

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

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 # 33554
Name: K. & B. Norton Oil & Investments, L.L.C.
Address 1: 1209 W. Park Grove Drive
Address 2: _____
City: Manhattan State: KS Zip: 66503 + 2469
Contact Person: Ken Norton
Phone: (785) 320-2545
CONTRACTOR: License # 6039
Name: L.D. Drilling, Inc.
Wellsite Geologist: Steve Murphy
Purchaser: None--Dry

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
 Plug Back: _____ Plug Back Total Depth: _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

08/06/2010 08/13/10
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 051-26018-0000

Spot Description: _____
SE NE SE SW Sec. 28 Twp. 11 S. R. 18 East West
780 Feet from North / South Line of Section
2720 2740 Feet from East / West Line of Section
per CP-4

Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW

County: Ellis
Lease Name: Fisher Well #: 7
Field Name: Riverview East

Producing Formation: None
Elevation: Ground: 2094' Kelly Bushing: 2099'

Total Depth: 3725' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 261' 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 cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)

Chloride content: 20,000 ppm Fluid volume: 500 bbls
Dewatering method used: Air Dry, Backfill

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: Kenneth A. Nates
Title: President Date: November 4, 2010

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: PA Dls Date: 11/10/10

Operator Name: K. & B. Norton Oil & Investments, L.L.C. Lease Name: Fisher Well #: 7
 Sec. 28 Twp. 11 S. R. 18 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 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 Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Compensated Density/Neutron Log & Dual Induction Log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td>Anhydrite</td> <td>1388'</td> <td>+ 711'</td> </tr> <tr> <td>Topeka</td> <td>3079'</td> <td>- 980'</td> </tr> <tr> <td>Heebner</td> <td>3309'</td> <td>-1210'</td> </tr> <tr> <td>Toronto</td> <td>3328'</td> <td>-1229'</td> </tr> <tr> <td>Lansing</td> <td>3350'</td> <td>-1251'</td> </tr> <tr> <td>Base KC</td> <td>3588'</td> <td>-1489'</td> </tr> <tr> <td>Arbuckle</td> <td>3640'</td> <td>-1541'</td> </tr> </tbody> </table>	Name	Top	Datum	Anhydrite	1388'	+ 711'	Topeka	3079'	- 980'	Heebner	3309'	-1210'	Toronto	3328'	-1229'	Lansing	3350'	-1251'	Base KC	3588'	-1489'	Arbuckle	3640'	-1541'
Name	Top	Datum																							
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CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	23#	261'	Class A	165 sks.	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	None			

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
None	None	None	

TUBING RECORD: Size: <u>None</u> Set At: <u>None</u> Packer At: <u>None</u> Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR: <u>None</u>	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 Bbls. <u>None</u> Gas Mcf <u>None</u> Water Bbls. <u>None</u> Gas-Oil Ratio <u>None</u> Gravity <u>None</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 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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PO BOX 31 Russell, KS 67665

INVOICE

Invoice Number: 123930

Invoice Date: Aug 7, 2010

Page: 1

Voice: (785) 483-3887
 Fax: (785) 483-5566

Bill To:
K & B Norton Oil & Inv. LLC P O Box 48477 Wichita, KS 67202-8477

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Norton	Fisher #7-12	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2-01	Great Bend	Aug 7, 2010	9/6/10

Quantity	Item	Description	Unit Price	Amount
165.00	MAT	Class A Common	13.50	2,227.50
3.00	MAT	Gel	20.25	60.75
6.00	MAT	Chloride	51.50	309.00
165.00	SER	Handling	2.25	371.25
1.00	SER	Handling Mileage Charge	300.00	300.00
1.00	SER	Surface	990.00	990.00
11.00	SER	Pump Truck Mileage	7.00	77.00

RECEIVED
 NOV 08 2010
 KCC WICHITA

ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. 1 1/2% CHARGED THEREAFTER. IF ACCOUNT IS CURRENT, TAKE DISCOUNT OF \$ 1083.87	Subtotal	4,335.50
	Sales Tax	163.63
	Total Invoice Amount	4,499.13
	Payment/Credit Applied	
	TOTAL	4,499.13

ONLY IF PAID ON OR BEFORE
Sep 1, 2010

ALLIED CEMENTING CO., LLC. 036796

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

SERVICE POINT: Russell

DATE <u>8-7-10</u>	SEC. <u>28</u>	TWP. <u>11S</u>	RANGE <u>18W</u>	CALLED OUT	ON LOCATION	JOB START <u>12:00 PM</u>	JOB FINISH <u>12:30 PM</u>
LEASE # <u>F. 070</u>	WELL # <u>7-12</u>	LOCATION <u>Hays dis 10 3/4 miles</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)		<u>1/4 west</u>					

CONTRACTOR L-D

TYPE OF JOB _____

HOLE SIZE 12 1/4 T.D. 264

CASING SIZE 2 1/2 DEPTH 264

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT 15 3/4 BBLs

OWNER R-B Noutan

CEMENT

AMOUNT ORDERED 1655X CLASS A
8 1/2" 2 1/2 GEL

EQUIPMENT

PUMP TRUCK CEMENTER wayne

181 HELPER Rodger

BULK TRUCK

344 DRIVER Bob

BULK TRUCK

_____ DRIVER _____

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

REMARKS:

Pipe on Bottom Break
Circulation with Rig mud
Hook up mix 1655X CLASS A
8 1/2" 2 1/2 GEL
Displace 15 3/4 BBLs
Cement did circulate
wash up Rig Down

CHARGE TO: R-B Noutan

STREET _____

CITY _____ STATE _____ ZIP _____

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 _____

SIGNATURE _____

TOTAL _____

SERVICE

DEPTH OF JOB 264

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

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KCC WICHITA

TOTAL _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

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 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 wilful 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.



PO BOX 31 Russell, KS 67665

INVOICE

Invoice Number: 124031

Invoice Date: Aug 13, 2010

Page: 1

Voice: (785) 483-3887

Fax: (785) 483-5566

Bill To:
K & B Norton Oil & Inv. LLC P O Box 48477 Wichita, KS 67202-8477

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Norton	Fisher #7	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS2-03	Russell	Aug 13, 2010	9/12/10

Quantity	Item	Description	Unit Price	Amount
138.00	MAT	Class A Common	13.50	1,863.00
92.00	MAT	Pozmix	7.55	694.60
8.00	MAT	Gel	20.25	162.00
58.00	MAT	Flo Seal	2.45	142.10
230.00	SER	Handling	2.25	517.50
15.00	SER	Mileage 230 sx @.10 per sk per mi	23.00	345.00
1.00	SER	Rotary Plug	991.00	991.00
15.00	SER	Pump Truck Mileage	7.00	105.00
1.00	EQP	Dry Hole Plug	39.00	39.00

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<p>ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. 1 1/2% CHARGED THEREAFTER. IF ACCOUNT IS CURRENT, TAKE DISCOUNT OF</p> <p>\$ 971.84</p> <p>ONLY IF PAID ON OR BEFORE Sep 7, 2010</p>	Subtotal	4,859.20
	Sales Tax	306.13
	Total Invoice Amount	5,165.33
	Payment/Credit Applied	
	TOTAL	5,165.33

ALLIED CEMENTING CO., LLC. 041855

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

SERVICE POINT:
Russell KS

DATE <u>8-13-10</u>	SEC# <u>28</u>	TWP# <u>11</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION	JOB START <u>10:00 pm</u>	JOB FINISH <u>11:00 pm</u>
Fisher LEASE		WELL# <u>7</u>	LOCATION <u>Hays KS 10 3/4 North to Dean Hill</u>		COUNTY <u>Ellis</u>	STATE <u>KS</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			<u>Rd 1/4 West North into</u>				

CONTRACTOR LD Drilling Rig #1
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 T.D. 3725'
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 XH DEPTH 3623'
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

EQUIPMENT

PUMP TRUCK CEMENTER John Roberts
 # 398 HELPER Richard TWS
 BULK TRUCK
 # 410 DRIVER David TWS
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

25 sk @ 3623'
25 sk @ 1413'
100 sk @ 200'
40 sk @ 300'
10 sk @ 40'
30 sk Rot hole

CHARGE TO: K & B Norton Oil & Investments
 STREET _____
 CITY _____ STATE _____ ZIP _____

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 _____
 SIGNATURE _____

OWNER _____
 CEMENT AMOUNT ORDERED 230 60/40 4 1/2 .1 1/4 # Flt.
 COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE _____ @ _____

TOTAL _____

SERVICE

DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____

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 KCC WICHITA
 TOTAL _____

PLUG & FLOAT EQUIPMENT

_____ @ _____
 _____ @ _____
Dry hole Plug @ _____
 _____ @ _____
 _____ @ _____
 TOTAL _____

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

GENERAL TERMS AND CONDITIONS

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

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

—SERVICE CONDITIONS AND LIABILITIES:

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

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

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

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

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

WARRANTIES:

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

2. More specifically:

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

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

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