

STATE CORPORATION COMMISSION OF KANSAS  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
ACO-1 WELL HISTORY  
DESCRIPTION OF WELL AND LEASE

ORIGINAL

NO. 15- 101-21,598-0000

Operator: License # 30033

Name: Graceland Oil Company

Address P. O. Box 1068

City/State/Zip Hays, KS 67601

Purchaser:

Operator Contact Person: Jim Harden

Phone (918) 749-6622

Contractor: Name: Emphasis Oil Operations

License: 8241

Wellsite Geologist: Ed Glassman

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:

Comp. Date Old Total Depth

Deepening  Re-perf.  Conv. to Inj/SWD

Plug Back  PBSD

Comingled  Docket No.

Dual Completion  Docket No.

Other (SWD or Inj?)  Docket No.

9/12/91 9/21/91 Abdn 9/21/91

Spud Date Date Reached TD Completion Date

County Lane

SE - SW - SW - Sec. 14 Twp. 19S Rge. 29 EW

330 Feet from (S)N (circle one) Line of Section

4290' Feet from (E)W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
NE, SE, NW or SW (circle one)

Lease Name Paris Well # 1

Field Name Paris

Producing Formation

Elevation: Ground 2830' KB 2835'

Total Depth 4670' PBSD

Amount of Surface Pipe Set and Cemented at 304 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 (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 Rng. E/W

County Docket No.

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, 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 on 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 Edgar S. Glassman

Title Geologist / Partner Date 2-17-92

Subscribed and sworn to before me this 17TH day of FEBRUARY, 19 91.

Notary Public Colleen Payton

Date Commission Expires MAY 2, 1995

Colleen Payton  
NOTARY PUBLIC  
State of Kansas  
MY COMM. EXPIRES 5-2-95

K.C.C. OFFICE USE ONLY  
F  Letter of Confidentiality Attached  
C  Wireline Log Received  
C  Geologist Report Received  
Distribution  
 KCC  SWD/Rep  NGPA  
 KGS  Plug  Other  
(Specify)

**SIDE TWO**

Operator Name Graceland Oil Company Lease Name Paris Well # 1

Sec. 14 Twp. 19S Rge. 29  East County Lane

West

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

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 w/SP curve

<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datums <input type="checkbox"/> Sample		
Name	Top	Datum
Anhydrite	2169	666
B/Anhydrite	2196	639
Heebner	3972	-1137
Lansing	4013	-1178
Stark Shale	4300	-1465
B/KC	4384	-1549
Altamont	4456	-1621
Cherokee Shale	4568	-1733
Mississippi	4634	-1799
RTD	4670	-1835
LTD	4670	-1835

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	1 2 1/4"	8 5/8"		304'	NA	175	NA

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		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)	Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First, Resumed Production, SWD or Inj. | 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:  Vented  Sold  Used on Lease (If vented, submit ACO-18.)

METHOD OF COMPLETION:  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

Production Interval \_\_\_\_\_

# TRILOBITE TESTING COMPANY

P.O. Box 362 • Hays, Kansas 67601

ORIGINAL

## Test Ticket

No. 4229

Well Name & No. Paris #1 Test No. 1 Date 9-18-91  
 Company Grace and Oil Company Zone Tested LKC H-1  
 Address P.O. Box 1068 Hays, KS 67601 Elevation 2835  
 Co. Rep./Geo. Ed Glassman cont. Empress #5 Est. Ft. of Pay \_\_\_\_\_  
 Location: Sec. 14 Twp. 19S Rge. 29W colone State KS  
 No. of Copies \_\_\_\_\_ Distribution Sheet \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Turnkey \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Evaluation \_\_\_\_\_

Interval Tested 4207-4246 Drill Pipe Size 4 1/2 XH  
 Anchor Length 39 Top Choke — 1" \_\_\_\_\_ Bottom Choke — 1/4" \_\_\_\_\_  
 Top Packer Depth 4202 Hole Size — 7 7/8" \_\_\_\_\_ Rubber Size — 6 3/4" \_\_\_\_\_  
 Bottom Packer Depth 4207 Wt. Pipe I.D. — 2.7 Ft. Run 571  
 Total Depth 4246 Drill Collar — 2.25 Ft. Run \_\_\_\_\_  
 Mud Wt. 9.3 lb/gal. Viscosity 43 Filtrate 8.4  
 Tool Open @ 11:08 AM Initial Blow walk in blow building to 1"  
 Final Blow no blow

Recovery — Total Feet	30	Flush Tool?
Rec. _____ Feet Of _____	% gas _____ % oil _____ % water _____ % mud _____	
Rec. _____ Feet Of _____	% gas _____ % oil _____ % water _____ % mud _____	
Rec. _____ Feet Of _____	% gas _____ % oil _____ % water _____ % mud _____	
Rec. _____ Feet Of _____	% gas _____ % oil _____ % water _____ % mud _____	

BHT 117 °F Gravity \_\_\_\_\_ °API @ \_\_\_\_\_ °F Corrected Gravity \_\_\_\_\_ °API  
 RW \_\_\_\_\_ @ \_\_\_\_\_ °F Chlorides \_\_\_\_\_ ppm Recovery \_\_\_\_\_ Chlorides \_\_\_\_\_ ppm System \_\_\_\_\_  
 (A) Initial Hydrostatic Mud 2648 PSI AK1 Recorder No. 13277 Range 4125  
 (B) First Initial Flow Pressure 41 PSI @ (depth) 4212 w/Clock No. 30401  
 (C) First Final Flow Pressure 41 PSI AK1 Recorder No. 24174 Range 3350  
 (D) Initial Shut-in Pressure 970 PSI @ (depth) 4245 w/Clock No. 17639  
 (E) Second Initial Flow Pressure 49 PSI AK1 Recorder No. \_\_\_\_\_ Range \_\_\_\_\_  
 (F) Second Final Flow Pressure 49 PSI @ (depth) \_\_\_\_\_ w/Clock No. \_\_\_\_\_  
 (G) Final Shut-in Pressure 870 PSI Initial Opening 15 Test \_\_\_\_\_  
 (H) Final Hydrostatic Mud 2627 PSI Initial Shut-in 60 Jars \_\_\_\_\_

TRILOBITE TESTING COMPANY SHALL NOT BE LIABLE FOR DAMAGE OF ANY KIND OF THE PROPERTY OR PERSONNEL OF THE ONE FOR WHOM A TEST IS MADE, OR FOR ANY LOSS SUFFERED OR SUBSTAINED, DIRECTLY OR INDIRECTLY, THROUGH THE USE OF ITS EQUIPMENT, OR ITS STATEMENTS OR OPINION CONCERNING THE RESULTS OF ANY TEST. TOOLS LOST OR DAMAGED IN THE HOLE SHALL BE PAID FOR AT COST BY THE PARTY FOR WHOM THE TEST IS MADE.

Final Flow 30 Safety Joint \_\_\_\_\_  
 Final Shut-in 45 Straddle \_\_\_\_\_  
 Circ. Sub \_\_\_\_\_  
 Sampler \_\_\_\_\_  
 Extra Packer \_\_\_\_\_  
 Other \_\_\_\_\_

Approved By Ed Glassman  
 Our Representative Paul Simpson

# TRILOBITE TESTING COMPANY

P.O. Box 362 • Hays, Kansas 67601

# ORIGINAL

## Test Ticket

No. 4230

Well Name & No. Perry #1 Test No. 2 Date 9-18-91  
 Company Graceland Oil Company Zone Tested LKL 3  
 Address 20 Box 1068 Hays, KS Elevation 2835  
 Co. Rep./Geo. Ed Glasman cont. Emphas, AS Est. Ft. of Pay \_\_\_\_\_  
 Location: Sec. 14 Twp. 19S Rge. 29W Co. Loce State KS  
 No. of Copies \_\_\_\_\_ Distribution Sheet \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Turnkey \_\_\_\_\_ Yes X No \_\_\_\_\_ Evaluation \_\_\_\_\_

Interval Tested 4243-4252 Drill Pipe Size 4 1/2 XH  
 Anchor Length 9 Top Choke — 1" \_\_\_\_\_ Bottom Choke — 1/4" \_\_\_\_\_  
 Top Packer Depth 4238 Hole Size — 7 7/8" \_\_\_\_\_ Rubber Size — 6 3/4" \_\_\_\_\_  
 Bottom Packer Depth 4243 Wt. Pipe I.D. — 2.7 Ft. Run 571  
 Total Depth \_\_\_\_\_ Drill Collar — 2.25 Ft. Run \_\_\_\_\_  
 Mud Wt. \_\_\_\_\_ lb/gal. Viscosity 43 Filtrate 10.4  
 Tool Open @ 2:02 PM Initial Blow Weak blow died in 15 minutes

Final Blow NO blow

Recovery — Total Feet	Feet of Gas In Pipe	Flush Tool?
1	MUD	NO
Rec. _____ Feet Of _____	%gas _____ %oil _____ %water _____ %mud _____	
Rec. _____ Feet Of _____	%gas _____ %oil _____ %water _____ %mud _____	
Rec. _____ Feet Of _____	%gas _____ %oil _____ %water _____ %mud _____	
Rec. _____ Feet Of _____	%gas _____ %oil _____ %water _____ %mud _____	
Rec. _____ Feet Of _____	%gas _____ %oil _____ %water _____ %mud _____	

BHT 115 °F Gravity \_\_\_\_\_ °API @ \_\_\_\_\_ °F Corrected Gravity \_\_\_\_\_ °API

RW \_\_\_\_\_ @ \_\_\_\_\_ °F Chlorides \_\_\_\_\_ ppm Recovery Chlorides \_\_\_\_\_ ppm System

(A) Initial Hydrostatic Mud 2158 PSI AK1 Recorder No. 13277 Range 4125  
 (B) First Initial Flow Pressure 8 PSI @ (depth) 4246 w/Clock No. 17639  
 (C) First Final Flow Pressure 8 PSI AK1 Recorder No. 24174 Range 3350  
 (D) Initial Shut-In Pressure 25 PSI @ (depth) 4251 w/Clock No. 17640  
 (E) Second Initial Flow Pressure 8 PSI AK1 Recorder No. \_\_\_\_\_ Range \_\_\_\_\_  
 (F) Second Final Flow Pressure 8 PSI @ (depth) \_\_\_\_\_ w/Clock No. \_\_\_\_\_  
 (G) Final Shut-In Pressure 16 PSI Initial Opening 15 Test X  
 (H) Final Hydrostatic Mud 2124 PSI Initial Shut-In 30 Jars \_\_\_\_\_

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Final Flow 15 Safety Joint \_\_\_\_\_  
 Final Shut-In 30 Straddle \_\_\_\_\_  
 Circ. Sub \_\_\_\_\_  
 Sampler \_\_\_\_\_  
 Extra Packer \_\_\_\_\_  
 Other \_\_\_\_\_

Approved By Ed Glasman  
 Our Representative Paul Simpson

# TRILOBITE TESTING COMPANY

P.O. Box 362 • Hays, Kansas 67601

## Test Ticket

# ORIGINAL

No. 4231

Well Name & No. Paris #1 Test No. 3 Date 9-19-91  
 Company Crucial Oil Company Zone Tested MCM - Pawnee  
 Address \_\_\_\_\_ Elevation 2835  
 Co. Rep./Geo. Ed Glassman Cont. Emphasu #5 Est. Ft. of Pay \_\_\_\_\_  
 Location: Sec. 11 Twp. 19s Rge. 29s Co. Lea State Ks  
 No. of Copies \_\_\_\_\_ Distribution Sheet \_\_\_\_\_ Yes \_\_\_\_\_ No Turnkey \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Evaluation \_\_\_\_\_

Interval Tested 4394-4525 Drill Pipe Size 4 1/2 JT  
 Anchor Length 131 Top Choke - 1" \_\_\_\_\_ Bottom Choke - 3/4" \_\_\_\_\_  
 Top Packer Depth 4389 Hole Size - 7 7/8" \_\_\_\_\_ Rubber Size - 6 3/4" \_\_\_\_\_  
 Bottom Packer Depth 4394 Wt. Pipe I.D. - 2.7 Ft. Run 509  
 Total Depth 4525 Drill Collar - 2.25 Ft. Run \_\_\_\_\_  
 Mud Wt. 9.5 lb/gal. Viscosity 47 Filtrate 8.4  
 Tool Open @ 9:53 Initial Blow 1" blow building to bottom of bucket  
in 9 minutes (weak surface blow on shurba)  
 Final Blow 1/2" blow building to bottom in 12 minutes

Recovery - Total Feet	Feet of Gas in Pipe	Flush Tool?
Rec. <u>90</u> Feet Of <u>OSM</u> %gas <u>3</u> %oil _____ %water <u>97</u> %mud _____		
Rec. <u>170</u> Feet Of <u>50CM</u> %gas <u>10</u> %oil _____ %water <u>90</u> %mud _____		
Rec. <u>440</u> Feet Of <u>oil speckled water, mud</u> %gas _____ %oil _____ %water _____ %mud _____		
Rec. <u>250</u> Feet Of <u>oil speckled muddy water</u> %gas _____ %oil _____ %water _____ %mud _____		
Rec. _____ Feet Of _____ %gas _____ %oil _____ %water _____ %mud _____		

BHT 124 °F Gravity \_\_\_\_\_ °API @ \_\_\_\_\_ °F Corrected Gravity \_\_\_\_\_ °API  
 RW 45 @ 57.5 °F Chlorides 18,500 ppm Recovery Chlorides 6000 ppm System

(A) Initial Hydrostatic Mud 2343 PSI AK1 Recorder No. 13277 Range 4125  
 (B) First Initial Flow Pressure 107 PSI @ (depth) 4427 w/Clock No. 17639  
 (C) First Final Flow Pressure 173 PSI AK1 Recorder No. 24174 Range 3350  
 (D) Initial Shut-in Pressure 711 PSI @ (depth) 4524 w/Clock No. 17640  
 (E) Second Initial Flow Pressure 239 PSI AK1 Recorder No. \_\_\_\_\_ Range \_\_\_\_\_  
 (F) Second Final Flow Pressure 338 PSI @ (depth) \_\_\_\_\_ w/Clock No. \_\_\_\_\_  
 (G) Final Shut-in Pressure 703 PSI Initial Opening 15 Test \_\_\_\_\_  
 (H) Final Hydrostatic Mud 2209 PSI Initial Shut-in 45 Jars \_\_\_\_\_

TRILOBITE TESTING COMPANY SHALL NOT BE LIABLE FOR DAMAGE OF ANY KIND OF THE PROPERTY OR PERSONNEL OF THE ONE FOR WHOM A TEST IS MADE, OR FOR ANY LOSS SUFFERED OR SUBSTAINED, DIRECTLY OR INDIRECTLY, THROUGH THE USE OF ITS EQUIPMENT, OR ITS STATEMENTS OR OPINION CONCERNING THE RESULTS OF ANY TEST. TOOLS LOST OR DAMAGED IN THE HOLE SHALL BE PAID FOR AT COST BY THE PARTY FOR WHOM THE TEST IS MADE.

Final Flow 30 Safety Joint \_\_\_\_\_  
 Final Shut-in 45 Straddle \_\_\_\_\_  
 Circ. Sub \_\_\_\_\_  
 Sampler \_\_\_\_\_

Approved By [Signature]  
 Our Representative Paul Simpson

Extra Packer \_\_\_\_\_  
 Other \_\_\_\_\_  
 TOTAL PRICE \$ \_\_\_\_\_

# ORIGINAL ALLIED CEMENTING CO., INC.

No 1413

Home Office P. O. Box 31

Russell, Kansas 67665

Date	9-20-91	Sec.	14	Twp.	19	Range	29	Called Out	4:00 PM	On Location	11:00 PM	Job Start	4:00 PM	Finish	7:30 AM
Lease	Paris	Well No.	#1	Location	Dighton	C-50 2c 4th		County	Scott	State	Ks				
Contractor	Empbasys Drilling					Owner					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 listed.				
Type Job	Rotary Plug					Charge To					Concepcion Oil Company				
Hole Size	7 7/8					T.D.					4670				
Csg.	8 5/8					Depth					305				
Tbg. Size						Depth									
Drill Pipe						Depth									
Tool						Depth									
Cement Left in Csg.						Shoe Joint									
Press Max.						Minimum									
Meas Line						Displace									
Perf.															

### EQUIPMENT

Pumptrk	No.	Cementer	Randy Parsons
		Helper	
Pumptrk	No.	Cementer	Bill
	46	Helper	
		Driver	
Bulktrk			Keith
Bulktrk	119	Driver	

### DEPTH of Job

Reference:	Pump Truck	
	8 5/8 Plug	
	Mileage	
		Sub Total
		Tax
		Total

Remarks:

50 SX @ 2200'

80 SX @ 1400' w- No seal

50 SX @ 700' w- No seal

50 SX @ 300'

10 SX @ 40'

15 SX RH

10 SX MH

Purchase Order No.	
X	Bill Owen
	CEMENT
Amount Ordered	2655.60 per 670 gal w- No seal
Consisting of	
Common	
Poz. Mix.	
Gel.	
Chloride	
Quickset	
	Sales Tax
Handling	
Mileage	
	Sub Total
	Total
Floating Equipment	
By Alfred Cementing Randy Parsons	

## 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.