

**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 # 31790  
 Name: Fremont Exploration, Inc.  
 Address: 12412 St. Andrews Dr.  
 City/State/Zip: Oklahoma City, OK 73120  
 Purchaser: NCRA  
 Operator Contact Person: Tom Conroy  
 Phone: ( 405 ) 936-0012  
 Contractor: Name: WW Drilling, LLC  
 License: 33575  
 Wellsite Geologist: Larry Nicholson  
 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>7-11-07</u>	<u>7-16-07</u>	<u>10-07-07 9-16-07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 179-21174-0000  
 County: Sheridan  
   - NW - NE - SE Sec. 23 Twp. 6 S. R. 26  East  West  
2245 feet from  N (circle one) Line of Section  
895 feet from  W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE  SE NW SW  
 Lease Name: Slipke Well #: 1  
 Field Name: Vahling West  
 Producing Formation: LKC  
 Elevation: Ground: 2608' Kelly Bushing: 2613'  
 Total Depth: 3922' Plug Back Total Depth: 3897'  
 Amount of Surface Pipe Set and Cemented at 348' Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set 2204 Feet  
 If Alternate II completion, cement circulated from 2204  
 feet depth to Surface w/ 450 <sup>sx cnt.</sup>

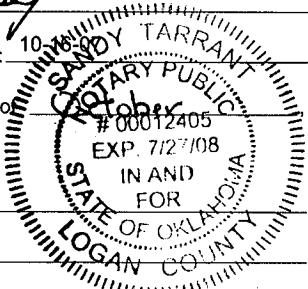
**Drilling Fluid Management Plan**  
 (Data must be collected from the Reserve Pit)  
 Chloride content 1600 ppm Fluid volume 2000 bbls  
 Dewatering method used Evaporate  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

*AHZ-DG-115109*

**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: Thomas R Couray  
 Title: Agent Date: 10-16-07  
 Subscribed and sworn to before me this 16<sup>th</sup> day of October  
20 07  
 Notary Public: Sandy Javant  
 Date Commission Expires: 7-27-08



**KCC Office Use ONLY**

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

**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
**OCT 18 2007**

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Fremont Exploration, Inc. Lease Name: Slipke Well #: 1  
 Sec. 23 Twp. 6 S. R. 26  East  West County: Sheridan

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken  Yes  No  
 (Attach Additional Sheets)  
 Samples Sent to Geological Survey  Yes  No  
 Cores Taken  Yes  No  
 Electric Log Run  Yes  No  
 (Submit Copy)

List All E. Logs Run:

Dual Induction Log  
 Micro Log  
 Neutron-Density Log

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Anhydrite	2188	+425
Topeka	3448	-835
Heebner	3653	-1040
Toronto	3675	-1062
Lansing	3688	-1075
BKC	3888	-1275

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#	348'	Common	225	3 % CaCl 2% Gel
Production	7 7/8"	4 1/2"	10.5#	3920'	Common	150	10 % Salt
PC				2204		175	

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	Acid, Fracture, Shot, Cement Squeeze Record	Depth
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used)	
4	3857' - 3860'	500 Gal 15% MCA	3857' - 60'
4	3842' - 3844'	500 Gal 15% MCA	3842' - 44'
	3842' - 3860'	7500 Gal retarded 15% HCL	3842' - 60'

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 3/8"	3860'	NA	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
9-16-07 10-7-07		<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
	22	0	0		38

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

RECEIVED  
 KANSAS CORPORATION COMMISSION

OCT 18 2007

CONSERVATION DIVISION  
 WICHITA, KS

# ALLIED CEMENTING CO., INC.

28896

Federal Tax I.D.#

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

SERVICE POINT:  
OAKLEY

DATE <u>7-17-07</u>	SEC. <u>23</u>	TWP. <u>6S</u>	RANGE <u>26W</u>	CALLED OUT	ON LOCATION <u>7:00 AM</u>	JOB START <u>11:15 AM</u>	JOB FINISH <u>12:15 PM</u>
LEASE <u>SLIPKE</u>	WELL # <u>1</u>	LOCATION <u>studley 3/4W-11N-1E-1/2N-BU #2</u>			COUNTY <u>SHERIDAN</u>	STATE <u>KS</u>	
OLD OR <u>(NEW)</u> (Circle one)							

CONTRACTOR W+W # 4

TYPE OF JOB Production string

HOLE SIZE 7 7/8" T.D. 3922'

CASING SIZE 4 1/2" DEPTH

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL PORT COLLAR DEPTH 2204'

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT 18.22'

CEMENT LEFT IN CSG. 18.22'

PERFS.

DISPLACEMENT 62 BBLs

OWNER SAME

CEMENT

AMOUNT ORDERED 175 SKS ASC 10% SALT

5# GELSONETE 2% GEL

500 GAL WFR-2

COMMON	@		
POZMIX	@		
GEL <u>3 SKS</u>	@	<u>16.50</u>	<u>49.50</u>
CHLORIDE	@		
ASC <u>175 SKS</u>	@	<u>14.90</u>	<u>2607.50</u>
	@		
<u>SALT 9 SKS CWT</u>	@	<u>19.20</u>	<u>172.80</u>
	@		
<u>GELSONETE 875#</u>	@	<u>3.70</u>	<u>612.50</u>
	@		
<u>WFR-2 500 GAL</u>	@	<u>1.00</u>	<u>500.00</u>
	@		
	@		
HANDLING <u>214 SKS</u>	@	<u>1.90</u>	<u>406.60</u>
MILEAGE <u>94 PER SK/MILE</u>			<u>963.00</u>
			TOTAL <u>5312.35</u>

EQUIPMENT

PUMP TRUCK CEMENTER TERRY

# 422 HELPER WAYNE

BULK TRUCK

# 377 DRIVER REX

BULK TRUCK

# DRIVER

REMARKS:

MIX 500 GAL WFR-2. MIX 15 SKS CEMENT RHT Hole. MIX 160 SKS ASC 10% SALT 5# GELSONETE 2% GEL WASH TRUCK & LINE DISPLACE 62 BBLs WATER. Plug Landed AT 1200 PSI. Float Held

THANK YOU

CHARGE TO: FREMONT EXPLORATION, INC

STREET \_\_\_\_\_

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

SERVICE

DEPTH OF JOB 3921'

PUMP TRUCK CHARGE 1610.00

EXTRA FOOTAGE @ \_\_\_\_\_

MILEAGE 50 mi @ 6.00 300.00

MANIFOLD @ \_\_\_\_\_

HEAD RENTAL @ \_\_\_\_\_ 100.00

ROTATING HEAD @ \_\_\_\_\_ 100.00

RECEIVED  
KANSAS CORPORATION COMMISSION

TOTAL 2110.00

OCT 18 2007

CONSERVATION DIVISION  
WICHITA, KS

WELL # 1 & FLOAT EQUIPMENT

<u>1- Guide shoe</u>		<u>150.00</u>
<u>1- AFU INSERT</u>	@	<u>225.00</u>
<u>9 - CENTRALIZER</u>	@	<u>45.00</u>
<u>2 - BASKET</u>	@	<u>150.00</u>
<u>1 - PORT COLLAR</u>	@	<u>1600.00</u>
<u>1 - RUBBER PLUG</u>	@	<u>55.00</u>
		TOTAL <u>2735.00</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.

SIGNATURE Hally Bellair

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

PRINTED NAME \_\_\_\_\_

# ALLIED CEMENTING CO., INC.

25629

Federal Tax I.D.:

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

SERVICE POINT:

Russell

DATE <u>8-21-07</u>	SEC. <u>23</u>	TWP. <u>6</u>	RANGE <u>26</u>	CALLED OUT	ON LOCATION	JOB START <u>5:30pm</u>	JOB FINISH <u>10:00pm</u>
LEASE <u>SLIPKE</u>	WELL # <u>1</u>	LOCATION <u>Studley 12 1/2 IE 1/2 W</u>			COUNTY <u>Sheridan</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)				<u>Winto</u>			

CONTRACTOR Fritzler

TYPE OF JOB Port collar

HOLE SIZE \_\_\_\_\_ T.D. \_\_\_\_\_

CASING SIZE 4 1/2 DEPTH \_\_\_\_\_

TUBING SIZE 2" DEPTH \_\_\_\_\_

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

TOOL Expert DEPTH 2202

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

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

DISPLACEMENT \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK CEMENTER Craig

# 409 HELPER Adrian

BULK TRUCK \_\_\_\_\_

# 396 DRIVER Chuck

BULK TRUCK \_\_\_\_\_

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

**REMARKS:**

Bridge Plug set @ 3200. Spot sand 3170  
Circulate oil out of hole from 3170'  
Spot 9 1/2 Bl mud + open tool. Pump 160 bbl  
to get circulation. Mix 4506 cement. Cement  
circulated. Close tool + pressure up to  
1000. Hold. Run 3 joints wash clean. Run  
down to 3170 wash sand at plug.  
Thanks!

CHARGE TO: Freemont

STREET \_\_\_\_\_

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

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.

SIGNATURE [Signature]

**OWNER**

CEMENT

AMOUNT ORDERED 450 6 1/4 6 1/2 Gel

1/4 # Flo

2 Sand

COMMON	<u>270</u>	@ <u>11<sup>10</sup></u>	<u>2997<sup>00</sup></u>
POZMIX	<u>180</u>	@ <u>6<sup>20</sup></u>	<u>1116<sup>00</sup></u>
GEL	<u>27</u>	@ <u>16<sup>65</sup></u>	<u>449<sup>55</sup></u>
CHLORIDE		@	
ASC		@	
<u>FLO-SEAL</u>	<u>113</u>	@ <u>2<sup>00</sup></u>	<u>226<sup>00</sup></u>
<u>SAND</u>	<u>2</u>	@ <u>10<sup>50</sup></u>	<u>21<sup>00</sup></u>
HANDLING	<u>477</u>	@ <u>1<sup>90</sup></u>	<u>906<sup>30</sup></u>
MILEAGE	<u>99 1/4 MILE</u>		<u>3134<sup>40</sup></u>
TOTAL			<u>9150<sup>25</sup></u>

**SERVICE**

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>955<sup>00</sup></u>
EXTRA FOOTAGE		@	
MILEAGE	<u>80</u>	@ <u>6<sup>00</sup></u>	<u>480<sup>00</sup></u>
MANIFOLD		@	
TOTAL			<u>1435<sup>00</sup></u>

**PLUG & FLOAT EQUIPMENT**

	@		
	@		
	@		
	@		
	@		
TOTAL			_____

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

RECEIVED  
 DISCOUNT KANSAS CORPORATION COMMISSION IF PAID IN 30 DAYS

OCT 18 2007

CONSERVATION DIVISION PRINTED NAME  
 WICHITA, KS

# ALLIED CEMENTING CO., INC.

33234

Federal Tax I.D.

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

SERVICE POINT:

Russell

DATE <u>7.11.07</u>	SEC. <u>23</u>	TWP. <u>6</u>	RANGE <u>26</u>	CALLED OUT	ON LOCATION	JOB START <u>1:30pm.</u>	JOB FINISH <u>2:00pm.</u>
LEASE <u>SLIPKE</u>	WELL # <u>1</u>	LOCATION <u>Study of 12N 110.R</u>			COUNTY <u>Sheridan</u>	STATE <u>K-5</u>	
OLD OR NEW (Circle one) <u>NEW</u>		<u>1 E 140 1/2 N Was into</u>					

CONTRACTOR W W # 4

TYPE OF JOB Surface Job

HOLE SIZE \_\_\_\_\_ T.D. 349

CASING SIZE 8 5/8 20# DEPTH 345

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

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

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

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 15'

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

DISPLACEMENT 21 1/2 BCL

EQUIPMENT \_\_\_\_\_

OWNER \_\_\_\_\_

CEMENT AMOUNT ORDERED 225 10m 3% GEL

2% GEL

PUMP TRUCK # 409 CEMENTER Craig

HELPER Adrian

BULK TRUCK # 345 DRIVER John

DRIVER \_\_\_\_\_

COMMON	<u>225</u>	@	<u>12.60</u>	<u>2835.00</u>
POZMIX		@		
GEL	<u>4</u>	@	<u>16.65</u>	<u>66.60</u>
CHLORIDE	<u>8</u>	@	<u>46.60</u>	<u>372.80</u>
ASC		@		
HANDLING	<u>237</u>	@	<u>1.90</u>	<u>450.30</u>
MILEAGE	<u>SK/mi/09</u>			<u>1066.50</u>
TOTAL				<u>4791.20</u>

REMARKS:

Cement Circulated!

Thanks

CHARGE TO: FREEMONT

STREET \_\_\_\_\_

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

SERVICE

DEPTH OF JOB				
PUMP TRUCK CHARGE				<u>815.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>50</u>	@	<u>6.00</u>	<u>300.00</u>
MANIFOLD		@		
		@		
TOTAL				<u>1115.00</u>

PLUG & FLOAT EQUIPMENT

RECEIVED

KANSAS CORPORATION COMMISSION

OCT 18 2007

CONSERVATION DIVISION  
WICHITA, KS

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.

SIGNATURE Ruby Strutt

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 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.