

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

API NO. 15- 185-23100-0000

County Stafford

SE - SW - NW Sec. 16 Twp. 21 Rge. 13 X ^E _W

Operator: License # 6039 **CONFIDENTIAL**

2310 Feet from S (circle one) Line of Section

Name: L. D. Drilling, Inc.

990 Feet from E (circle one) Line of Section

Address R.R. 1 Box 183 B

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

City/State/Zip Great Bend, Kansas 67530

Lease Name JANE Well # 1

Purchaser: Genesis Crude Oil, LP

Field Name Hazel-West

Operator Contact Person: L. D. Davis

Producing Formation Arbuckle

Phone (316) 793-3051

Elevation: Ground 1894' KB 1899'

Contractor: Name: L. D. Drilling, Inc.

Total Depth 3750' PBTD _____

License: 6039

Amount of Surface Pipe Set and Cemented at 390' Feet

Wellsite Geologist: Kim Shoemaker

Multistage Cementing Collar Used? Yes X No _____

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

If Yes, show depth set _____ Feet

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

If Alternate II completion, cement circulated from _____

feet depth to _____ w/ _____ sx cmt.

If Workover/Reentry: Old Well Info as follows **RELEASED**

Drilling Fluid Management Plan As 1 4/30/01 JB
(Data must be collected from the Reserve Pit)

Operator: _____

Chloride content _____ ppm Fluid volume _____ bbls

Well Name: _____

Dewatering method used _____

Comp. Date _____ Old Total Depth _____

Location of fluid disposal NO hauled offsite:

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

Operator Name L. D. Davis

Lease Name CONFIDENTIAL License No. _____

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

County _____ Docket No. _____

5-15-00 5-21-00 5-25-00
Spud Date Date Reached TD Completion Date

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 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 Bessie DeWerriff
Title Sec/Treas Date 7-19-00

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

Subscribed and sworn to before me this 19th day of July,
2000

Notary Public Rashell Patten
Date Commission Expires 2-02-03



X

Operator Name L. D. DRILLING, INC. Lease Name JANE Well # 1
 Sec. 16 Twp. 21 Rge. 13 East County STAFFORD
 West

CONFIDENTIAL

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 Log
 DUAL COMPENSATED POROSITY LOG
 DUAL RECEIVER CEMENT BOND LOG

Log Formation (Top), Depth and Datums Sample
 Name Top Datum
 ** See attachment

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"	24#	390'	60/40 Poz	250	2% Ge1, 3% cc
PRODUCTION	7 7/8"	5 1/2"	14.5#	3749'	ASCHILL	175	5# Kolseal/sk 33#-FL 500 gal AFS

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 (Amount and Kind of Material Used)	Depth
2 sdf	3668-3688		

TUBING RECORD		Size	Set At	Packer At	Liner Run.
		2 7/8"	3746'		<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Inj.		Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	5		50		

Disposition of Gas: Vented Sold Used on Lease (If vented, submit ACO-18.)
 METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled
 Production Interval Other (Specify)

CONFIDENTIAL

DAILY DRILLING REPORT

ORIGINAL

OPERATOR: L. D. DRILLING, INC.

LEASE: JANE #1
SE SW NW SEC. 16-21-13
Stafford Co.

WELLSITE GEOLOGIST: KIM SHOEMAKER

KCC

ELEVATION: 1894' GR 1899' KB

CONTRACTOR: COMPANY TOOLS

JUL 26 2000

PTD: 3700'

SPUD: 5-15-00 9:00 A.M

CONFIDENTIAL

SURFACE: 9 Jt. new 8 5/8" Set @ 390' W/250 sx.
60/40 pozmix, 2% Gel, 3% cc Plug down @ 5:45 PM
Did Circulate. Allied Cementing

- 5-15 Rig up & spud-set 8 5/8" surface csg.
- 5-16 550' Drilling went under surf. @ 5:00AM
- 5-17 1740' Drilling
- 5-18 2740' Drilling
- 5-19 3370' Drilling
- 5-20 3701' Lay down tool after DST #1
- 5-21 3750' RTD Circ. for Log, Log & Run 5 1/2" csg. Set @ 3749'W/175 sx. ACS 5# Kolseal/sx, 33# FH-10 Plug Down 10:30. P.M. 5-21-00 Allied Cement.

Will move in completion tools when available.

RELEASED

JUL 25 2001

FROM CONFIDENTIAL

SAMPLE TOPS:

Anhy	772 (+1127)	772 (+1127)
Heebner	3210 (-1311)	3212 (-1313)
Brown Lime	3338 (-1439)	3335 (-1436)
Lansing	3348 (-1449)	3347 (-1448)
Base K/C	3559 (-1660)	3558 (-1659)
Viola	3598 (-1699)	3602 (-1703)
Simpson	3626 (-1727)	3619 (-1720)
Arbuckle	3672 (-1773)	3664 (-1765)
RTD	3750 (-1851)	LOG 3752 (-1853)

LOG TOPS:

DST #1 3540-3630 Cong. sand
TIMES: 30-30-5
BLOW: 1st Open died in 8 min.
 2nd open no blow
RECOVERY: 30' mud
 IFP: 14 FFP: 23 ISIP:673 FSIP:

DST #2 3611-3701 Arbuckle
TIMES: 30-45-45-60
BLOW: 1st open bb in 30 sec.
 2nd open bb in 1 min.
RECOVERY: 1890' Oil & muddy oil
 (see Dst Charts)
 IFP: 516-543 FFP:692- ISIP:1005 FSIP:
 781 869

DST #3
TIMES:
BLOW: 1st open
 2nd open
RECOVERY:
 IFP: FFP: ISIP: FSIP:

RECEIVED
STATE CORPORATION COMMISSION

JUL 26 2000

ALLIED CEMENTING CO., INC.

CONFIDENTIAL

Federal Tax I.D.# 48-0727860

ORIGINAL 490

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

SERVICE POINT:

At Bend

DATE <u>5-21-00</u>	SEC. <u>16</u>	TWP. <u>21</u>	RANGE <u>13</u>	CALLED OUT <u>2:00 PM.</u>	ON LOCATION <u>5:00 PM</u>	JOB START <u>9:30 PM</u>	JOB FINISH <u>10:30 PM</u>
LEASE <u>Jave</u>		WELL # <u>1</u>		LOCATION <u>281- At + S of Co. H-25-1w-1/2 S</u>		COUNTY <u>Stafford</u>	STATE <u>Ks</u>
OLD OR NEW (Circle one)							

CONTRACTOR <u>L. D. Davis</u>	OWNER <u>Same</u>
TYPE OF JOB <u>Production</u>	
HOLE SIZE <u>7 7/8"</u> T.D. <u>3750'</u>	CEMENT
CASING SIZE <u>5 1/2" med</u> DEPTH <u>3749'</u>	AMOUNT ORDERED <u>175 cu ft ASC 5" Kolman/ft</u>
TUBING SIZE DEPTH	<u>33" ft-10</u>
DRILL PIPE DEPTH	<u>500 gal ASF.</u>
TOOL DEPTH	
PRES. MAX <u>900#</u> MINIMUM	COMMON _____ @ _____
MEAS. LINE SHOE JOINT <u>20.77'</u>	POZMIX _____ @ _____
CEMENT LEFT IN CSG. <u>20.77'</u>	GEL _____ @ _____
PERFS. <u>KCC</u>	CHLORIDE _____ @ _____
DISPLACEMENT <u>92 bbls</u>	

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Tom D</u>	
# <u>181</u>	HELPER <u>Bob B</u>	
BULK TRUCK		
# <u>342</u>	DRIVER <u>Steve T</u>	
BULK TRUCK		
#	DRIVER	

COMMON _____ @ _____
POZMIX _____ @ _____
GEL _____ @ _____
CHLORIDE _____ @ _____
HANDLING _____ @ _____
MILEAGE _____ @ _____
TOTAL _____

REMARKS:

Run 3749' of 5 1/2" cas. Break circulation
Mixed 170 cu ft ASC 5" Kolman/ft w/ 33" ft-10.
Washed line clean of cement. Displaced
line with fresh H₂O, landed plug at
900 #. Released and held. Pumped
plug & backwash w/ 1/2 gal cement to 900 #
and held.
Plugged backhole w/ 1/2 gal

SERVICE

DEPTH OF JOB <u>3749'</u>	
PUMP TRUCK CHARGE _____	
EXTRA FOOTAGE _____ @ _____	
MILEAGE _____ @ _____	
PLUG <u>1-5 1/2" Plug</u> _____ @ _____	
_____ @ _____	
_____ @ _____	
TOTAL _____	

CHARGE TO: L. D. Davis Inc.
STREET A. B. I Box 183 B
CITY At Bend STATE Ks ZIP 67530

FLOAT EQUIPMENT

<u>1-5 1/2" Guide shoe</u> _____ @ _____
<u>1-5 1/2" AFD Insert</u> _____ @ _____
<u>4-5 1/2" Centralizer</u> _____ @ _____
_____ @ _____
_____ @ _____
TOTAL _____

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____
TOTAL CHARGE _____
DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE X L D Davis

X L. D. DAVIS
PRINTED 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.

3994

CONFIDENTIAL

Federal Tax I.D.# 48-0727860

ORIGINAL

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

SERVICE POINT: St Bend

DATE <u>5-15-00</u>	SEC. <u>16</u>	TWP. <u>21</u>	RANGE <u>13</u>	CALLED OUT <u>2:00 PM</u>	ON LOCATION <u>3:30 PM</u>	JOB START <u>5:00 PM</u>	JOB FINISH <u>5:45 PM</u>
LEASE <u>Jane</u>	WELL # <u>1</u>	LOCATION <u>281 - Peta of Col. line 25-1W- 25-E/inter</u>			COUNTY <u>Stafford</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)							

CONTRACTOR L. D. Dilling

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 390'

CASING SIZE 8 3/8" DEPTH 389'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 23 3/4 bbls KCC

OWNER Same

CEMENT

AMOUNT ORDERED 250 lbs 60/40 3% cc,
270 lbs

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

RELEASED

JUL 25 2001

EQUIPMENT JUL 26 2000

PUMP TRUCK CEMENTER Tom D.

181 HELPER Bob B

BULK TRUCK

341 DRIVER Steve T

BULK TRUCK

_____ DRIVER _____

FROM CONFIDENTIAL

HANDLING _____ @ _____

MILEAGE _____ @ _____

TOTAL _____

REMARKS:

Run 389' of 8 3/8" csg. Broke circulation

Mixed 250 lbs 60/40 3% cc, 270 lbs

released plug. Displaced with fresh

H₂O.

Cement did circulate.

Reals

SERVICE

DEPTH OF JOB 389'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

PLUG 1-8 3/8 TWG _____ @ _____

TOTAL _____

CHARGE TO: L. D. Dilling, Inc.

STREET RR1 Box 183B

CITY St Bend STATE Ks ZIP 67530

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

To Allied Cementing Co., Inc.

You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]

RICHARD BLAKE

PRINTED 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.

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—**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.