FORM MUST BE TYPED

SIDE ONE

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- 093-20,858-00-01

Operator: License # 5135

Name: John O. Farmer, Inc.

Address P.O. Box 352

City/State/Zip Russell, KS 67665

Purchaser: Farmland Industries, Inc.

Operator Contact Person: Martin K. Dubois

Phone (913) 483-3144

Contractor: Name: Murfin Drilling Company, Inc.

License: 30606

Wellsite Geologist: Martin K. Dubois

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

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

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

Operator: Chevron USA, Inc.

Well Name: Loucks #1-18

Comp. Date 3-13-86 Old Total Depth 5196'

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

6-16-94 6-18-94 7-9-94
REENTRY ~~SPUD~~ Date Date Reached TD Completion Date

County Kearny

SE - SE - NW - ____ Sec. 18 Twp. 24S Rge. 36 ____ E X W

2310 Feet from S (N) (circle one) Line of Section

2310 Feet from E (W) (circle one) Line of Section

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

Lease Name Loeppke Well # 1

Field Name (wildcat)

Producing Formation St. Louis "C"

Elevation: Ground 3219' KB 3228'

Total Depth 5201' PBTD ____

Amount of Surface Pipe Set and Cemented at 2001 Feet

Multiple Stage Cementing Collar Used? ____ Yes X No

If yes, show depth set ____ Feet

If Alternate II completion, cement circulated from ____

feet depth to ____ w/ ____ sx cmt.

Drilling Fluid Management Plan OLD WELL WASHDOWN
(Data must be collected from the Reserve Pit) JH 1-13-95

Chloride content 10,000 ppm Fluid volume 900 bbls

Dewatering method used evaporation

Location of fluid disposal if hauled offsite:
(not hauled)

Operator Name ____

Lease Name ____ License No. ____

____ Quarter Sec. ____ Twp. ____ S Rng. ____ E/W

County ____ Docket No. ____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 200 Colorado Derby Building, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information on side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

8-16-94

Signature John O. Farmer III
John O. Farmer III
Title President Date 8-15-94

Subscribed and sworn to before me this 15th day of August, 19 94.

Notary Public Margaret A. Schulte
Margaret A. Schulte

Date Commission Expires ____

NOTARY PUBLIC - State of Kansas
MARGARET A. SCHULTE
My Appt. Exp. 1-27-97

RECEIVED
STATE CORPORATION COMMISSION
AUG 16 1994
CONSERVATION DIVISION
WICHITA, KANSAS

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)
NP 6949

Form ACO-1 (7-91)

SIDE TWO

Operator Name John O. Farmer, Inc. Lease Name Loeppke Well # 1

JANUARY

Sec. 18 Twp. 24S Rge. 36 ☐ East ☒ West County Kearny

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 (Attach Additional Sheets.)	☒ Yes	☐ No	☐ Log	☐ Sample
Samples Sent to Geological Survey	☐ Yes	☒ No		
Cores Taken	☐ Yes	☒ No		
Electric Log Run (Submit Copy.)	☒ Yes	☐ No		

List All E.Logs Run:

Cement Bond Log

Formation (Top), Depth and Datums

Name	Top	Datum

CASING RECORD ☐ New ☒ 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
Conductor *	?	16"	65#	59'	Info. not	available	
Surface *	?	8-5/8"	24#	2001'	Info. not	available	
Production	7-7/8"	4-1/2"	11.6#	5118'	60/40 Pozmix	200	10% salt, 2% gel

* Set by Chevron in 1986

ADDITIONAL CEMENTING/SQUEEZE RECORD

Purpose:	Depth Top	Depth Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate					
___ Protect Casing					
___ Plug Back TD					
___ Plug Off Zone					

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 SPF	4981-90'	1500 gals. 15% FE	4981-90'

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2-3/8"	5063'	none	☐ Yes ☒ No

Date of First, Resumed Production, SWD or Inj.	Producing Method
July 26, 1994	☐ Flowing ☒ Pumping ☐ Gas Lift ☐ Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	55	None	0		

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

4981-90'

TRILOBITE TESTING, L.L.C.

P.O. Box 362 • Hays, Kansas 67601

ORIGINAL

Drill-Stem Test Data

Well Name LOEPPKE #1 Test No. 1 Date 6/17/94

Company JOHN O FARMER INC Zone ST LOUIS 'C'

Address P.O. BOX 352 RUSSELL KS 67665 Elevation 3219

Co. Rep./Geo. MARTY DUBOIS Cont. MURFIN #20 Est. Ft. of Pay 6

Location: Sec. 18 Twp. 24S Rge. 36W Co. KEARNY State KS

API #15-093-20858-0001

Interval Tested 4962-5002 Drill Pipe Size 4.5" XH

Anchor Length 40 Wt. Pipe I.D. - 2.7 Ft. Run 30

Top Packer Depth 4957-4962 Drill Collar -- 2.25 Ft. Run 293

Bottom Packer Depth 5002 Mud Wt. lb/Gal.

Total Depth 5198 Viscosity Filtrate

Tool Open @ 11:15PM Initial Blow 1/4" TO 11" BLOW IN 60 MINUTES

ISI: BLED OFF BLOW - 1/4" WEAK BLOW

Final Blow SURFACE TO BOTTOM IN 45 MINUTES

FSI: STEADY 1/4" BLOW THROUGHOUT

Recovery - Total Feet 400 Flush Tool? NO

Rec. 220 Feet of CLEAN GASSY OIL 15%GAS/85%OIL

Rec. 120 Feet of GAS OIL CUT MUD 20%GAS/30%OIL/50%MUD

Rec. 60 Feet of GAS OIL WATER CUT MUD 10%GAS/10%OIL/20%WATER/60%MUD

Rec. Feet of

Rec. Feet of

BHT 120 °F Gravity 25 °API @ 74 °F Corrected Gravity 23.6 °API

RW 0.5 @ 66 °F Chlorides 13500 ppm Recovery Chlorides ppm System

(A) Initial Hydrostatic Mud 2349.6 PSI AK1 Recorder No. 13309 Range 4700

(B) First Initial Flow Pressure 42.6 PSI @ (depth) 4977 w / Clock No. 19960

(C) First Final Flow Pressure 125.8 PSI AK1 Recorder No. 13339 Range 4025

(D) Initial Shut-in Pressure 1144.5 PSI @ (depth) 4982 w / Clock No. 22992

(E) Second Initial Flow Pressure 176.6 PSI AK1 Recorder No. 13276 Range 4000

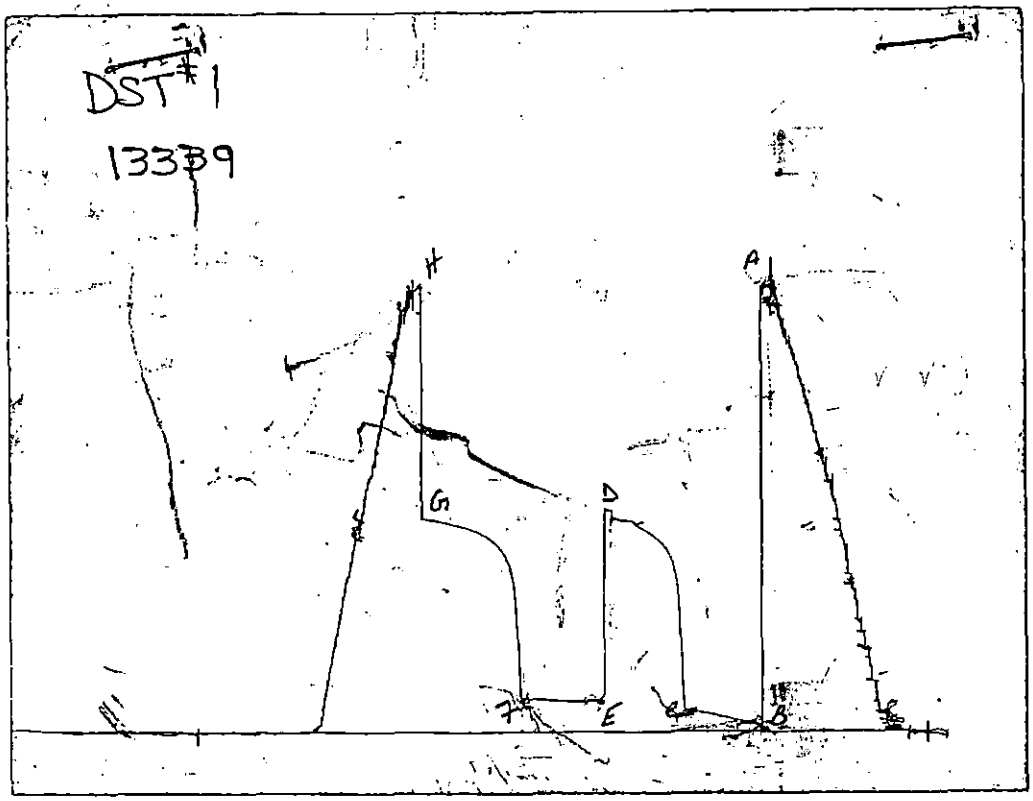
(F) Second Final Flow Pressure 191.2 PSI @ (depth) 5193 w / Clock No. 23832

(G) Final Shut-in Pressure 1136.4 PSI Initial Opening 60 Final Flow 60

(H) Final Hydrostatic Mud 2336.8 PSI Initial Shut-in 60 Final Shut-in 75

Our Representative ROD STEINBRINK/GARY SPEER

CHART PAGE



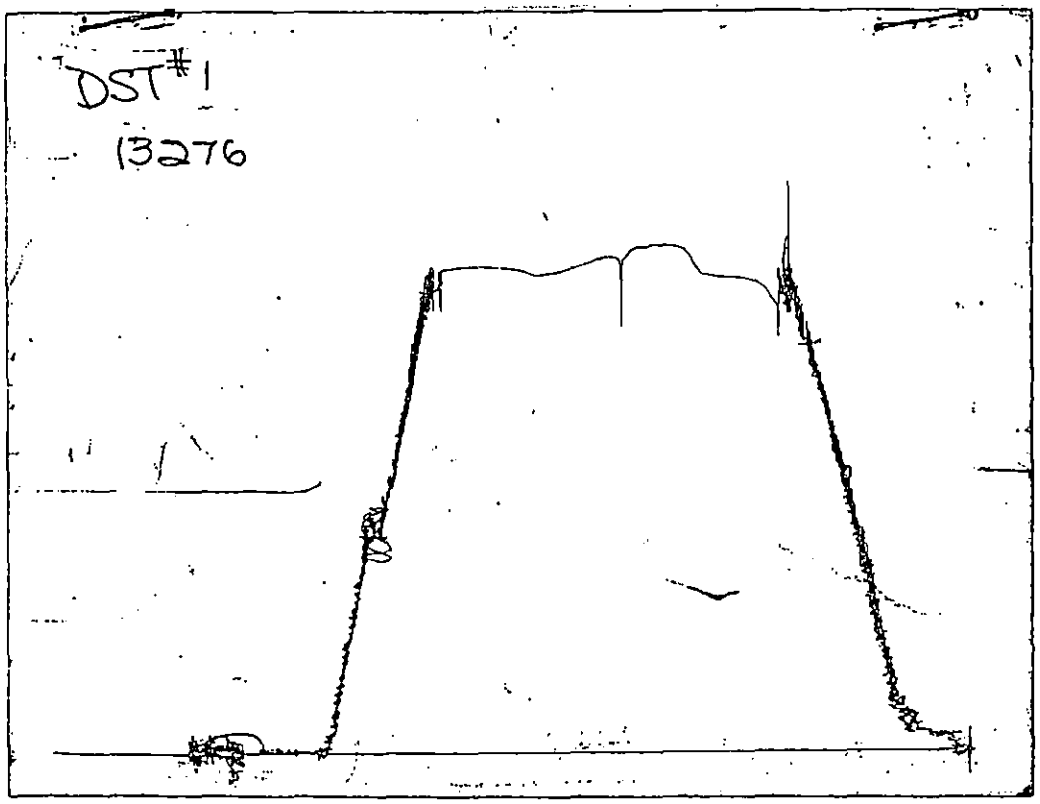
This is an actual photograph of recorder chart

	FIELD READING	OFFICE READING
(A) INITIAL HYDROSTATIC MUD	2343	2349.6
(B) FIRST INITIAL FLOW PRESSURE	31	42.6
(C) FIRST FINAL FLOW PRESSURE	114	125.8
(D) INITIAL CLOSED-IN PRESSURE	1140	1144.5
(E) SECOND INITIAL FLOW PRESSURE	176	176.6
(F) SECOND FINAL FLOW PRESSURE	187	191.2
(G) FINAL CLOSED-IN PRESSURE	1130	1136.4
(H) FINAL HYDROSTATIC MUD	2323	2336.8

15-093-20858-0001

CHART PAGE

ORIGINAL



This is an actual photograph of recorder chart

	FIELD READING	OFFICE READING
(A) INITIAL HYDROSTATIC MUD		
(B) FIRST INITIAL FLOW PRESSURE		
(C) FIRST FINAL FLOW PRESSURE		
(D) INITIAL CLOSED-IN PRESSURE		
(E) SECOND INITIAL FLOW PRESSURE		
(F) SECOND FINAL FLOW PRESSURE		
(G) FINAL CLOSED-IN PRESSURE		
(H) FINAL HYDROSTATIC MUD		

COMPUTER OIL EVALUATION BY TRILOBITE TESTING, L.L.C.

JOHN O FARMER INC

LOEPPKE #1 DST 1

18 24S 36W KEARNY KS

ELEVATION:	3219	KB	EST. PAY	6	FT
DATUM:	-1764		ZONE TESTED:	ST LOUIS 'C'	
TEST INTERVAL:	4962-5002		TIME INTERVALS:	60-60-60-75	
RECORDER DEPTH:	4982		VISCOSITY:	34.56	CP
BOTTOM HOLE TEMP:	120		HOLE SIZE:	7.875	IN

CUBIC FEET OF GAS IN PIPE:	5			
TOTAL FEET OF RECOVERY:	400.00	CORRECTED PIPE FILLUP:	479.198	
TOTAL BARRELS OF RECOVERY:	2.74	CORR. BARRELS OF RECOVERY:	3.864	BBL
BARRELS IN DRILL PIPE:	1.09	API GRAVITY:	24	
BARRELS IN WEIGHT PIPE:	0.21	FLUID GRADIENT:	0.399	
BARRELS IN DRILL COLLARS:	1.43			
GAS OIL RATIO:	1.84	CU.FT/BBL		
BUBBLE POINT PRESSURE:	21			
UNCORRECTED INITIAL PRODUCTION:			32.85	BBL
INITIAL PRODUCTION CORRECTED TO FINAL FLOW PRESSURE:			46.37	BBL/DAY
INITIAL PRODUCTION CORRECTED TO PSEUDO STEADY FLOW STATE:			28.610	

INITIAL SLOPE	479.04	PSI/CYCL	FINAL SLOPE	281.39	PSI/CYCLE
INITIAL P*	1294.11	PSI	FINAL P*	1250.17	PSI

TRANSMISSIBILITY	26.79	(MD.-FT./CP.)
PERMEABILITY	154.33	(MD.)
INDICATED FLOW CAPACITY	926.01	(MD.FT)
PRODUCTIVITY INDEX	0.03	(BARREL/DAY/PSI)
DAMAGE RATIO	0.69	
RADIUS OF INVESTIGATION	136.09	(FT,)
POTENTIOMETRIC SURFACE	1136.14	(FT.)
DRAWDOWN FACTOR	3.395	(%)

15-093-20858-0001

INITIAL FLOW

RECORDER 13339 DST # 1

ORIGINAL

TIME(MIN)	PRESSURE	<>PRESSURE
0	42.6	42.6
3	42.6	0.0
6	46.8	4.2
9	50.9	4.1
12	54.1	3.2
15	60.3	6.2
18	66.5	6.2
21	70.7	4.2
24	74.8	4.1
27	80.1	5.3
30	84.2	4.1
33	89.4	5.2
36	93.6	4.2
39	98.8	5.2
42	101.9	3.1
45	107.1	5.2
48	110.3	3.2
51	115.4	5.1
54	118.5	3.1
57	121.6	3.1
60	125.8	4.2

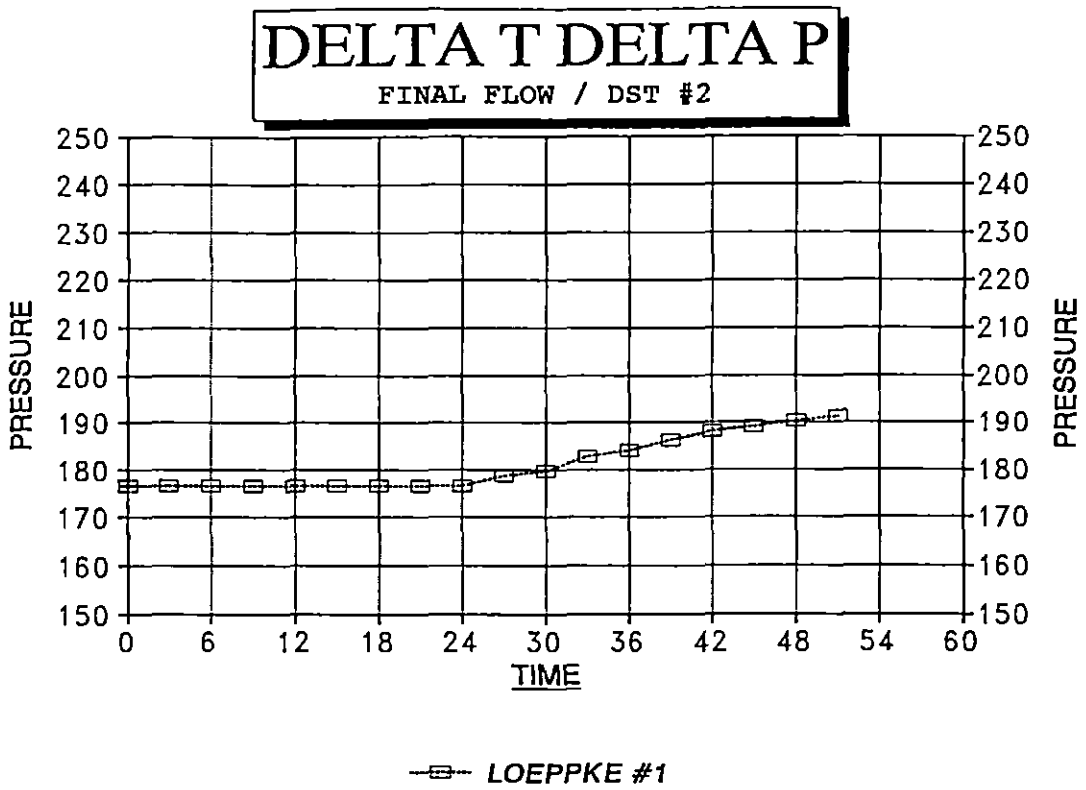
FINAL FLOW

RECORDER 13339 DST # 1

TIME(MIN)	PRESSURE	<> PRESSURE
0	176.6	176.6
3	176.6	0.0
6	176.6	0.0
9	176.6	0.0
12	176.6	0.0
15	176.6	0.0
18	176.6	0.0
21	176.6	0.0
24	176.6	0.0
27	178.7	2.1
30	179.8	1.1
33	182.9	3.1
36	183.9	1.0
39	186.1	2.2
42	188.1	2.0
45	189.1	1.0
48	190.2	1.1
51	191.2	1.0

15-093-20858-0001

ORIGINAL



INITIAL PRODUCTION CORRECTED TO PSEUDO STEADY FLOW STATE: 28.610

LOEPPKE #1 DST #1
INITIAL SHUTIN

60 INITIAL FLOW TIME

SLOPE 479.0 PSI/CYCLE
P* 1294.11 PSI

	TIME(MIN)	Pws (psi)	Log Horn T	<> PRESSURE	Horn T
	3	490.1	1.322	490.1	21
	6	807.6	1.041	317.5	11
	9	886.7	0.885	79.1	8
	12	949.9	0.778	63.2	6
	15	982.9	0.699	33.0	5
	18	1004.9	0.637	22.0	4
	21	1024.1	0.586	19.2	4
	24	1040.1	0.544	16.0	4
	27	1055.1	0.508	15.0	3
	30	1067.2	0.477	12.1	3
	33	1080.2	0.450	13.0	3
	36	1090.3	0.426	10.1	3
	39	1105.3	0.405	15.0	3
	42	1120.4	0.385	15.1	2
	45	1123.4	0.368	3.0	2
X	48.	1125.4	0.352	2.0	2
	51	1127.4	0.338	2.0	2
	54	1135.4	0.325	8.0	2
X	57	1144.5	0.312	9.1	2

LOEPPKE #1
FINAL

DST #1
SHUTIN

120 TOTAL FLOW TIME

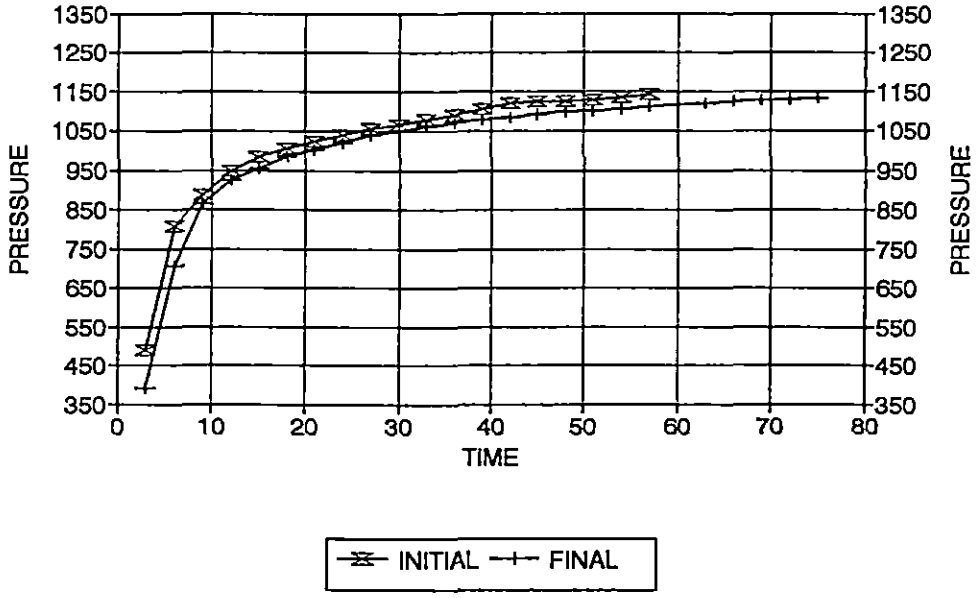
15-093-20858-0001

SLOPE 281.4 PSI/CYCLE
P* 1250.2 PSI

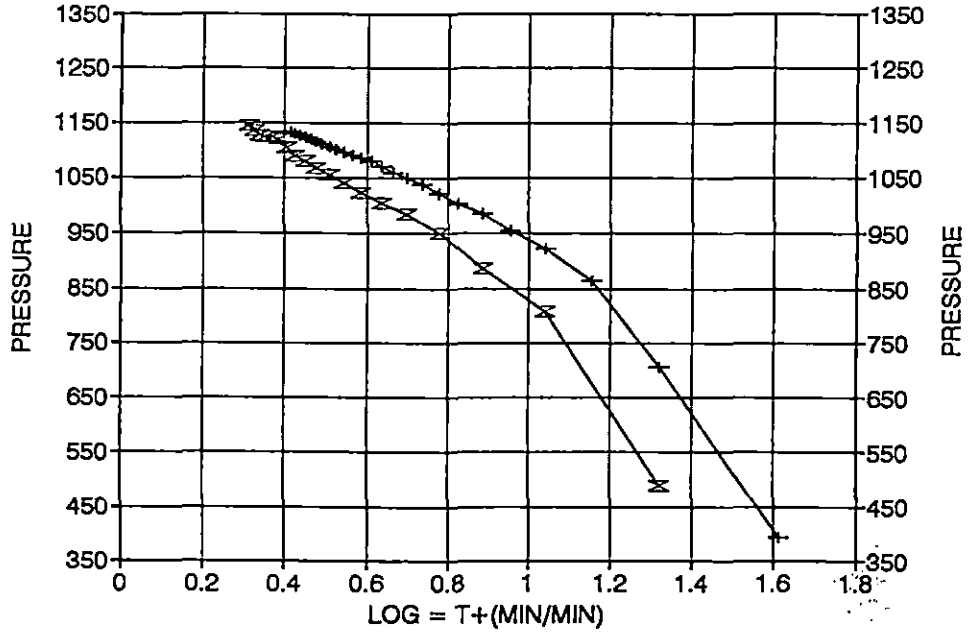
ORIGINAL

			Log Horn T	<> PRESSURE	Horn T
	3	391.9	1.613	391.9	41
	6	706.4	1.322	314.5	21
	9	864.7	1.156	158.3	14
	12	923.8	1.041	59.1	11
	15	954.9	0.954	31.1	9
	18	984.9	0.885	30.0	8
	21	1001.9	0.827	17.0	7
	24	1021.1	0.778	19.2	6
	27	1038.1	0.736	17.0	5
	30	1050.1	0.699	12.0	5
	33	1060.1	0.666	10.0	5
	36	1070.2	0.637	10.1	4
	39	1079.2	0.610	9.0	4
X	42	1085.2	0.586	6.0	4
	45	1092.3	0.564	7.1	4
	48	1097.3	0.544	5.0	4
	51	1101.3	0.525	4.0	3
	54	1106.3	0.508	5.0	3
	57	1110.3	0.492	4.0	3
	60	1116.3	0.477	6.0	3
	63	1120.4	0.463	4.1	3
	66	1124.4	0.450	4.0	3
	69	1128.4	0.438	4.0	3
	72	1130.4	0.426	2.0	3
X	75	1133.4	0.415	3.0	3

LOEPPKE #1 / DST #1
DELTA T DELTA P



HORNER PLOT



15-093-20858-0001

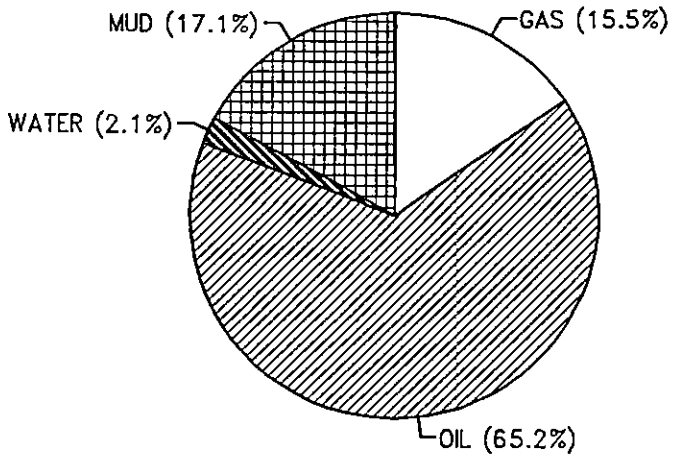
ORIGINAL

CALCULATED RECOVERY ANALYSIS

DST 1 TICKET # 7204

SAMPLE	#	TOTAL FEET	%	GAS FEET	%	OIL FEET	%	WATER FEET	%	MUD FEET
DRILL	1	77	15	11.55	85	65.45		0		0
PIPE	2			0		0		0		0
	3			0		0		0		0
	4			0		0		0		0
	5			0		0		0		0
	6			0		0		0		0
WEIGHT	1	30	15	4.5	85	25.5		0		0
PIPE	2			0		0		0		0
	3			0		0		0		0
	4			0		0		0		0
DRILL	1			0		0		0		0
COLLAR	2	113	15	16.95	85	96.05		0		0
	3	120	20	24	30	36		0	50	60
	4	60	10	6	10	6	20	12	60	36
	5			0		0		0		0
TOTAL		400		63		229		12		96

			HRS OPEN	BBL/DAY
BBL OIL=	1.7842635	*	2	21.411162
BBL WATER=	0.05868	*		0.70416
BBL MUD=	0.46944			
BBL GAS =	0.4253265			



TRILOBITE TESTING L.L.C.

P.O. Box 362 • Hays, Kansas 67601

Test Ticket

№ 7204

Well Name & No. Loeppke 1E Test No. 1 Date 6-17-94

Company John O Farmer Inc. Zone Tested St. Louis C

Address P.O Box 352 Russell Ks 67665 Elevation 3219 (Gl)

Co. Rep./Geo. Marty Dubois Cont. Murfin 20# Est. Ft. of Pay 6

Location: Sec. 18 Twp. 24s Rge. 36 Co. Kearny State Kan

No. of Copies 5 Distribution Sheet ____ Yes ____ (NO) Turnkey ____ Yes ____ (NO) Yes Evaluation

Interval Tested (DST) 4962 - 5002 Drill Pipe Size 4½ XH

Anchor Length 40 Top Choke — 1" ____ Bottom Choke — ¾" ____

Top Packer Depth 4957 - 4962 Hole Size — 7⅞" ____ Rubber Size — 6¾" ____

Bottom Packer Depth 5002 Wt. Pipe I.D. — 2.7 Ft. Run 30'

Total Depth 5198 - RTD Drill Collar — 2.25 Ft. Run 293'

Mud Wt. ____ lb/gal. Viscosity ____ Filtrate ____

Tool Open @ 11:15 pm Initial Blow ¼" to 11" blow in 60 min.

ISI - Bled off Blow - ¼" weak blow

Final Blow Surf. to bottom in 45 min.

FSI - Steady ¼" blow throughout

Recovery — Total Feet 400' Feet of Gas in Pipe — Flush Tool? —

Rec. 220' Feet Of CGO 15 %gas 85 %oil — %water — %mud

Rec. ____ Feet Of ____ %gas %oil %water %mud

Rec. 120' Feet Of GOCM 20 %gas 30 %oil %water 50 %mud

Rec. ____ Feet Of ____ %gas %oil %water %mud

Rec. 60' Feet Of GOWCM 10 %gas 10 %oil 20 %water 60 %mud

BHT 120° °F Gravity 25 °API @ 74 °F Corrected Gravity 23.6 °API

RW .50 @ 66° °F Chlorides 13,500 ppm Recovery Chlorides ____ ppm System

(A) Initial Hydrostatic Mud	2343 PSI	AK1 Recorder No.	13309	Range	4700
(B) First Initial Flow Pressure	31 PSI	@ (depth)	4977	w/Clock No.	19960
(C) First Final Flow Pressure	114 PSI	AK1 Recorder No.	13339	Range	4025 ~~4000~~
(D) Initial Shut-In Pressure	1140 PSI	@ (depth)	4982	w/Clock No.	22992
(E) Second Initial Flow Pressure	176 PSI	AK1 Recorder No.	13276	Range	4000
(F) Second Final Flow Pressure	187 PSI	@ (depth)	5193	w/Clock No.	23832
(G) Final Shut-In Pressure	1130 PSI	Initial Opening	60	Test	700
(H) Final Hydrostatic Mud	2323 PSI	Initial Shut-In	60	Jars ✓	200
		Final Flow	60	Safety Joint	
		Final Shut-In	75	Straddle ✓	250
				Circ. Sub ✓	NC
				Sampler	
				Extra Packer ✓	150
				Other	Cud 50

Approved By Martin Dubois

Our Representative Rod Steinbrink / Gary Speer

15-093-20858-0001

Phone [illegible]3-2627, Russell, KS | Phone 913-625-5516, Hays, KS | Phone 316-886-5926, Medicine Lodge, KS
Phone [illegible]793-5861, Great Bend, KS | Phone 913-672-3471, Oakley, KS | Phone 913-798-3843, Ness City, KS

New

ALLIED CEMENTING CO., INC.

6170

Home Office P. O. Box 31 — Russell, Kansas 67665

ORIGINAL

Wait dam

	Sec.	Twp.	Range	Called Out	On Location	Job Start	Finish
Date 6/18/94	18	24	36	06:00	10:15	5:45	6:35

Lease	Well No.	Location	County	State
Loeppke	1	Lakin 2½W 1N ½W	Kearney	Ks.

Contractor

Type Job Long String

Hole Size 7⅞	T.D. 5198
Csg. 4½ 11.6	Depth 5118'
Tbg. Size	Depth
Drill Pipe	Depth
Tool	Depth
Cement Left in Csg.	Shoe Joint 44'
Press Max. 900	Minimum
Meas Line 16	Displace 78.64 bbl

Perf. Flow @ 5074'

EQUIPMENT

No.	Cementer	Gary
Pumptrk 224	Helper	Mike
No.	Cementer	
Pumptrk	Helper	
	Driver	B.11
Bulktrk 214		
Bulktrk	Driver	

DEPTH of Job 5118'

Reference:	Pump Charge	1170.00
25	Mileage	56.25
	4½" TRP	33.00
	Sub-Total	
	Tax	
	Total	1259.25

Remarks: Float held.

Owner Same

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.

Charge To John O. Farmer Inc.

Street Box 352

City Russell State Ks. 67665

The above was done to satisfaction and supervision of owner agent or contractor.

Purchase Order No.

X [signature]

CEMENT

500 Gal WFR-2

Amount Ordered 200 60/40 2% Gel 10% Salt 50 sx ASC 10% Salt

Consisting of

Common	120	6.85	822.00
Poz. Mix	80	3.00	240.00
Gel.	3	9.00	27.00
Chloride	50 ASC.	8.35	417.50
Quickset			
Salt-25		7.00	175.00
500 gls. WFR2		1.00	500.00
Handling	250	1.00	250.00
Mileage	25		250.00
	Sub-Total		
Total $5085.75			
Disc - 1017.15			
$4068.60	Total		2681.50

Floating Equipment

Guide Shoe	- 109.00
IF AFU	- 169.00
14 Cents Baker	- 742.00
5 Recip Scratchers	- 125.00
($1145.00)	

RECEIVED
STATE CORPORATION COMMISSION
JUL 1994
CONSERVATION DIVISION

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.