

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

10/24/09

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 9449
Name: Great Eastern Energy & Development Corp.
Address: P.O. Drawer 2436
City/State/Zip: Midland, TX. 79702
Purchaser: STG
Operator Contact Person: Bill Robinson
Phone: (214) 220-1080
Contractor: Name: Warren Drilling, LLC
License: 33724
Wellsite Geologist: Bill Robinson

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. _____

9-27-07	10-1-07	10-17-07
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23354-00-00
County: Graham
ne ne ne Sec. 9 Twp. 7s S. R. 21 East West
175 feet from S / (circle one) Line of Section
500 feet from (circle one) W Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Ken Unit Well #: 1.
Field Name: WC
Producing Formation: Lansing/Kansas City
Elevation: Ground: 2165 Kelly Bushing: 2173
Total Depth: 3798 Plug Back Total Depth: 3797
Amount of Surface Pipe Set and Cemented at 208 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 1764 Feet
If Alternate II completion, cement circulated from 1764
feet depth to surface w/ 240 sx cmt.

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: _____
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.

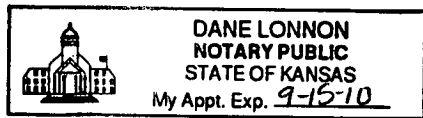
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Bill Robinson
Title: Agent Date: 10-23-07
Subscribed and sworn to before me this 23rd day of October,
20 07.
Notary Public: Dane Lonnon
Date Commission Expires: 9-15-2010

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 24 2007
CONSERVATION DIVISION
WICHITA, KS

Operator Name: Great Eastern Energy & Development Corp. Lease Name: Ken Unit Well #: 1.
 Sec. 9 Twp. 7s S. R. 21 East West County: Graham

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: DIL, Rag, CNL/CDL, MEL	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Anhydrite 1803 370 B/KC 3605 -1432
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
surface	12 1/4	8 5/8	24	212	common	160	3% CC + 2% gel
production	7 7/8	5 1/2	14	3797	common	165	10% salt + 500 gals. WFR

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 <i>(Amount and Kind of Material Used)</i>	Depth
4	3600-02	250 gals 15%	3575
4	3590-92	250 gals 15%	3565

TUBING RECORD		Size <u>2 7/8</u>	Set At <u>3575</u>	Packer At <u>na</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. 10-23-07		Producing Method <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. <u>25</u>	Gas Mcf <u>0</u>	Water Bbls. <u>50</u>	Gas-Oil Ratio	Gravity <u>36</u>

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 24 2007
 REGISTRATION DIVISION
 HUTCHINSON, KANSAS

ALLIED CEMENTING CO., INC.

24761

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

CONT. -
OCT 24 2007
KCC

SERVICE POINT: Russell

DATE <u>10-17-07</u>	SEC <u>9</u>	TWP <u>7S</u>	RANGE <u>21 W</u>	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
LEASE <u>Gen Unit</u>	WELL # <u>1</u>	LOCATION <u>Logan 60 3/4 E</u>			COUNTY <u>Osage</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)				<u>Sub.</u>			

CONTRACTOR Alliance Well Service
 TYPE OF JOB Circulate Cement
 HOLE SIZE _____ T.D. _____
 CASING SIZE 5 1/2 DEPTH _____
 TUBING SIZE 2 3/8 DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL JOINT _____ DEPTH 1764
 PRES. MAX 1000 psi MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT 5.8 1/1

EQUIPMENT

PUMP TRUCK CEMENTER Shane
 # 366 HELPER John Roberts
 BULK TRUCK
 # 396 DRIVER Chris Beck
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

Tested hole @ 1000 psi. Closed Port Collar
 Port Collar on Circulation + mixed
 brack. in Circulate Cement +
 displaced 5.8 1/1. Closed Port Collar
 tested to 1000 psi. Released Ann
 5 ft. washed clean. Circulated
 Hole with KCL water. Came out
 of Hole.

CHARGE TO: Clippier Energy
 STREET _____
 CITY _____ STATE _____ ZIP _____

OWNER _____

CEMENT
 AMOUNT ORDERED 320 60 62 60 1
1/4 # Flo Seal
5 - 601 KCL

COMMON <u>144</u>	@ <u>11.1</u>	<u>1598.40</u>
POZMIX <u>96</u>	@ <u>6.40</u>	<u>614.40</u>
GEL <u>12</u>	@ <u>16.6</u>	<u>199.20</u>
CHLORIDE _____	@ _____	_____
ASC _____	@ _____	_____
<u>Flo Seal 60</u>	@ <u>2</u>	<u>120.00</u>
<u>KCL 046.1</u>	@ <u>2.20</u>	<u>101.42</u>
HANDLING <u>324</u>	@ <u>1.90</u>	<u>615.60</u>
MILEAGE <u>197 1/2</u>	@ <u>11.00</u>	<u>2172.50</u>
TOTAL		<u>5392.20</u>

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____ 995.00
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 70 @ 6.00 420.00
 MANIFOLD _____ @ _____

\$6768.20
- 11.00
6757.20

TOTAL 11399.00

9671.30 PLUG & FLOAT EQUIPMENT

@ _____
 @ _____
 @ _____
 @ _____
 @ _____

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]

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Joe Lawhorn
 PRINTED NAME

RECEIVED
 KANSAS CORPORATION COMMISSION

OCT 24 2007

CONSERVATION DIVISION
 WICHITA, KS

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

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.

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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.

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(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.

25751

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

SERVICE POINT:

Russell

CONFIDENTIAL
OCT 24 2007
KCC

DATE <u>10-1-07</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
LEASE <u>Ken</u>	WELL # <u>UNIT 1</u>	LOCATION <u>Bayne 7N 3/4 E S 1W0</u>			COUNTY	STATE	
OLD OR <u>NEW</u> (Circle one)						<u>Graham</u>	<u>Kansas</u>

CONTRACTOR WARREN Dalg, Rig # 14
 TYPE OF JOB PRODUCTION STRING
 HOLE SIZE 7 7/8 T.D. 3798
 CASING SIZE 5 1/2 New DEPTH 3797
 TUBING SIZE 14 #22g DEPTH
 DRILL PIPE DEPTH
 TOOL LATCH Down Plug DEPTH @ 3783
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT 13.93
 CEMENT LEFT IN CSG. 13.93
 PERFS.
 DISPLACEMENT 92 1/8 BL

OWNER
 CEMENT
 AMOUNT ORDERED 165 com. 10% Sett
500 GAL WFR-2 MUD FRESH
10 GAL KCL.

COMMON	<u>165 SK</u>	@ <u>11.00</u>	<u>1831.50</u>
POZMIX		@	
GEL		@	
CHLORIDE		@	
ASC		@	
SALT	<u>17 SK PER LB</u>	@ <u>19.20</u>	<u>326.40</u>
	<u>500 GAL WFR-2</u>	@ <u>1.00</u>	<u>500.00</u>
	<u>10 GAL KCL</u>	@ <u>25.00</u>	<u>250.00</u>
		@	
		@	
		@	
		@	
HANDLING	<u>182 Tom SK</u>	@ <u>1.90</u>	<u>345.80</u>
MILEAGE	<u>77 Ton Mile</u>	@ <u>.074</u>	<u>5.698</u>
TOTAL			

EQUIPMENT

PUMP TRUCK CEMENTER Glenn
 # 398 HELPER John
 BULK TRUCK
 # 345 DRIVER Rocky
 BULK TRUCK
 # DRIVER

REMARKS:

Port Collar on # 48 JT.
LAND LATCH Down Plug @ 1400#
15 SK @ Rathole THANKS

SERVICE

DEPTH OF JOB		
PUMP TRUCK CHARGE		<u>1610.00</u>
EXTRA FOOTAGE	@	
MILEAGE <u>77</u>	@ <u>6.00</u>	<u>462.00</u>
MANIFOLD	@	
	@	
	@	

CHARGE TO: Chippor Energy Inc.
 STREET
 CITY STATE ZIP

9280.55 AFTER DISCOUNT
 TOTAL
 BEFORE TAX

PLUG & FLOAT EQUIPMENT

* Blue Port Collar @	<u>1750.00</u>
Float - Shoe @	<u>263.00</u>
LATCH - Down Plug Assy @	<u>410.00</u>
12 Centralizers @	<u>600.00</u>
2 BASKETS @	<u>330.00</u>
	@

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RECEIVED
 KANSAS CORPORATION COMMISSION

TAX
 TOTAL CHARGE OCT 24 2007
 DISCOUNT
 CONSERVATION DIVISION
 IF PAID IN 30 DAYS

SIGNATURE

[Signature]

PRINTED NAME

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—**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.