

CEMENT JOB REPORT



CUSTOMER MARATHON OIL (HOUSTON)		DATE 28-MAY-09		F.R. # 1001450590		SERV. SUPV. DELBERT S GALLEGOS					
LEASE & WELL NAME 696-6A #13 - API 05045168470000		LOCATION 34-5S-96W		COUNTY-PARISH-BLOCK Garfield Colorado							
DISTRICT Grand Junction		DRILLING CONTRACTOR RIG # H&P 324		TYPE OF JOB Surface							
SIZE & TYPE OF PLUGS		LIST-CSG-HARDWARE		PHYSICAL SLURRY PROPERTIES							
Cement Plug, Rubber, Top 9-5/8 in		Float Collar, Ball Valve, 9-5/8 - 8rd		SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER	
		Float Shoe 9-5/8 - 8rd									
MATERIALS FURNISHED BY BJ											
Fresh water spacer				20	8.34				20		
35.65 POZ+.05lbsSF+1%cacl+1gal/100fp13-L				1,096	12.3	2.09	11.62	04:00	407	302.51	
Type III+.05lbsSF+1%CACL+FP-13L				150	14.2	1.47	7.35	01:41	39	26.07	
Fresh Water					8.34				182		
Available Mix Water <u>1500</u> Bbl. Available Displ. Fluid <u>500</u> Bbl.				TOTAL					648	328.58	
HOLE			TBG-CSG-D.P.				COLLAR DEPTHS				
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE	
14.75	50	2450	9.625	36	CSG	2400	J-55	2261	2214		
LAST CASING			PKR-CMT RET-BR PL-LINER			PERF. DEPTH		TOP CONN		WELL FLUID	
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE		DEPTH	TOP	BTM	SIZE	THREAD	WGT.
20	52.73		120	no packer		0	0	0	9.625	8RND	8.9
DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MIX WATER
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	RATED	Operator	RATED	Operator	
170	BBLS	Fresh Water	8.34	1000	0	0	0	0	3520	2816	frac tanks
Circulation Prior to Job											
Circulated Well: Rig <input checked="" type="checkbox"/> BJ <input type="checkbox"/>						Circulation Time:			Circulation Rate: 4 BPM		
Mud Density In: 8.9 LBS/GAL Mud Density Out: 8.9 LBS/GAL						PV & YP Mud In: 48			PV & YP Mud Out:		
Gas Present: NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> Units:						Solids Present at End of Circulation: NO <input checked="" type="checkbox"/> YES <input type="checkbox"/>					
Displacement And Mud Removal											
Displaced By: Rig <input type="checkbox"/> BJ <input checked="" type="checkbox"/>						Amount Bled Back After Job: 1 BBLS					
Returns During Job: <input type="checkbox"/> NONE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FULL						Method Used to Verify Returns: VISUAL					
Cement Returns at Surface: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO						Were Returns Planned at Surface: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES					
Pipe Movement: <input type="checkbox"/> ROTATION <input type="checkbox"/> RECIPROCATION <input type="checkbox"/> NONE <input type="checkbox"/> UNABLE DUE TO STUCK PIPE											
Centralizers: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES						Quantity:		Type: <input type="checkbox"/> BOW <input type="checkbox"/> RIGID			
Job Pumped Through: <input type="checkbox"/> CHOKE MANIFOLD <input type="checkbox"/> SQUEEZE MANIFOLD <input checked="" type="checkbox"/> MANIFOLD <input type="checkbox"/> NO MANIFOLD											
Plugs											
Number of Attempts by BJ: Competition:						Wiper Balls Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES			Quantity:		
Plug Catcher Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES						Parabow Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES					
Was There a Bottom: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES						Top of Plug: FT			Bottom of Plug: FT		
Squeezes (Update Original Treatment Report for Primary Job)											
BLOCK SQUEEZE <input type="checkbox"/> SHOE SQUEEZE <input type="checkbox"/> TOP OF LINER SQUEEZE <input type="checkbox"/> PLANNED <input type="checkbox"/> UNPLANNED <input type="checkbox"/>											
Liner Packer: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES						Bond Log: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		PSI Applied:		Fluid Weight: LBS/GAL	
Casing Test (Update Original Treatment Report for Primary Job)											
Casing Test Pressure: PSI With LBS/GAL Mud						Time Held: Hours Minutes					
Shoe Test (Update Original Treatment Report for Primary Job)											
Depth Drilled out of Shoe: FT						Target EMW: LBS/GAL			Actual EMW: LBS/GAL		
Number of Times Tests Conducted:						Mud Weight When Test was Conducted: LBS/GAL					
EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING none											

CEMENT JOB REPORT



Problems Before Job (I.E. Running Casing, Circulating Well, ETC)

Problems During Job (I.E. Lost Returns, Equipment Failure, Bulk Delivery, Foaming, ETC)

Problems After Job (I.E. Gas at Surface, Float Equipment Failed, ETC)

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input type="checkbox"/>	
	PIPE	ANNULUS				TEST LINES	3500 PSI
						CIRCULATING WELL - RIG	<input checked="" type="checkbox"/> BJ <input type="checkbox"/>
15:30						leave yard for location	
18:30						Safety meeting	
17:30						Arrive to location Get with supervisor Hafer	
17:30						get caught up and relieve him	
19:05						TEST LINES	
19:14			5.1	20	WATER	SPACER	
19:20						BATCH UP 12.3	
19:34	213		5.1	50	CEMENT	12.3 LEAD CEMENT	
19:42	213		5.1	100	CEMENT	LEAD	
19:54	335		5.1	150	CEMENT	LEAD	
20:00	218		5.1	200	CEMENT	LEAD	
20:09	224		5.1	250	CEMENT	LEAD	
20:18	182		5.1	300	CEMENT	LEAD	
20:27	211		5.1	350	CEMENT	LEAD	
20:38	201		5.1	404	CEMENT	END LEAD START TAIL	
20:42	40		3.5	10	CEMENT	TAIL SLURRY 14.2	
20:47	31		3.5	25	CEMENT	TAIL	
20:49	43		3.5	30	CEMENT	TAIL	
20:42	0		0	39	CEMENT	END TAIL SHUT DOWN DROP PLUG	
20:58						START DISPLACEMENT	
21:09	50		5.1	50	WATER	DISP	
21:18	59		5.1	100	WATER	DISP	
21:28	70		5.1	150	WATER	DISP	
21:33	1000		5.1	170	WATER	BUMP PLUG	
21:38						TEST FLOAT 1 BBL BACK	
21:40						End Job wait 4 hours to start topping out	

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	Service Supervisor Signature:
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	1000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	0	635	0	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	

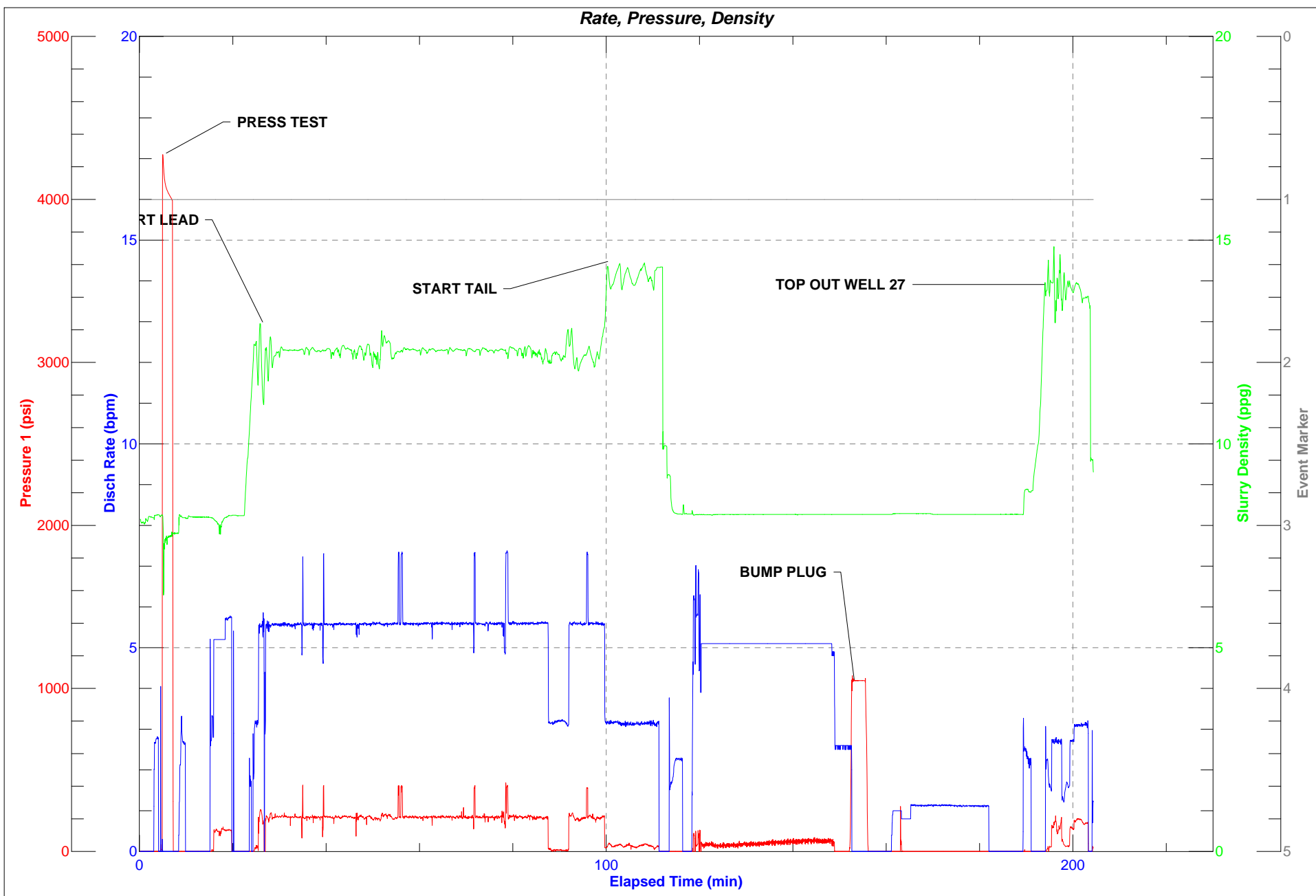


BJ Services JobMaster Program Version 3.50

Job Number: 1001450590

Customer: Marathon Oil Co

Well Name: 696-6A-13





CUSTOMER (COMPANY NAME) MARATHON OIL (HOUSTON)					CREDIT APPROVAL NO. A10011138467		PURCHASE ORDER NO.		CUSTOMER NUMBER 20055468 - 04123891		INVOICE NUMBER						
MAIL INVOICE TO :					STREET OR BOX NUMBER ATTN: A/P Completion Services P.O.BOX 22165			CITY TULSA		STATE Oklahoma		ZIP CODE 74121-2165					
DATE WORK COMPLETED		MO. 05	DAY 28	YEAR 2009	BJ REPRESENTATIVE DELBERT S GALLEGOS		WELL API NO: 05045168470000		WELL TYPE : New Well								
BJ SERVICES DISTRICT Grand Junction					JOB DEPTH (ft) 2,450			WELL CLASS : Gas									
WELL NAME AND NUMBER 696-6A #13					TD WELL DEPTH (ft) 2,450			GAS USED ON JOB : No Gas									
WELL LOCATION :		LEGAL DESCRIPTION 34-5S-96W			COUNTY/PARISH Garfield		STATE Colorado		JOB TYPE CODE : Surface								
PRODUCT CODE		DESCRIPTION				UNIT OF MEASURE		QUANTITY		LIST PRICE UNIT		GROSS AMOUNT		PERCENT DISC.		NET AMOUNT	
100112		Calcium Chloride				lbs		1095		1.300		1,423.50		60%		569.40	
100120		Bentonite				lbs		7628		0.420		3,203.76		60%		1,281.50	
100317		Poz (Fly Ash)				sacks		384		16.750		6,432.00		60%		2,572.80	
121116		Cement Plug, Rubber, Top 9-5/8 in				ea		1		328.000		328.00		60%		131.20	
424509		FP-13L				gals		13		152.000		1,976.00		60%		790.40	
499632		Granulated Sugar				lbs		100		2.980		298.00		60%		119.20	
499680		Static Free				lbs		50		32.400		1,620.00		60%		648.00	
499703		Type III Cement				sacks		862		39.900		34,393.80		60%		13,757.52	
		SUB-TOTAL FOR Product Material										49,675.06		60.00%		19,870.02	
A152		Personnel Surcharge - Cement Svc				ea		1		145.500		145.50		0%		145.50	
M100		Bulk Materials Service Charge				cu ft		1404		3.410		4,787.64		60%		1,915.06	
R798		Automatic Density System				job		1		1,250.000		1,250.00		60%		500.00	
		SUB-TOTAL FOR Service Charges										6,183.14		58.59%		2,560.56	
ARRIVE LOCATION :		MO. 05	DAY 27	YEAR 2009	TIME 17:30	SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.					SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.						
CUSTOMER REP. Shane Rice					CUSTOMER AUTHORIZED AGENT					X CUSTOMER AUTHORIZED AGENT							
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS										X BJ SERVICES APPROVED							



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PRODUCT CODE		DESCRIPTION				UNIT OF MEASURE		QUANTITY		LIST PRICE UNIT		GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
F007A		Cement Pump Casing, 2001 - 3000 ft				4hrs		1		4,450.000		4,450.00	60%	1,780.00
F090		Fuel per pump charge - cement				pump/hr		4		50.000		200.00	0%	200.00
H9985		High Pressure Hose				ea		1		500.000		500.00	0%	500.00
J050		Cement Head				job		1		515.000		515.00	60%	206.00
J225		Data Acquisition, Cement, Standard				job		1		1,335.000		1,335.00	60%	534.00
J390		Mileage, Heavy Vehicle				miles		142		7.400		1,050.80	60%	420.32
J391		Mileage, Auto, Pick-Up or Treating Van				miles		142		4.200		596.40	60%	238.56
K371		Field Storage Bin				job		2		1,035.000		2,070.00	60%	828.00
		SUB-TOTAL FOR Equipment										10,717.20	56.08%	4,706.88
J401		Bulk Delivery, Dry Products				ton-mi		4259		2.470		10,519.73	60%	4,207.89
		SUB-TOTAL FOR Freight/Delivery Charges										10,519.73	60.00%	4,207.89
		FIELD ESTIMATE										77,095.13	59.34%	31,345.35
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SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS									X BJ SERVICES APPROVED					

BJ Services
CONDITIONS OF CONTRACT
Effective 08/19/96

CUSTOMER AND BJ SERVICES AGREE THAT THE SERVICES DESCRIBED ON THE FACE OF THIS SERVICE ORDER AND FIELD RECEIPT ARE TO BE PERFORMED SUBJECT TO AND IN CONSIDERATION OF THE FOLLOWING TERMS AND CONDITIONS:

1. CUSTOMER. For the purpose of this contract, the term Customer shall include agents, subsidiaries, joint venturers and partners of customers.
2. WELL CONDITION. Customer warrants that the well described on the face of this service order and field receipt is in proper condition to receive the products, supplies, materials, and services described herein.
3. INDEPENDENT CONTRACTOR. BJ Services is and shall be an independent contractor with respect to the performance of this contract and neither BJ Services nor anyone employed by BJ Services shall be the agent, representative, employee or servant of Customer in the performance of this contract or any part hereof.
4. PRICE. Customer agrees to pay BJ Services for the products, supplies, materials, and services described herein in accordance with BJ Services' current price list. In the event that BJ Services has agreed to charge Customer other than as set forth in such price list, the charges agreed upon by Customer and BJ Services shall be those set forth on the face of this service order and field receipt and the agreement of Customer thereto shall be conclusively established by its execution of the receipt set forth on the face of this service order and field receipt.
5. TERMS. Cash in advance unless BJ Services has approved credit prior to the sale. Credit terms for approved accounts are total invoice amount due on or before the 30th day from the date of the invoice at the address set forth therein. Past due accounts shall pay interest on the balance due at the rate of 1½% per month or the maximum allowable under applicable state law if such law limits interest to a lesser amount. In the event it is necessary to employ a third party to effect collection of said account, Customer agrees to pay all fees of such third party directly or indirectly incurred for such collection.
6. TAXES. Customer agrees to pay all taxes based on or measured by the charges set forth on the face of this service order and field receipt.
7. AMENDMENTS AND MODIFICATIONS. No field employee of BJ Services shall be empowered to alter the terms and conditions of this contract and BJ Services shall not be bound by any changes or modifications in this contract unless made in writing by a duly authorized executive officer of BJ Services. By requesting the goods and services set forth herein, Customer agrees to all the terms and conditions contained on both sides of this service order and field receipt, which constitutes the entire agreement between the parties, unless Customer and BJ Services have entered into a master service agreement or master work contract applicable to the services performed and products, supplies and materials furnished by BJ Services hereunder, in which event any term or provision of this service order and field receipt in conflict with the provisions thereof shall be deemed invalid to such extent. Subject only to the preceding sentence BJ Services hereby objects to any term of any purchase order, delivery ticket or receipt or other document that varies from or conflicts with the terms of this contract.
8. SEVERABILITY. It is understood and agreed by Customer and BJ Services that any term or provision of this contract prohibited by law shall be deemed invalid to the extent of such prohibition and shall be modified to the extent necessary to conform to such rule of law. Any term or provision of this contract not deemed invalid and modified pursuant to the preceding sentence shall remain in full force and effect without regard to such invalidity and modification.
9. LIMITED WARRANTY. BJ SERVICES WARRANTS ONLY TITLE TO PRODUCTS, SUPPLIES AND MATERIALS FURNISHED PURSUANT TO THIS CONTRACT AND THAT THE SAME WILL CONFORM TO THE DESCRIPTION SPECIFIED HEREIN AND ARE FREE FROM DEFECTS IN WORKMANSHIP AND MATERIALS. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BJ SERVICES' LIABILITY AND CUSTOMERS EXCLUSIVE REMEDY IN ANY CAUSE OF ACTION (WHETHER IN CONTRACT, TORT, BREACH OR WARRANTY OR OTHERWISE) ARISING OUT OF THE SALE OR USE OF ANY PRODUCTS, SUPPLIES OR MATERIALS IS EXPRESSLY LIMITED TO THE REPLACEMENT OF SUCH PRODUCTS, SUPPLIES OR MATERIALS OR, AT BJ SERVICES' OPTION, TO THE ALLOWANCE TO THE CUSTOMER OF CREDIT FOR THE COST OF SUCH ITEMS. BJ SERVICES MAKES NO WARRANTIES FOR ANY EQUIPMENT, MATERIALS OR PRODUCTS MANUFACTURED BY THIRD PARTIES, BUT WILL PASS ON TO CUSTOMER ALL WARRANTIES OF THE MANUFACTURERS OF SUCH EQUIPMENT, MATERIALS OR PRODUCTS. BJ SERVICES IS UNABLE TO, AND DOES NOT, GUARANTEE THE ACCURACY OF ANY JOB RECOMMENDATION, RESEARCH ANALYSIS, DATA INTERPRETATION, OR OTHER INFORMATION FURNISHED TO CUSTOMER BY BJ SERVICES IN VIEW OF THE UNCERTAINTY OF WELL CONDITIONS AND THE RELIANCE BY BJ SERVICES AND CUSTOMER UPON INFORMATION AND SERVICES FURNISHED BY THIRD PARTIES. THEREFORE, NO WARRANTY EXPRESS OR IMPLIED IS GIVEN CONCERNING THE EFFECTIVENESS OF THE PRODUCTS, SUPPLIES OR MATERIALS USED, RECOMMENDATIONS GIVEN, OR SERVICES PERFORMED BY BJ SERVICES. CUSTOMER AGREES THAT BJ SERVICES SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES ARISING FROM THE USE OF DATA FURNISHED BY BJ SERVICES. CUSTOMER ACCEPTS FULL RESPONSIBILITY FOR RETURNING THE WELL DESCRIBED ON THE FACE OF THIS SERVICE ORDER AND FIELD RECEIPT TO PRODUCTION. BJ SERVICES DOES NOT GUARANTEE THE EFFECTIVENESS OF THE PRODUCTS, SUPPLIES OR MATERIALS FURNISHED PURSUANT TO THIS CONTRACT NOR THE RESULTS OF ANY TREATMENT OR SERVICE IT PERFORMS HEREUNDER.
10. FORCE MAJEURE. Any delays or failure by BJ Services in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike or other labor trouble, accident, riot, acts of God, or any other cause beyond the reasonable control of BJ Services.
11. CHEMICAL DISPOSAL. Customer agrees that all chemicals used in performance of this contract which are not removed from the location of the well by BJ Services shall be disposed of by Customer in accordance with all applicable federal, state and local laws and regulations.

12. LIABILITY AND INDEMNITY OBLIGATIONS.

(A) BJ SERVICES SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE CUSTOMER, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES AND ITS AND THEIR OFFICERS, DIRECTORS AND EMPLOYEES ("CUSTOMER GROUP") FROM AND AGAINST ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, PENALTIES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER (COLLECTIVELY, "CLAIMS") ARISING IN FAVOR OF (I) BJ SERVICES' EMPLOYEES OR THE EMPLOYEES OF BJ SERVICES' SUBCONTRACTORS ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO PROPERTY OR (II) BJ SERVICES ON ACCOUNT OF DAMAGE TO BJ SERVICES' PROPERTY, EXCEPT AS OTHERWISE PROVIDED BELOW, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF CUSTOMER GROUP.

(B) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS AND RELEASE BJ SERVICES, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES AND ITS AND THEIR OFFICERS, DIRECTORS AND EMPLOYEES ("BJ SERVICES GROUP") FROM AND AGAINST ALL CLAIMS ARISING IN FAVOR OF (I) CUSTOMER'S EMPLOYEES OR THE EMPLOYEES OF CUSTOMER'S OTHER CONTRACTORS OR THEIR SUBCONTRACTORS ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO PROPERTY, OR (II) CUSTOMER ON ACCOUNT OF LOSS OR DAMAGE TO CUSTOMER'S PROPERTY, EXCEPT AS OTHERWISE PROVIDED BELOW, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP.

(C) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE BJ SERVICES GROUP FROM AND AGAINST ANY CLAIMS FOR POLLUTION OR CONTAMINATION, INCLUDING THE CLEANUP OR REMOVAL THEREOF ARISING OUT OF OR CONNECTED WITH THE PERFORMANCE BY BJ SERVICES OF SERVICES FOR THE CUSTOMER (AND NOT ASSUMED BY BJ SERVICES IN THE FOLLOWING SENTENCE) INCLUDING BUT NOT LIMITED TO CLAIMS THAT MAY RESULT FROM WELL FIRE, BLOWOUT, CRATERING, SEEPAGE OR ANY OTHER UNCONTROLLABLE FLOW OF OIL, GAS, WATER OR OTHER SUBSTANCES, INCLUDING CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP. BJ SERVICES SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS CUSTOMER GROUP FROM AND AGAINST ANY CLAIMS FOR POLLUTION OR CONTAMINATION, INCLUDING THE REMOVAL THEREOF, ORIGINATING ABOVE THE SURFACE OF THE EARTH FROM SPILLS, LEAKS OR DISCHARGES OF FUELS, LUBRICANTS, MOTOR OILS, PIPE DOPE, PAINT, SOLVENTS, SLUDGE OR GARBAGE IN THE POSSESSION AND CONTROL OF BJ SERVICES AND ASSOCIATED WITH CONTRACTORS' EQUIPMENT AND FACILITIES, EXCEPTING ANY POLLUTION IN RESERVE PITS FROM FLOWBACK INCIDENT TO B.J. SERVICES' OPERATIONS.

(D) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE BJ SERVICES GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING IN FAVOR OF CUSTOMER OR ANY THIRD PARTY INCLUDING, BUT NOT LIMITED TO, ANY GOVERNMENTAL ENTITY OR PARTY FOR WHOM CUSTOMER IS ACTING (INCLUDING CUSTOMER'S CO-WORKING INTEREST OWNERS) FOR ALL DAMAGES OR LOSSES RESULTING FROM PRODUCTS, SERVICES OR EQUIPMENT PROVIDED BY BJ SERVICES ON ACCOUNT OF (I) LOSS OF THE HOLE, (II) DAMAGE OR INJURY TO ANY DOWNHOLE PROPERTY OR ANY PROPERTY RIGHT IN OR TO OIL, GAS OR OTHER SUBSTANCES OR WATER (III) LOSS OR DAMAGE TO, OR CONTAMINATION OF, ANY FORMATIONS, STRATA OR RESERVOIRS BENEATH THE EARTH'S SURFACE, (IV) SUBSURFACE TRESPASS OR (V) ANY OTHER SIMILAR LOSSES OR DAMAGES, AND WITHOUT REGARD TO THE NEGLIGENCE OF ANY PARTY OR PARTIES, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP.

(E) CUSTOMER WILL ASSUME LIABILITY FOR BJ SERVICES' EQUIPMENT WHICH MAY BE LOST OR DAMAGED IN THE HOLE, REGARDLESS OF ANY NEGLIGENCE OF ANY PARTY, AND WILL AT ITS OWN EXPENSE AND RISK ATTEMPT TO RECOVER SUCH EQUIPMENT. THE VALUE OF ANY UNRECOVERABLE, LOST OR DAMAGED EQUIPMENT SHALL BE REIMBURSED BY CUSTOMER AT THE FAIR MARKET VALUE ON THE DATE OF LOSS OF SUCH EQUIPMENT, BUT IN NO EVENT AT A VALUE LESS THAN 50% OF THE THEN CURRENT REPLACEMENT COST.

(F) BJ SERVICES AND CUSTOMER AGREE TO SUPPORT THEIR INDEMNITY OBLIGATIONS HEREIN BY FURNISHING LIABILITY INSURANCE COVERAGE OR QUALIFIED SELF INSURANCE IN AN AMOUNT OF NO LESS THAN \$2,000,000. HOWEVER BJ SERVICES AND CUSTOMER AGREE AND INTEND THAT, TO THE FULLEST EXTENT ALLOWED FROM TIME TO TIME BY APPLICABLE LAW, THEIR RESPECTIVE INDEMNITIES UNDER THESE TERMS AND CONDITIONS ARE TO APPLY WITHOUT LIMIT, AND ARE NOT TO BE LIMITED TO THE AMOUNT OF INSURANCE EITHER OF THEM MAY FROM TIME TO TIME MAINTAIN OR AGREE TO MAINTAIN. IF IT SHOULD BE DETERMINED THAT THE INDEMNITY OBLIGATIONS ASSUMED HEREUNDER THAT ARE TO BE SUPPORTED EITHER BY INSURANCE OR SELF INSURANCE EXCEEDS THAT WHICH IS PERMITTED UNDER APPLICABLE LAW, THEN SUCH INDEMNITIES SHALL AUTOMATICALLY BE AMENDED TO CONFORM TO THE MONETARY LIMITS PERMITTED UNDER SUCH LAW.

13. CONFIDENTIAL INFORMATION. Customer and BJ Services will use their best efforts to maintain the confidentiality of all records and proprietary information obtained by either party in the performance of any services by BJ Services. Such information will not be disclosed by either party to its employees unless it is necessary in order to perform or evaluate such services, or to any third parties without the prior consent of the other party.

14. WAIVER. (A) Neither BJ Services nor Customer will be liable to the other for special, incidental, indirect or consequential damages resulting from or arising out of the products or equipment provided or the services performed by BJ Services hereunder, including but not limited to, loss of profit or revenue or business interruption losses, whether or not arising under an alleged breach of warranty or caused by the sole, joint and/or comparative negligence, strict liability or other fault of either party. (B) Customer represents that it is a business consumer purchasing products and services from BJ Services for commercial use, that it has experience in business matters that enable it to evaluate the merits and risks of the purchase of such products and services, and that it is not in a significantly disparate bargaining position. Customer waives the provisions of the Texas Deceptive Trade Practices Act (other than section 17), as from time to time amended.

15. GOVERNING LAW. This contract shall be governed by the law of the State of Texas.