

CONFIDENTIAL

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

W.R. Horigan
8/12/08

8/27/09

Operator: License # 5030
Name: Vess Oil Corporation
Address: 1700 Waterfront Parkway, Bldg. 500
City/State/Zip: Wichita, KS 67206
Purchaser: _____
Operator Contact Person: W.R. Horigan
Phone: (316) 682-1537 X103
Contractor: Name: L. D. Drilling, Inc.
License: 6039
Wellsite Geologist: Roger Martin

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: KCC
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. _____

6/23/08 6/30/08 7/17/08
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 135-24805-00-00
County: Ness
36
26 SW NE SW Sec. 26 Twp. 20 S. R. 26 East West
1950 feet from (S) / N (circle one) Line of Section
1650 feet from E / (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: Putnam B Well #: 5
Field Name: Buda

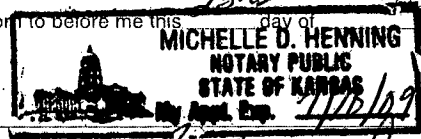
Producing Formation: Mississippi
Elevation: Ground: 2436 Kelly Bushing: 2441
Total Depth: 4418 Plug Back Total Depth: 4418
Amount of Surface Pipe Set and Cemented at 477 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1678
feet depth to surface w/ 200 sx cmt.

Drilling Fluid Management Plan AH II NA 11-19-08
(Data must be collected from the Reserve Pit)
Chloride content 11400 ppm Fluid volume 1200 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: Bobby Boats
Title: Operations Engineer Date: 7/23/08
Subscribed and sworn to before me this 23rd day of July
20 08
Notary Public: Michelle D. Henning
Date Commission Expires: Michelle D. Henning



KCC Office Use ONLY

Letter of Confidentiality Attached
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received **RECEIVED**
KANSAS CORPORATION COMMISSION
 UIC Distribution

AUG 29 2008

Operator Name: Vess Oil Corporation Lease Name: Putnam B Well #: 5
 Sec. 26 Twp. 20 S. R. 26 East West County: Ness

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, flow 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 <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: <p style="text-align: center;">GR-Neuton-CCL</p>	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum see attached
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AUG 27 2008 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	# Sacs Used	Type and Percent Additives
surface	12-1/4	8-5/8	24	477	Class C	300	3% cc 2% gel
production	7-7/8	5-1/2	14	4410	EA-2	200	
				DV Tool	mult dens.	200	

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
		RECEIVED KANSAS CORPORATION COMMISSION AUG 29 2008 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-7/8	4400	none	
Date of First, Resumerd Production, SWD or Enhr.		Producing Method		
7/20/08		<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
	16		150	

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 4410-4418

ATTACHMENT TO ACO-1

Putnam B-5
1950'FSL,1650'FWL
 Sec. 36-20S-26W
 Ness County, KS

	<u>SAMPLE TOPS</u>	<u>LOG TOPS</u>
ANHYDRITE	1644 +797	1648 +793
ANHYDRITE BASE	1680 +761	1683 +758
HEEBNER	3741 - 1300	3742 -1301
Toronto	3760 -1319	3760 - 1319
LANSING	3784 - 1343	3786 -1345
STARK	4058 - 1617	4060 -1619
HUSHPUCKNEY SH	4093 -1652	4094 -1653
HERTHA	4140 -1699	4142 -1701
B/KC	4150 -1709	4150 -1709
MARMATON	4185 - 1744	4189 -1748
PAWNEE	4269 -1828	4270 -1829
FT SCOTT	4305 -1864	4307 -1866
CHEROKEE SH	4328 -1887	4330 -1889
MISSISSIPPI LLM	4398 - 1957	4401 -1960
MISSISSIPPI DOLO	4412 - 1971	4413 -1972
TD	4418 - 1977	4419 -1978

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DST #1 4377-4418 Zone: MISSISSIPPI DOLOMITE

Times: 30-45-45-60

1st open: Fair 1/2" blow incr to BOB in 3-3/4 min.

2nd open Fair 1/2" blow incr. to BOB 4-3/4 min.

Rec.: 186' GIP

55' free oil - gravity: 39 @ 60 deg F

192' SGOWCM (2% gas, 7% oil, 40% wtr, 51% mud)

124' SGOCMW (4% gas, 5% oil, 43% mud, 48% wtr)

248' OCGMW (5% oil, 9% gas, 17% mud, 69% wtr)

806' SOCMW (3% oil, 3% mud, 94% wtr) Chlorides 30000 ppm

1425' TOTAL FLUID

IHP: 2218

FHP: 2139

IFP: 70-374

FFP: 373-655

ISIP: 1019

FSIP: 1011

TEMP: 129

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CONSERVATION DIVISION
 WICHITA, KS



P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300



Invoice

DATE	INVOICE #
6/30/2008	14546

BILL TO
Vess Oil Corporation 1700 Waterfront Parkway Building 500 Wichita, KS 67206

- JUL 02 2008
- Acidizing
 - Cement
 - Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	B #5	Putnam	Ness	L.D. Drilling	Oil	Development	5-1/2" Two-Stag...	Wayne
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				25	Miles	6.00	150.00
579D	Pump Charge - Two-Stage - 4410 Feet				1	Job	1,900.00	1,900.00
580	Additional Hours (If Circulate More Than 1 Hour)				2	Hours	250.00	500.00
221	Liquid KCL (Clayfix)				4	Gallon(s)	26.00	104.00T
281	Mud Flush				500	Gallon(s)	1.00	500.00T
402-5	5 1/2" Centralizer				12	Each	100.00	1,200.00T
403-5	5 1/2" Cement Basket				3	Each	300.00	900.00T
405-5	5 1/2" Formation Packer Shoe				1	Each	1,400.00	1,400.00T
408-5	5 1/2" D.V. Tool & Plug Set - Top Joint #63 - 1678 Feet				1	Each	3,200.00	3,200.00T
417-5	5 1/2" D.V. Latch Down Plug & Baffle				1	Each	200.00	200.00T
325	Standard Cement				200	Sacks	12.75	2,550.00T
330	Swift Multi-Density Standard (MIDCON II)				200	Sacks	15.50	3,100.00T
276	Flocele				100	Lb(s)	1.50	150.00T
283	Salt				1,000	Lb(s)	0.20	200.00T
284	Calseal				9	Sack(s)	30.00	270.00T
285	CFR-1				100	Lb(s)	4.50	450.00T
290	D-Air				4	Gallon(s)	35.00	140.00T
581D	Service Charge Cement				400	Sacks	1.90	760.00
583D	Drayage				510.25	Ton Miles	1.75	892.94
Subtotal								18,566.94
Sales Tax Ness County							5.30%	761.29

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CONSERVATION DIVISION
WICHITA, KS

We Appreciate Your Business!

Total

\$19,328.23



CHARGE TO:
NESS OIL COOP
 ADDRESS
 CITY, STATE, ZIP CODE

TICKET

No 14546

PAGE 1 OF 2

SERVICE LOCATIONS 1. NESS OIL COOP	WELL/PROJECT NO. B-5	LEASE PUTNAM	COUNTY/PARISH NESS	STATE Ks	CITY	DATE 6-30-08	OWNER SAME
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR L.D. DRLG	RIG NAME/NO.	SHIPPED VIA CT	DELIVERED TO LOCATION	ORDER NO.	
3.	WELL TYPE OIL	WELL CATEGORY DEVELOPMENT	JOB PURPOSE 5 1/2 - 2 STAGE LOGGING	WELL PERMIT NO.	WELL LOCATION Unad, Ks - 1/2W, 11S, 4W, 1 1/2S, 3/4W		
4.	REFERRAL LOCATION	INVOICE INSTRUCTIONS					

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF		QTY.	U/M	QTY.	U/M	
575		1			MILEAGE # 104	25	ME		6.00	150.00
579		1			PUMP SERVICE - 2 STAGE	1	288	4410	1900.00	1900.00
580		1			ADDITIONAL HOURS - CALCULATE	2	1/288		250.00	500.00
221		1			LITEROB KCL	4	GA		26.00	104.00
281		1			MUD FLUSH	500	GA		1.00	500.00
402		1			CENTRALIZERS	12	EA	5 1/2"	100.00	1200.00
403		1			CEMENT BARKETS	3	EA		300.00	900.00
405		1			FORMATION PACKERSHOE	1	EA		1400.00	1400.00
408		1			DV TOOL - PLUG SET TOP JT # 63	1	EA	1678	3200.00	3200.00
417		1			DV LATCH DOWN PLUG - RAFFLE	1	EA		200.00	200.00

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 CONSERVATION DIVISION
 WICHITA, KS

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

x **Roger L Martin**
 DATE SIGNED **6-30-08** TIME SIGNED **1530**
 A.M. P.M.

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 REMIT PAYMENT TO:
SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				#1	10054.00
WE UNDERSTOOD AND MET YOUR NEEDS?				#2	8512.94
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				subtotal	18,566.94
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	761.29
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES <input type="checkbox"/> NO			TOTAL	19,328.23
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR **WAWEL WILSON** APPROVAL

Thank You!



PO Box 466
Ness City, KS 67560
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 14546

CUSTOMER: VESS OIL COOP
WELL: PUTNAM B-5
DATE: 6-30-08
PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE / PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		UNIT PRICE	AMOUNT
		LOC.	ACCT.	ADF.			QTY.	U/M.		
325		1				STANDARD CSMWT EA-2	200	SKS	12.75	2550.00
330		1				SWIFT MULTE - DWSST STANDARD	200	SKS	15.50	3100.00
276		1				FLOCELL	100	LBS	1.50	150.00
283		1				SALT	1000	LBS	20	2000.00
284		1				CALSIAL	9	SKS	30.00	270.00
285		1				CFR-1	100	LBS	4.50	450.00
290		1				D-ADR	4	GAL	35.00	140.00
581		1				SERVICE CHARGE		CUBIC FEET	1.90	760.00
583		1				MILEAGE CHARGE	40820	TOTAL WEIGHT	25	892.94

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CONTINUATION TOTAL: 8512.94

JOB LOG

SWIFT Services, Inc.

DATE 6-30-08 PAGE NO. 1

CUSTOMER VESS OIL CORP. WELL NO. B-5 LEASE PUTNAM JOB TYPE 5/2" 2-STAGE LONGSTROKE TICKET NO. 14546

CHART NO.	TIME	RATE (BPM)	VOLUME (BBLS/GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1530							ON LOCATION
	1630							START 5/2" CASING TO WELL
								TD-4418 SET 4410
								TP-4413 5/2-14" / FT
								SS-20.88
								CENTRALIZERS-1,3,5,7,10,13,16,19,20,62,64,78
								CMT BSRS-21,63,79
								DV TOOL 1678 TOP ST# 63
	1935				✓		1250	DROP BALL - CALCULATE - SET PARKERSHOE
	2030	6	12		✓		500	PUMP 500 GAL MUD FLUSH
	2032	6	20		✓		500	PUMP 20 BBLS KCL-FLUSH
	2037	5	48		✓		350	MIX CMST - 200SKS EA-2 @ 15.5 PP6
	2047							WASH OUT PUMP - LOWER
	2048							RELEASE 1ST STAGE LATCH DOWN PLUG
	2050	7	0		✓			DISPLACE PLUG
	2105	6 1/2	0		✓		1500	PLUG DOWN - PSE UP LATCH IN PLUG
	2107						OK	RELEASE - PSE - HELD
								WASH TRUCK
								KCC
	2110							DROP DV OPENING PLUG
	2125				✓		1200	OPEN DV - CALCULATE
	0010	6	20		✓		400	PUMP 20 BBLS KCL-FLUSH
	0015		4 1/2					PLUG RH
	0018	7	111		✓		400	MIX CMST - 200SKS SMD @ 11.2 PP6 / 13.5 PP6
	0033							WASH OUT PUMP - LOWER
	0034							RELEASE DV CLOSING PLUG
	0035	6 1/2	0		✓			DISPLACE PLUG
	0042	5	40.9				1500	PLUG DOWN - PSE UP CLOSE DV TOOL
	0045						OK	RELEASE PSE - HELD
								CALCULATE 20 SKS CMT TO PSE
								WASH TRUCK
	0200							JOB COMPLETE

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CONSERVATION DIVISION WICHITA, KS

THANK YOU
WARR, REST, RYAN

ALLIED CEMENTING CO., LLC. 33125

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

SERVICE POINT:
Ness City
6-24-08

DATE <i>6-23-08</i>	SEC. <i>36</i>	TWP. <i>20</i>	RANGE <i>25</i>	CALLED OUT <i>6:00 PM</i>	ON LOCATION <i>10:00 PM</i>	JOB START <i>12:00 AM</i>	JOB FINISH <i>1:00 AM</i>
LEASE <i>Pitman B</i> WELL # <i>5</i>			LOCATION <i>Laird 11 south, 4 west</i>		COUNTY <i>Ness</i>	STATE <i>Kansas</i>	
OLD OR <u>(NEW)</u> (Circle one)			<i>1 1/2 south west into.</i>				

CONTRACTOR *L.D. Drilling*

TYPE OF JOB *Surface*

HOLE SIZE *12 1/4* T.D. *480'*

CASING SIZE *8 5/8* DEPTH *477'*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. *✓ 20'*

PERFS.

DISPLACEMENT *✓ 29 BBLs H²⁰*

OWNER *Vers Oil Corp.*

CEMENT

AMOUNT ORDERED *300 ex Common*

3% CC 2% Gel

EQUIPMENT

H.B.

PUMP TRUCK CEMENTER *F.P. Drilling*

181 HELPER *Steve Stuley*

BULK TRUCK DRIVER *Alvin* *AUG 27 2008*

344 DRIVER *KCC*

COMMON	<i>300 ex</i>	@	<i>12.30</i>	<i>3690.00</i>
POZMIX		@		
GEL	<i>6 ex</i>	@	<i>18.40</i>	<i>110.40</i>
CHLORIDE	<i>9 ex</i>	@	<i>51.50</i>	<i>463.50</i>
ASC		@		
RECEIVED KANSAS CORPORATION COMMISSION				
<i>AUG 29 2008</i>				
CONSERVATION DIVISION WICHITA, KS				
HANDLING	<i>315 ex</i>	@	<i>2.10</i>	<i>661.50</i>
MILEAGE	<i>315 ex</i>	@	<i>26</i>	<i>731.10</i>
				TOTAL <i>5462.50</i>

REMARKS:

*Ran new 8 5/8 casing to bottom
Break circulation, circulate hole, hook up
to pump truck & mixed 300 ex Common
3% cc 2% gel. Shut down, change
valves over & release 8 5/8 TWP.
Displace plug with *29 BBLs fresh H²⁰*.
Cement did circulate to surface. Shut in.*

CHARGE TO: *Vers Oil Corp.*

STREET *1700 Waterfront PKWY BLDG 500*

CITY *Wichita* STATE *Kansas* ZIP *67206*

SERVICE

DEPTH OF JOB	<i>477'</i>			
PUMP TRUCK CHARGE				<i>900.00</i>
EXTRA FOOTAGE	<i>177'</i>	@	<i>.75</i>	<i>132.75</i>
MILEAGE	<i>26</i>	@	<i>7.00</i>	<i>182.00</i>
MANIFOLD		@		
<i>Headrental</i>		@	<i>111.00</i>	<i>111.00</i>
				TOTAL <i>1325.75</i>

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.

PLUG & FLOAT EQUIPMENT

<i>1-8 5/8 TWP</i>	@	<i>111.00</i>
	@	
	@	
	@	
	@	
		TOTAL <i>111.00</i>

PRINTED NAME *X Bill Owen*

SIGNATURE *X Bill Owen*

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

Thank you!

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.