

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

ORIGINAL

API NO. 15- 119-20211-0001
County Meade
SW - SW - Sec. 31 Twp. 34S Rge. 28 X W

Operator: License # 31807
Name: Cretaceous Energy, Inc.
Address 4925 Greenville Ave.
Suite 1010
City/State/Zip Dallas, TX 75206

RECEIVED
KANSAS CORP.
1710 103 10
4-10-98

687 Feet from SN (circle one) Line of Section
688 Feet from EW (circle one) Line of Section

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

Purchaser: none

Lease Name Keltner Well # 1

Operator Contact Person: H. Sherman Anderson

Field Name Cimarron Bend

Phone (214) 692-7092

Producing Formation none

Contractor: Name: Allen Drilling Co.

Elevation: Ground 2481 KB 2492

License: LN 5418

Total Depth 6800 PBDT 3372

Wellsite Geologist: Austin Garner

Amount of Surface Pipe Set and Cemented at 1354 Feet

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

Multiple Stage Cementing Collar Used? Yes X No

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

If yes, show depth set Feet

If Workover:

If Alternate II completion, cement circulated from

Operator: Shaffer Oil Co.

feet depth to w/ sx cmt.

Well Name: Keltner No. 1

Drilling Fluid Management Plan REENTRY JN 5-4-98
(Data must be collected from the Reserve Pit)

Comp. Date 10-15-75 Old Total Depth 6200

Chloride content 9000 ppm Fluid volume 730 bbls

X Deepening Re-perf. Conv. to Inj/SWD
X Plug Back 3372' PBDT
 Commingled Docket No.
 Dual Completion Docket No.
 Other (SWD or Inj?) Docket No.

Dewatering method used evaporation

Location of fluid disposal if hauled offsite:

12-2-97 12-7-97 12-17-97
Date of REENTRY Date Reached TD Completion Date

Operator Name

Lease Name License No.

 Quarter Sec. Twp. S Rng. E/W

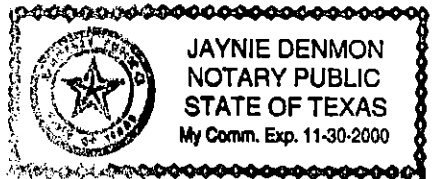
County Docket No.

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 207B, 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 H. Sherman Anderson
Title President Date 4-7-98
Subscribed and sworn to before me this 7th day of April, 1998.
Notary Public Jaynie Denmon
Date Commission Expires

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)



Operator Name Cretaceous Energy, Inc. Lease Name Keltner Well # 1
 Sec. 31 Twp. 345 Rge. 28 East West
 County Meade

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:
 Dual Induction Focused with
 gamma ray/caliper
 Densilog Comp Neutron Minilog

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Wreford	3030	-538
Toronto	4541	-2049
Lansing	4665	-2173
Morröw	5926	-3434
Miss.	6019	-3527
St. Gen	6355	-3863

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
production	7 7/8	4 1/2	10.5	3372	60140 doz	150	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 checked="" type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	3400-3372'	Class A	75	NONE

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated		Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used) Depth	
	4	3233-38		Acid 400 g. 15% HCl
4	set CIBP @ 3190	3032-38	Acid 300 g. 15% HCl	3190
4	3041-45			

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

Date of First, Resumed Production, SMD or Inj. Temp Abandoned 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 3032'-3038'
3041'-3045'

ORIGINAL

ORIGINAL

ALLIED CEMENTING CO., INC.

4489

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

RECEIVED
KANSAS CORP. COMM

SERVICE POINT:

At Bend

1998 APR 10 12:14

DATE <u>2-7-97</u>	SEC. <u>31</u>	TWP. <u>34</u>	RANGE <u>28</u>	CALLED OUT	ON LOCATION <u>9:30 AM</u>	JOB START <u>10:00 PM</u>	JOB FINISH <u>11:15 PM</u>
LEASE <u>Keltner</u>	WELL # <u>1</u>	LOCATION <u>Meade - 115, 310, 15, W into</u>			COUNTY <u>Meade</u>	STATE <u>Ks</u>	

OLD OR NEW (Circle one) NEW

CONTRACTOR <u>Allen Rig #3</u>	OWNER <u>Same</u>
TYPE OF JOB <u>Production</u>	CEMENT
HOLE SIZE <u>7 7/8</u>	T.D. <u>6800' (Plug back to 3450')</u>
CASING SIZE <u>4 1/2"</u>	DEPTH <u>3322'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX <u>900</u>	MINIMUM
MEAS. LINE	SHOE JOINT <u>40'</u>
CEMENT LEFT IN CSG. <u>40'</u>	
PERFS. <u>Displacement 353 bbls</u>	

EQUIPMENT

PUMP TRUCK # <u>181</u>	CEMENTER <u>Turner D</u>	HELPER <u>Bob B</u>
BULK TRUCK # <u>258</u>	DRIVER <u>Richard</u>	
BULK TRUCK #	DRIVER	

AMOUNT ORDERED	<u>115 gal 60/40, 10% salt,</u>		
	<u>270 gal 5* Kol Seal/sh</u>		
	<u>500 gal ASF,</u>		
COMMON	<u>99</u>	@ <u>7.55</u>	<u>747.45</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>Kol Seal 825*</u>	@ <u>.38</u>	<u>313.50</u>
	<u>ASF 500 gal</u>	@ <u>1.00</u>	<u>500.00</u>
	<u>Salt 16</u>	@ <u>7.00</u>	<u>112.00</u>
		@	
		@	
HANDLING	<u>165</u>	@ <u>1.20</u>	<u>198.00</u>
MILEAGE	<u>50</u>		<u>330.00</u>
	<u>Hugoton</u>		
TOTAL			<u>2443.95</u>

REMARKS:
Ran 3322' of 4 1/2" csg. Brake Circulation.
Pumped 500 gal ASF followed by 150 gal
60/40 10% salt, 270 gal 5* Kol Seal/sh,
washed line clean of cement. Displaced
plug with fresh water. Landed plug
at 900 #, Released float held,
Plugged Rod Hole 1/10" dia Mousehole 1/8" dia
1 Seal

SERVICE

DEPTH OF JOB	<u>3322'</u>		
PUMP TRUCK CHARGE			<u>1185.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>20</u>	@ <u>2.85</u>	<u>57.00</u>
PLUG 1-4 1/2" Rubber		@ <u>38.00</u>	<u>38.00</u>
		@	
		@	
TOTAL			<u>1280.00</u>

CHARGE TO: Cretaceous Energy, Inc
 STREET 4925 Greenville Ave. Suite 1010
 CITY Dallas STATE Texas ZIP 75206

FLOAT EQUIPMENT

1-4 1/2" Guide Shoe	@ <u>140.00</u>	<u>140.00</u>
1-4 1/2" Insert	@ <u>235.00</u>	<u>235.00</u>
8-4 1/2" Centrifuges	@ <u>53.00</u>	<u>424.00</u>
	@	
	@	
TOTAL		<u>799.00</u>

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 \$ 4522.95

DISCOUNT \$ 678.44 IF PAID IN 30 DAYS

Net \$ 3844.51

SIGNATURE Roger Pearson

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.

ORIGINAL ALLIED CEMENTING CO., INC.

4488

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

RECEIVED
KANSAS CORP COMM SERVICE POINT:
At Bend
1998 APR 10 12:14

DATE <u>12-7-97</u>	SEC. <u>31</u>	TWP. <u>34</u>	RANGE <u>28</u>	CALLED OUT <u>3:00 AM</u>	ON LOCATION <u>9:30 AM</u>	JOB START <u>10:45 AM</u>	JOB FINISH <u>11:30 AM</u>
LEASE <u>Keltner</u>	WELL # <u>1</u>	LOCATION <u>Meade - 165, 3w, 15, W into</u>			COUNTY <u>Meade</u>	STATE <u>Ks</u>	

OLD OR NEW (Circle one)

CONTRACTOR <u>Allen Rig #3</u>	
TYPE OF JOB <u>Plugging</u>	
HOLE SIZE <u>7 7/8"</u>	T.D. <u>6800'</u>
CASING SIZE	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE <u>4 1/2"</u>	DEPTH <u>3700'</u>
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	

OWNER Same CEMENT

AMOUNT ORDERED <u>75 lbs common</u>			
COMMON	<u>75</u>	@	<u>7.55</u> <u>566.25</u>
POZMIX		@	
GEL		@	
CHLORIDE		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>7.5</u>	@	<u>1.20</u> <u>90.00</u>
MILEAGE <u>Hugoton</u>	<u>20</u>	@	<u>150.00</u>
			TOTAL <u>\$ 806.25</u>

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Tim D</u>
# <u>181</u>	HELPER <u>Bob B</u>
BULK TRUCK	
# <u>258</u>	DRIVER <u>Rich W</u>
BULK TRUCK	
#	DRIVER

REMARKS:

Ran 3700' of 4 1/2" Drill Pipe. Circulated Hole. Mixed 75 lbs Common Disposed with Drilling Mud. Pulled Drill Pipe to 3400' & circulated Hole. Wait on Rig to Run casing.

Rich

CHARGE TO: Cretaceous Energy, Inc
STREET 4925 Greenville Ave. Suite 1010
CITY Dallas STATE Texas ZIP 75206

SERVICE

DEPTH OF JOB <u>3700'</u>	
PUMP TRUCK CHARGE	<u>685.00</u>
EXTRA FOOTAGE	@
MILEAGE <u>20</u>	@ <u>2.85</u> <u>57.00</u>
PLUG <u>Libert</u>	@
	@
	@
TOTAL <u>742.00</u>	

FLOAT EQUIPMENT

	@
	@
	@
	@
	@
TOTAL	

TAX 0
TOTAL CHARGE \$ 1548.25
DISCOUNT \$ 232.24 IF PAID IN 30 DAYS

Net \$ 1316.01

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 Roger Pearson

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.