

CEMENT JOB REPORT



CUSTOMER Black Hills Gas Resources		DATE 04-DEC-10	F.R. # 1001725491		SERV. SUPV. DELBERT S GALLEGOS						
LEASE & WELL NAME WINTER FLATS #1-10-100 - API 05077085180000		LOCATION 10-9S-100W			COUNTY-PARISH-BLOCK Mesa Colorado						
DISTRICT Grand Junction		DRILLING CONTRACTOR RIG #			TYPE OF JOB Plug & Abandon						
SIZE & TYPE OF PLUGS		LIST-CSG-HARDWARE			PHYSICAL SLURRY PROPERTIES						
		NA-P&A			SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
MATERIALS FURNISHED BY BJ											
Type III Cement+2%CACL					450	14.2	1.46	7.33		117	78.48
Fresh Water						8.34				14.55	
Available Mix Water <u>180</u> Bbl. Available Displ. Fluid <u>180</u> Bbl.					TOTAL					131.55	78.48
HOLE			TBG-CSG-D.P.				COLLAR DEPTHS				
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE	
4	0	4800	4.5	11.6	CSG	5000					
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	TYPE	WGT.
						2000	2000	2.375	1502	FRESH WATER	8.34
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	
3	BBS	Fresh Water	8.34	0	1200	0	9980	7984	10690	8552	water truck

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING:

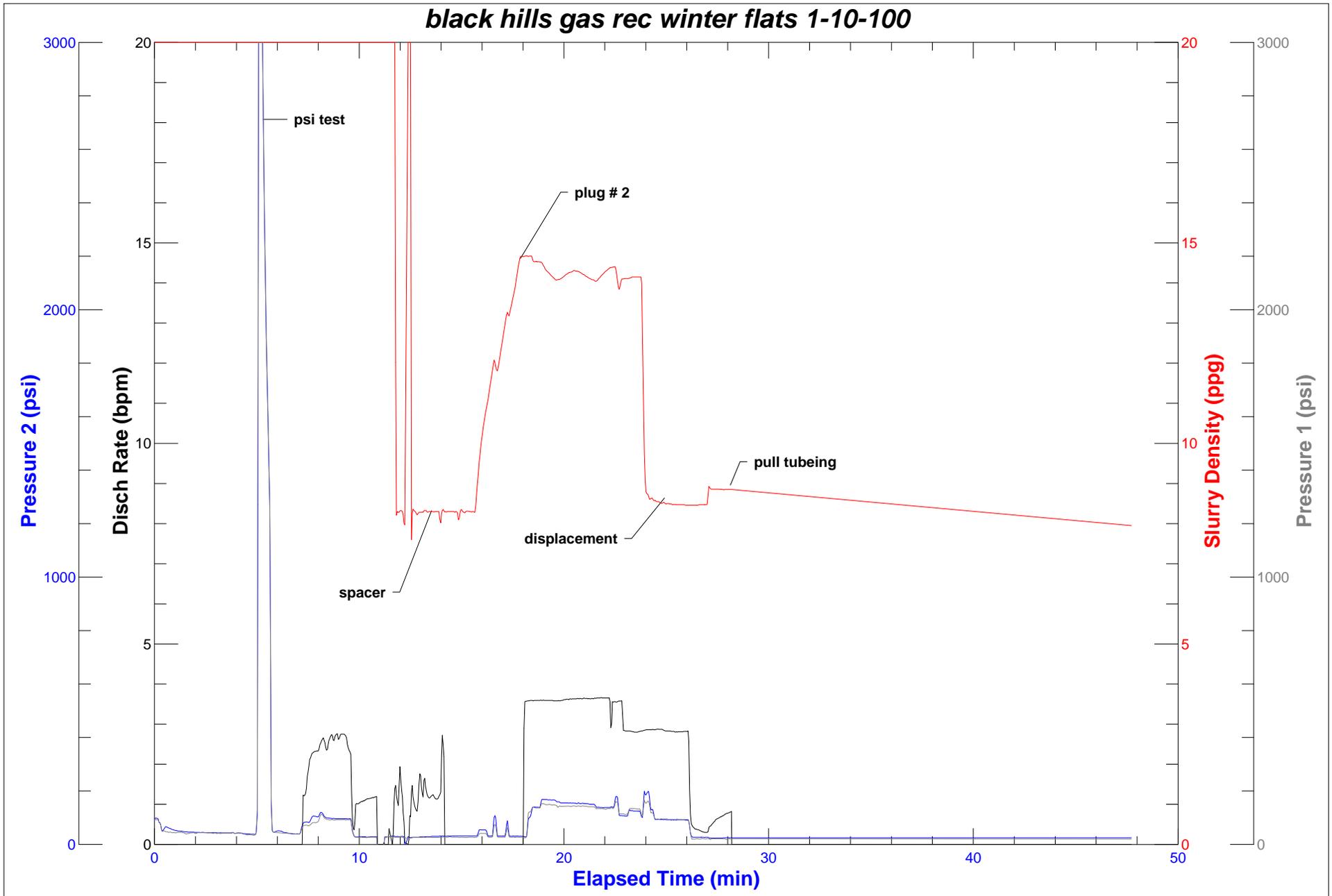
PRESSURE/RATE DETAIL						EXPLANATION					
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/>					
	PIPE	ANNULUS				TEST LINES 500 PSI					
						CIRCULATING WELL - RIG <input type="checkbox"/> BJ <input type="checkbox"/>					
05:00						safety and convoy meeting					
05:30						leave yard for location					
12:00						arrive to location					
12:10						tailgat meeting					
12:20						spot trucks and rig iron					
08:30						prejob safety meeting 11-30-10					
09:09						pressure test lines 3700					
09:14	96	0	2.7	10	H2O	pump spacer					
09:18						batch cement					
09:28	155	0	3.5	19.5	CMT	start downhole with cement					
09:32	94	0	4	7.5	H2O	displacement					
09:35						end first plug					
						rig pull 30 joints wait on cmt to get hard and new love joy for slurry pump.					
13:57						start 2nd plug					
14:02	320	0	3	10	H2O	spacer					
14:10	148	0	3	19.5	CMT	second plug					
14:16	154	0	3.5	5.5	H2O	displacement					
15:00						call it a day start 12-1-10..					
05:00						Left Yard 12-1-10					
06:30						arrive on location.					
08:39						prejob meeting					
08:59	87	0	2.8	13	H2O	spacer					
09:02	890					tubing was plugged rig pull out had 6 joints with cement in them					
10:42						running back in hole with tubing					
11:40	89	0	3	30	H2O	spacer - injection test					

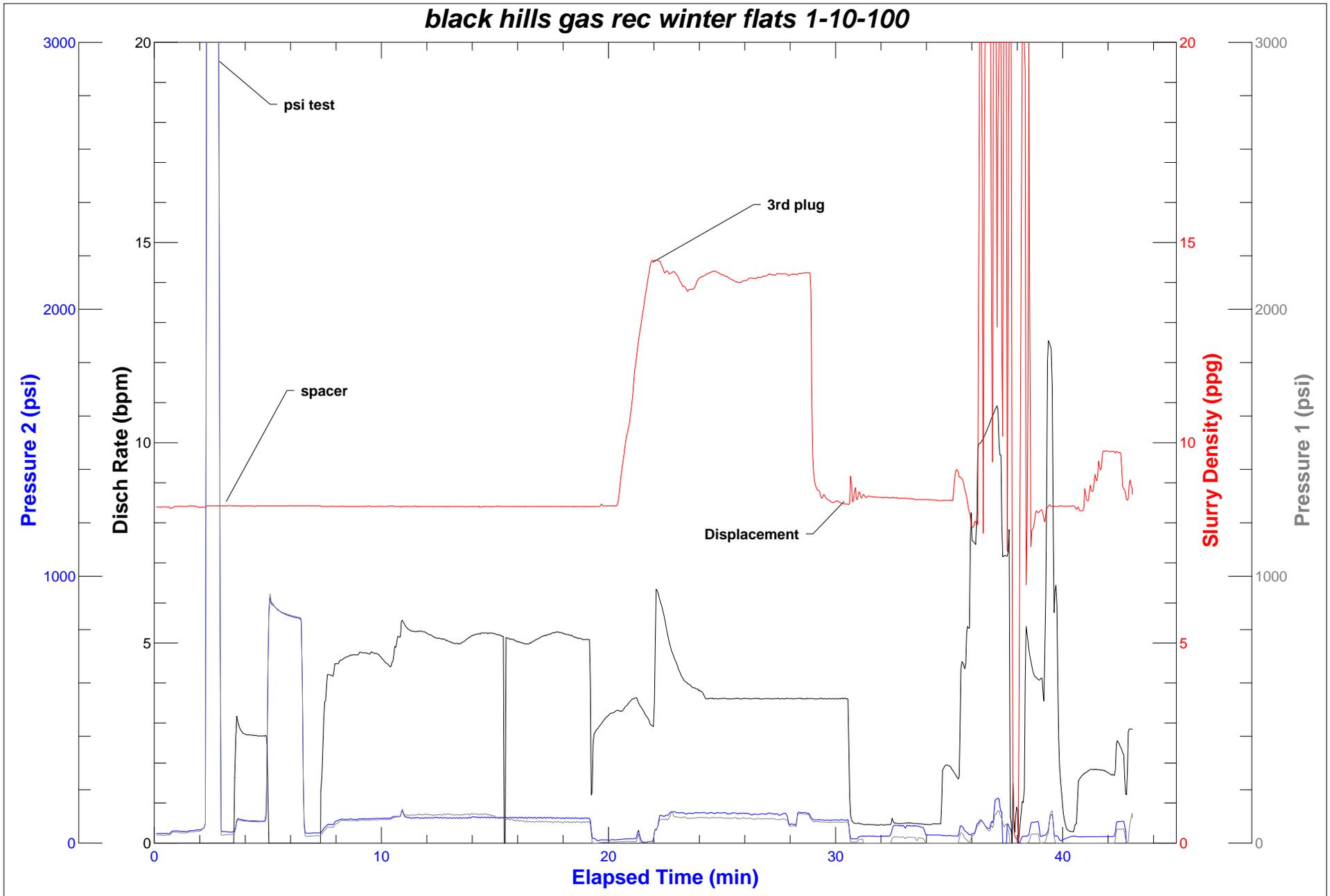
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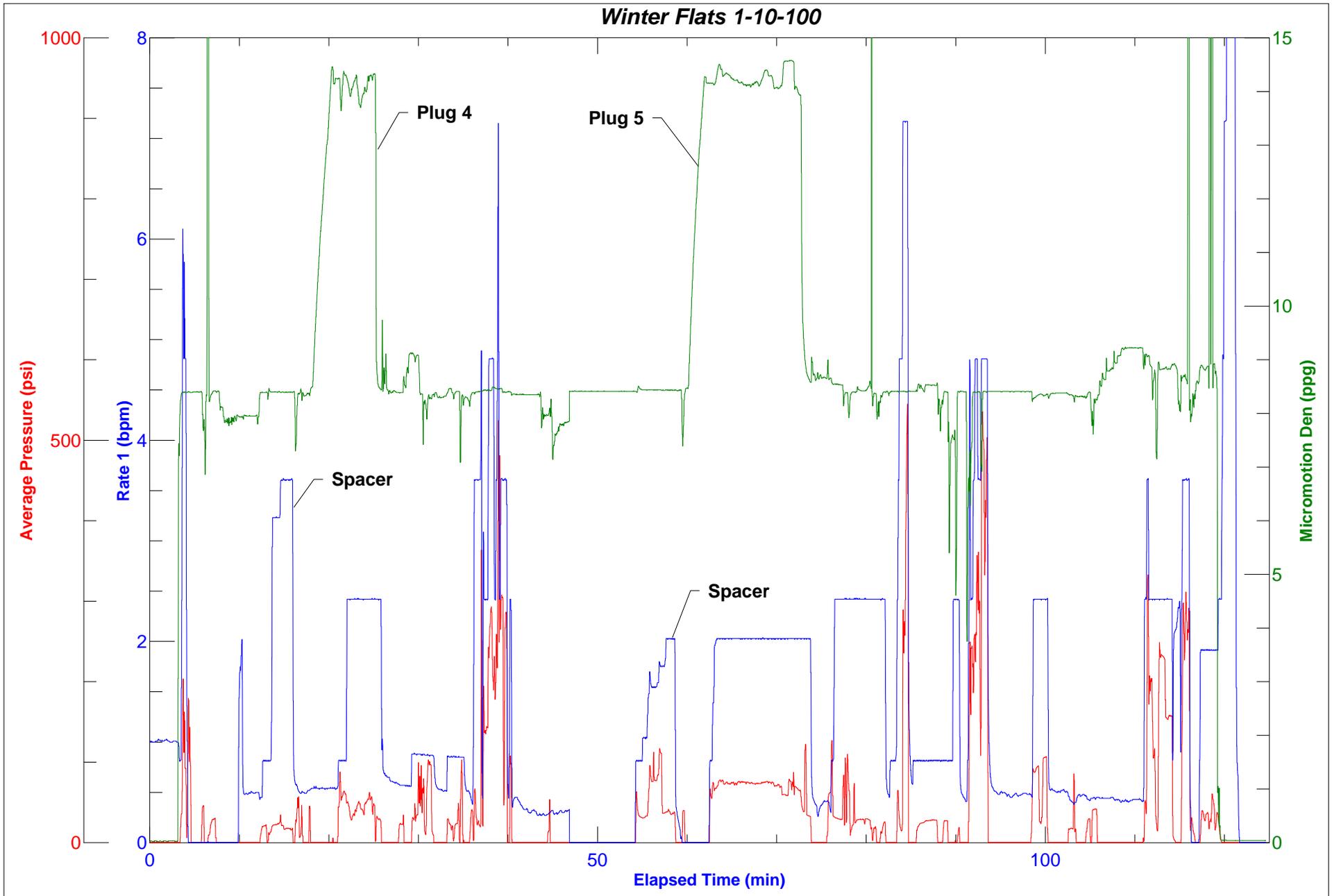


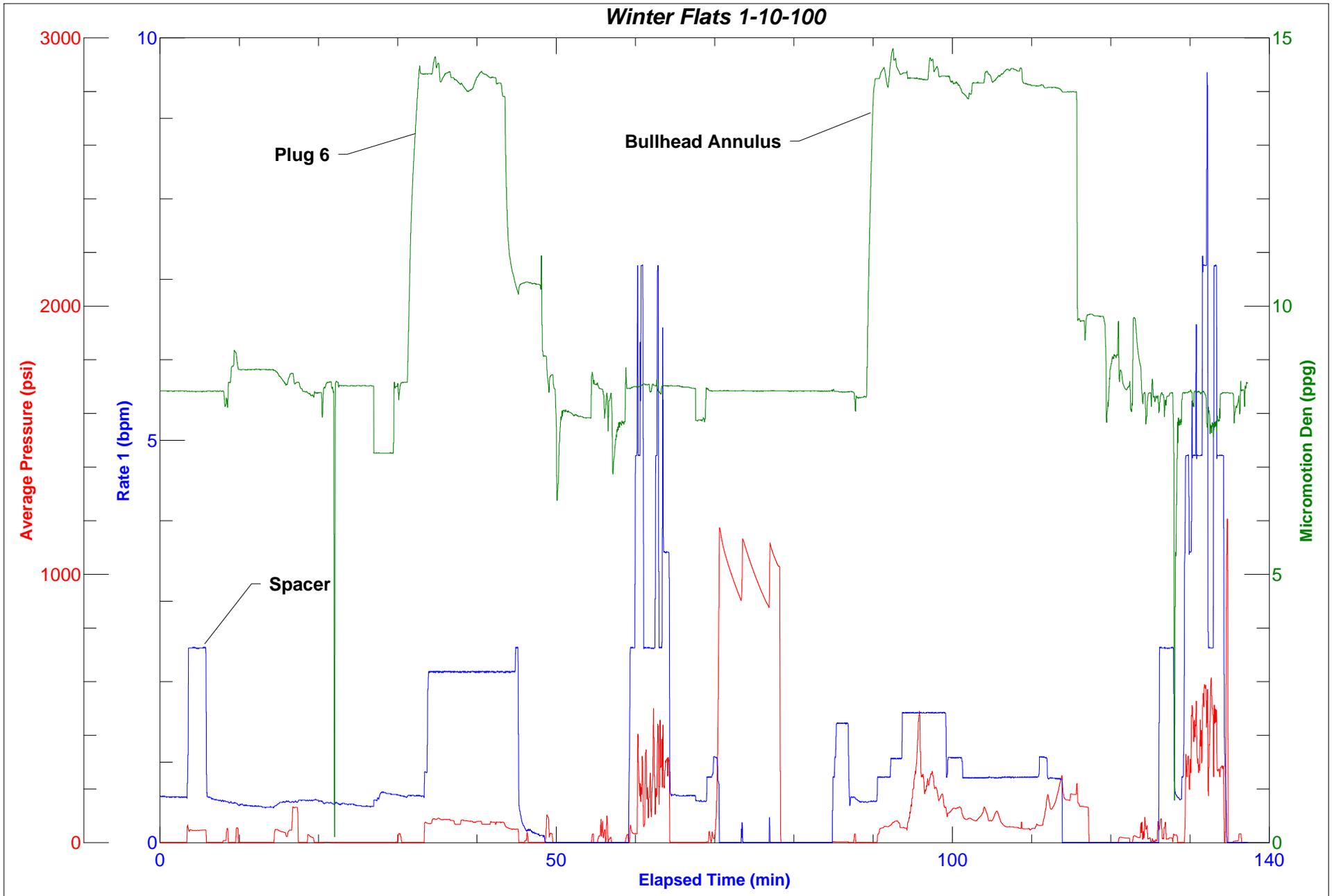
PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/>	
	PIPE	ANNULUS				TEST LINES	500 PSI
						CIRCULATING WELL - RIG <input type="checkbox"/> BJ <input type="checkbox"/>	
11:56						batch up cement	
11:57	113	0	3	31	CMT	cement slurry	
12:01	86	0	3	5.5	H2O	displacement	
12:05						end 3rd plug head home come back 12-2-10	
05:00						single journey and safety meeting	
05:15						leave the yard for location	
06:40						arrive to location	
07:00						tailgate meeting fire trucks and heaters.	
11:30						pre job safety meeting	
12:00	31	0	2.4	10	WATER	start spacer	
12:05	0	0	0	0	CEMENT	batch cement 14.2 type III with 2% CACL	
12:08	56	0	2.8	2	CEMENT	start cement downhole	
12:15	56	0	2.8	19.5	CEMENT	end cement	
12:15	39	0	2.8	3	WATER	start displacement	
12:16	0	0	0	3	WATER	end displacement balance plug.	
12:20						wait 2.5 hrs on cement	
14:20	87	0	2	10	WATER	pump 10bbl spacer fresh water	
14:25	0	0	0	0	CEMENT	batch cement to 14.2ppg with 2%CACL	
14:29	69	0	2	19.5	CEMENT	pump cement downhole	
14:39	68	0	2	2	WATER	pump 2bbls fresh water displacement	
14:45						wash to pit pickle pump	
16:00						leave location return 0630 to set plug	
05:00						single convoy and safety meeting	
05:10						leave yard for location	
06:30						arrive to location tailgate meeting	
06:40						fire trucks and get heaters going	
07:00						wait on rig crew and water trucks.	
09:00						prejob safety meeting	
09:45	89	0	2	10	WATER	pump 10bbl spacer	
09:50	0	0	0	0	CEMENT	batch cement to 14.2ppg +2%CACL	
09:55	89	0	2	19.5	CEMENT	pump cement downhole	
10:05	55	0	2	1	WATER	pump 1 bbl displacement	
10:10						wash up wait on cement	
12:30	86	0	2	10	WATER	pump 10bbl spacer to establish circulation	
12:30					CEMENT	batch cement to 14.2ppg	
12:35	86	0	2	28.6	CEMENT	pump 110 sks and bullhead cement into surface pipe	
13:00						end cement wash lines and pump.	
14:00						rig down lines and get trucks ready to leave loc	

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:
Y <input type="checkbox"/> N <input checked="" type="checkbox"/>		Y <input type="checkbox"/> N <input checked="" type="checkbox"/>		250	0	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	









BJ Services Company



CUSTOMER (COMPANY NAME) Black Hills Gas Resources				CREDIT APPROVAL NO. A10011300237		PURCHASE ORDER NO.		CUSTOMER NUMBER 20095285 - 00234704		INVOICE NUMBER	
MAIL INVOICE TO		STREET OR BOX NUMBER 2388 Leland Ave.			CITY Grand Junction		STATE Colorado		ZIP CODE 81505		
DATE WORK COMPLETED	MO.	DAY	YEAR	BJ REPRESENTATIVE DELBERT S GALLEGOS		WELL API NO: 05077085180000		WELL TYPE : Old Well			
BJ SERVICES DISTRICT Grand Junction				JOB DEPTH(ft) 4,200		WELL CLASS : Gas					
WELL NAME AND NUMBER WINTER FLATS #1-10-100				TD WELL DEPTH(ft) 4,200		GAS USED ON JOB : No Gas					
WELL LOCATION :		LEGAL DESCRIPTION 10-9S-100W			COUNTY/PARISH Mesa		STATE Colorado		JOB TYPE CODE : Plug & Abandon		

PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
100112	Calcium Chloride	lbs	1050	1.440	1,512.00	45%	831.60
100404	Sodium Chloride	lbs	300	0.460	138.00	45%	75.90
424509	FP-13L	gals	4	168.000	672.00	45%	369.60
499680	Static Free	lbs	18	35.800	644.40	45%	354.42
499703	Type III Cement	sacks	450	44.100	19,845.00	45%	10,914.75
SUB-TOTAL FOR Product Material					22,811.40	45%	12,546.27
A152	Personnel Surcharge - Cement Svc	ea	1	152.000	152.00	0%	152.00
M100	Bulk Materials Service Charge	cu ft	479	3.930	1,882.47	45%	1,035.36
R798	Automatic Density System	job	1	1,440.000	1,440.00	45%	792.00
SUB-TOTAL FOR Service Charges					3,474.47	43.03%	1,979.36

ARRIVE LOCATION :	MO.	DAY	YEAR	TIME	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. Mike Decker					CUSTOMER AUTHORIZED AGENT <input checked="" type="checkbox"/>	BJ SERVICES APPROVED <input checked="" type="checkbox"/>
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS					CUSTOMER AUTHORIZED AGENT	



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PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
F038	Cement Pump Casing, Additional Hrs	hrs	34	895.000	30,430.00	45%	16,736.50
F061A	Cement Pumping, 4001 - 5000 ft	6hrs	1	7,050.000	7,050.00	45%	3,877.50
J225	Data Acquisition, Cement, Standard	job	1	1,540.000	1,540.00	45%	847.00
J390	Mileage, Heavy Vehicle	miles	140	8.550	1,197.00	45%	658.35
J391	Mileage, Auto, Pick-Up or Treating Van	miles	560	4.830	2,704.80	45%	1,487.64
	SUB-TOTAL FOR Equipment				42,921.80	45%	23,606.99
J401	Bulk Delivery, Dry Products	ton-mi	1529	2.850	4,357.65	45%	2,396.71
	SUB-TOTAL FOR Freight/Delivery Charges				4,357.65	45.00%	2,396.71
	FIELD ESTIMATE				73,565.32	44.91%	40,529.33

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	11	29	2010	19:00		
CUSTOMER REP. Mike Decker					<input checked="" type="checkbox"/> CUSTOMER AUTHORIZED AGENT	
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS					<input checked="" type="checkbox"/> BJ SERVICES APPROVED	
CUSTOMER AUTHORIZED AGENT						

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 CUSTOMER'S 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.