

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

RECEIVED
AUG 19 2002

Form ACO-1
September 1999
Form Must Be Typed

LEASE WICHITA ORIGINAL

Operator: License # 6039
Name: L. D. Drilling, Inc.
Address: RR 1 Box 183 B 60' E of
City/State/Zip: Great Bend, Kansas 67530
Purchaser: NCRA
Operator Contact Person: L. D. Davis
Phone: (620) 793-3051
Contractor: Name: L. D. Drilling, Inc.
License: 6039
Wellsite Geologist: Kim Shoemaker

Designate Type of Completion:
 New Well Re-Entry Workover
 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: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back _____ Plug Back Total Depth _____
 Commingled _____ Docket No. _____
 Dual Completion _____ Docket No. _____
 Other (SWD or Enhr.?) _____ Docket No. _____

<u>7-22-02</u>	<u>8-01-02</u>	<u>8-07-02</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 185-23161-00-00
County: Stafford
C N/2 NW/4 Sec. 16 Twp. 21 S. R. 13 East West
660 feet from S (N) (circle one) Line of Section
1380 feet from E (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE (NW) SW
Lease Name: LEO Well #: 1
Field Name: Hazel-West
Producing Formation: Arbuckle
Elevation: Ground: 1892 Kelly Bushing: 1897
Total Depth: 3670 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 344 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx crmt.

Drilling Fluid Management Plan ALL 1 ENR 8-20-02
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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

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: L. D. Davis
Title: President Date: 8-16-02
Subscribed and sworn to before me this 16 day of August

-40 2002.
Notary Public: Bessie M DeWerff
Date Commission Expires: 5-20-2005
NOTARY PUBLIC - State of Kansas
BESSIE M. DEWERFF
My Appl. Exp. 5-20-05

KCC Office Use ONLY
1/10 Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Side Two

Operator Name: L. D. Drilling, Inc. Lease Name: LEO Well #: 1
 Sec. 16 Twp. 21 S. R. 13 East West County: Stafford

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

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:

Log Formation (Top), Depth and Datum Sample
 Name Top Datum
 See attachment
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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
Surface	12 1/4	8 5/8	23#	344	60/40 pozmi:	250	2%Gel 3%cc
Production	7 7/8	5 1/2	14#	3661	60/40 pozmi:	140	

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
		Amount	Kind	
		500 gals	28% NE acid	
		1250 gals	28%	

TUBING RECORD		Size	Set At	Packer At	Liner Run	Yes	No
		2 7/8	3469				<input checked="" type="checkbox"/>
Date of First, Resumed Production, SWD or Enhr. 8-7-02			Producing Method				
			Flowing	<input checked="" type="checkbox"/> Pumping	Gas Lift	Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity		
	10		0				

Disposition of Gas METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
 (If vented, Sumit ACO-18.) Other (Specify) _____

DAILY DRILLING REPORT

ORIGINAL

OPERATOR: L.D. DRILLING, INC. LEASE: LEO #1
 60' E of center
 WELLSITE GEOLOGIST: KIM SHOEMAKER N/2 NW/4 Sec. 16-21-13
 Stafford County, Kansas
 CONTRACTOR: COMPANY TOOLS ELEVATION: 1892 GR, 1897 KB
 SPUD: 7-22-02 5:00 P.M. PTD: 3700'
 SURFACE: Ran 8 Jts. 8 5/8" 23# Surface Csg. Set @ 344' w/250 sx. 60/40 Pozmix.
 2% Gel 3% cc Plug Down 2:30 A.M. 7-23-02 Did Circulate. Allied Cement
 Survey @ 347' was 3/4 degrees

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7-18-02 Dig Rotary Pits
 7-22-02 Move in, Rig up, Spud
 7-23-02 347' WOC (Will drill plug @ 10:30 a.m.)
 7-24-02 1810' Drilling
 7-25-02 2865' Drilling
 7-26-02 3423' Working on Mud Pump
 7-27-02 3423' Working on Mud Pump
 7-28-02 3423' Working on Mud Pump
 7-29-02 3423' Working on Mud Pump
 7-30-02 3423' Starting in afternoon
 7-31-02 3515' on bank bladder repair, going back
 to bottom to drill by 9 a.m.
 8-01-02 RTD 3670' Go in hole w/Test tool for Dst #3
 Will Run 5 1/2" Casing
 91jts 5 1/2" csg set @ 3661' (9' off bottom) w/125 sx
 60/40 Poz, 15 sx in Rat hole, Total 140 sx
 Plug down @ 11:00 p.m. by Allied Cement 8-1-02

SAMPLE TOPS:

Anhy.	767	-791	High to wells N. side of road
Heebner	3202	-1305	
Brown Lime	3324	-1427	
Lansing	3336	-1436	3" High #2
Base KC	3546	-1649	
Arbuckle	3650	-1753	

DST #1 3453 - 3515 L/KC HI & J
 TIMES: 20-20
 BLOW: 1st Open: 1/4" decreased to Surface bl
 2nd Open:
 RECOVERY: 5' DM
 IFP: 10-12 ISIP: 78
 FFP: FSIP:
 TEMP: 99 degrees

DST #2 3600 - 3662' Simpson Arbuckle
 TIMES: 30-30-30-30
 BLOW: 1st Open: blt to 3"
 2nd Open: blt to 2 1/4"
 RECOVERY: 58' ocgcm, 2 clean oil,
 8% gas, 12% oil
 IFP: 12-26 ISIP: 1008
 FFP: 29-36 FSIP: 909
 TEMP: 102 degrees

DST #3 3657 - 3670' Arbuckle
 TIMES: 30-45-45-60
 BLOW: 1st Open: bb 7 1/2" min
 2nd Open: bb 22 min
 RECOVERY: 310' gip, 243' co, 67' o&gcm,
 40%gas, 16%w, 22%o, 12%
 IFP: 29-74 ISIP: 951
 FFP: 83-127 FSIP: 774
 TEMP: 106 degrees

ALLIED CEMENTING CO., INC.

7843

Federal Tax I.D.# 48-0727860

ORIGINAL

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

SERVICE POINT:

Great Bend

DATE <u>7-23-02</u>	SEC. <u>16</u>	TWP. <u>21</u>	RANGE <u>13 W</u>	CALLED OUT <u>12:15 pm</u>	ON LOCATION <u>1:00 am</u>	JOB START <u>1:15 am</u>	JOB FINISH <u>2:30</u>
LEASE <u>leg</u>	WELL # <u>#1</u>	LOCATION <u>South on 281-2 south of</u>			COUNTY <u>Stafford</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>			<u>Easton/Stafford ty line - 3/4 west south line</u>				

CONTRACTOR L.D. Davis OWNER L.D. Davis

TYPE OF JOB _____

HOLE SIZE 12 1/4 T.D. 347

CASING SIZE 8 5/8 DEPTH 344

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. approx 15'

PERFS. _____

DISPLACEMENT 21 BBL's

CEMENT AMOUNT ORDERED 250 cy 60/40 342

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Jack

120 HELPER Steve

BULK TRUCK _____

_____ DRIVER Larry

BULK TRUCK _____

_____ DRIVER _____

TOTAL _____

REMARKS:

Run 8 5/8 in 8 5/8 - cement with 250 cy cement. Dis place with 21 BBL's fresh water - cement did circ ✓

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

PLUG 8 5/8 wood @ _____

_____ @ _____

_____ @ _____

TOTAL _____

CHARGE TO: L.D. Davis

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

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 Michael Pedigo

Michael Pedigo
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.

7848

Federal Tax I.D.# 48-0727860

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

SERVICE POINT
ORIGINAL
Great Bend

DATE <i>8-1-02</i>	SEC. <i>16</i>	TWP. <i>21</i>	RANGE <i>13 W</i>	CALLED OUT <i>6:00 pm</i>	ON LOCATION <i>7:30 pm</i>	JOB START <i>10:00 pm</i>	JOB FINISH <i>11:00 pm</i>
LEASE <i>lea</i>	WELL # <i>#1</i>	LOCATION <i>2814 Benton - Stafford city</i>		COUNTY <i>Stafford</i>	STATE <i>KS</i>		
OLD OR NEW (Circle one)			<i>line 2 south - 3/4 west - south in 2</i>				

CONTRACTOR *L.D. Davis*
 TYPE OF JOB *long string csg*
 HOLE SIZE *7 7/8* T.D. *3670*
 CASING SIZE *52* DEPTH
 TUBING SIZE DEPTH
 DRILL PIPE DEPTH
 TOOL DEPTH
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT
 CEMENT LEFT IN CSG. *20'*
 PERFS.
 DISPLACEMENT

OWNER *L.D. Davis*
 CEMENT
 AMOUNT ORDERED *140 5x ASC*
10 BBLs mud flush
 COMMON @
 POZMIX @
 GEL @
 CHLORIDE @
 @
 @
 @
 @
 @
 @
 HANDLING @
 MILEAGE

EQUIPMENT

PUMP TRUCK CEMENTER *Tack*
 # *120* HELPER *T.D.*
 BULK TRUCK
 # DRIVER *Steve*
 BULK TRUCK
 # DRIVER

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TOTAL _____

REMARKS:

*Run 91 lbs of 5x5 csg - cement
 with hole with 15 sv cement - cement csg
 with 125 sv cement - Displace plug with
 89 BBLs fresh water - plug down
 @ 11:00 -*

Thanks

DEPTH OF JOB
 PUMP TRUCK CHARGE
 EXTRA FOOTAGE @
 MILEAGE @
 PLUG *1-52 rubber* @
 @
 @

TOTAL _____

CHARGE TO: *L.D. Davis*
 STREET
 CITY STATE ZIP

FLOAT EQUIPMENT

1-52 guide shoe @
1-52 insert @
3-52 centralisers @
 @
 @
 @

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 *Michael Pedigo*

Michael Pedigo
 PRINTED NAME

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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.

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.