

KANSAS CORPORATION COMMISSION **ORIGINAL**
OIL & GAS CONSERVATION DIVISION

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 6037
Name: Staab Oil Company
Address 1: 1607 Hopewell Road
Address 2: _____
City: Hays State: KS Zip: 67601
Contact Person: Francis C. Staab
Phone: (785) 625-5013
CONTRACTOR: License # 5184 **RECEIVED**
Name: Shields Drilling **KANSAS CORPORATION COMMISSION**
Wellsite Geologist: Randy Killian **JUN 09 2010**
Purchaser: NCRA **CONSERVATION DIVISION**
WICHITA, KS

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., 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
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

<u>4-21-10</u>	<u>4-26-10</u>	<u>5-6-10</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25974 -0000
Spot Description: _____
SE SE NE Sec. 31 Twp. 12 S. R. 17 East West
2,970 Feet from North / South Line of Section
330 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Ellis
Lease Name: Wilfric Well #: 1
Field Name: Reed NW
Producing Formation: Arbuckle
Elevation: Ground: 2054 Kelly Bushing: 2059
Total Depth: 3658 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 215 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1250 (DV Tool) Feet
If Alternate II completion, cement circulated from: 1330
feet depth to: Surface w/ 350 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: CLA-Mar Oil
Lease Name: Dechant SWD License #: 6509
Quarter _____ Sec. 17 Twp. 14 S. R. 18 East West
County: Ellis Permit #: D24904

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.

AFFIDAVIT
I am the affiant and I hereby certify that 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: Francis C. Staab
Title: Partner Date: 6-7-10

KCC Office Use ONLY
 Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Dlg Date: 6/15/10

Operator Name: Staab Oil Company Lease Name: Wilfric Well #: 1

Sec. 31 Twp. 12 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 complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: DST 1 Arb 3557-3602 IFP91-179; 5min ISIP1090-60 FFP215-396-30; FSIP989-60; IHP/FHP1755-1729 100 ft of gas and 1,075 ft of oil	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anh</td> <td>1279</td> <td>+780</td> </tr> <tr> <td>Base</td> <td>1317</td> <td>+742</td> </tr> <tr> <td>Topeka</td> <td>3040</td> <td>-981</td> </tr> <tr> <td>Heebner</td> <td>3278</td> <td>-1219</td> </tr> <tr> <td>Toronto</td> <td>3298</td> <td>-1239</td> </tr> <tr> <td>Lansing</td> <td>3324</td> <td>-1265</td> </tr> <tr> <td>Base KC</td> <td>3550</td> <td>-1491</td> </tr> <tr> <td>Arbuckle</td> <td>3585</td> <td>-1526</td> </tr> <tr> <td>TD</td> <td>3659</td> <td>-1600</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Anh	1279	+780	Base	1317	+742	Topeka	3040	-981	Heebner	3278	-1219	Toronto	3298	-1239	Lansing	3324	-1265	Base KC	3550	-1491	Arbuckle	3585	-1526	TD	3659	-1600
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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 Pipe	12 1/2	8 5/8	20	215	60-40	150	POZ
Production Pipe	7 7/8	5 1/2	14	3657	Common	150	10% Gel;2% salt
	<i>DV Tool to surface</i>					350	Lite 1/4 No. 4 Flo

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

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
6	3586 to 3593	300 gallons of Mud Acid treated at 3586 to 3593	
		RECEIVED KANSAS CORPORATION COMMISSION	
		JUN 09 2010	
		CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD: Size: <u>2 7/8</u> Set At: <u>3633</u> Packer At:		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>5-29-10</u>		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>20</u>	Gas Mcf <u>None</u>
	Water Bbls.	Gas-Oil Ratio <u>21</u>

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 <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Heartland Tank Service

Invoice

P.O. Box 506
Hays, KS 67601

Date	Invoice #
4/26/2010	2792

Phone #	785-625-3802
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Bill To
Staab Oil Company 1607 Hopewell Rd Hays, KS 67601

Terms	Project/Lease
Net 15	Wilfred Lease

Serviced	Item	Description	Quantity	Rate	Amount
4/23/2010	Vacuum Truck	Pulled 6 loads drilling mud from reserve pit	10	85.00	850.00
4/23/2010	Vacuum Truck	Pulled load of water from reserve pit & took to disposal	2	85.00	170.00
4/24/2010	Vacuum Truck	Pulled 5 loads drilling mud from reserve pit	9	85.00	765.00
4/24/2010	Vacuum Truck	Pulled 3 loads free water form reserve pit	5.5	85.00	467.50
4/25/2010	Vacuum Truck	Pulled 2 loads free water from serve pit	3	85.00	255.00
	Disposal Fee	Disposal fee (6 loads)	480	0.25	120.00
<p>CLA-MAR Oil Oper #6509 - Dechant SWD D-24904 17-14-18</p> <p><i>PO 7564 4-30-10</i></p> <p>RECEIVED KANSAS CORPORATION COMMISSION JUN 09 2010 CONSERVATION DIVISION WICHITA, KS</p>					

Thank you for your business.	Total	\$2,627.50
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ALLIED CEMENTING CO., LLC. 33864

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

SERVICE POINT: Russell

DATE <u>4-21-10</u>	SEC. <u>31</u>	TWP. <u>12</u>	RANGE <u>17</u>	CALLED OUT	ON LOCATION	JOB START <u>4:30 a.m.</u>	JOB FINISH <u>5:00 a.m.</u>
LEASE <u>Wilbur</u>	WELL # <u>1</u>	LOCATION <u>Toolon v to Curve 2 1/2 v</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)				<u>W INTO</u>			

CONTRACTOR Shields
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 218
 CASING SIZE 8 5/8 DEPTH 215
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. 15'
 PERFS.
 DISPLACEMENT 12 1/2 B.C.

OWNER _____
 CEMENT
 AMOUNT ORDERED 150 60/10 396 CC
296/601

EQUIPMENT
 PUMP TRUCK CEMENTER Craig
 # 398 HELPER Paul
 BULK TRUCK
 # 378 DRIVER Glenn
 BULK TRUCK
 # DRIVER

COMMON	<u>90</u>	@	<u>13.50</u>	<u>1215.00</u>
POZMIX	<u>60</u>	@	<u>7.55</u>	<u>453.00</u>
GEL	<u>3</u>	@	<u>20.25</u>	<u>60.75</u>
CHLORIDE	<u>6</u>	@	<u>51.50</u>	<u>309.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>75</u>	@	<u>2.25</u>	<u>168.75</u>
MILEAGE	<u>.10/sk/mile</u>			<u>375.00</u>
TOTAL				<u>2581.50</u>

REMARKS:

8 5/8 casing on bottom. Est. Circulation
+ mix 150 SK cement. Displace Plug.
Cement Circulation.
Thanks!

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE 990.00
 EXTRA FOOTAGE @ _____
 MILEAGE 50 @ 7.00 350.00
 MANIFOLD @ _____
 @ _____
 @ _____
 TOTAL 1340.00

PLUG & FLOAT EQUIPMENT

8 5/8 wooden plug @ 40.00
 @ _____
 @ _____
 @ _____
 @ _____
 TOTAL N-C

To Allied Cementing Co., LLC.
 You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) _____
 TOTAL CHARGES [scribble]
 DISCOUNT [scribble] IF PAID IN 30 DAYS

PRINTED NAME Thomas J Engel
 SIGNATURE [Signature]

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, and "CUSTOMER" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "Merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, CUSTOMER must tender full cash payment to ALLIED before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, CUSTOMER agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that CUSTOMER may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the CUSTOMER or at the option of ALLIED, refunded directly to CUSTOMER. For purposes of this paragraph, ALLIED and CUSTOMER agree that Kansas law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in ALLIED'S current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—SERVICE CONDITIONS AND LIABILITIES:

1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. CUSTOMER shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES:

1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

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

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

ALLIED CEMENTING CO., LLC. 041577

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

SERVICE POINT:

Russell KS
Bottom 10:45pm 11:15pm

4-26-10/4-27-10 DATE	SEC. 31	TWP. 12	RANGE 17	CALLED OUT	ON LOCATION	JOB START Top 12:00am	JOB FINISH 12:45am
LEASE <u>Wilfric</u>		WELL #1		LOCATION <u>Toulon Ave & I-70 6 1/2 North</u>		COUNTY <u>Ellis</u>	STATE <u>KS</u>
OLD OR <u>NEW</u> (Circle one)				<u>West into.</u>			

CONTRACTOR Shields Drilling Rig #1
 TYPE OF JOB DV Production string
 HOLE SIZE 7 7/8 T.D. 3657
 CASING SIZE 5 1/2 14# DEPTH 3657.87
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
~~TOOL~~ DV Tool DEPTH 1330.28
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 13.92'
 CEMENT LEFT IN CSG. 13.92'
~~PERF.~~ Insert @ 3643.95'
 DISPLACEMENT Bottom = 88.91 Bbl Top = 32.45

OWNER _____
 CEMENT AMOUNT ORDERED 150 com 10% salt 2% Gel
350 Lite 1/4 # Flo
500 gal WFR-2

EQUIPMENT

PUMP TRUCK CEMENTER John Roberts
 # 417 HELPER ~~Allen~~ Glenn, Bill
 BULK TRUCK DRIVER Glenn
 # 378
 BULK TRUCK DRIVER Bob G.B
 # 473

COMMON	<u>150</u>	@	<u>13.50</u>	<u>2025.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>20.25</u>	<u>60.75</u>
CHLORIDE		@		
ASC		@		
<u>Salt</u>	<u>6</u>	@	<u>21.25</u>	<u>127.50</u>
<u>Lite</u>	<u>350</u>	@	<u>11.85</u>	<u>4147.50</u>
<u>Flo Seal</u>	<u>87</u>	@	<u>2.45</u>	<u>213.15</u>
<u>WFR-2</u>	<u>500</u>	@	<u>1.10</u>	<u>550.00</u>
		@		
		@		
		@		
HANDLING	<u>250</u>	@	<u>2.25</u>	<u>562.50</u>
MILEAGE	<u>1250 sk/m/c</u>			<u>300.00</u>
KANSAS CORPORATION COMMISSION				TOTAL <u>7986.40</u>

REMARKS:

Ran 5 1/2 14# Casing Est circulation and circulate 45 min on bottom.
Pump 500 gal WFR-2 Mud Flush. Mix 150 sk cement Displace plug w/ 88.91 Bbl H2O. Land plug @ 1500 psi. Float Did Hold Open DV Tool & Circulate 30 min. Plug Rathole and mouse hole. Mix 305 sk Displace plug w/ 32.45 Bbl H2O. Close DV Tool.
Cement Did Circulate! Thank You!

JUN 09 2010

SERVICE

CONSERVATION DIVISION WICHITA, KS			
DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>1957.00</u>
EXTRA FOOTAGE	@		
MILEAGE	<u>4</u>	@	<u>7.00</u> <u>42.00</u>
MANIFOLD	@		
	@		
	@		
			TOTAL <u>1999.00</u>

CHARGE TO: Staab Oil Company
 STREET _____
 CITY _____ STATE _____ ZIP _____

5 1/2 PLUG & FLOAT EQUIPMENT

<u>1-AFU Float Shoe</u>	@	<u>214.00</u>
<u>7-Centralizers</u>	@	<u>35.00</u> <u>245.00</u>
<u>1-Cement Basket</u>	@	<u>161.00</u> <u>161.00</u>
<u>1-DV Tool</u>	@	<u>2832.00</u>
	@	
TOTAL <u>3452.00</u>		

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SALES TAX (If Any) _____
 TOTAL CHARGES ~~_____~~
 DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME Staab Oil
 SIGNATURE [Signature]

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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.