

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-1  
October 2008  
Form Must Be Typed

**WELL COMPLETION FORM**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # 31160

Name: Phillips Exploration Company LC

Address 1: 1601 N. Sagebrush

Address 2: \_\_\_\_\_

City: Wichita State: KS Zip: 67230 + \_\_\_\_\_

Contact Person: James B. Phillips

Phone: ( 316 ) 636-2256

CONTRACTOR: License # 30606

Name: Murfin Drilling Co., Inc

Wellsite Geologist: Pat Deenihan

Purchaser: NA

Designate Type of Completion:

- New Well     Re-Entry     Workover
- Oil     SWD     SIOW
- Gas     ENHR     SIGW
- CM (Coal Bed Methane)     Temp. Abd.
- 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.     Conv. to SWD

Plug Back: \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_

Commingled    Docket No.: \_\_\_\_\_

Dual Completion    Docket No.: \_\_\_\_\_

Other (SWD or Enhr.?)    Docket No.: \_\_\_\_\_

9-6-09    9-14-09  
Spud Date or    Date Reached TD    Completion Date or  
Recompletion Date    per geo report    Recompletion Date

API No. 15 - 051-25899-00-00

Spot Description: NW-NE-SW-NE/4

\_\_\_\_\_ Sec. 20 Twp. 11 S. R. 17  East  West

1630 Feet from  North /  South Line of Section

1940 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE  NW  SE  SW

County: Ellis

Lease Name: The Hadley Foundation A Well #: 1-20

Field Name: Bemis

Producing Formation: Arbuckle/Kansas City

Elevation: Ground: 1845 Kelly Bushing: 1850

Total Depth: 3469 Plug Back Total Depth: 3444

Amount of Surface Pipe Set and Cemented at: 1088 Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set: \_\_\_\_\_ Feet

If Alternate II completion, cement circulated from: 1080

feet depth to: surface w/ 460 sx cmt.

**Drilling Fluid Management Plan** AH I NR 4-16-10  
(Data must be collected from the Reserve Pit)

Chloride content: 2900 ppm Fluid volume: 400 bbls

Dewatering method used: Hauled/jetted to other pit

Location of fluid disposal if hauled offsite:

Operator Name: Phillips

Lease Name: Hadley License No.: 1-20

Quarter NE Sec. 20 Twp. 11 S. R. 17  East  West

County: Ellis Docket No.: NA

**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 for non with all temporarily abandoned wells.

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

Signature: [Signature]

Title: Agent Date: April 14, 2010

Subscribed and sworn to before me this 14<sup>th</sup> day of April, 2010.

Notary Public: [Signature]

Date Commission Expires: 9/18/2011



**KCC Office Use ONLY**

Letter of Confidentiality Received

If Denied, Yes  Date: \_\_\_\_\_

Wireline Log Received

Geologist Report Received

UIC Distribution

**RECEIVED**

**APR 14 2010**

**KCC WICHITA**

Operator Name: Phillips Exploration Company LC Lease Name: The Hadley Foundation A Well #: 1-20  
 Sec. 20 Twp. 11 S. R. 17  East  West County: Ellis

**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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run: <b>Dual Induction , Micro, Sonic</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Heebner</td> <td>3044</td> <td>-1194</td> </tr> <tr> <td>Lansing</td> <td>3096</td> <td>-1246</td> </tr> <tr> <td>B/KC</td> <td>3327</td> <td>-1477</td> </tr> <tr> <td>Arbuckle/</td> <td>3407</td> <td>-1557</td> </tr> <tr> <td>Log Total Depth</td> <td>3469</td> <td>-1619</td> </tr> </table>	Name	Top	Datum	Heebner	3044	-1194	Lansing	3096	-1246	B/KC	3327	-1477	Arbuckle/	3407	-1557	Log Total Depth	3469	-1619
Name	Top	Datum																	
Heebner	3044	-1194																	
Lansing	3096	-1246																	
B/KC	3327	-1477																	
Arbuckle/	3407	-1557																	
Log Total Depth	3469	-1619																	

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
production	7 7/8	5 1/2	14#	3460	common	165 sx	3% gel 4%cc
surface	12 1/4	8 5/8	23#	1088	common	460sx	3% gel 4%cc

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
4 spf	3404-3408	250 gal 15% MCA	3408
4 spf	3171-3175	500 gal 15% HC	3175
		<b>RECEIVED</b>	
		<b>APR 14 2010</b>	
		<b>KCC WICHITA</b>	

TUBING RECORD:	Size: <u>2 3/8</u>	Set At: <u>3400</u>	Packer At: <u>n/a</u>	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. will be plugged		Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)		
Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>3175-3408</u>
---	---	--

Schippers Oilfield Services LLC  
 RR 1 Box 90D  
 Hoxie, KS 67740



# Invoice

Date 9/16/2009  
 Invoice # 387

**Bill To**  
 Phillips Exploration CO, LC  
 1601 Sagebrush  
 Wichita, KS 67226

**Lease/Service**  
 Hadley Foundation A 1-20  
 Long String

The Hadley Fou...

Service Date 9/14/2009  
 Due Date 10/16/2009  
 Terms Net 30

Item	Description	Qty	Price	Amount
cement	common	165	14.50	2,392.50T
Gel	Bentonite	3	26.00	78.00T
Mud-sweep		500	1.00	500.00T
Kal-seal		300	0.80	240.00T
pump truck charge	pumping job	1	1,800.00	1,800.00
pumptruck mileage	one way to location	85	6.50	552.50
head rental	cementing head	1	250.00	250.00
Basket 5.5		1	289.00	289.00T
Latch down 5.5 plug & baffle		1	499.00	499.00T
Guide shoe 5.5		1	179.00	179.00T
Centralizers 5.5		7	69.00	483.00T
AFU insert 5.5		1	315.00	315.00T

**RECEIVED**

APR 14 2010

KCC WICHITA

TAKE 10% DISCOUNT IF PAID WITHIN 20 DAYS. DEDUCT FROM TOTAL.

Subtotal \$7,578.00  
 Sales Tax (5.3%) \$263.70  
 Total \$7,841.70  
 Payments/Credits \$0.00  
 Balance Due \$7,841.70

**Schippers Oilfield Services LLC**  
 sosllc@ruraltel.net  
 FAX: 785.675.9938

Cell: 785.675.8974  
 Office: 785.675.9991

*pk* 7,051.53

REMIT TO  
 RR 1 BOX 90 D  
 HOXIE KS 67740

SCHIPPERS OIL FIELD SERVICE L.L.C.

387

DATE	SEC.	RANGE/TWP.	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
					COUNTY	STATE
LEASE			WELL #			

CONTRACTOR		OWNER			
TYPE OF JOB					
HOLE SIZE	T.D.	CEMENT			
CASING SIZE	DEPTH	AMOUNT ORDERED			
TUBING SIZE	DEPTH				
DRILL PIPE	DEPTH				
TOOL	DEPTH				
PRES. MAX	MINIMUM	COMMON		@	
DISPLACEMENT	SHOE JOINT	POZMIX		@	
CEMENT LEFT IN CSG.		GEL		@	
PERFS		CHLORIDE		@	
		ASC		@	
EQUIPMENT				@	
				@	
PUMP TRUCK				@	
#				@	
BULK TRUCK				@	
#				@	
BULK TRUCK				@	
#				@	
				@	
		HANDLNG		@	
		MILEAGE		@	
					TOTAL

REMARKS	SERVICE		
	DEPT OF JOB	@	
	PUMP TRUCK CHARGE	@	1
	EXTRA FOOTAGE	@	
	MILEAGE	@	
	MANIFOLD	@	
		@	
			TOTAL

CHARGE TO:	
STREET	STATE
CITY	ZIP

To: Schippers Oil Field Service LLC  
 You are hereby requested to rent cementing equipment and furnish staff 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.

PLUG & FLOAT EQUIPMENT	
	@
	@
	@
	@
	@
	TOTAL
TAX	
TOTAL CHARGE	
DISCOUNT (IF PAID IN 20 DAYS)	

SIGNATURE

PRINTED NAME

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "SOS" shall mean Schippers Oil Field Services, 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 SOS 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 SOS, refunded directly to CUSTOMER. For purposes of this paragraph, SOS and CUSTOMER agrees 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 SOS's current price schedule are F.O.B. SOS'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 SOS shall be added to the quoted prices charged to CUSTOMER.

**--TOWING CHARGES:** SOS will make a reasonable attempt to get to and from each job site using its own equipment. Should SOS 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 SOS, 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 SOS for the expenses incurred by SOS as a result of the cancellation.

**--DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set for in SOS'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. SOS carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond SOS'S control, SOS 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 SOS, 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 spill, 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 SOS'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 SOS or its employees.

2. With respect to any of SOS'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 SOS at the landing. CUSTOMER shall either recover the lost item without cost to SOS or reimburse SOS the current replacement cost of the item unless the loss or damage results from the sole negligence of SOS or its employees.

3. SOS 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. SOS warrants all merchandise manufacture 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. SOS'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, as its option, for any merchandise which is determined by SOS to be defective. **THIS IS THE SOLE WARRANTY OF SOS 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 SOS shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.**

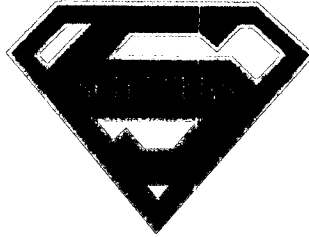
2. More specifically:

A. Nothing in this contract shall be construed as a warranty by SOS 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 SOS or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by SOS, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of SOS or its employees in the preparation or furnishing of such facts, information or data.

C. Work done by SOS shall be under the direct supervision and control of the CUSTOMER or his agent and SOS will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

Schippers Oilfield Services LLC  
 RR 1 Box 90D  
 Hoxie, KS 67740



*Invoice*

Date 9/11/2009  
 Invoice # 385

Bill To  
 Phillips Exploration CO, LC  
 1601 Sagebrush  
 Wichita, KS 67226

Lease/Service  
 The Hadley Foundation A 1-20  
 Surface

The Hadley Fou...

Service Date 9/9/2009  
 Due Date 10/11/2009  
 Terms Net 30

Item	Description	Qty	Price	Amount
cement	common	460	14.50	6,670.00T
Gel	Bentonite	13	26.00	338.00T
chloride	calcium	8	52.00	416.00T
handling of materials	per sack	481	1.95	937.95
mileage and labor		85	43.29	3,679.65
pump truck charge	pumping job	1	950.00	950.00
pumptruck mileage	one way to location	85	6.50	552.50
head rental	cementing head	1	100.00	100.00
Baffle plate 8 5/8		1	95.00	95.00T
solid rubber 8 5/8		1	110.00	110.00T

*10,000  
 + Tax*

RECEIVED  
 APR 14 2010

KCC WICHITA

~~TAKE 10% DISCOUNT IF PAID WITHIN 20 DAYS. DEDUCT FROM TOTAL.~~

Subtotal	\$13,849.10
Sales Tax (5.3%)	\$404.34
Total	\$14,253.44
Payments/Credits	\$0.00
Balance Due	\$14,253.44

Schippers Oilfield Services LLC  
 sosllc@ruraltel.net  
 FAX: 785.675.9938

*Thank  
 Scott*

Cell: 785.675.8974  
 Office: 785.675.9991

*total 10,404.34*

REMIT TO  
RR 1 BOX 90 D  
HOXIE KS 67740

SCHIPPERS OIL FIELD SERVICE L.L.C.

335

DATE <i>7/17</i>	SEC. <i>7</i>	RANGE/TWP. <i>16</i>	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
					COUNTY	STATE
LEASE <i>10-10-10-10-10-10</i>			WELL # <i>10-10-10-10</i>			

CONTRACTOR <i>10-10-10-10</i>	OWNER <i>10-10-10-10</i>			
TYPE OF JOB				
HOLE SIZE <i>1</i>	T.D. <i>1253</i>	CEMENT		
CASING SIZE	DEPTH	AMOUNT ORDERED		
TUBING SIZE	DEPTH			
DRILL PIPE	DEPTH			
TOOL	DEPTH			
PRES. MAX	MINIMUM	COMMON	<i>400'</i>	@ <i>10-10-10-10</i>
DISPLACEMENT	SHOE JOINT	POZMIX		@ <i>10-10-10-10</i>
CEMENT LEFT IN CSG.		GEL	<i>1</i>	@ <i>10-10-10-10</i>
PERFS		CHLORIDE	<i>2</i>	@ <i>10-10-10-10</i>
		ASC		@ <i>10-10-10-10</i>
EQUIPMENT				@ <i>10-10-10-10</i>
				@ <i>10-10-10-10</i>
PUMP TRUCK				@ <i>10-10-10-10</i>
#				@ <i>10-10-10-10</i>
BULK TRUCK				@ <i>10-10-10-10</i>
# <i>20</i>				@ <i>10-10-10-10</i>
BULK TRUCK				@ <i>10-10-10-10</i>
#				@ <i>10-10-10-10</i>
				@ <i>10-10-10-10</i>
		HANDLING	<i>10-10-10-10</i>	@ <i>10-10-10-10</i>
		MILEAGE	<i>10</i>	@ <i>10-10-10-10</i>
				TOTAL

REMARKS <i>Pl. down 7:20 AM</i>	SERVICE		
	DEPT OF JOB	@	
	PUMP TRUCK CHARGE	@	<i>200'</i>
	EXTRA FOOTAGE	@	
	MILEAGE	@ <i>10</i>	<i>55'</i>
	MANIFOLD	@ <i>10</i>	<i>10'</i>
		@	
		TOTAL	

CHARGE TO: <i>10-10-10-10</i>	
STREET	STATE
CITY	ZIP

To: Schippers Oil Field Service LLC  
You are hereby requested to rent cementing equipment and furnish staff 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.

PLUG & FLOAT EQUIPMENT	
<i>10-10-10-10</i>	@ <i>10-10-10-10</i>
<i>10-10-10-10</i>	@ <i>10-10-10-10</i>
	@
	@
	@
	TOTAL
TAX	
TOTAL CHARGE	
DISCOUNT (IF PAID IN 20 DAYS)	

SIGNATURE *Agg [Signature]* PRINTED NAME

## GENERAL TERMS AND CONDITIONS

**DEFINITIONS:** In these terms and conditions, "SOS" shall mean Schippers Oil Field Services, 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 SOS 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 SOS, refunded directly to CUSTOMER. For purposes of this paragraph, SOS and CUSTOMER agrees 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 SOS's current price schedule are F.O.B. SOS'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 SOS shall be added to the quoted prices charged to CUSTOMER.

**--TOWING CHARGES:** SOS will make a reasonable attempt to get to and from each job site using its own equipment. Should SOS 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 SOS, 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 SOS for the expenses incurred by SOS as a result of the cancellation.

**--DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set for in SOS'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. SOS carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond SOS'S control, SOS 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 SOS, 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 spill, 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 SOS'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 SOS or its employees.

2. With respect to any of SOS'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 SOS at the landing. CUSTOMER shall either recover the lost item without cost to SOS or reimburse SOS the current replacement cost of the item unless the loss or damage results from the sole negligence of SOS or its employees.

3. SOS 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. SOS warrants all merchandise manufacture 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. SOS'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, as its option, for any merchandise which is determined by SOS to be defective. **THIS IS THE SOLE WARRANTY OF SOS 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 SOS 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 SOS 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 SOS or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by SOS, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of SOS or its employees in the preparation or furnishing of such facts, information or data.

C. Work done by SOS shall be under the direct supervision and control of the CUSTOMER or his agent and SOS will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.