

RECEIVED
AUG 25 2010

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACC
June 20
Form Must Be Typ
Form must be Sign
All blanks must be Fill

KCC WICHITA

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 31900
Name: Nor-West Kansas Oil, L.L.C.
Address 1: 20014 283 Hwy.
Address 2: _____
City: WaKeeney State: KS. Zip: 67672 + 2722
Contact Person: Patrick G. Wanker, Sec., Treas.,
Phone: (785) 743-2769
CONTRACTOR: License # 33575
Name: WW Drilling L.L.C.
Wellsite Geologist: Herb Deines
Purchaser: None

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 #: _____

08/27/09 09/02/09 09/03/09
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 063-21799-00-00
Spot Description: 80' North; 245' West of
SW SW NE Sec. 21 Twp. 14 S. R. 31 East West
3,050 Feet from North / South Line of Section
2,725 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Gove
Lease Name: Joseph Well #: 1
Field Name: _____
Producing Formation: None
Elevation: Ground: 2,793 Kelly Bushing: 2,798
Total Depth: 4,570 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 219 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: _____
feet depth to: _____ w/ _____ sx on

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: 48,000 ppm Fluid volume: 800 bbl
Dewatering method used: Air Dry--Back Fill

Location of fluid disposal if hauled offsite: _____

Operator Name: _____
Lease Name: _____ License #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

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: [Signature]
Title: Sec.-Treas., Date: 08/24/10

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: P&A Dg Date: 8/30/10

Operator Name: Nor-West Kansas Oil, L.L.C. Lease Name: Joseph Well #: 1

Sec. 21 Twp. 14 S. R. 31 East West County: Gove

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 Yes No
(Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No

Electric Log Submitted Electronically Yes No
(If no, Submit Copy)

List All E. Logs Run:

Dual Induction; Compensated Neutron Density; Sonic; Micro-log.

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Anhydrite Top	2261	+537
Anhydrite Base	2283	+515
Topeka	3584	-786
Heebner Shale	3816	-1018
Toronto	3834	-1036
L.K.C.	3853	-1055
B. K.C.	4168	-1370

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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 1/4"	8 5/8"	20#	219'	Common	165	3%cc - 2% gel

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

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR. _____ Producing Method: Flowing Pumping Gas Lift Other (Explain) _____

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

DISPOSITION OF GAS:	METHOD OF COMPLETION:	PRODUCTION INTERVAL:
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled (Submit ACO-5) <input type="checkbox"/> Other (Specify) _____	_____

NAME	TOP	DATUM
Marmaton	4205	-1407
Pawnee	4275	-1477
Myrick Station	4344	-1546
Fort Scott	4357	-1559
Cherokee Shale	4380	-1582
Johnson Zone	4433	-1635
Mississippian	4494	-1696
R.T.D.	4570	
L.T.D.	4570	-1772

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PAID SEP 15 2009

INVOICE

24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906
 Voice: (785) 483-3887
 Fax: (785) 483-5566

#3119

Invoice Number: 119852
 Invoice Date: Aug 27, 2009
 Page: 1

Bill To:
 Nor-West Kansas Oil, LLC
 20014 283 Hwy
 Wakeeney, KS 67672-2722

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Nor	Joseph #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Oakley	Aug 27, 2009	9/26/09

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Class A Common	15.45	2,549.25
3.00	MAT	Gel	20.80	62.40
6.00	MAT	Chloride	58.20	349.20
174.00	SER	Handling	2.40	417.60
25.00	SER	Mileage 174 sx @.10 per sk per mi	17.40	435.00
1.00	SER	Surface	1,018.00	1,018.00
		Pump Truck Mileage	7.00	175.00

.....-P
+P
 0.*
 5,215.19+
 500.64-
 000
 4,714.55*+

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ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. 1 1/2% CHARGED THEREAFTER. IF ACCOUNT IS CURRENT, TAKE DISCOUNT OF

\$ 500.64

ONLY IF PAID ON OR BEFORE

Sep 26, 2009

Subtotal	5,006.45
Sales Tax	208.74
Total Invoice Amount	5,215.19
Payment/Credit Applied	
TOTAL	5,215.19

ALLIED CEMENTING CO., LLC. 043580

PO BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Oakley

DATE <u>8-27-09</u>	SEC. <u>21</u>	TWP. <u>14^s</u>	RANGE <u>31^w</u>	CALLED OUT	ON LOCATION <u>4:30 PM</u>	JOB START <u>5:30 PM</u>	JOB FINISH <u>6:00 PM</u>
LEASE <u>Joseph</u>	WELL # <u>1</u>	LOCATION <u>Oakley 205-4 1/2 E-1/4 S</u>		COUNTY <u>Bowe</u>	STATE <u>Kan</u>		
OLD OR NEW (Circle one)							

CONTRACTOR W-W #10
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 220'
 CASING SIZE 8 5/8 DEPTH 219'
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. 15'
 PERFS.
 DISPLACEMENT 13 BBC

EQUIPMENT

PUMP TRUCK CEMENTER Walt
 # 422 HELPER Walt
 BULK TRUCK
 # 347 DRIVER Fuzzy
 BULK TRUCK
 # DRIVER

REMARKS:

Cement Did Give

Thank You

CHARGE TO: Northwest Kansas Oil
 STREET
 CITY STATE ZIP

OWNER Same

CEMENT
 AMOUNT ORDERED 165 SKS COM
3% CC - 2% Gel

COMMON	<u>165 SKS</u>	@	<u>15.45</u>	<u>2,549.25</u>
POZMIX		@		
GEL	<u>3 - SKS</u>	@	<u>20.80</u>	<u>62.40</u>
CHLORIDE	<u>6 - SKS</u>	@	<u>58.30</u>	<u>349.80</u>
ASC		@		

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KCC WICHITA

HANDLING	<u>174 SKS</u>	@	<u>2.40</u>	<u>417.60</u>
MILEAGE	<u>104 per SK/mile</u>			<u>435.20</u>
				TOTAL <u>3,813.05</u>

SERVICE

DEPTH OF JOB	<u>220'</u>			
PUMP TRUCK CHARGE				<u>1,018.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>25 miles</u>	@	<u>7.00</u>	<u>175.00</u>
MANIFOLD		@		

TOTAL 4,193.00

PLUG & FLOAT EQUIPMENT

	@		
	@		
	@		
	@		
	@		

TOTAL _____

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

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.

PRINTED NAME Lorrie Lang
 SIGNATURE Lorrie Lang

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 cement 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 recommendation 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.



24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906
 Voice: (785) 483-3887
 Fax: (785) 483-5566

PAID SEP 15 2009
INVOICE

3120

Invoice Number: 119885
 Invoice Date: Sep 3, 2009
 Page: 1

Bill To:
 Nor-West Kansas Oil, LLC
 20014 283 Hwy
 Wakeeney, KS 67672-2722

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Nor	Joseph #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Oakley	Sep 3, 2009	10/3/09

Quantity	Item	Description	Unit Price	Amount
132.00	MAT	Class A Common	15.45	2,039.40
88.00	MAT	Pozmix	8.00	704.00
8.00	MAT	Gel	20.80	166.40
55.00	MAT	Flo Seal	2.50	137.50
230.00	SER	Handing	2.40	552.00
25.00	SER	Mileage 230 sx @ .10 per sk per mi	23.00	575.00
1.00	SER	Plug to Abandon	1,185.00	1,185.00
25.00	SER	Pump truck Mileage	7.00	175.00
1.00	EQP	Dry Hole Plug	40.00	40.00

0.00
 5,967.29+
 557.43-
 5,409.86*+

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Subtotal	5,574.30
Sales Tax	392.99
Total Invoice Amount	5,967.29
Payment/Credit Applied	
TOTAL	5,967.29

ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. 1 1/2% CHARGED THEREAFTER. IF ACCOUNT IS CURRENT, TAKE DISCOUNT OF

\$ 557.43

ONLY IF PAID ON OR BEFORE

Oct 3, 2009

ALLIED CEMENTING CO., LLC. 043674

P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Oakley

DATE <u>9-3-09</u>	SEC. <u>21</u>	TWP. <u>14.5</u>	RANGE <u>31W</u>	CALLED OUT	ON LOCATION <u>8:30 Am</u>	JOB START <u>10:00 Am</u>	JOB FINISH <u>11:30 Am</u>
LEASE <u>Joseph</u>		WELL # <u>1</u>	LOCATION <u>Oakley</u>		<u>20s 4 1/2 E</u>	COUNTY <u>Gove</u>	STATE <u>KS</u>
OLD OR <u>NEW</u> (Circle one)			<u>Sinto</u>				

CONTRACTOR W T W 10

TYPE OF JOB PTA

HOLE SIZE 7 7/8 T.D. 4570

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 2275

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER same

CEMENT

AMOUNT ORDERED 220 SKS 6 9/40 4 9/16

1/4" Flo-seal

COMMON	<u>132 SKS</u>	@	<u>15.45</u>	<u>2039.4</u>
POZMIX	<u>88 SKS</u>	@	<u>8.00</u>	<u>704.00</u>
GEL	<u>8 SKS</u>	@	<u>20.80</u>	<u>166.40</u>
CHLORIDE		@		
ASC		@		
	<u>Flo-seal 55 #</u>	@	<u>2.50</u>	<u>137.50</u>
RECEIVED				
AUG 25 2010				
KCC WICHITA				
HANDLING	<u>230 SKS</u>	@	<u>2.40</u>	<u>552.00</u>
MILEAGE	<u>10th sk/mile</u>			<u>575.00</u>
				TOTAL <u>4174.30</u>

EQUIPMENT

PUMP TRUCK CEMENTER Andrew

423-281 HELPER Lorene

BULK TRUCK

377 DRIVER Darrin

BULK TRUCK

_____ DRIVER _____

REMARKS:

25 SKS @ 2275'

100 SKS @ 1320'

40 SKS @ 270'

10 SKS @ 40'

15 SKS mouse hole

30 SKS Rat hole

Thank you

CHARGE TO: Northwest Kansas oil

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB	<u>2275'</u>		
PUMP TRUCK CHARGE			<u>1185.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>25 miles</u>	@	<u>7.00 175.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>1360.00</u>			

PLUG & FLOAT EQUIPMENT

<u>8 5/8</u>			
<u>1 Dry hole plug</u>	@		<u>40.00</u>
	@		
	@		
	@		
TOTAL <u>40.00</u>			

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.

PRINTED NAME Lannie Lang

SIGNATURE Lannie Lang

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

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 cement 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 recommendation 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.