

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
September 1999
Form Must Be Typed

Operator: License # 6039
Name: L. D. Drilling, Inc.
Address: R. R. 1, Box 183 B
City/State/Zip: Great Bend, KS 67530
Purchaser: _____
Operator Contact Person: L. D. Davis
Phone: (620) 793-3051
Contractor: Name: L. D. Drilling, Inc.
License: 6039
Wellsite Geologist: Kim B. Shoemaker

Designate Type of Completion:

☒ New Well ☐ Re-Entry ☐ Workover
☐ Oil ☐ SWD ☐ SIOW ☐ Temp. Abd.
☐ Gas ☐ ENHR ☐ SIGW
☒ Dry ☐ Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:

Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
☐ Deepening ☐ Re-perf. ☐ Conv. to Enhr./SWD
☐ Plug Back ☐ Plug Back Total Depth
☐ Commingled ☐ Docket No. _____
☐ Dual Completion ☐ Docket No. _____
☐ Other (SWD or Enhr.?) ☐ Docket No. _____

6/3/02 6/12/02 6.12.02
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 171-20569-0000
County: Scott
C NV SE Sec. 26 Twp. 16 S. R. 32 ☐ East ☒ West
1980 feet from S / N (circle one) Line of Section
1980 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW
Lease Name: Janssen Well #: 1
Field Name: Wildcat

Producing Formation: _____
Elevation: Ground: 2972' Kelly Bushing: 2977'
Total Depth: 4677' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at _____ 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 cnt.

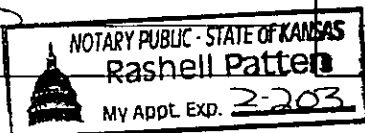
Drilling Fluid Management Plan PA ENB-21-02
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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.

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: Rashell Patten
Title: Sec./Treas. Date: 7-31-02
Subscribed and sworn to before me this 31st day of July

2002
Notary Public: Rashell Patten
Date Commission Expires: 2-2-03



KCC Office Use ONLY

☒ Letter of Confidentiality Attached
If Denied, Yes ☐ Date: _____
☒ Wireline Log Received
☒ Geologist Report Received
☐ UIC Distribution

ORIGINAL

Operator Name: L. D. Drilling, Inc. Lease Name: Janssen Well #: 1
 Sec. 26 Twp. 16 S. R. 32 East ☒ West County: Scott

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken ☒ Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey ☒ Yes No

Cores Taken Yes ☒ No

Electric Log Run ☒ Yes No
 (Submit Copy)

List All E. Logs Run:

Radiation Guard Log

☒ Log Formation (Top), Depth and Datum Sample

Name Top Datum

Radiation Guard Log

(See Attached)

RECEIVED

AUG 01 2002

KCC WICHITA

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"		351"	Common	225	3% CC 2 % Gel

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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

☐ Vented ☐ Sold ☐ Used on Lease
 (If vented, Submit ACO-18.)

☐ Open Hole ☐ Perf. ☐ Dually Comp. ☐ Commingled
☐ Other (Specify) _____

DAILY DRILLING REPORT

ORIGINAL

OPERATOR: L.D. DRILLING, INC.

LEASE: JANSSEN #1

NW SE Sec 26-16S-32W

WELLSITE GEOLOGIST: Kim Shoemaker

Scott County, KS

CONTRACTOR: L.D. DRILLING, INC.

ELEVATION: 2972' Ground 2977' KB

SPUD: 6-3-02 @ 3:30 p.m.

PTD: 4750'

SURFACE: Ran 8 jts. New 24# 8-5/8"

Set @ 347', w/225 sx, Common 3% CC 2% Gel

Did Circ. Allied Plug Down 1:00 a.m.

AUG 01 2002

KCC WICHITA

6-03-02 Move in and Rig Up and Spud

6-04-02 351' WOC Bust Plug @ 9:00

6-05-02 2000' Drilling

6-06-02 3140' Drilling

6-07-02 3765' Drilling

6-08-02 4234' Drilling DST #1

6-09-02 4287' Drilling DST #2 Break Down Tool

6-10-02 4474' Coming out w/DST #3

6-11-02 4630' Drilling

6-12-02 4677' RTD 1st 2345 w/50 sx, 2nd 1420

w/80 sx, 3rd 360 w/40 sx, 4th 40 w/10sx,

RatHole w/15 sx, Total 195 sx 60/40 pozc 6%Gel,

1/4# Flo Seal per sk., Plug Down 5:15 am

SAMPLE TOPS:

Anhy.	2345	+632	+5 to well
Base Anhy.	2365	+612	+11 Beren well
Wabaunsee	3555	-578	
Heebner	3948	-971	
Lansing	3986	-1009	
Munsie Crk	4164	-1187	
Stork	4266	-1289	
Base K/C	4346	-1369	
Marm.	4374	-1397	
Ft. Scott	4523	-1546	
Cherokee	4549	-1572	
Johnson	4586	-1609	
Mississippi	4663	-1686	
RTD	4677	-1700	

DST #1 4202 - 4234 Lansing

TIMES: 30-45-45-60

BLOW: 1st Open: 17 min

2nd Open: 20 min

RECOVERY: 159'MW w/tr. oil (55%w), 434' SW

IFP: 13-111 ISIP: 1128

FFP: 115-249 FSIP: 1126

TEMP: 122 degrees

DST #2 4262 - 4287 K Zone

TIMES: 15-45-15-60

BLOW: 1st Open: 1 min

2nd Open: 1-1/2 min

RECOVERY: 183'WM(30%W), 1612'SW

IFP: 182-53 ISIP: 1138

FFP: 580-817 FSIP: 1144

TEMP: 125 degrees

DST #3 4411 - 4474 Marm water

TIMES: 30-30-30-30

BLOW: 1st Open: 1-1/4 min

2nd Open: 12 min

RECOVERY: 231'M w/oil, 496' sogcwm
 (3%o, 6%g, 6%w) 124' sogcmw(2%g, 4%o, 50%w)
 62' vsocmw (2%o, 81%w)

IFP: 126-329 ISIP: 1697

FFP: 342-463 FSIP: 1437

TEMP: 124 degrees

DAILY DRILLING REPORT

ORIGINAL

OPERATOR: L.D. DRILLING, INC.
WELLSITE GEOLOGIST: Kim Shoemaker

LEASE: JANSSEN #1
NW SE Sec 26-16S-32W
Scott County, KS

CONTRACTOR: L.D. DRILLING, INC.

ELEVATION: 2972' Ground 2977' KB

SPUD: 6-3-02 @ 3:30 p.m.

PTD: 4750'

RECEIVED

SURFACE: Ran 8 jts. New 24# 8-5/8"
Set @ 347', w/225 sx, Common 3% CC 2% Gel
Did Circ. Allied Plug Down 1:00 a.m.

JUN 01 2002

KCC WICHITA

LOG TOPS

Base Anhy.	2365	+612
Wabaunsee	3556	-579
Heebner	3948	-971
Lansing	3988	-1011
Base K/C	4346	-1369
Marm.	4375	-1398
Ft. Scott	4523	-1546
Cherokee	4548	-1571
Mississippi	4665	-1688

DST #4 4518 - 4628 Marm water

TIMES: 30-30-5

BLOW: 1st Open: built to 1/2"

2nd Open: None

RECOVERY: 15'M w/few oil spks in tool

IFP: 11-15 ISIP: 975

FFP: FSIP:

TEMP: 115 degrees

DST #5 4431 - 4458 (Straddle Test)

TIMES: MIS Run

BLOW: 1st Open: (UPPER PACKER FAILED)

2nd Open:

RECOVERY:

IFP: ISIP:

FFP: FSIP:

TEMP:

ORIGINAL

SERVICE POINT!

PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., 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.

ALLIED CEMENTING CO., INC.

ORIGINAL

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

SERVICE POINT:

DATE <u>6-13-02</u>	SEC. <u>26</u>	TWP. <u>13</u>	RANGE <u> </u>	CALLED OUT <u> </u>	ON LOCATION <u> </u>	JOB START <u> </u>	JOB FINISH <u> </u>
LEASE <u> </u>	WELL # <u>1</u>	LOCATION <u> </u>			COUNTY <u> </u>	STATE <u> </u>	
OLD OR NEW (Circle one) <u>NEW</u>			<u> </u>				

CONTRACTOR <u>A. D. Davis</u>	OWNER <u>A. D. Davis</u>
TYPE OF JOB <u> </u>	CEMENT
HOLE SIZE <u>7 1/2" T.D. 4277</u>	AMOUNT ORDERED <u>1500</u>
CASING SIZE <u> </u>	<u> </u>
TUBING SIZE <u> </u>	<u> </u>
DRILL PIPE <u> </u>	<u> </u>
TOOL <u> </u>	<u> </u>
PRES. MAX <u> </u>	<u> </u>
MEAS. LINE <u> </u>	<u> </u>
CEMENT LEFT IN CSG. <u> </u>	<u> </u>
PERFS. <u> </u>	<u> </u>
DISPLACEMENT <u> </u>	<u> </u>

EQUIPMENT

PUMP TRUCK # <u>524</u>	CEMENTER <u>Jack</u>
BULK TRUCK # <u>510</u>	HELPER <u> </u>
BULK TRUCK # <u> </u>	DRIVER <u> </u>
BULK TRUCK # <u> </u>	DRIVER <u> </u>

COMMON	@	<u> </u>
POZMIN	@	<u> </u>
GEL	@	<u> </u>
CHLORIDE	@	<u> </u>
<u> </u>	@	<u> </u>
<u> </u>	@	<u> </u>
<u> </u>	@	<u> </u>
<u> </u>	@	<u> </u>
HANDLING	@	<u> </u>
MILEAGE	<u> </u>	<u> </u>

TOTAL

REMARKS:

1st plug 524 5' with 3000 lb cement
2nd plug 524 1450' with 3000 lb cement
3rd plug 524 260' with 4000 lb cement
4th plug 524 40' with 1000 lb cement
5th plug 524 15' with 1000 lb cement

SERVICE

DEPTH OF JOB <u> </u>
PUMP TRUCK CHARGE <u> </u>
EXTRA FOOTAGE @ <u> </u>
MILEAGE @ <u> </u>
PLUG <u>1-2 1/2" cement</u> @ <u> </u>
<u> </u> @ <u> </u>
<u> </u> @ <u> </u>

TOTAL

CHARGE TO: A. D. Davis

STREET

CITY STATE ZIP

FLOAT EQUIPMENT

<u> </u>	@	<u> </u>
<u> </u>	@	<u> </u>
<u> </u>	@	<u> </u>
<u> </u>	@	<u> </u>
<u> </u>	@	<u> </u>

TOTAL

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

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

SIGNATURE

PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., 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.