

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-  
June 200

Form Must Be Type  
Form must be Signe  
All blanks must be Fille

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

OPERATOR: License # 31900

Name: Nor-West Kansas Oil, L.L.C.

Address 1: \_\_\_\_\_

Address 2: 20014 283 Hwy.

City: WaKeeney State: KS. Zip: 67672 + 2722

Contact Person: Patrick G. Wanker, Sec.-Treas.,

Phone: (785) 743-2769

CONTRACTOR: License # 33575

Name: .W.W. Drilling, L.L.C.

Wellsite Geologist: Herb Deines

Purchaser: \_\_\_\_\_

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>08/10/2010</u>	<u>08/18/2010</u>	<u>08/19/2010</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 063-21860-00-00

Spot Description: \_\_\_\_\_

NW NW NE NE Sec. 15 Twp. 14 S. R. 30  East  West

40 Feet from  North /  South Line of Section

1,050 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE       NW       SE       SW

County: Gove

Lease Name: Parsons Well #: 1

Field Name: Unknown

Producing Formation: N/A

Elevation: Ground: 2722 Kelly Bushing: 2727

Total Depth: 4560 Plug Back Total Depth: \_\_\_\_\_

Amount of Surface Pipe Set and Cemented at: 236 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 cm:

**Drilling Fluid Management Plan**

(Data must be collected from the Reserve Pit)

Chloride content: 800 ppm Fluid volume: 150 bbl

Dewatering method used: Evaporated

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. Treasurer Date: 15 Dec 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: [Signature] Date: 12/20/10

Operator Name: Nor-West Kansas Oil L.L.C. Lease Name: Parsons Well #: 1  
 Sec. 15 Twp. 14 S. R. 30  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 <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 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: <b>Dual Compensated Perosity; Dual Induction; Micro Resistivity; Frac Finder; Bore Hole Compensated Sonic</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum See Attached List
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CASING RECORD <input 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"	20#/ft.	236	Common	165	6% cc & 3% 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 <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Date of First, Resumed Production, SWD or ENHR.	Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____				
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

<b>DISPOSITION OF GAS:</b> <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<b>METHOD OF COMPLETION:</b> <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 <i>(Specify)</i> _____	<b>PRODUCTION INTERVAL:</b> _____ _____
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ZONE	TOP	DATUM
Anhydrite	2213	+514
Anhydrite Top	2183	+544
Topeka	3564	-837
Heebner Shale	3791	-1064
Toronto	3811	-1084
Lansing Kansas City	3829	-1102
Muncie Creek	3988	-1261
Stark Shale	4078	-1351
Hushpuckney Shale	4112	-1385
Base Kansas City	4146	-1419
Altamont	4195	-1468
Pawnee	4273	-1546
Myrick Station	4306	-1579
Fort Scott	4336	-1609
Cherokee Shale	4362	-1635
Johnson	4405	-1678
Mississippi Lime	4462	-1735
Mississippi Dolomite	4507	-1780
R.T.D.	4560	
L.T.D.	4559	-1832

RECEIVED  
DEC 16 2010  
KCC WICHITA

# INVOICE

Invoice Number: 124095

Invoice Date: Aug 18, 2010

Page: 1

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5,966.58+

1,104.41-

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4,862.17\*+ [REDACTED]

[REDACTED], LLC

'2-2722

PAID AUG 30 2010

#3326

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Nor	Parsons 15 #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Oakley	Aug 18, 2010	9/17/10

Quantity	Item	Description	Unit Price	Amount
123.00	MAT	Class A Common	15.45	1,900.35
82.00	MAT	Pozmix	8.00	656.00
7.00	MAT	Gel	20.80	145.60
51.00	MAT	Flo Seal	2.50	127.50
214.00	SER	Handling	2.40	513.60
35.00	SER	Mileage 214 sx @ .10 per sk per mi	21.40	749.00
1.00	SER	Plug to Abandon	1,185.00	1,185.00
35.00	SER	Pump Truck Mileage	7.00	245.00

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DEC 16 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

\$ 1104.41

ONLY IF PAID ON OR BEFORE  
Sep 12, 2010

Subtotal	5,522.05
Sales Tax	444.53
Total Invoice Amount	5,966.58
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,966.58</b>



## 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.

# INVOICE

Invoice Number: 123983

Invoice Date: Aug 9, 2010

Page: 1

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5,488.80+

1,050.00-

000

4,438.80\*\*

LLC

2-2722

RECEIVED AUG 19 2010

# 3315

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Nor	Parsons 15 #1	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Oakley	Aug 9, 2010	9/8/10

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
35.00	SER	Mileage 174 sx @.10 per sk per mi	17.40	609.00
1.00	SER	Surface	1,018.00	1,018.00
35.00	SER	Pump Truck Mileage	7.00	245.00

RECEIVED  
DEC 16 2010  
KCC WICHITA  
RECEIVED AUG 19 2010  
# 3315

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

\$ 1050.00

ONLY IF PAID ON OR BEFORE  
Sep 3, 2010

Subtotal	5,250.45
Sales Tax	238.35
Total Invoice Amount	5,488.80
Payment/Credit Applied	
<b>TOTAL</b>	<b>5,488.80</b>

# ALLIED CEMENTING CO., LLC. 039062

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

SERVICE POINT:  
Oakley

DATE <u>8-9-10</u>	SEC. <u>15</u>	TWP. <u>14s</u>	RANGE <u>30W</u>	CALLED OUT	ON LOCATION	JOB START <u>2:00pm</u>	JOB FINISH <u>2:30p</u>
<u>Parsons</u> LEASE <u>15</u>	WELL# <u>1</u>	LOCATION <u>Oakley</u> <u>11.5 10E 6S 1E</u>		COUNTY <u>Gove</u>	STATE <u>KS</u>		
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>2 1/2 3/4 E NE INTO</u>				

CONTRACTOR WFW Drilling Rig #4 OWNER Same  
TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 236'  
CASING SIZE 8 5/8 DEPTH 234.74'  
TUBING SIZE DEPTH  
DRILL PIPE DEPTH  
TOOL DEPTH  
PRES. MAX MINIMUM  
MEAS. LINE SHOE JOINT  
CEMENT LEFT IN CSG. 15'  
PERFS.  
DISPLACEMENT 14.28 BBL

CEMENT  
AMOUNT ORDERED 165 SKS COM  
3900 290 gac

EQUIPMENT  
PUMP TRUCK CEMENTER Andrew  
# 423-281 HELPER Carene  
BULK TRUCK  
# 347 DRIVER Wil  
BULK TRUCK  
# DRIVER

COMMON	<u>165 SKS</u>	@	<u>15.45</u>	<u>2549.25</u>
POZMIX		@		
GEL	<u>3 SKS</u>	@	<u>20.80</u>	<u>62.40</u>
CHLORIDE	<u>6 SKS</u>	@	<u>58.20</u>	<u>349.20</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>174 SKS</u>	@	<u>2.40</u>	<u>417.60</u>
MILEAGE	<u>10 SK/mile</u>			<u>609.00</u>
				TOTAL <u>3987.45</u>

REMARKS:

Cement did circulate  
  
Thank you

CHARGE TO: Nor-west Kansas Oil  
STREET \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SERVICE

DEPTH OF JOB	<u>234.74'</u>		
PUMP TRUCK CHARGE			<u>1018.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>35 miles</u>	@	<u>2.00</u> <u>245.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>1263.00</u>			

PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	
TOTAL _____		

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 \_\_\_\_\_  
DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAY:

PRINTED NAME Rodney Doherty  
SIGNATURE [Signature]



RECEIVED  
DEC 13 2010  
KCC WICHITA

## GENERAL TERMS AND CONDITIONS

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—**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 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.

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—**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 an 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.