

CONFIDENTIAL

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

9/28/14

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 # 34559
Name: WM KS Energy Resources, LLC
Address 1: P.O. Box H
Address 2: _____
City: Plainville State: KS Zip: 67663 + _____
Contact Person: Bill Robinson
Phone: (785) 688-4040
CONTRACTOR: License # 34535
Name: Integrity Drilling, LLC
Wellsite Geologist: Bill Robinson
Purchaser: Coffeyville

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SLOW
- 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 #: _____

8-6-12	8-11-12	8-22-12
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-26350 -00-00
Spot Description: _____
SW NW NE Sec. 28 Twp. 11 S. R. 18 East West
1,050 Feet from North / South Line of Section
2,310 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Ellis
Lease Name: Wasinger C Well #: 10
Field Name: Bemis Shutts
Producing Formation: Arbuckle
Elevation: Ground: 2080 Kelly Bushing: 2088
Total Depth: 3672 Plug Back Total Depth: 3672
Amount of Surface Pipe Set and Cemented at: 255 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 1314 Feet
If Alternate II completion, cement circulated from: 1314
feet depth to: surface w/ 320 sx cmt.

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 #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

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SEP 28 2014

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

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: agent Date: 8-22-12

KCC Office Use ONLY RECEIVED
KANSAS CORPORATION COMMISSION
Date: 9-28-14 9-28-14 10-1-2012
 Letter of Confidentiality Received
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
 ALT I II III Approved by: [Signature] Date: 09/28/14
 CONSERVATION DIVISION
WICHITA, KS

Operator Name: WM KS Energy Resources, LLC Lease Name: Wasinger C Well #: 10
 Sec. 28 Twp. 11 S. R. 18 East West County: Ellis

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 type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: RAG	<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>1357</td> <td>731</td> </tr> <tr> <td>B/Kansas City</td> <td>3539</td> <td>-1451</td> </tr> </table>	Name	Top	Datum	Anhydrite	1357	731	B/Kansas City	3539	-1451
Name	Top	Datum								
Anhydrite	1357	731								
B/Kansas City	3539	-1451								

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 5/8	23	255	common	170	3% cc + 2% gel
production	7 7/8	5 1/2	15.5	3672	ASC	125	10% salt + 2% gel

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	3600-04	natural	3575
RECEIVED KANSAS CORPORATION COMMISSION OCT 01 2012 CONSERVATION DIVISION WICHITA, KS			

TUBING RECORD:	Size: <u>2 7/8</u>	Set At: <u>3595</u>	Packer At: <u>na</u>	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumed Production, SWD or ENHR. <u>8-22-12</u>	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	Oil Bbls. <u>10</u>	Gas Mcf <u>na</u>	Water Bbls. <u>250</u>	Gas-Oil Ratio <u>na</u>	Gravity <u>28</u>

DISPOSITION OF GAS: <input checked="" type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled. <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	CONFIDENTIAL 3600-04 SEP 28 2014
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ALLIED OIL & GAS SERVICES, LLC 056790

Federal Tax I.D.# 20-5975804

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

KCC

SERVICE POINT:

Oakley, KS

DATE <u>2/11/12</u>	SEC <u>28</u>	TWP. <u>11</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION	JOB START <u>4:00pm</u>	JOB FINISH <u>5:30pm</u>
LEASE <u>Wagoner C</u>	WELL # <u>10</u>	LOCATION <u>H₂, N70 Jean H. 11 Rd.</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)			<u>W:ATO</u>				

CONTRACTOR <u>Intensity 7</u>	
TYPE OF JOB <u>Production 2 stage</u>	
HOLE SIZE <u>7 7/8</u>	T.D. <u>3672</u>
CASING SIZE <u>5 1/2</u>	DEPTH <u>3677</u>
TUBING SIZE	DEPTH
DRILL PIPE <u>4 1/2</u>	DEPTH
TOOL <u>DV</u>	DEPTH <u>1214</u>
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT <u>42.43</u>
CEMENT LEFT IN CSG. <u>42.43</u>	
PERFS.	
DISPLACEMENT <u>within 500 ft of 2000 gal - top</u>	

OWNER Same

CEMENT
AMOUNT ORDERED 125 ALW 1090 Salt 2 stage
5th Silicate 500 salt water
3000 gal ALW 1/4 Flt Seal

EQUIPMENT	
PUMP TRUCK # <u>272</u>	CEMENTER HELPER <u>Alan</u>
BULK TRUCK # <u>273</u>	DRIVER <u>Chris</u>
BULK TRUCK # <u>44</u>	DRIVER <u>Jan</u>

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OCT 01 2012
CONSERVATION DIVISION
WICHITA, KS

COMMON <u>ALW 350</u>	@ <u>14.50</u>	<u>5075.00</u>
POZMIX	@	
GEL	@	
CHLORIDE	@	
ASC <u>125 SKI</u>	@ <u>19.00</u>	<u>2375.00</u>
<u>5th Silicate 625 lb</u>	@ <u>8.70</u>	<u>556.25</u>
<u>Extensive Salt 10 SKI</u>	@ <u>23.00</u>	<u>280.00</u>
<u>Flt Seal 88</u>	@ <u>2.20</u>	<u>237.60</u>
<u>WATER</u>	@ <u>1.20</u>	<u>635.00</u>
HANDLING <u>555.273 CF</u>	@ <u>2.10</u>	<u>1166.27</u>
MILEAGE <u>2nd Tow/haul</u>	<u>21.26 mi</u>	<u>2459.22</u>
TOTAL		<u>12235.22</u>

REMARKS:

In case Cement is sparse, use 10 GAL WFR 10 GAL H₂O
Mix 125 SKI Salt Water Disposal Pump 155 PSI 1100 gal
Run Mud - 1 20 PSI FT lead Plug 1400 PSI
Open Tool C 200 PSI Circulation
2000 gal ALW 1/4 Flt Seal 2000 gal ALW 1/4 Flt Seal
2nd work up mud plug Plug 132 HBL 150
1400 PSI FT lead Plug 1400 PSI
Tool closed Cement did circulate.

SERVICE

DEPTH OF JOB		
PUMP TRUCK CHARGE		<u>2225.00</u>
EXTRA FOOTAGE	@	
MILEAGE <u>45</u>	@ <u>7.00</u>	<u>315.00</u>
MANIFOLD	@ <u>2.00</u>	<u>202.00</u>
<u>Ext Vehicle 45</u>	@ <u>4.00</u>	<u>180.00</u>
TOTAL		<u>2727.00</u>

CHARGE TO WM KS Energy
STREET _____
CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

<u>Lat ch Down Assembly</u>	<u>1</u>	<u>277.00</u>
<u>DV Tool</u>	<u>1 @</u>	<u>4921.00</u>
<u>Flt Seal shoe</u>	<u>1 @</u>	<u>343.00</u>
<u>Silicate salt</u>	<u>20 @ 12.00</u>	<u>2400.00</u>
<u>Lock Rings</u>	<u>40 @ 4.25</u>	<u>1680.00</u>
<u>Tool joints</u>	<u>2 @ 80.00</u>	<u>160.00</u>
TOTAL		<u>9787.00</u>

To: Allied Oil & Gas Services, LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Tom Morris
SIGNATURE Tom Morris

SALES TAX (If Any) _____
TOTAL CHARGES _____
DISCOUNT _____ IF PAID IN 30 DAYS

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "ALLIED" shall mean Allied Oil & Gas Services, LLC, 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 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.

ALLIED OIL & GAS SERVICES, LLC 056472

Federal Tax I.D.# 20-5975804

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

SERVICE POINT:
Russell KS

DATE <u>8-6-12</u>	SEC. <u>28</u>	TWP. <u>11</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
WAS. OIL & GAS LEASE	WELL # <u>10</u>	LOCATION <u>Hays 10N Winto</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Integrity Drilling #7

TYPE OF JOB surface

HOLE SIZE 12 1/4 T.D. 260

CASING SIZE 8 7/8 23# DEPTH 255.66

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX 250 # MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT 15 1/4 bbl

OWNER

CEMENT AMOUNT ORDERED 170 com 3% gel 2% gel

COMMON 170 @

POZMIX @

GEL 3 @

CHLORIDE 6 @

ASC @

EQUIPMENT

PUMP TRUCK CEMENTER Glean G Robert Y.

417 HELPER Woody O.

BULK TRUCK

410 DRIVER Walter K.

BULK TRUCK

DRIVER

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KANSAS CORPORATION OF PROFESSIONALS

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SEP 28 2014

KCC

CONSERVATION DIVISION
WICHITA, KS

HANDLING 179 @

MILEAGE 12 ton miles @

REMARKS:

Run 6 joints of new 8 7/8 23# casing, circulate cement with 170 lbs com 3% 2% gel displace 15 1/4 bbl shut in at 250 lbs.

Cement Circulated

Thanks

CHARGE TO: WM KS Energy Resources LLC

STREET _____

CITY _____ STATE _____ ZIP _____

To: Allied Oil & Gas Services, LLC.

You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Don Martin

SIGNATURE _____

TOTAL _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE @ _____

MILEAGE 12 LVM I @ _____

MANIFOLD @ _____

12 LVM I @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

@ _____

@ _____

@ _____

@ _____

TOTAL _____

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "ALLIED" shall mean Allied Oil & Gas Services, LLC, 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 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.

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—**SERVICE CONDITIONS AND LIABILITIES:** 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.