

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 # 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: W W Drilling, L.L.C.
Wellsite Geologist: Mark Torr
Purchaser: N.C.R.A.

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 #: _____

7/20/11	8/3/11	9/13/11
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 063-21929-00-00

Spot Description: _____
_____ SW SW NE Sec. 15 Twp. 14 S. R. 30 East West
2,250 Feet from North / South Line of Section
2,330 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

County: Gove

Lease Name: Glennis Well #: 1

Field Name: Rudzik

Producing Formation: Johnson; Myrick Station; Fort Scott

Elevation: Ground: 2713 Kelly Bushing: 2718

Total Depth: 4580 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 211.35 @ 219 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: _____ Feet

If Alternate II completion, cement circulated from: 218

feet depth to: surface w/ 150 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: 2000 ppm Fluid volume: 3000 bbls

Dewatering method used: Air Dried - Backfill

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

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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 type 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: 2/21/2012

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: 2/28/12

Operator Name: Nor-West Kansas Oil, L.L.C. Lease Name: Glennis 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: Dual Porosity Log; Sonic Log; Fracfinder Log; Micro Resistivity 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;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Anhydrite</td> <td>2182</td> <td>+536</td> </tr> <tr> <td>Hebner</td> <td>3787</td> <td>-1069</td> </tr> <tr> <td>Base K.C.</td> <td>4136</td> <td>-1418</td> </tr> <tr> <td>Myrick Station</td> <td>4292</td> <td>-1574</td> </tr> <tr> <td>Fort Scott</td> <td>4320</td> <td>-1602</td> </tr> <tr> <td>Johnson</td> <td>4389</td> <td>-1671</td> </tr> <tr> <td>T.D.</td> <td>4526</td> <td>-1858</td> </tr> </table>	Name	Top	Datum	Anhydrite	2182	+536	Hebner	3787	-1069	Base K.C.	4136	-1418	Myrick Station	4292	-1574	Fort Scott	4320	-1602	Johnson	4389	-1671	T.D.	4526	-1858
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T.D.	4526	-1858																							

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 7/8"s	20#	218'	Common	150	3% CC; 2% Gel
Production	7 7/8"s	5 1/2"	15.5#	4580'	Standard	420	Multi-Density Std.

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
4	4500-4506 Set CIBP	500 gal. MCA; 2500 gal. 15% NE/FE Acid	4460
4	4401-4403	250 gal. 15% MCA; 750 gal. 15% NE Acid	
4	4392- 4395	250 gal. 15% MCA	
4	4322-4326	250 gal. 15% MCA; 1000 gal. 15% NE Acid	
4	4299-4305	250 gal. 15% MSA; Treated Again 750 gal. 15% NE Acid	

TUBING RECORD: Size: <u>2 7/8's</u> Set At: <u>4438</u> Packer At: <u>N/A</u> Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Date of First, Resumed Production, SWD or ENHR.	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____										
Estimated Production Per 24 Hours	<table style="width:100%; border-collapse: collapse;"> <tr> <td>Oil Bbls.</td> <td>Gas Mcf</td> <td>Water Bbls.</td> <td>Gas-Oil Ratio</td> <td>Gravity</td> </tr> <tr> <td>30</td> <td></td> <td>2</td> <td></td> <td>33.4</td> </tr> </table>	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity	30		2		33.4
Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity							
30		2		33.4							

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 checked="" type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>4401-4403; 4392-4395;</u> <u>4322-4326; 4299-4305</u>
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P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300

PAID AUG - 4 2011
#3651

Invoice

DATE	INVOICE #
8/2/2011	20950

BILL TO
Nor-West Kansas Oil, LLC 20014 283 Highway Wakeeney, KS 67672-2722

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Glennis	Gove	WW Drilling Rig #4	Oil	Development	5-1/2" LongString	Jason
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				60	Miles	6.00	360.00
579D	Pump Charge - Two-Stage - 4580 Feet				1	Job	1,850.00	1,850.00
402-5	5 1/2" Centralizer				12	Each	70.00	840.00T
403-5	5 1/2" Cement Basket				3	Each	250.00	750.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	350.00	350.00T
408-5	5 1/2" D.V. Tool & Plug Set				1	Each	3,000.00	3,000.00T
411-5	5 1/2" Recipo Scratcher				40	Each	45.00	1,800.00T
417-5	5 1/2" D.V. Latch Down Plug & Baffle				1	Each	200.00	200.00T
281	Mud Flush				500	Gallon(s)	1.25	625.00T
221	Liquid KCL (Clayfix)				4	Gallon(s)	25.00	100.00T
276	Flocele				108	Lb(s)	2.00	216.00T
283	Salt				900	Lb(s)	0.20	180.00T
284	Calseal				8	Sack(s)	35.00	280.00T
285	CFR-1				100	Lb(s)	4.00	400.00T
290	D-Air				4.5	Gallon(s)	35.00	157.50T
325	Standard Cement				175	Sacks	13.50	2,362.50T
330	Swift Multi-Density Standard (MIDCON II)				245	Sacks	16.50	4,042.50T
581D	Service Charge Cement				420	Sacks	2.00	840.00
583D	Drayage				1,282.08	Ton Miles	1.00	1,282.08
	Subtotal							19,635.58
	Sales Tax Gove County						8.05%	1,231.93

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We Appreciate Your Business!

Total \$20,867.51



CHARGE TO: **NOR-WEST KANSAS OIL**
 ADDRESS:
 CITY, STATE, ZIP CODE:

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TICKET
20950

PAGE 1 OF 2

1. SERVICE LOCATIONS NESS CITY, KS	WELL/PROJECT NO.	LEASE GLENNIS #1	COUNTY/PARISH GOVE	STATE KS.	CITY HEALY, KS.	DATE 2 AUG 11	OWNER
2. TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR WW DRILLING RIG #4	RIG NAME/NO.	SHIPPED VIA	DELIVERED TO LOCATION	ORDER NO.		
3. WELL TYPE OIL	WELL CATEGORY DEVELOPMENT	JOB PURPOSE 5 1/2 LONGSTRING	WELL PERMIT NO.	WELL LOCATION 110N2W, 1N, E1W10			
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF			UM		UM	
575		1			MILEAGE #110	60	MIL	60	00	3600
578		1			Pump CHARGE	1	JOB	4580	00	1850
402		1			CENTRALIZERS	12	EA.	70	00	840
403		1			CEMENT BASKETS	3	EA.	250	00	750
407		1			INSERT FLOAT SHOE W/AUTO FILL	1	EA.	350	00	350
408		1			DV TOOL & PLUG SET	1	EA.	3000	00	3000
411		1			RECIPRO SCRATCHERS	40	EA.	45	00	1800
417		1			DV LATCH DOWN PLUG & BAFFLE	1	EA.	200	00	200
281		1			MUD FLUSH	500	gal	1	25	625
221		1			LIQUID KCL	4	gal	25	00	100

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

SIGNED: *[Signature]* 2 AUG 11
 TIME SIGNED: 2100 A.M. P.M.

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	1 9875	00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				2 9760	58	
WE UNDERSTOOD AND MET YOUR NEEDS?				sub total	19635	58
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				Gov =		
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	1231	93
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES <input type="checkbox"/> NO			TOTAL	20,867	51
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND						



PO Box 466.
Ness City, KS 67560
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 20950

CUSTOMER **NOR-WEST KANSAS OIL** WELL **GLENNIS #1** DATE **2 AUG 11** PAGE **2** OF **2**

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY.		LWM		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF			QTY.	LWM	QTY.	LWM			
276		1				FLOCELE	108	lbs			2 ⁰⁰	216	⁰⁰
283		1				SALT	900	lbs			2 ⁰⁰	180	⁰⁰
284		1				CALSEAL	8	sx			35 ⁰⁰	280	⁰⁰
285		1				CFR-1	100	lbs			4 ⁰⁰	400	⁰⁰
290		1				D-AIR	4 1/2	gal			5 ⁰⁰	157	⁵⁰
325		1				STANDARD CEMENT	175	sx			13 ⁵⁰	2362	⁵⁰
330		1				SWIFT MULTIDENSITY	245	sx			16 ⁵⁰	4042	⁵⁰
581		1				SERVICE CHARGE					2 ⁰⁰	840	⁰⁰
583		1				MILEAGE CHARGE	42	736	LOADED MILES	60	TON MILES	1282.08	⁰⁸

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CONTINUATION TOTAL 9760⁵⁸

JOB LOG

SWIFT Services, Inc.

DATE 2 Aug 11 PAGE NO

CUSTOMER NOR-WEST KANSAS OIL WELL NO. LEASE GLENNIS #1 JOB TYPE 5 1/2 LONGSTRING TICKET NO. 20950

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1210							ON LOCATION
	1320							START PIPE 5 1/2 - 15.5# RTD @ 4580' SHOE JT 42.41' CENTRALIZERS 2,4,5,6,7,10,12,14,17,20,22,5 CEMENT BASKETS 6,23,56 DV TOOL # 56 @ 2181 RECIPRO SCRATCHER 3,4,5,6,7,8,9,10,11,12 (4 PER JT)
	1530							DROP BALL CIRCULATE
	1629	6	12				300	Pump 500 GAL MUD FLUSH
	1631	6	20				300	Pump 20 BBL KCL SPACER
	1641	4	42					MIX 175 SX EA 2
	1659							WASH OUT PUMPING LINES
	1701	6						RELEASE PLUG START DISPLACEMENT
	1720	8	108				1500	PLUG DOWN PRESSURE UP LATCH PLUG IN
	1722							RELEASE PRESSURE - DRY
	1723							WASH TRUCK
	1724						1200	DROP DV OPENING TOOL
	1734							OPEN DV
	1736							CIRCULATE.
	1930	6	20				200	Pump 20 BBL KCL SPACER
	1935		7					PLUG RH (30 SX)
	1937	4	119					MIX 215 SX SMD
	2013							WASH OUT PUMPING LINES.
	2015	6						RELEASE PLUG START DISPLACEMENT
	2025	8	52				1500	PLUG DOWN PRESSURE UP CLOSE DV. CIRCULATED CEMENT TO SURFACE WASH TRUCK
	2100							JOB COMPLETE THANKS #110 JASON JEFF JOE

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QUALITY WELL SERVICE INC

324 SIMPSON
PRATT KS 67124

Invoice

Date	Invoice #
7/21/2011	228

Bill To
Nor-West Kansas Oil LLC 20014 283 Hwy Wakeency Ks. 67672

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3638

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
150	COMMON	12.50	1,875.00
3	GEL	20.00	60.00
5	CALCIUM	45.00	225.00
38	FLO-SEAL	2.00	76.00
158	HANDLING	2.10	331.80
3,750	.08 * SACKS * MILES	0.08	300.00
1	SFC 0-500'	600.00	600.00
40	PUMP TRUCK MILEAGE	8.00	320.00
559	DISCOUNT	-1.00	-559.00
387.95	DISCOUNT	-1.00	-387.95
	DISCOUNT EXPIRES AFTER 30 DAYS FROM THE DATE OF THE INVOICE	0.00	0.00
	GLENNIS # 1		
	Sales Tax GOVE	8.05%	135.00

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Thank you for your business.

Total \$2,975.85

QUALITY WELL SERVICE, INC.

5228

Home Office 190th US 56 HWY, Ellinwood, KS 67526

Todd's Cell 620-388-5422
Darin's Cell 785-445-2686

Rich's Cell 620-727-3409
Brady's Cell 620-727-6964

Date	7-20-11	Sec.	14	Range	30	County	GOVE	State	KS	On Location		Finish	8:30
Lease	GLENNIS		Well No.	1		Location							
Contractor						Owner							
Type Job						To Quality Well Service, Inc.							
Hole Size						You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.							
Csg.						Charge To							
Tbg. Size						Street							
Tool						City							
Cement Left in Csg.						State							
Meas Line						The above was done to satisfaction and supervision of owner agent or contractor							
EQUIPMENT						Cement Amount Ordered							
Pumptrk						26 GEL 3 1/2 CC							
Bulktrk						Common							
Bulktrk						Poz. Mix							
Pickup						Gel.							
JOB SERVICES & REMARKS						Calcium							
Rat Hole						Hulls							
Mouse Hole						Salt							
Centralizers						Flowseal							
Baskets						Kol-Seal							
D/V or Port Collar						Mud CLR 48							
Run 5 ITS 8 1/2 20 #						CFL-117 or CD110 CAF 38							
MTX & Pump 150 x Common						Sand							
26 GEL 3 1/2 CC 1/4" CF						Handling							
15 Gal 1.36 1/3						Mileage							
DIS 12.9 bbl total						GUIDE SHOE							
Plus cement 8.50 2M						Centralizer							
CIRC CEMENT						Baskets							
GOOD CIRC THROUGH						AFU Inserts							
						Float Shoe							
						Latch Down							
						Pumptrk Charge							
						Mileage							
Thank						Tax							
Darin's Cell 785-445-2686						Discount							
Signature						Total Charge							

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GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Well Service, 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 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 "QUALITY" 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 "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY 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 term of this Contract, the prevailing party shall be entitled to recover all expenses, including but not limited to, a reasonable sum as and attorney's fees.

PRICES AND TAXES: All merchandise listed in "QUALITY'S" current price schedule are F.O.B. QUALITY'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 QUALITY shall be added to the quoted prices charged to CUSTOMER.

TOWING CHARGES: QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY 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 QUALITY, 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 QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

DEADHAUL CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in QUALITY'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. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY 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 QUALITY, 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 QUALITY'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 QUALITY or its employees.

2. With respect to any of QUALITY'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 QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY 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. QUALITY 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. QUALITY'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 QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY 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 QUALITY 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 QUALITY 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 QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.