

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

API NO. 15- 15-077-21372-0000

County Harper
60' W of
SE - NE - NW - Sec. 6 Twp. 31S Rge. 7W X^E_V

Operator: License # 5399

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

Name: American Energies Corporation

2250 Feet from E(W) (circle one) Line of Section

Address 155 North Market, Suite 710

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

Wichita, Kansas 67202

Lease Name Lechner Well # "A" #2

City/State/Zip

Field Name Washbon

Purchaser: 06-22-1999

Producing Formation NONE

Operator Contact Person: Alan L. DeGood

Elevation: Ground 1638 KB 1643

Phone (316) 263-5785

Total Depth 4772 PBTD

Contractor: Name: Mallard JV, Inc.

Amount of Surface Pipe Set and Cemented at 4 jt 20#, 2 jt 28#
249' @ 256' Feet

License: 4958

Multiple Stage Cementing Collar Used? Yes X No

Wellsite Geologist: Jon Christensen

If yes, show depth set _____ Feet

Designate Type of Completion
X New Well _____ Re-Entry _____ Workover _____

If Alternate II completion, cement circulated from _____

_____ Oil _____ SWD _____ SIOG _____ Temp. Abd.
_____ Gas _____ ENHR _____ SIGW
X Dry _____ Other (Core, WSW, Expl., Cathodic, etc)

feet depth to _____ w/ _____ sx cnt.

If Workover/Re-Entry: old well info as follows:

Drilling Fluid Management Plan PLA, 7-8-99 UC
(Data must be collected from the Reserve Pit)

Operator: 06-22-1999

Chloride content 7,000 ppm Fluid volume 500 bbls

Well Name: _____

Dewatering method used Hauled

Comp. Date _____ Old Total Depth _____

Location of fluid disposal if hauled offsite: _____

_____ Deepening _____ Re-perf. _____ Conv. to Inj/SWD
_____ Plug Back _____ PBTD
_____ Commingled _____ Docket No. _____
_____ Dual Completion _____ Docket No. _____
_____ Other (SWD or Inj?) _____ Docket No. _____

Operator Name Val Energy

5/7/99 5/16/99 None
Spud Date Date Reached TD Completion Date

Lease Name Short "A" #1 SWD License No. 5822

SE Quarter Sec. 12 Twp. 31 S Rng. 8 E/W

County Harper Docket No. D25,867

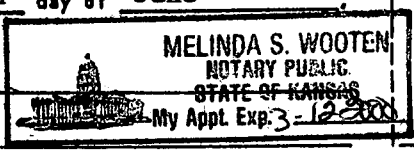
INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information on 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 Alan L. DeGood
Title President Date 6-16-99

Subscribed and sworn to before me this 16th day of June 1999

Notary Public Melinda S. Wooten
Date Commission Expires 3-12-2000



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

Operator Name American Energies Corporation Lease Name Lechner Well # "A" #2

Sec. 6 Twp. 31S Rge. 7W
 East
 West

County Harper

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.)
 See Attachment
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy.)
 List All E.Logs Run:

Log Formation (Top), Depth and Datum Sample
 Name Top Datum
 See Attachment

Dual Induction, Compensated
 Neutron Density

CASING RECORD <input type="checkbox"/> New <input checked="" type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs./Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	4 jt 20# 2 jt 28#	256'	60/40 poz	165 sx	

ADDITIONAL CEMENTING/SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate	1325' bottom			
<input type="checkbox"/> Protect Casing	60' top	60/40 pozmix	155 sx	60/40 pozmix - 6% gel
<input checked="" 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	
None							
Date of First, Resumed Production, SWD or Inj.				Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity		
	N-A						

Disposition of Gas: Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled

METHOD OF COMPLETION: Production Interval

**AMERICAN ENERGIES CORPORATION
 DAILY WELL REPORT**

LEASE: Lechner "A" #2
SPOT LOCATION: 60' W of SE NE NW
SEC/TWP/RNG: Section 6-T31S-R7W
COUNTY: Harper
OPERATOR: American Energies Corporation
CONTRACTOR: Mallard JV, Inc.

SURFACE CASING: 4 jt 20#, 2 jt 28#
 for a total of 249' used, set @ 256'
PRODUCTION CASING:
ELEVATION: GL: 1638 KB: 1643
SPUD DATE: 5/7/99
COMPLETION DATE:
GEOLOGIST: Jon Christensen

NOTIFY: Dail C. West Limited Partnership, Stelbar Oil Corporation, Thomas and Susan Bonasio, Zion Exploration, Peter J. Coakley and D & D Investment, Elinor Patton
REFERENCE WELL:
 1: Lechner "A" #1 NE NE NW Sec. 6
 2: Fox "A" #1 SW NW NE Sec. 6
 3:

FORMATION:	SAMPLE LOG:	COMPARISON:	ELECTRIC LOG TOPS:		
			#1	#2	#3
Heebner Shale	3369 -1726	0 -1			3370
Lansing	3614 -1971	-2 +5			3616
Kansas City	3859 -2016	-2 +1			3857
Swope	4021 -2370	-2 +4			4020
Cherokee Shale	4266 -2623	-3 +2			4268
Mississippi	4399 -2756	-17 +2			4396
Base Chert	4423 -2780	Flat +6			4424
Kinderhook	4641 -2298	-2 +3			4640
Viola	4752 -3109	Flat -1			4752
Simpson SS	4769 -3126	-2 -9			4769
RTD	4772 -3129				

5/07/99 MIRT Spudded @ 7:00 p.m. Drilled 12 1/4" to 256', set 4 jts 20#, 2 jts 28# used surface casing, for a total of 249' set @ 256'. Allied cemented with 165 sx 60/40 poz. Cement circulated. Plug down at 11:00 p.m. 5/7/99.

5/08/99 Drilling at 345'

5/09/99 Drilling at 2045'

5/10/99 Drilling at 2485' at 6:30 a.m.

5/11/99 Drilling at 3285' at 8:30 a.m.

5/12/99 Drilling at 3925', straight hole test @ 3510', 1 degree deviation.

5/13/99 Drilling at 4373'

5/14/99 Drilling at 4548'. Results of DST #1: 4404-4424 (Miss. Chert) Times: 30-45-45-75, 1st Opening off bottom in 8", weak blow back, 2nd Opening: Fair blow off bottom in 42", NGTS. Rec. 140' TF, Breakdown: 20' drilling mud, 60' GCWM with oil specks (3% G, 42% W, 55% Mud), 60' MW with oil specks (88% W, 12% M). Water 112,000 chlorides, IFP: 24-60, ISIP: 1215, FFP: 60-101, FSIP: 1248, IHP: 2195, FHP: 2146, BHT 125.

5/15/99 Tripping in hole with DST #2: 4757-4772 (Simpson Sand. Times: 30-45-30-45. 1st Opening off bottom in 1", 2nd Opening off bottom in 2". Recovered 3450' TF, 680' GIP, 180' MW with oil spots (68% W, 32% M), 3270' GSW (Chlorides 119,000). IFP: 435-1246, FFP: 1286-1600, IHP: 2437, FHP: 2371.

15-077-21372-00-00

ORIGINAL

5/16/99 Plugged well - Will report cementing information later.

Plugging Information as follows:

1st Plug @ 1325' with 35 sx at 1:10 a.m.

2nd Plug @ 900' with 35 sx

3rd Plug @ 310' with 35 sx

4th Plug @ 60' with 25 sx

15 sx in Rathole, 10 sx in Mousehole, Total of 155 sx 60/40 pozmix,

4% gel. Plug down at 3:45 a.m. Cementing company - Allied

Cementing. Orders by Mike Wilson, State Plugger. Ticket #1829.

STATE PLUGGER
MAY 20 1999
MAY 20 1999

15-077-21372-00-08

ORIGINAL

CEMENTING CO., INC.

INVOICE

Box 31
WELL, KS 67665
PH (785) 483-3887
FAX (785) 483-5566

NO
21-52

Invoice Number: 079190

Invoice Date: 05/15/99

Sold American Energies Corp.
To: 155 N. Market #710
Wichita, KS
67202

Cust I.D.....: Am Eng
P.O. Number...: Lerhner A-2
P.O. Date.....: 05/15/99

Due Date.: 06/14/99
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	93.00	SKS	6.3500	590.55	E
Pozmix	62.00	SKS	3.2500	201.50	E
Gel	5.00	SKS	9.5000	47.50	E
Handling	155.00	SKS	1.0500	162.75	E
Mileage (35)	35.00	MILE	6.2000	217.00	E
155 sks @\$.04 per sk per mi					
Rotary Plug	1.00	JOB	470.0000	470.00	E
Mileage pmp trk	35.00	MILE	2.8500	99.75	E

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 357.81
ONLY if paid within 30 days from Invoice Date

Subtotal: 1789.05
Tax.....: 0.00
Payments: 0.00
Total....: 1789.05

357.81
1431.24

ENT'D MAY 21 1999

CEMENTING CO., INC.

ORIGINAL

15-077-21372-00-00

INVOICE

Box 31
WELL, KS 67665
(785) 483-3887
FAX (785) 483-5566

ND
20-26

Invoice Number: 079151

Invoice Date: 05/07/99

Sold American Energies Corp.
To: 155 N. Market #710
Wichita, KS
67202

Cust I.D.....: Am Eng
P.O. Number...: Lerhner A-2
P.O. Date.....: 05/07/99

Due Date.: 06/06/99
Terms.....: Net 30

Item I.D./Desc	Qty. Used	Unit	Price	Net	TX
Common	99.00	SKS	6.3500	628.65	E
Pozmis	66.00	SKS	3.2500	214.50	E
Gel	3.00	SKS	9.5000	28.50	E
Chloride	5.00	SKS	28.0000	140.00	E
Handling	165.00	SKS	1.0500	173.25	E
Mileage (35)	35.00	MILE	6.6000	231.00	E
165 sks @\$.04 per sk per mi					
Surface	1.00	JOB	470.0000	470.00	E
Mileage pmp trk	35.00	MILE	2.8500	99.75	E
Wooden plug	1.00	EACH	45.0000	45.00	E

All Prices Are Net, Payable 30 Days Following Subtotal: 2030.65
 Date of Invoice: 1 1/2% Charged Thereafter. Tax.....: 0.00
 If Account CURRENT take Discount of \$ 406.13 Payments: 0.00
 ONLY if paid within 30 days from Invoice Date Total....: 2030.65

<406.13>

1624.52

ENTD MAY 14 1999

ALLIED CEMENTING CO., INC

1829 ORIGINAL

Federal Tax I.D.# ~~23-27280~~

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

15-077-21372-00-00

SERVICE POINT: Wco. Lodge

DATE <u>5-15-99</u>	SEC. <u>6</u>	TWP. <u>31s</u>	RANGE <u>7W</u>	CALLED OUT <u>5:15 PM</u>	ON LOCATION <u>9:30 PM</u>	JOB START <u>1:10 AM</u>	JOB FINISH <u>3:45 AM</u>
LEASE <u>GERNER</u>		WELL # <u>A-2</u>		LOCATION <u>MAG PLANT #E, IN, 1/2E, 3/4</u>		COUNTY <u>HARPER</u>	STATE <u>KANSAS</u>
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR MALLARD IV

TYPE OF JOB ROTARY AUG

HOLE SIZE 7 7/8" T.D.

CASING SIZE 2 5/8" DEPTH 256'

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER AMERICAN ENERGIES CORP.

CEMENT AMOUNT ORDERED 155 x 60:40:4

COMMON <u>A</u>	<u>93</u>	@	<u>6.35</u>	<u>590.55</u>
POZMIX	<u>62</u>	@	<u>3.25</u>	<u>201.50</u>
GEL	<u>5</u>	@	<u>9.50</u>	<u>47.50</u>
CHLORIDE		@		
		@		
		@		
		@		
		@		
HANDLING	<u>155</u>	@	<u>1.05</u>	<u>162.75</u>
MILEAGE	<u>155 x 35</u>		<u>.04</u>	<u>217.00</u>

TOTAL \$ 1219.30

REMARKS:

SERVICE

- 35x @ 1325'
- 35x @ 900'
- 35x @ 310'
- 25x @ 60'
- 15x - RAT HOLE
- 10x - MOUSE HOLE

DEPTH OF JOB	<u>1325</u>		
PUMP TRUCK CHARGE			<u>470.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>35</u>	@	<u>2.85</u>
PLUG		@	
		@	
		@	

TOTAL \$ 569.75

CHARGE TO: AMERICAN ENERGIES CORP.
STREET 155 N. MARKET, # 710
CITY WICHITA STATE KANSAS ZIP 67202

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 \$1789.05

DISCOUNT 357.81 IF PAID IN 30 DAYS

NET \$ 1431.24

SIGNATURE X Mark D. Chser

Mark D. Chser
PRINTED NAME

ALLIED CEMENTING CO., INC. ORIGINAL

Federal Tax I.D.# ~~12-222222~~

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

15-077-21372-00-00

SERVICE POINT:

Mad Lodge

DATE <u>5-7-99</u>	SEC. <u>6</u>	TWP. <u>31</u>	RANGE <u>7</u>	CALLED OUT <u>3:00 PM.</u>	ON LOCATION <u>6:00 PM</u>	JOB START <u>10:45 PM</u>	JOB FINISH <u>11:15 PM</u>
LEASE <u>hedman</u>		WELL # <u>A-2</u>		LOCATION <u>Mag Plant - 4E, 1W, 1 1/2 E, 5/5</u>		COUNTY <u>Hoyan</u>	STATE <u>Ks</u>
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Mallard JV, Inc.

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 256'

CASING SIZE 8 3/8" (20") DEPTH 256'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 15 3/4 bbls,

EQUIPMENT _____

PUMP TRUCK CEMENTER Tom D

343 HELPER Kevin B

BULK TRUCK _____

242 DRIVER Richard

BULK TRUCK _____

_____ DRIVER _____

OWNER Summe

CEMENT

AMOUNT ORDERED 165 lbs 6 3/40 5/8cc, 28 del

COMMON	<u>99</u>	@	<u>6.35</u>	<u>628.65</u>
POZMIX	<u>66</u>	@	<u>3.25</u>	<u>214.50</u>
GEL	<u>3</u>	@	<u>9.50</u>	<u>28.50</u>
CHLORIDE	<u>5</u>	@	<u>28.00</u>	<u>140.00</u>
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>165</u>	@	<u>1.05</u>	<u>173.25</u>
MILEAGE	<u>35</u>			<u>231.00</u>

TOTAL \$ 1415.90

REMARKS:

Ran 256' of 8 3/8" casing. Break circulation.
Mixed 165 lbs 6 3/40 5/8cc, 28 del. Released
plug. Displaced with fresh H₂O.

Cement did circulate ✓

Shanks

SERVICE

DEPTH OF JOB 256'

PUMP TRUCK CHARGE _____ 470.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 35 @ 2.85 99.75

PLUG 1-8 3/8" wooden @ 45.00 45.00

_____ @ _____

_____ @ _____

TOTAL \$ 614.75

CHARGE TO: American Energy, Corp.

STREET 155 N. Market Suite 710

CITY Wichita STATE Ks ZIP 67202

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 \$ 2030.65

DISCOUNT \$ 406.13 IF PAID IN 30 DAYS

SIGNATURE X Mel D Elser X Mark D Elser

PRINTED NAME _____

Net \$ 1624.52

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.