th> <th style="text-align: left;">Sample</th> </tr> </thead> <tbody> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>ANHY</td> <td>2690</td> <td>+1140</td> </tr> <tr> <td>LKC</td> <td>4144</td> <td>-314</td> </tr> <tr> <td>MORROW SH</td> <td>4979</td> <td>-1149</td> </tr> <tr> <td>Mississippian</td> <td>5078</td> <td>-1248</td> </tr> </tbody> </table>	✓ Log	Formation (Top), Depth and Datum	Sample	Name	Top	Datum	ANHY	2690	+1140	LKC	4144	-314	MORROW SH	4979	-1149	Mississippian	5078	-1248
✓ Log	Formation (Top), Depth and Datum	Sample																	
Name	Top	Datum																	
ANHY	2690	+1140																	
LKC	4144	-314																	
MORROW SH	4979	-1149																	
Mississippian	5078	-1248																	

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	23#	362	common	315	3%gel2%cc

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	
					Yes	No
Date of First, Resumed Production, SWD or Enhr.			Producing Method			
			Flowing	Pumping	Gas Lift	Other (Explain)
Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity	

Disposition of Gas  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled \_\_\_\_\_  
*(If vented, Sumit ACO-18.)*  Other (Specify) \_\_\_\_\_

# ALLIED CEMENTING CO., INC. 23982

Federal Tax I.D.#

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

SERVICE POINT:  
Oakley, KS

DATE <u>3-2-06</u>	SEC. <u>22</u>	TWP. <u>16S</u>	RANGE <u>42W</u>	CALLED OUT	ON LOCATION <u>1:00pm</u>	JOB START <u>2:00pm</u>	JOB FINISH <u>5:00pm</u>
LEASE <u>B. 11.e Jo</u>	WELL # <u>#1</u>	LOCATION <u>Oaktown Feeders</u>			COUNTY <u>Greeley</u>	STATE <u>KS</u>	
OLD OR <u>(NEW)</u> (Circle one)			<u>10w-15-win</u>				

CONTRACTOR Munroe Dals #14 OWNER same

TYPE OF JOB PTA  
 HOLE SIZE 7 7/8 T.D. 5140'  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE 4"2 DEPTH 2700'  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

CEMENT  
 AMOUNT ORDERED 225 60/40  
69 gal 114# flo-seal

COMMON	<u>135</u>	@ <u>11.00</u>	<u>1485.00</u>
POZMIX	<u>90</u>	@ <u>5.20</u>	<u>468.00</u>
GEL	<u>12</u>	@ <u>15.00</u>	<u>180.00</u>
CHLORIDE		@	
ASC		@	
<u>Flo-seal 56#</u>		@ <u>1.80</u>	<u>100.80</u>
HANDLING	<u>239</u>	@ <u>1.70</u>	<u>406.30</u>
MILEAGE	<u>.07 x 54 x mile</u>		<u>135.13</u>
TOTAL			<u>3995.23</u>

EQUIPMENT  
KCC WICHITA  
 PUMP TRUCK CEMENTER Fuzzie - Walt  
 # 102 HELPER TARROD  
 BULK TRUCK  
 # 218 DRIVER harry  
 BULK TRUCK  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

50 SKS @ 2700'  
80 SKS @ 1950'  
50 SKS @ 400'  
20 SKS @ 60'  
15 SKS in RH  
10 SK in MN  
Plug down @ 5:00pm (CT)  
THANKS FUZZIE & CURRY

SERVICE

DEPTH OF JOB 2700'  
 PUMP TRUCK CHARGE 825.00  
 EXTRA FOOTAGE @ \_\_\_\_\_  
 MILEAGE 81 @ 5.00 405.00  
 MANIFOLD @ \_\_\_\_\_  
 @ \_\_\_\_\_  
 @ \_\_\_\_\_

CHARGE TO: Northern light oil  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TOTAL 1230.00

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 Clayton Flint

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. 24002

Federal Tax I.D. #

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

SERVICE POINT:

Oakley

DATE <u>4-24-06</u>	SEC <u>22</u>	TWP. <u>16s</u>	RANGE <u>42w</u>	CALLED OUT	ON LOCATION <u>11:20 PM</u>	JOB START <u>2:00 PM</u>	JOB FINISH <u>2:30 PM</u>
LEASE <u>Billie Jo</u>	WELL # <u>1</u>	LOCATION <u>Ox Town Feeder Rd low ls</u>		COUNTY <u>Greeley</u>	STATE <u>KS</u>		
OLD OR <u>NEW</u> (Circle one)				<u>w/s</u>			

CONTRACTOR Murfin Drlg R'g 14

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 365'

CASING SIZE 8 7/8 DEPTH 365'

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

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

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

PRES. MAX 300# MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT 44.65'

CEMENT LEFT IN CSG. 44.65'

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

DISPLACEMENT 20 1/2 Bbls

**RECEIVED**  
**MAY 22 2006**

EQUIPMENT

**KCC WICHITA**

PUMP TRUCK CEMENTER Dean

# 373-281 HELPER And Jarrod

BULK TRUCK

# 399 DRIVER Mike

BULK TRUCK

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

OWNER Same

CEMENT

AMOUNT ORDERED

315 sks com PacC 290 Gel

COMMON	<u>315 sks</u>	@ <u>11.00</u>	<u>3465.00</u>
POZMIX		@	
GEL	<u>6 sks</u>	@ <u>15.00</u>	<u>90.00</u>
CHLORIDE	<u>11 sks</u>	@ <u>42.00</u>	<u>462.00</u>
ASC		@	
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>332 sks</u>	@ <u>1.70</u>	<u>564.40</u>
MILEAGE	<u>79 sk/mile</u>		<u>1882.44</u>
TOTAL			<u>6463.84</u>

REMARKS:

Circulated 15 sks to P.T.  
Plug landed on Baffle Plate  
at 300#

Thank you

CHARGE TO: Northern Lights Oil

STREET \_\_\_\_\_

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

SERVICE

DEPTH OF JOB	<u>365'</u>		
PUMP TRUCK CHARGE			<u>735.00</u>
EXTRA FOOTAGE	<u>65'</u>	@ <u>.60</u>	<u>39.00</u>
MILEAGE	<u>81 miles</u>	@ <u>5.00</u>	<u>405.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL			<u>1179.00</u>

8 7/8 PLUG & FLOAT EQUIPMENT

<u>1-Baffle Plate</u>	@	<u>45.00</u>
<u>1-Centralizers</u>	@	<u>55.00</u>
<u>8 7/8 Surface Plug</u>	@	<u>55.00</u>
	@	<del>60.00</del>
	@	
TOTAL		<u>155.00</u>

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 Greg Clurek

GREG CLUREK  
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.