

ORIGINAL

STATE CORPORATION COMMISSION OF KANSAS
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
ACO-1 WELL HISTORY
DESCRIPTION OF WELL AND LEASE

Operator: License # 4776

Name: Don Erbert Oil Co.

Address 2904 N. State St.

City/State/Zip Iola, Ks. 66749

Purchaser: Kelly MacClaskey

Operator Contact Person: Don Erbert

Phone (316) 365-5150

Contractor: Name: Western Ks. Drilling

License: 4083

Wellsite Geologist: Kenneth Johnson

Designate Type of Completion

New Well Re-Entry Workover
 Oil SWD Temp. Abd.
 Gas Inj Delayed Comp.
 Dry Other (Core, Water Supply, etc.)

If OAWO: old well info as follows:

Operator: _____

Well Name: _____

Comp. Date _____ Old Total Depth _____

Drilling Method:

Mud Rotary Air Rotary Cable

Spud Date 11-21-89 Date Reached TD 11-30-89 Completion Date 12-20-89

API NO. 15- 051-24,621-00-00

County Ellis

SE SE SW Sec. 17 Twp. 12 Rge. 20 East West

3135 Ft. North from Southeast Corner of Section

495 Ft. West from Southeast Corner of Section
(NOTE: Locate well in section plat below.)

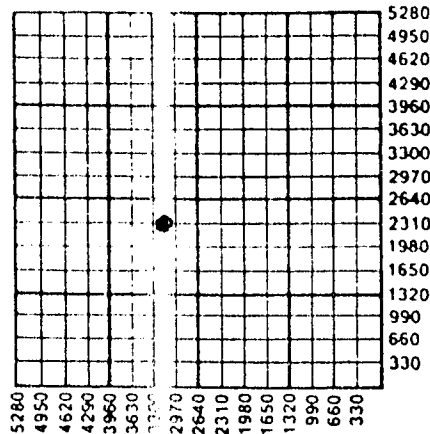
Lease Name Urie Well # 1

Field Name Erbert

Producing Formation Kansas City

Elevation: Ground 2287 KB 2289

Total Depth 3960 PBD _____



1-2-92

Amount of Surface Pipe Set and Cemented at 212 Feet

Multiple Stage Cementing Collar Used? _____ Yes No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from 1665

feet depth to surface w/ 140 cc. cement.

INSTRUCTIONS: This form shall be completed in triplicate and filed with the Kansas Corporation Commission, 200 Colorado Derby Building, Wichita, Kansas 67202, within 120 days of the spud date of any well. Rule 82-3-130, 82-3-107 and 82-3-106 apply. Information on 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 drillers time log 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. Any recompletion, workover or conversion of a well requires filing of ACO-2 within 120 days from commencement date of such work.

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 Don Erbert

Title Operator Date 12-30-91

Subscribed and sworn to before me this 30 day of December, 1991.

Notary Public Tracy L Mann



K.C.C. OFFICE USE ONLY

F Letter of Confidentiality Attached

C Wireline Log Received

C Drillers Timelog Received

Distribution

KCS SWD/Rep NGPA

KGS Plug Other (Specify)

ASIDE TWO

Operator Name Don Erbert Oil Co. Lease Name Urie Well # 1
 East County Ellis
 Twp. 17 Rge. 20 West

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cones. Report all drill stem test flowing 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

Drill Stem Tests Taken (Attach Additional Sheets.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Formation Description <input checked="" type="checkbox"/> Log <input type="checkbox"/> Sample Name Top Bottom Heebner 3557 Toronto 3577 Lansing 3594
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Cones Taken	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Electric Log Run (Submit Copy)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

CASING RECORD

New 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 1/2	8 5/8 8 rnd	23#	212	84 comm	56pos	3-gel
Production	7 7/8	4 1/2	10 1/2#	3959	75comm	50pos	12 salt Gols 540#

PERFORATION RECORD

Acid, Fracture, Shot, Cement Squeeze Record
(Amount and Kind of Material Used) Depth

Shots Per Foot	Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
27	3832-3840	Acid-15% 1500 gal.	
10	3627-3629 1/2	Acid 15% 1750 gal.	
2	1665	Squeeze circulate to surface (Copy attached)	

LINING RECORD	Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input type="checkbox"/> No
3852	2 3/8				

Date of First Production 1-18-90 Producing Method Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours
 Oil 32 Bbls. Gas 2% Mcf Water 2% Bbls. Gas-Oil Ratio 35

Disposition of Gas: _____ METHOD OF COMPLETION _____ Production _____

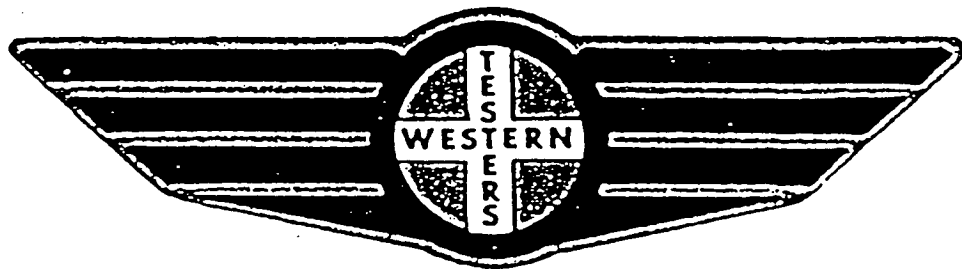
Vented Sold Used on Lease (if vented, submit ACO-18.)
 Open Hole Perforation Dually Completed Commingled
 Other (Specify) _____

12-31-1991
 DEC 31 1991

ORIGINAL

15-051-24621-00-00

FORMATION TEST REPORT



Home Office:

Wichita, Kansas 67201

P.O. Box 1599

Phone (316) 262-5861

COMPANY HERBERT OIL COMPANY

LEASE & WELL NO. URIE #1

SEC 17 TWP 12S RGE 20W TEST # 1 DATE 11/26/89

WESTERN TESTING CO. INC.
SUBSURFACE PRESSURE SURVEY

DATE : 11/26/89 TICKET : 15063
CUSTOMER : ERBERT OIL COMPANY LEASE : URIE
WELL : 1 TEST: 1 GEOLOGIST : ERBERT
ELEVATION : 2290 KB FORMATION : LANSING A
SECTION : 17 TOWNSHIP : 12S
RANGE : 20W COUNTY : ELLIS STATE : KANSAS
GAUGE SN# : 13629 RANGE : 4425 CLOCK : 12

INTERVAL FROM : 3583 TO : 3605 TOTAL DEPTH : 3605
DEPTH OF SELECTIVE ZONE :
PACKER DEPTH : 3578 SIZE : 6.75
PACKER DEPTH : 3583 SIZE : 6.75
PACKER DEPTH : SIZE :
PACKER DEPTH : SIZE :

DRILLING CON. : W.K.D. RIG 1
MUD TYPE : STARCH VISCOSITY : 39
WEIGHT : 9.5 WATER LOSS (CC) : 6.0
CHLORIDES (PPM) : 47000
JARS-MAKE : SERIAL NUMBER :
DID WELL FLOW ? : NO REVERSED OUT ? : NO

DRILL COLLAR LENGTH : 0 FT I.D. inch : 0.00
WEIGHT PIPE LENGTH : 0 FT I.D. inch : 0.00
DRILL PIPE LENGTH : 3563 FT I.D. inch : 3.80
TEST TOOL LENGTH : 20 FT TOOL SIZE : 5.50
ANCHOR LENGTH : 22 FT ANCHOR SIZE : 5.50
SURFACE CHOKE SIZE : .75 IN BOTTOM CHOKE SIZE : .75
MAIN HOLE SIZE : 7.875 IN TOOL JOINT SIZE : 4.5XH

BLOW COMMENT #1 : INITIAL FLOW PERIOD WEAK BLOW-DEAD IN
BLOW COMMENT #2 : 10 MINUTES-FLUSHED TOOL.
BLOW COMMENT #3 :
BLOW COMMENT #4 :

ORIGINAL

RECOVERED : 10 FT OF: DRILLING MUD
RECOVERED : 0 FT OF: W/SPOTS OF OIL IN TOOL

Total Barrels Fluid = 0.14
Total Fluid Prod Rate = 8.08 BFPD
Indicated Wtr Rate = 0.08 BWPD

REMARK 1 :
REMARK 2 :
REMARK 3 :
REMARK 4 :

SET PACKER(S) : 7:50 PM

TIME STARTED OFF BOTTOM : 8:45 PM

WELL TEMPERATURE : 112

INITIAL HYDROSTATIC PRESSURE

(A) 1825

INITIAL FLOW PERIOD MIN: 25

(B) 40 PSI TO (C) : 77

INITIAL CLOSED IN PERIOD MIN: 39

(D) 379

FINAL FLOW PERIOD MIN: 0

(E) 0 PSI TO (F) : 0

FINAL CLOSED IN PERIOD MIN: 0

(G) 0

FINAL HYDROSTATIC PRESSURE

(H) 1814

WESTERN TESTING CO. INC.
WICHITA-KANSAS

Pressure Transient Report

COMPANY : ERBERT OIL COMPANY
RIG : ELLIS-KANSAS
FIELD : URIE
WELL : 1
DATE : 11/26/89
GAUGE NO : 13629

OPERATIONAL COMMENTS

ORIGINAL

COMPANY : ERBERT OIL COMPANY
 WELL : 1
 GAUGE # : 13629
 DATE : 26/11/89

FIELD : URIE
 JOB # : 15063
 DEPTH : 3605
 TEST :

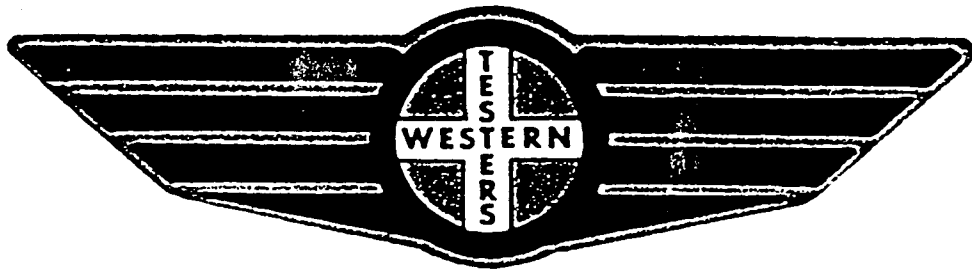
DATA No.	REAL TIME HR:MN:SS	ELAPSE TIME DELTA HOURS	PRESSURE PSIG	TEMP DEG F	DELTA P Pi-P(i-1)
INITIAL FLOW PERIOD					
2	7:50:0	0.000	40.000	112.00	0.000
3	7:54:59	0.083	40.000	112.00	0.000
4	8:0:0	0.167	40.000	112.00	0.000
5	8:5:0	0.250	40.000	112.00	0.000
6	8:9:59	0.333	40.000	112.00	0.000
7	8:15:0	0.417	77.000	112.00	37.000
INITIAL SHUT-IN PERIOD					
8	8:18:0	0.467	51.000	112.00	-26.000
9	8:21:0	0.517	47.000	112.00	-4.000
10	8:24:0	0.567	47.000	112.00	0.000
11	8:27:0	0.617	47.000	112.00	0.000
12	8:30:0	0.667	47.000	112.00	0.000
13	8:33:0	0.717	54.000	112.00	7.000
14	8:36:0	0.767	65.000	112.00	11.000
15	8:39:0	0.817	79.000	112.00	14.000
16	8:42:0	0.867	103.000	112.00	24.000
17	8:45:0	0.917	141.000	112.00	38.000
18	8:48:0	0.967	208.000	112.00	67.000
19	8:51:0	1.017	315.000	112.00	107.000
20	8:54:0	1.067	379.000	112.00	64.000

WESTERN TESTING CO. INC.

ORIGINAL

15-051-24621-00-00

FORMATION TEST REPORT



Home Office:

Wichita, Kansas 67201

P.O. Box 1599

Phone (316) 262-5861

WESTERN TESTING CO. INC.
SUBSURFACE PRESSURE SURVEY

DATE : 11/29/89 TICKET : 15064
CUSTOMER : ERBERT OIL COMPANY LEASE : URIE
WELL : #1 TEST: 2 GEOLOGIST : JOHNSON
ELEVATION : 2290 KB FORMATION : LANSING L
SECTION : 17 TOWNSHIP : 12S
RANGE : 20W COUNTY : ELLIS STATE : KANSAS
GAUGE SN# : 1566 RANGE : 4300 CLOCK : 12

INTERVAL FROM : 3821 TO : 3873 TOTAL DEPTH : 3960
DEPTH OF SELECTIVE ZONE :
PACKER DEPTH : 3816 SIZE : 6.75
PACKER DEPTH : 3821 SIZE : 6.75
PACKER DEPTH : 3873 SIZE : 6.75
PACKER DEPTH : SIZE :

DRILLING CON. : W. K. DRILLING RIG #1
MUD TYPE : STARCH VISCOSITY : 40
WEIGHT : 9.6 WATER LOSS (CC) : 15.2
CHLORIDES (PPM) : 53000
JARS-MAKE : SERIAL NUMBER :
DID WELL FLOW ? : NO REVERSED OUT ? : NO

DRILL COLLAR LENGTH : 0 FT I.D. inch : 0.00
WEIGHT PIPE LENGTH : 0 FT I.D. inch : 0.00
DRILL PIPE LENGTH : 3801 FT I.D. inch : 3.80
TEST TOOL LENGTH : 20 FT TOOL SIZE : 5.50
ANCHOR LENGTH : 52 FT ANCHOR SIZE : 5.50
SURFACE CHOKE SIZE : .75 IN BOTTOM CHOKE SIZE : .75
MAIN HOLE SIZE : 7.875 IN TOOL JOINT SIZE : 4.5 XH

BLOW COMMENT #1 : INITIAL FLOW PERIOD-DEAD 20 MINUTES
BLOW COMMENT #2 : FINAL FLOW PERIOD-NONE
BLOW COMMENT #3 :
BLOW COMMENT #4 :

ORIGINAL

RECOVERED : 5 FT OF: DRILLING MUD

Total Barrels Fluid = 0.07
 Total Fluid Prod Rate = 2.52 BFPD
 Indicated Wtr Rate = 0.03 BWPD

REMARK 1 :
 REMARK 2 : READ BOTTOM CHART
 REMARK 3 :
 REMARK 4 :

SET PACKER(S) :	9:45 PM	TIME STARTED OFF BOTTOM :	11:00 PM
WELL TEMPERATURE :	116		
INITIAL HYDROSTATIC PRESSURE		(A)	2099
INITIAL FLOW PERIOD MIN:	30	(B)	38 PSI TO (C) : 38
INITIAL CLOSED IN PERIOD MIN:	30	(D)	44
FINAL FLOW PERIOD MIN:	10	(E)	38 PSI TO (F) : 38
FINAL CLOSED IN PERIOD MIN:	0	(G)	0
FINAL HYDROSTATIC PRESSURE		(H)	2076

WESTERN TESTING CO. INC.
WICHITA-KANSAS

Pressure Transient Report

COMPANY : ERBERT OIL COMPANY
RIG : ELLIS-KANSAS
FIELD : URIE
WELL : #1
DATE : 11/29/89
GAUGE NO : 1566

OPERATIONAL COMMENTS

READ BOTTOM CHART

ORIGINAL

COMPANY : ERBERT OIL COMPANY
 WELL : #1
 GAUGE # : 1566
 DATE : 29/11/89

FIELD : URIE
 JOB # : 15064
 DEPTH : 3960
 TEST :

DATA No.	REAL TIME HR:MN:SS	ELAPSE TIME DELTA HOURS	PRESSURE PSIG	TEMP DEG F	DELTA P Pi-P(i-1)
INITIAL FLOW PERIOD					
2	9:45: 0	0.000	38.000	116.00	0.000
3	9:49:59	0.083	38.000	116.00	0.000
4	9:55: 0	0.167	38.000	116.00	0.000
5	10: 0: 0	0.250	38.000	116.00	0.000
6	10: 4:59	0.333	38.000	116.00	0.000
7	10:10: 0	0.417	38.000	116.00	0.000
3	10:15: 0	0.500	38.000	116.00	0.000
INITIAL SHUT-IN PERIOD					
9	10:18: 0	0.550	38.000	116.00	0.000
10	10:21: 0	0.600	38.000	116.00	0.000
11	10:24: 0	0.650	38.000	116.00	0.000
12	10:27: 0	0.700	38.000	116.00	0.000
13	10:30: 0	0.750	38.000	116.00	0.000
14	10:33: 0	0.800	38.000	116.00	0.000
15	10:36: 0	0.850	40.000	116.00	2.000
16	10:39: 0	0.900	42.000	116.00	2.000
17	10:42: 0	0.950	43.000	116.00	1.000
18	10:45: 0	1.000	44.000	116.00	1.000
FINAL FLOW PERIOD					
19	10:46: 0	1.017	38.000	116.00	-6.000
20	10:49:59	1.083	38.000	116.00	0.000
21	10:55: 0	1.167	38.000	116.00	0.000

WESTERN TESTING CO. INC.

ALLIED CEMENTING COMPANY, INC.

P. O. BOX 31

RUSSELL, KANSAS 67665

ORIGINAL

15-051-24621-00-00

AREA CODE 913 483-2627

TO: Don Erbert
2904 N. State
Iola, Kansas 66749

INVOICE NO. 55297

PURCHASE ORDER NO. _____

LEASE NAME Urie #1

DATE Nov. 21, 1989

SERVICE AND MATERIALS AS FOLLOWS:

Common 84 sks. @\$5.00	\$ 420.00
Pozmix 56 sks @\$2.25	126.00
Gel 3 sks @\$6.75	20.25
Chloride 4 sks. @\$20.00	<u>80.00</u>

\$ 646.25

Handling 140 sks @\$0.90	126.00
Mileage (22) @\$0.03c per sk per mi	92.40
Surface	360.00
Mi @\$1.00 pmp. trk.	22.00
1 plug	<u>40.00</u>

640.40

Total

\$ 1,286.65

Cement circ.

RECEIVED
 STATE CORPORATION COMMISSION

DEC 31 1991

RESERVATION DIVISION
 WICHITA, KANSAS

THANK YOU

ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. 1 1/2 PERCENT CHARGED THEREAFTER

12-29-89

ONE:
AREA CODE 913- 489-2827

ALLIED CEMENTING COMPANY, INC.

P. O. BOX 31

RUSSELL, KANSAS 67865

ORIGINAL

15-051-24621-08-08

TO: Erbert Oil Company
2904 N. State
Iola, Kansas 66749

INVOICE NO. 55351

PURCHASE ORDER NO. _____

LEASE NAME Urie #1

DATE Nov. 29, 1989

SERVICE AND MATERIALS AS FOLLOWS:

Common 75 sks @\$5.00	\$ 375.00	
Pozmix 50 sks @\$2.25	112.50	
Salt 12 sks @\$4.75	57.00	
Golsonite 540#@\$.29	<u>156.60</u>	\$ 701.10
Handling 125 sks @\$0.90	112.50	
Mileage (21) @\$0.03¢ per sk per mi	78.75	
Production string	838.00	
M1 @\$1.00 pmp. trk.	21.00	
1 plug	<u>31.00</u>	1,081.25
1 cementing basket		<u>108.00</u>
		Total \$ 1,890.35

THANK YOU

not held

ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. 1% PERCENT CHARGED THEREAFTER

12-29-89

Phone 913-483-2627, Russell, Kansas
 Phone 316-793-5861, Great Bend, Kansas

Phone Plainville 913-434-2812
 Phone Ness City 913-798-3843

2 mid-

15-051-24621-00-00

ORIGINAL

ALLIED CEMENTING CO., INC. No. 7492

Home Office P. O. Box 31

Russell, Kansas 67665

New

Date	12-9-89	Sec.	17	Twp.	12S	Range	20W	Called Out	6:45AM	On Location	8:45AM	Job Start	8:00AM	Finish	3:15PM
Lease	URIE	Well No.	#1	Location				ELLIS 3N 1W 1/4 N 1/2 E	County	ELLIS	State		Kansas		

Contractor	Express well Service
Type Job	Circulate Cement (squeeze)
Hole Size	T.D.
Csg.	4 1/2"
Tbg. Size	2"
Drill Pipe	Depth
Tool	EXPRESS (GO. TOOLS)
Cement Left in Csg.	Shoe Joint
Press Max.	1500#
Meas Line	Minimum 500#
Perf.	Electra boy shot 2 Hds @ 1665'

Owner	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 listed.
Charge To	ERBERT OIL Company
Street	
City	State
The above was done to satisfaction and supervision of owner agent or contractor	

Purchase Order No.	X <i>L. A. Sahlman</i>
Amount Ordered	75 SK COM. 3% CC 1/2" #710 Seal PER SK 225 SK 60% 40 10% gel 1/4" Seal PER SK

EQUIPMENT

Pumptrk	No. #177	Cementor	<i>Shawn</i>
		Helper	<i>Will</i>
Pumptrk	No.	Cementor	
		Helper	
Bulktrk	#22	Driver	<i>Joel</i>
Bulktrk	#146	Driver	<i>Ed</i>

Consisting of	
Common	
Poz. Mix	
Gel.	
Chloride	
Quickset	
	SAND 1 SK @
Sales Tax	
Handling	.90 PER SK.
Mileage	.03 PER Ton

DEPTH of Job

Reference:	PUMP TRUCK CHRG.
	Sub Total
	Tax
	Total

Sub Total	
DEC 31 1989	
Total	
Flooring Equipment	AVATI

Remarks: BRIDGE Plug @ 3550' RAN Packer DOWN TO 1760' & Set TESTED TOOLS TO 1500# & HELD. Released Packer & CIRC. hole. SPOTTED 1 SK SAND. CAME UP TO 1610' SET Packer & PRESSURED BACK SIDE TO 500# & SHOT IN. HONED UP TO Tubing & TOOK Rate of 4" PER MIN @ 1,000# MID STARTED circulating, MIXED Cement. (Cement circulated while mixing) MIXED 75 SK COM. STAYED & SQUEEZED @ 1,000# Released & HELD. WASHED AROUND TOOL & RECOVERED SPECK @ 1,000# & HELD. (WASHED out of CSD # plug)

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.