STATE CORPORATION COMMISSION OF KANSAS OIL & GAS CONSERVATION DIVISION MELL COMPLETION FORM ACO-1 WELL HISTORY DESCRIPTION OF WELL AND LEASE
22001

MELL COMPLETION FORM ACO-1 MELL HISTORY DECORPTION OF AELL AND AFACE	30 E &280 Noof SW Sec. 34 Tup. 34S Rge. 15		
DESCRIPTION OF WELL AND LEASE	1600 A		
Operator: License # 32204 Name: REDLAND RESOURCES, INC.	1600 Feet from (S) N (circle one) Line of Section. 1350 Feet from E(W)(circle one) Line of Section		
	J ———		
Address 6001 NW 23rd Street	Footages Calculated from Nearest Outside Section Corner: NE, SE, NW or SW (circle one)		
City/State/Zip Okla. City, OK 73127	Lease Name SALT FORK Well # 34-14		
	Field Name AETNA GAS AREA		
Purchaser: N/A	Producing Formation N/A		
	Elevation: Ground 1606 KB 1617		
Phone (405) 789-7104 KANSAS CORPORATION CO			
Contractor: Name: DUKE DRILLING 10-25-00	(Amount of Surface Pipe Set and Cemented atFeet		
License: 5929 UCI 20 20	Multiple Stage Cementing Collar Used? Yes XX No		
Wellsite Geologist: MIKE POLLOK	,		
Designate Type of Completion WICHIIA, NO			
XX New Well Re-Entry Workover	If Alternate II completion, cement circulated from		
OilSMDSIOWTemp. Abd. GasENHRSIGW	feet depth tow/sx cmt.		
XXX Dry Other (Core, WSW, Expl., Cathodic, etc)	Drilling Fluid Management Plan D&A & 71 12-29-00 (Data must be collected from the Reserve Pit)		
If Workover:	tone was as as as as as a second of the seco		
Operator:	Chloride content 5000 ppm Fluid volume 1290 bbls		
Well Name:	Dewatering method used HAUL OFF		
Comp. DateOld Total Depth	Location of fluid disposal if hauled offsite:		
Deepening Re-perf Conv. to Inj/SWD	CEE 2 Form CDP-5 attrached		
Plug Back PBTD Commingled Docket No.	Operator Name SEE 2 Form CDP-5 attached		
Dual Completion Docket No. Other (SWD or Inj?) Docket No.	Lease NameLicense No		
8-1-00 8-10-00 N/a	Quarter SecTwpS RngE/W		
Spud Date Date Reached TD Completion Date	County Docket No		
Room 2078, Wichita, Kansas 67202, within 120 days of the Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information on 12 months if requested in writing and submitted with the	be filed with the Kansas Corporation Commission, 130 S. Market spud date, recompletion, workover or conversion of a well. side two of this form will be held confidential for a period of a form (see rule 82-3-107 for confidentiality in excess of 12 report shall be attached with this form. ALL COMENTING TICKETS lls. Submit CP-111 form with all temporarily abandoned wells.		
All requirements of the statutes, rules and regulations promul	gated to regulate the oil and gas industry have been fully complied		
with and the statements herein are complete and correct to the	e best of my knowledge.		
Signature Alle Juoney	K.C.C. OFFICE USE ONLY		
Title Vice President Date 10-	24-00 F Letter of Confidentiality Attached C V Wireline Log Received Geologist Report Received		
Subscribed and sworn to before me this 24 day of Octobe 182000.	<u></u> ,		
11:00	DistributionKCCKGPA		
	KGS PlugOther (Specify)		
Date Commission Expires Oct 23 200 1			
SHIFILEY B. SMALL PSIGHTON COUNTY NOTIFY FURNIC IN and for SING OF ORIGINATION SING OF ORIGINAL 23, 2002	Form ACO-1 (7-91)		
The state of the s			

SIDE TWO

Operator Name RED	LAND RESOU	RCES, INC.	Lease Name	SALT_	FORK	Well #	34-14
·		☐ East	County	BARBER C	OUNTY		
Sec. 34 Tup. 345	Rge. <u>15</u>	⊠ _{Vest}				<u> </u>	•
INSTRUCTIONS: Show interval tested, time hydrostatic pressure if more space is nee	important tops me tool open a s, bottom hole	and base of formati and closed, flowing temperature, fluid re	and shut-in pres	sures. Wheth	ner shut-in pre	ssure read	ched static leve(,
Drill Stem Tests Tak (Attach Additiona		⊠ Yes □ No	₩ Log	Formation	n (Top), Depth	and Datums	Sample
Samples Sent to Geol		🗆 Yes 🗷 No	Name		Тор		Datum
•	.,	☐ Yes No		EBNER	4014' 4210'	•	-23971
Cores Taken		☐ tes ☐ No	LANSIN	SH	4210 4624	,	-2593 ' -3007 '
Electric Log Run (Submit Copy.)		EN Yes □ Ho			4844		-3227 '
, ,			MISS I	ETRITAL	487.0 1		-3253'
List All E.Logs Run:			MISS U	INCONFORM	4886 '	:	-3269 '
NEUTRON I DUAL INDU MICROLOG							
		CASING RECORD					
	Demant of		الكا New لكا	sed	production at	_	
<u> </u>	Keport a	ll strings set-condu	ctor, surtace, 1	ntermediate,	production, et		,
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	14.75"	10.75"	40.5#	254	POZMIX	220	3% Calc
	\						
	<u> </u>		_				ļ
	ADDITIONAL C	EMENTING/SQUEEZE REC	ORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	1	Type and Percen	t Additive	es
Perforate Protect Casing Plug Back TD Plug Off Zone	N/A						
Shots Per Foot		RECORD - Bridge Plo e of Each Interval R			Fracture, Shot,		pueeze Record Depth
	MONIE			 			
	NONE						
		<u> </u>					
TUBING RECORD	Size	Set At	Packer At	Liner Run	☐ Yes ☐	No	
Date of First, Resum	ed Production,	SUD or Inj. Produ	ucing Method	lowing Pur	mping Gas L	ift O	ther (Explain)
Estimated Production Per 24 Hours	oit	Bbls. Gas	Mcf Wate		Gas-Oil		Gravity
Disposition of Gas:	METHOD OF	COMPLETION		Pro	oduction Interv	a (
Vented Sold (If vented, sub			Hole Perf.			ingled .	
		U Other	(Specify)			-	





MAP EXPLORATION, INC.

MICHAEL ANTHONY POLLOK, PRES.

P.O. BOX 106 = PURCELL, OXLAHOMA 73080

OFFICE 405/527-6038 = Home 405/527-5200 = Mobile 405/650-0793 = Fax 405/527-7629

GEOLOGICAL REPORT

RECEIVED
KANSAS CORPORATION COMMISSION

SALT FORK 34-14

OCT 25 2000

SW/4 SECTION 34 - T34S - R15W BARBER COUNTY, KANSAS

CONSERVATION DIVISION WICHITA, KS

SUMMARY

The above captioned well was drilled to a total depth of 5,000 feet on August 11, 2000. A one-man mud-logging unit with gas chromatograph was on location from 2,800 feet to TD, with samples being analyzed from 3,800 feet to TD. The well was under the geological supervision of the undersigned from approximately 4,050 feet to TD. At TD, Reeves electric logs were run that consisted of Dual induction, Compensated Neutron – density and Micro-log. From data collected while drilling and analyzing, hydrocarbon shows were encountered in the Mississippian Detrital and the Mississippian Dolomite. A drill stem test was run after e-logs with a negative response. The decision was made to plug and abandon the Salt Fork 34-14 as a dry depleted well.

OSWEGO LIMESTONE

The Oswego (Ft. Scott) Limestone was drilled at 4,802 (-3185) feet. Samples were described as white to off-white predominately chalky micro-crystalline limestone, with a trace of intercrystalline and some pin-point porosity. A slight three-foot drilling break was recorded with no increase from the gas chromatograph. Electric logs indicated this zone to be a low porosity "tight" interval that would not be productive. The Ft. Scott Limestone interval has become a secondary target at best. Prediction of the shoaling fairway can be mapped, but the prediction of porosity and permeability has been at best hit and miss.

MISSISSIPPIAN

The Mississippian Detrital, was topped at 4,870 (-3253) feet. This zone consisted of two porosity packages. The first was four-foot thick with a porosity of 14% and a gas kick of 138 units. The second package of detrital lay juxtaposed to the Mississippian unconformity and was also four-foot thick, with a 112-unit gas kick. Samples were described as a mixture of off-white to cream buff dolomite with sucrosic texture and opaque to milky chert.

The top of the Mississippian Unconformity was topped at 4.886 (-3269) feet. Samples were described as cream to buff, very fine to fine crystalline dolomite, with a trace of pin-point and vugular, along with intercrystalline porosity. A trace of glauconite, bright yellow fluorescence along with excellent streaming out, and light brown live oil staining was reported through a 140-unit gas kick.

Due to the lack of having Ft. Scott "pay" in this well, a drill stem test was run across the Mississippian zones to further evaluate the zones for depletion. Results are as follows:

ORIGINACT 25 2000

CONSERVATION DIVISION WICHITA, KS

No gas to surface

Recovery: 70' drilling mud Plowing pressures: 31-34/31-42 Shut-in pressures: 397/431

The test results of the DST indicate these zones have been drained by surrounding wells, and would make some uneconomic gas.

ELECTRIC LOG TOPS

	REDLANDS	GRAHAM	K & E
	SALT FORK 34-14	DAVIS RANCH I	DAVIS C I
	SW/4	NE SE	SW SE
	34-T34S-R15W	33-T34S-R15W	34-T34S-R15W
TOP PENN.	3080	3068	3040
(subsea)	(-1463)	(-1476)	(-1470)
BS. HEEBNER (subsea)	4014	3994	3970
	(-2397)	(-2402)	(-2400)
LANSING	4210	4192	4164
(subsea)	(-2593)	(-2600)	(-2594)
STARK SHALE (subsea)	4624	4596	4583
	(-3007)	(-3004)	(-3013)
CHEROKEE SH. (subsea)	4844	4822	4801
	(-3227)	(-3230)	(-3231)
MISS DETRITAL (subsea)	4870	4840	4824
	(-3253)	(-3248)	(-3254)
MISS UNCONFORM. (subsea)	4886	4866	4840
	(-3269)	(-3274)	(-3270)

CONCLUSION

The Salt Fork 34-14 was drilled as an in-fill well for Mississippian reserves along with what was considered a very good Oswego (Ft. Scott) Limestone shoal. We did not encounter any of the Ft.Scott Limestone shoal and the Mississippian was more depleted than anticipated.

After all data was analyzed, the decision was made to plug the Salt Fork 34-14 as a dry hole.

Mike Polick

Petroleum Geologist

8/22/00

ALLIED CEMENTING CO., INC. Federal Tax I.D.# 48-0727860

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

.....

		max. wageto.
	ALLED OUT ON LOCATION 9:00Pm	JOB START JOB FINISH
SAH LEASEFORK WELL# 34-14 LOCATION ACAT		COUNTY STATE
OLD OR NEW (Circle one)		
CONTRACTOR DUKE Drig.	OWNER Redlands F	- - -
TYPE OF JOB SURFACE	OWNER RECARDING	<u> </u>
HOLE SIZE 143/4 T.D. 265	CEMENT	
CASING SIZE 103/4 DEPTH 264'	AMOUNT ORDERED 22	5 SX 60/40
TUBING SIZE DEPTH	3%cc +2% Gel	
DRILL PIPE DEPTH		
TOOL DEPTH	123	- / 20 03 0 3 -
PRES. MAX AMINIMUM 100 MEAS. LINE SHOE JOINT	COMMON /32	_@ <i>6.3</i> S <i>838.20</i>
MEAS. LINE SHOE JOINT CEMENT LEFT IN CSG.	POZMIX	_@ <i>32S_286.00</i> _@ 9.Sb_38.00
PERFS.	CHLORIDE 7	_@ <u>9.50_38.00</u> _@ <i>28.0</i> 0_196.00_
DISPLACEMENT Fresh HO 23/2BUS		@
EQUIPMENT		
EQUIMENT .		
PUMP TRUCK CEMENTER LACCUD.		
" 2112	and the state of t	@
	HANDLING 220 MILEAGE 220 ×35	_@_ <i>1.05</i> _ <i>231.00</i>
#240 DRIVER MIKE R.	MILEAGE 220 ×35	04
	T 25 2000	100 57 5
# DRIVER _	. 45 2000	TOTAL <u>1897.20</u>
Pipe on Bottom-Break Circ. Homp 230sx 60/40/3%cct2%Ge1 Release Plug. Displace Yug W/23/3Bbb Fresh HD. Bump Plug. Shutt In.	DEPTH OF JOB 264 PUMP TRUCK CHARGE 0 EXTRA FOOTAGE MILEAGE PLUG LOCK -COP	3001 410.00 @ 3.00 105.00 @ 55.00 55.00
	1200 1000 1000	
CHARGE TO: Relands Resources		TOTAL \$ 630.00
STREET 6001 NW 23RD ST.	FLOAT EQ	UIPMENT
CITY OKLA. CZTY STATE OKLA ZIP 73127		
7	1-BAFFLE PlAte	@ <i>68.0068.00</i>
		@ <u></u>
To Allied Cementing Co., Inc.		@
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or		TOTAL 133.00
contractor to do work as is listed. The above work was	,	
done to satisfaction and supervision of owner agent or	TAX	_
contractor. I have read & understand the "TERMS AND		_)
CONDITIONS" listed on the reverse side.	TOTAL CHARGE _ 2660	-
$\bigcap_{i=1}^{n} a_i $	DISCOUNT 266.00	F PAID IN 30 DAYS
1, \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	A374.1	σ
SIGNATURE X Wirned Whitley	X DAVID WHITL	E/ FED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

- —TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.
- —ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.
- —PRICES AND TAXES: All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER
- —TOWING CHARGES: ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.
- —PREPARATION.CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.
- —DEADHAUL, CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.
- —SERVICE CONDITIONS AND LIABILITIES: 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:
- (A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:
- (B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.
- 2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.
- 3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.
- WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.
 - 2. More specifically:
- (A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.
- (B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.
- (C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

ALLIED CEMENTING CO., INC. 4176

REMIT TO P.O. BOX 31 RUSSELL, KANSAS 67665	S1	ERVICE POINT: Medicine Lodge
	CALLED OUT ON LOCATION 12:30	
DATE 8-12-00 34 345 ISW	11:00 pm 12:30	COUNTY STATE
LEASESAH FONK WELL# 34-14 LOCATION De-1	NA BA, 1/2 E,	COUNTY STATE
OLD OR NEW (Circle one)	/	
CONTRACTOR Dyke = 4	OWNER Redlands	Resources
TYPE OF JOB Rotary Plua	CICIR CENTER	
HOLE SIZE 7 1/2 T.D.	CEMENT	r - /0.110:/
CASING SIZE 8 % DEPTH 26 S	AMOUNT ORDERED _45.	3 3x 80.40.6
TUBING SIZE DEPTH DRILL PIPE DEPTH		
•		
	common	0/25 690 55
		@ <i>6.35_590.</i> SS
MEAS. LINE SHOE JOINT CEMENT LEFT IN CSG.	POZMIX <u>63</u>	@ <i>3.2S201.So</i>
	GEL 8	@ <u>9.5076.00</u> _
PERFS.	CHLORIDE	
DISPLACEMENT fieshwater	-	
EQUIPMENT		
PUMPTRUCK CEMENTER GALL Balding		
#343 HELPER Mark Stungard+	· · · · · · · · · · · · · · · · · · ·	@
BULK TRUCK	HANDLING ASS	@ 1.05 162.75
# 201 DRIVED 1) alla 14/05+	PMUBBAGE ISSX 30	-04 217.00
BULK TRUCK	CORPORATION COMMISSION	
# DRIVER	OCT 25 2000	TOTAL # 1247.80
Dump 50 5x - 660'	ONSERVATION DIVISION WICHITA, KS DEPTH OF JOB	410.00
15 sx - lat Hole	EXTRA FOOTAGE	
15 sx - 40'	MILEAGE 35	@ <i>3.00105.0</i> 0_
<u> </u>	PLUG	@
		@
CHARGE TO: Redlands Resources Inc	FLOAT E	TOTALÆ <i>S75.0</i> 5
CITY OKIA. C. 4 STATE DK/A, ZIP 73/2	フ	
CITY DAING IT STATE DICHALZIP 101&	/	
		@
		@
To Allied Cementing Co., Inc.	•	
You are hereby requested to rent cementing equipment		TOTAL
and furnish cementer and helper to assist owner or	<u>-</u>	IOIAL
contractor to do work as is listed. The above work was		•
done to satisfaction and supervision of owner agent or	TAX	
contractor. I have read & understand the "TERMS AND	TOTAL CIVADOR 18	22.80
CONDITIONS" listed on the reverse side.	TOTAL CHARGE	50
	DISCOUNT 183	. 28 IF PAID IN 30 DAYS
STONE AS ()	1/2/10 2	
SIGNATURE STADON D KOOLL	TYCION I) X OL PRI	NTED NAME

GENERAL TERMS AND CONDITIONS

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—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.

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—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.

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- (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.