

15-135-24192-0000

Side Two

ORIGINAL

Operator Name: L.D. Drilling, Inc. Lease Name: Doebbeling Well #: 1-32
 Sec. 32 Twp. 18 S. R. 24 East West County: Ness 260' East

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 <input checked="" type="checkbox"/> Yes No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes No <i>(Submit Copy)</i> List All E. Logs Run:	Log Formation (Top), Depth and Datum Sample Name Top Datum See Attached <div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;"> <p>RECEIVED</p> <p>NOV 13 2002</p> <p>KCC WICHITA</p> </div>
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CASING RECORD <input checked="" type="checkbox"/> 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"	24#	445'	60/40Pozmix	235	2%gel,3%CC

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 <i>(Amount and Kind of Material Used)</i>		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 Open Hole Perf. Dually Comp. Commingled
(If vented, Sumit ACO-18.)

Other (Specify) _____

15-135-24192-0000
 Attached to & made a part of AC01 Doebbeling #1-32
DAILY DRILLING REPORT

ORIGINAL

OPERATOR: L. D. DRILLING, INC.

LEASE: DOEBBELING #1-32
 260'E E/2 NE/4
 Sec. 32-18-24 Ness Co.

WELLSITE GEOLOGIST: Kim Shoemaker

ELEVATION:
 2331' GR 2336' KB

CONTRACTOR: L. D. DRILLING, INC.

PTD: 4450'

SPUD: 9:15 P.M. 10-26-02

10 Jts. new 24#

SURFACE: 8 5/8" set @ 445' W/235 sx. 60/40 pozmix, 2% Gel, 3% cc
 Plug down @ 7:15 A.M. 10-27-02 Did Circ. Allied Cementing

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 KCC WICHITA

10-26-02 Move in, rig up, spud
 10-27-02 448' Went to bust plug, surf.
 pipe fell- ran in hole w/collars
 let set all night
 10-28-02 448' Log-tech perf 8 5/8"
 415-435 Allied hooked to top
 side no cement thru 8 5/8.
 1" 8 5/8" w/75 sx. common cement
 Will start up at 8:00 P. M 10-28
 10-29-02 1313' Drilling Bust plug @ 8:00
 P.M. drilled plug and 5' cement
 10-30-02 2560' Drilling
 10-31-02 3275' Drilling (will mud up this
 am)
 11-01-02 4010' Drilling
 11-02-02 4377' tih after DST #1
 11-03-02 4450' RTD

PLUGGING:

1st plug @ 1640 W/50 sx.
 2nd plug @ 900' W/80 sx.
 3rd plug @ 470' W/50 sx.
 4th plug @ 40' W/10 sx.
 5th @ Rat Hole W/15 sx.
 Total 205 sx. 60/40 Poz, 6% Gel, 1/4#Flo-
 seal per sk. by Allied Cementing
 Plug down @ 9:00 A.M. 11-03-02
 KCC Authority: Richard Lacey

SAMPLE TOPS:

Anhy	1609 (+725)	1612 (-724)
Base		1650 (-686)
	1649 (+685)	
Heebner	3743 (-1407)	3744 (-1408)
Lansing	3784 (-1448)	3788 (-1452)
Base K/C	4091 (-1755)	4091 (-1755)
Marm.	4133 (-1797)	4134 (-1798)
Ft. Scott	4289 (-1953)	4291 (-1955)
Cherokee	4314 (-1978)	4316 (-1980)
Miss.	4430 (-2094)	4432 (-2096)
	Log TD	4456 (-2120)

LOG TOPS:

DST #1 4322-4377 Cherokee sand
 TIMES: 30-45-45-60
 BLOW: 1st Open bb 6 min
 2nd Open bb 15 min.
 RECOVERY: 100' gip, 50' mo, 124' hocgcm
 124'o&gcm, 62' vsocmw, 186' water
 IFP: 56-160 FFP: 167 2/4 ISIP: 945 FSIP: 852

TEMP: 122 chlorides 16000

DST #2

TIMES:
 BLOW: 1st Open
 2nd Open
 RECOVERY:

IFP: FFP: ISIP: FSIP:

TEMP:

DST #3

TIMES:
 BLOW: 1st Open
 2nd Open
 RECOVERY:

IFP: FFP: ISIP: FSIP:

TEMP:

ALLIED CEMENTING CO., INC.

7797

Federal Tax I.D.

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

SERVICE POINT:

~~NESS~~ Ness

Doebbeling

DATE 10-27-02	SEC. 32	TWP. 18	RANGE 24 W	CALLED OUT 6:00 AM	ON LOCATION 7:00 PM	JOB START 7:45 PM	JOB FINISH 9:09 AM
LEASE DOEBBELING	WELL # 1-32	LOCATION Ness City SW 1/4s W/S			COUNTY NESS	STATE KS	

OLD OR NEW (Circle one)

CONTRACTOR LD DAIG
 TYPE OF JOB PRESS JOB
 HOLE SIZE 12 1/4 T.D. 443'
 CASING SIZE 8 5/8 DEPTH 445'
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX 700 # MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG.
 PERFS.
 DISPLACEMENT

OWNER SAME

CEMENT AMOUNT ORDERED NO MATERIAL

COMMON @
 POZMIX @
 GEL @
 CHLORIDE @
 @
 @
 @
 @
 @
 HANDLING @

EQUIPMENT
 PUMP TRUCK CEMENTER BUD JIM
 # 224 HELPER
 BULK TRUCK
 # DRIVER
 BULK TRUCK
 # DRIVER

RECEIVED
 NOV 13 2002
 KCC WICHITA SERVICE

REMARKS:

HOOKED UP TO 8 5/8" CSG LOADED
 W/ 3/4" BL. PRESS TO 700 # HOLD
 COULD NOT DUMP INTO WELL
 WILL WAIT ON CEMENT TILL
 8:00 AM 10-28-02

DEPTH OF JOB
 PUMP TRUCK CHARGE 520.00
 EXTRA FOOTAGE @
 MILEAGE 5 @ 3.00 15.00
 PLUG @
 @
 @

TOTAL 535.00

CHARGE TO: LD DAIG DAIG INC.
 STREET
 CITY GREAT BEND STATE KS ZIP 67530

FLOAT EQUIPMENT

@
 @
 @
 @
 @

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 - 0 -
 TOTAL CHARGE 535.00
 DISCOUNT 53.50 IF PAID IN 30 DAYS

SIGNATURE

PRINTED NAME

Net \$481.50

ALLIED CEMENTING CO., INC.

7798

Federal Tax I.D.

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

SERVICE POINT:
GREAT BEND

DATE <u>10-28-02</u>	SEC. <u>32</u>	TWP. <u>18</u>	RANGE <u>24W</u>	CALLED OUT <u>7:30/AM</u>	ON LOCATION <u>10:00/AM</u>	JOB START <u>10:45 AM</u>	JOB FINISH <u>12:00 PM</u>
DOEBELING LEASE		WELL # <u>1-32</u>	LOCATION <u>Near City S 2 1/4 S W 1/4 SE</u>		COUNTY <u>NESS</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR L.D. DAIG Co

TYPE OF JOB PRESSURE TEST CEMENT W/1"

HOLE SIZE 12 1/4" T.D. 443'

CASING SIZE 8 5/8" DEPTH 445'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 1000# MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. 415' to 434'

DISPLACEMENT _____

OWNER SAVIE

CEMENT AMOUNT ORDERED TS net (common) 3%OC

COMMON	<u>TS net</u>	@	<u>6.65</u>	<u>498.75</u>
POZMIX		@		
GEL		@		
CHLORIDE	<u>3 net</u>	@	<u>30.00</u>	<u>90.00</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>78</u>	@	<u>1.10</u>	<u>85.80</u>
MILEAGE	<u>5</u>	M/n		<u>100.00</u>

EQUIPMENT

PUMP TRUCK # 181 CEMENTER BUD + JIM HELPER BURR

BULK TRUCK # 260 DRIVER TIM

BULK TRUCK # _____ DRIVER _____

RECEIVED
NOV 13 2002

TOTAL 774.55

KCC WICHITA SERVICE

REMARKS:
PERFORATED 415' to 434' LOOKED UP TO 8 5/8" CSG PRESS TO 1000# HELD FOR 10 MIN
RAN 1" MIXED TS net (COMMON) 3%OC CEMENTED CEMENT ✓

DEPTH OF JOB	<u>434'</u>			
PUMP TRUCK CHARGE				<u>520.00</u>
EXTRA FOOTAGE	<u>134</u>	@	<u>.50</u>	<u>67.00</u>
MILEAGE	<u>5</u>	@	<u>3.00</u>	<u>15.00</u>
PLUG		@		
		@		
		@		

TOTAL 602.00

CHARGE TO: L.D. DAIG Co. INC

STREET _____

CITY GREAT BEND STATE KS ZIP 67520

FLOAT EQUIPMENT

	@			
	@			
	@			
	@			
	@			

TOTAL _____

TAX -0-

TOTAL CHARGE 1376.55

DISCOUNT 137.60 IF PAID IN 30 DAYS

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.

SIGNATURE _____

PRINTED NAME

net # 1238.89

15-135-24192-0000
ALLIED CEMENTING CO., INC.

7852

Federal Tax I.D.# [redacted]

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

ORIGINAL SERVICE POINT: Ness City

DATE <u>10-27-02</u>	SEC <u>32</u>	TWP. <u>18</u>	RANGE <u>24</u>	CALLED OUT <u>2:30AM</u>	ON LOCATION <u>5:45AM</u>	JOB START <u>6:15AM</u>	JOB FINISH <u>7:05AM</u>
LEASE <u>Dodds</u> WELL # <u>1-32</u>		LOCATION <u>Ness SW 1/4 S. W. S.</u>		COUNTY <u>Ness</u>		STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR L.D. Donly
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 448'
 CASING SIZE 8 5/8 DEPTH 445
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. 15'
 PERFS.
 DISPLACEMENT 27 1/2

OWNER _____
 CEMENT AMOUNT ORDERED 235 6 3/4 3 1/2 cc 2 1/2 Adl
 COMMON @ _____
 POZMIX @ _____
 GEL @ _____
 CHLORIDE @ _____
 @ _____
 @ _____
 @ _____
 @ _____
 @ _____
 HANDLING @ _____
 MILEAGE _____

EQUIPMENT
 PUMP TRUCK CEMENTER J. Weidman
 # 224 HELPER
 BULK TRUCK DRIVER Lennie
 # 260
 BULK TRUCK DRIVER _____
 # _____

RECEIVED TOTAL _____
 NOV 13 2002
 KCC WICHITA SERVICE

REMARKS:

Cere 8 5/8 w/ res pump, mix
235 6 3/4 3 1/2 cc 2 1/2 Adl, Down
Plug w/ 27 1/2 BAI plug
Down 7:15 AM cement Adl
Ciac ✓
THANKS

DEPTH OF JOB 445
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE @ _____
 MILEAGE @ _____
 PLUG 2-Cup Wood @ _____
 @ _____
 @ _____

CHARGE TO: L.D. Donly Inc.
 STREET _____
 CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT
 @ _____
 @ _____
 @ _____
 @ _____
 @ _____

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.

TOTAL _____
 TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Don J. Mays

DORAN MARGHEIM
 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.

15-135-24192-0000

ALLIED CEMENTING CO., INC. 13167

Federal Tax I.D. [REDACTED]

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

SERVICE POINT: Hot Band

ORIGINAL

DATE <u>11-3-02</u>	SEC. <u>32</u>	TWP. <u>18</u>	RANGE <u>24</u>	CALLED OUT <u>12:00 AM</u>	ON LOCATION <u>4:00 AM</u>	JOB START <u>7:00 AM</u>	JOB FINISH <u>9:00 AM</u>
LEASE <u>Noebbeling</u>	WELL # <u>1-32</u>		LOCATION <u>New city SW, 1/4, 10/3</u>			COUNTY <u>New</u>	STATE <u>Ka</u>
OLD OR NEW (Circle one)							

CONTRACTOR L. A. Daly

TYPE OF JOB Antony Plug

HOLE SIZE 7 7/8" ID. 4450'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 1640'

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT AMOUNT ORDERED 205 lb. 60/40 60 mesh

1/4" floccul/wh

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Tamm D

181 HELPER Bob B

BULK TRUCK DRIVER Steve T

341

BULK TRUCK DRIVER _____

TOTAL _____

REMARKS:

Mixed - 50 lb @ 1640'

80 lb @ 900'

50 lb @ 420'

10 lb @ 40'

15 lb in Hatched

[Signature]

SERVICE

DEPTH OF JOB 1640'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

PLUG 1-8 5/8 Disphale _____ @ _____

_____ @ _____

TOTAL _____

CHARGE TO: L. A. Daly

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

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 [Signature]

X DORAN MARGHEIM
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.