

BJ Services Company



REMIT TO: P.O. BOX 4346 - Dept. 393
HOUSTON, TX 77210-4346

INVOICE NO. PROFORMA	OUR REFERENCE NO. 180019391	DATE 08/12/2004
CUSTOMER NO. 20077777	COST CENTER 1014	YOUR ORDERING NO.

Sandy Day #1
CUSTOMER (NOT FOR BILLING)
Contact Credit Before Perform
Job.
Houston Texas 77092

SERVICES FROM OUR STATIONARY	BJ SERVICES SUPERVISOR	SIGNED FOR YOU BY
Hobbs Operations	David Woolsey	Dale Gandy
FOR SERVICES IN THE NAME OF	CUSTOMER ADDRESS	STATE
STATE 3	Lea	New Mexico

PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC	NET AMOUNT	
100105	Xylene	gals	250	3,500	875.00	0%	875.00	
398063	Gypsol II	gals	3000	6,450	19,350.00	58%	8,127.00	
A151	Employee Incentive Bonus - Acid Svc	ea	1	111,500	111,500	58%	46,830.00	
F701	Acid Pump, 0 - 2500 psi - Slurry	2hrs	1	1,295,000	1,295,000	58%	543,900.00	
J227	Data Acquisition, Acid, Standard	job	1	1,290,000	1,290,000	58%	541,800.00	
J344	2 in Frac Valve	job	1	329,000	329,000	58%	138,180.00	
J390	Mileage, Heavy Vehicle	miles	280	5,150	1,442.00	58%	605.6400	
J391	Mileage, Auto, Pick-Up or Treating Van	miles	140	3,120	436.80	58%	183.4600	
J340	Bulk Delivery, Trans. Over 3000 gals	hrs	1	116,250	116,250	58%	48,830.00	
SUB TOTAL								11,110.64
New Mexico State Sales Tax 4.5%								94.89
Lea County Sales Tax .25%								5.27
Hobbs City Sales Tax 1.125%								23.72

paid #546

NMOCD CASE NO. 13686
APRIL 27, 2006
DKD, LLC
EXHIBIT NO. 24

PHONE: (713) 462-4239

TERMS: NET 30 DAYS

PAY THIS AMOUNT

USD 11,244.52

STIMULATION TREATMENT REPORT



Date 13-AUG-04 District Hobbs F.Receipt 180019392 Customer CUSTOMER (NOT FOR BILLING)
 Lease STATE 3 Well Name STATE 3
 Field Townsend Location 18-10S-37E
 County Lea State New Mexico Stage No 1 Well API - API 30025285880000

WELL DATA		Well Type:	Well Class:	Depth TD/PB:		Formation:	
Geometry Type	Tubular Type	OD	Weight	ID	Grade	Top	Bottom
TUBULAR	TBG	3.5	9.3	2.992		0	4730
TUBULAR	CSG	5.5	17	4.892		4730	9200
Perf Intervals							
						Top	Bottom
						4800	6850
						SPF	Diameter
						2	.41

Packer Type r Packer Depth 4730 FT

TREATMENT DATA				LIQUID PUMPED AND CAPACITIES IN BBL'S	
Fluid Type	Fluid Desc	Pumped Volume(Gals)	Prop. Description	Volume Pumped(Lbs)	
TREATMENT FLUID	Pentol 150	8,000	NO PROPPANT	Total Prop Qty: _____	Tubing Cap. <u>41.1</u>
TREATMENT FLUID	Gelled Brine	2,000			Casing Cap. <u>1.8</u>
					Annular Cap. <u>53.4</u>
					Open Hole Cap. <u>0</u>
					Fluid to Load <u>0</u>
					Pad Volume <u>76</u>
					Treating Fluid <u>190</u>
					Flush <u>43</u>
					Overflush <u>67</u>
					Fluid to Recover <u>381</u>

Previous Treatment N/A Previous Production N/A
 Hole Loaded With fresh water Treat Via: Tubing Casing Anul. Tubing & Anul.
 Ball Sealers: 0 in _____ Stages Type _____
 Auxiliary Materials 4000 # ROCK SALT

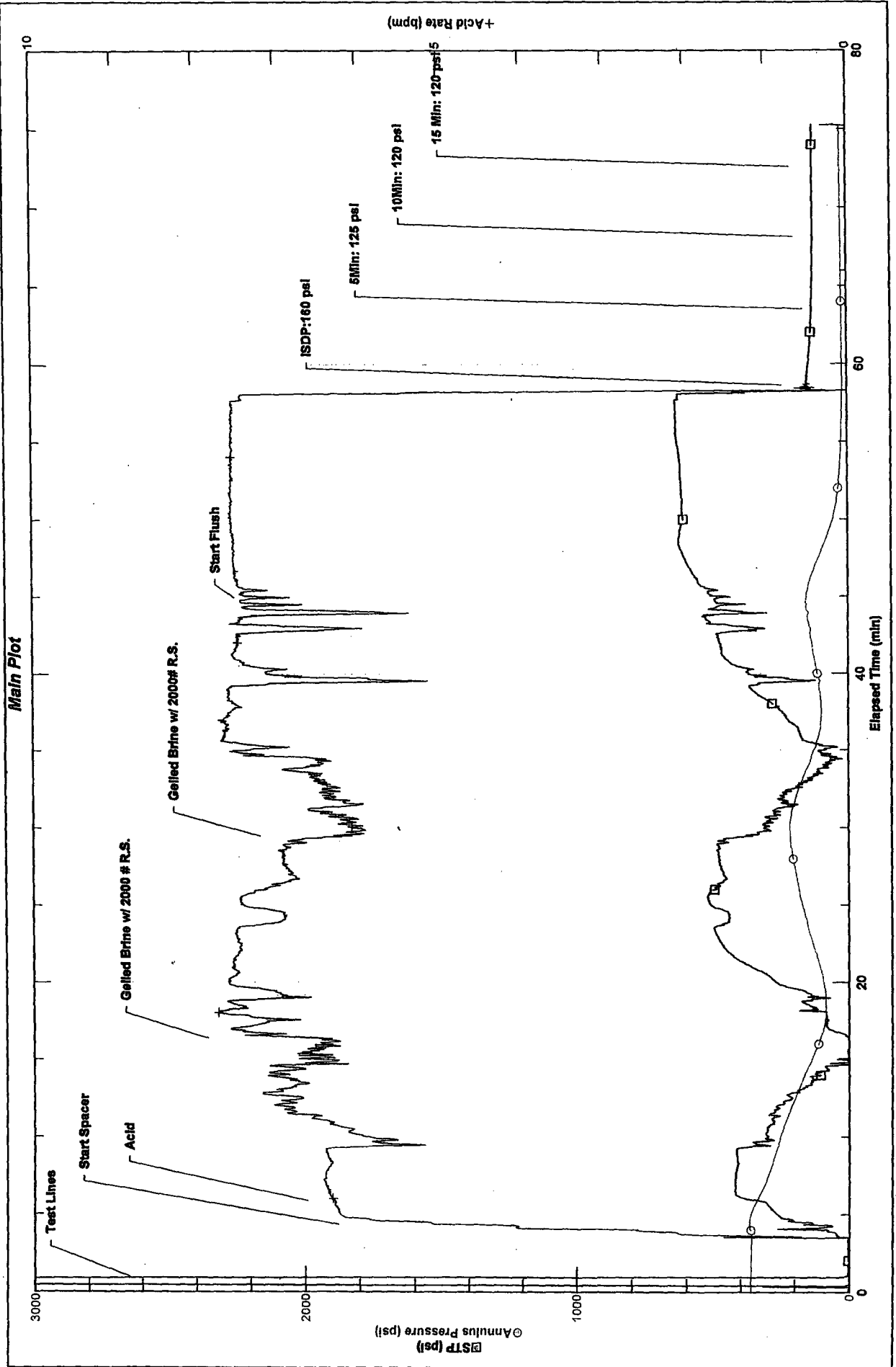
PROCEDURE SUMMARY

Time AM/PM	Treating Pressure-Psi		Surface Slurry BBL'S. Pumped		Slurry Rate BPM	Comments
	STP	Annulus	Stage	Total		
13:00	0	360	0	0	0	TEST LINES CHECK HOLDING
13:09	0	360	0	0	0	START WATER SPACER
13:11	230	350	10	10	6.2	START ACID
13:13	390	260	24	34	6.4	START GELLED BRINE W/ 2000# ROCK SALT 100 TO 480 INCREASE
13:20	0	100	43	77	6.5	RESUME ACID
13:33	350	210	96	173	7	START GELLED BRINE W/ 2000# ROCK SALT 160 TO 550 INCREASE
13:39	100	130	33	206	6.3	RESUME ACID
13:48	480	150	72	278	7.3	START FLUSH
14:02	630	20	103	381	7.4	SHUTDOWN COMPLETE

Treating Pressure		Injection Rates		Shut In Pressures		Customer Rep.	
Minimum	0	Treating Fluid	7	ISDP	160	BJ Rep.	Dale Gandy
Maximum	630	Flush	7.4	5 Min.	125	Job Number	180019392
Average	450	Average	7	10 Min.	120	Rec. ID No.	
Operators Max. Pressure 1500				15 Min.	120	Distribution	
				Final	120	in	15
				Flush Dens. lb./gal.	8.33		

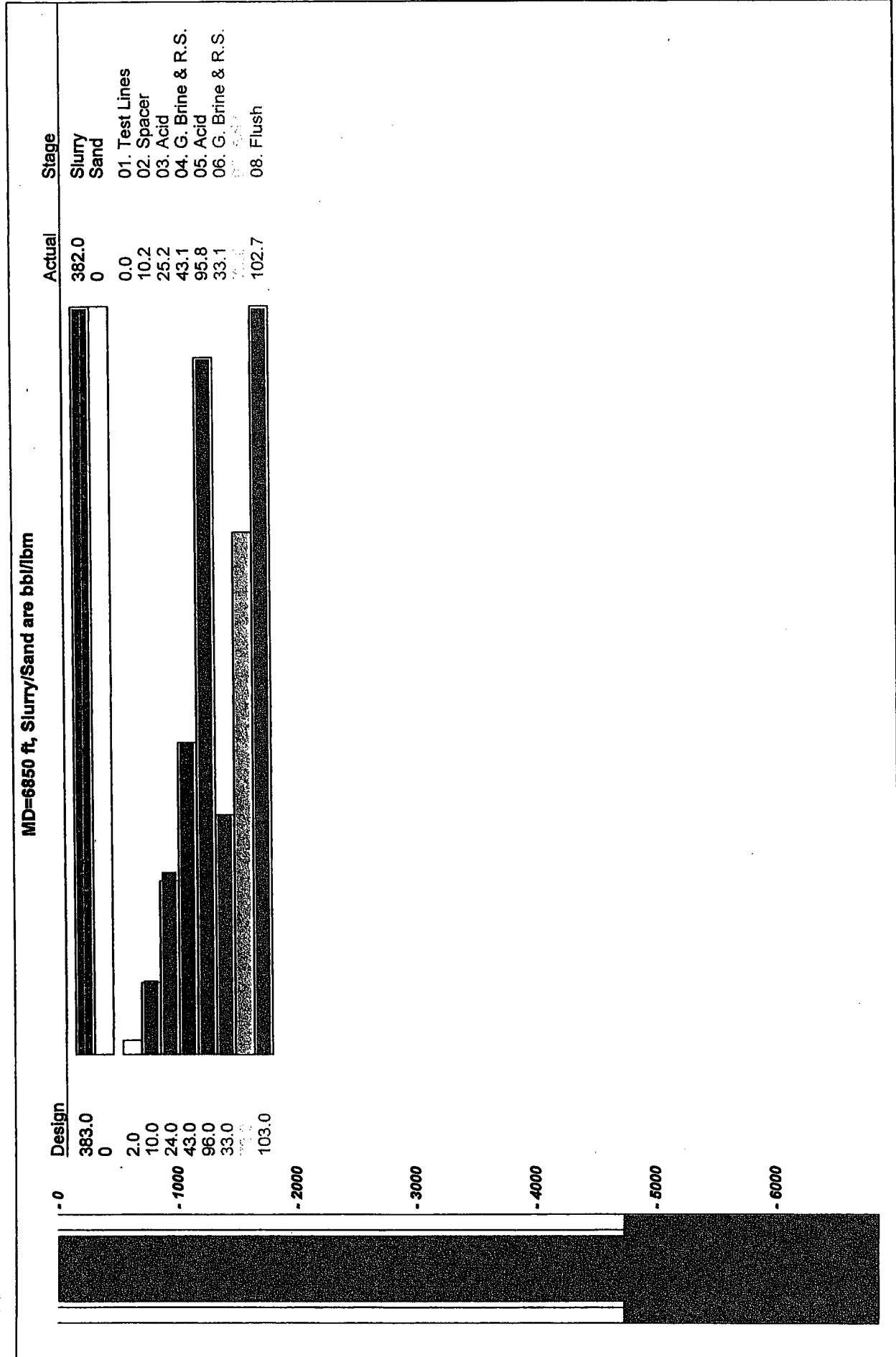


BJ Services JobMaster Program Version 3.00
Job Number: 180019392
Customer: Gandy
Well Name: State #3

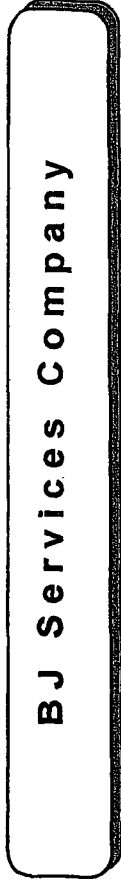




BJ Services JobMaster Program Version 3.00
Job Number: 180019392
Customer: Gandy
Well Name: State #3



FIELD RECEIPT NO. 180019392



CUSTOMER (COMPANY NAME) CUSTOMER (NOT FOR BILLING) Conroy		CREDIT APPROVAL NO. YCC 12K		PURCHASE ORDER NO.		CUSTOMER NUMBER 20077777 - 20077777		INVOICE NUMBER		
MAIL INVOICE TO :		STREET OR BOX NUMBER Contact Credit Before Perform Job.		CITY Houston		STATE Texas		ZIP CODE 77092		
DATE WORK COMPLETED	MO. 08	DAY 13	YEAR 2004	WELL API NO. 30025285880000	WELL TYPE Old Well					
BJ SERVICES SUPERVISOR David Woolsey				JOB DEPTH (ft) 4,730	WELL CLASS Disposal					
WELL NAME AND NUMBER STATE 3				TD WELL DEPTH (ft) 6,880	GAS USED ON JOB No Gas					
WELL LOCATION : 18-10S-37E				COUNTY/PARISH Lea	STATE New Mexico	JOB TYPE CODE Acid Matrix				
PRODUCT CODE	LEGAL DESCRIPTION			DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE/UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
100096	Acetic Acid, Glacial				gals	80	21.900	1,752.00	58%	735.84
100116	Rock Salt, Coarse				lbs	4000	0.330	1,320.00	58%	554.40
398004	HCl, 10.1 - 15%				gals	6800	2.450	16,680.00	58%	6,997.20
398192	XLFC-1				gals	30	50.500	1,515.00	58%	636.30
411082	AE-Aromatic				gals	1000	7.550	7,550.00	58%	3,171.00
411096	Pentafax 2				gals	200	33.700	6,740.00	58%	2,830.80
488052	Cl-25				gals	8	90.000	720.00	58%	302.40
488298	Ferrotrol 280L				gals	48	151.000	7,248.00	58%	3,044.16
SUB-TOTAL FOR Product Material								43,505.00	58%	18,272.10
A151	Employee Incentive Bonus - Acid Svc				ea	1	111.500	111.50	58%	46.83
SUB-TOTAL FOR Service Charges								111.50	58%	46.83
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 AUTHORIZED AGENT										
BJ SERVICES APPROVED										
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS										
CUSTOMER AUTHORIZED AGENT										

BJ Services Company



Gandy
Day # 2

CUSTOMER (NOT FOR BILLING)
 Contact Credit Before Perform!
 Job.
 Houston Texas 77092

REMIT TO: P.O. BOX 4346 - Dept 393
 HOUSTON, TX 77210-4346

INVOICE NO. PROFORMA	OUR RECEIPT NO. 180019392	DATE 08/13/2004
CUSTOMER NO. 20077777	COST CENTER 1014	YOUR ORDER NO.

SERVICES FROM OUR STATION AT Hobbs Operations	BJ SERVICES SUPERVISOR David Woolsey	SIGNED FOR YOU BY Dale Gandy
FOR SERVICE WELL NAME STATE 3	COUNTY/PARISH Lea	STATE New Mexico

Paul
5-43
 SUB TOTAL

PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE/UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
100096	Acetic Acid, Glacial	gals	80	21.900	1,752.00	58%	735.84
100116	Rock Salt, Coarse	lbs	4000	0.330	1,320.00	58%	554.40
398004	HCl, 10.1 - 15%	gals	6800	2.450	16,660.00	58%	6,997.20
398192	XLFC-1	gals	30	50.500	1,515.00	58%	636.30
411082	AE-Aromatic	gals	1000	7.550	7,550.00	58%	3,171.00
411096	Pentafax 2	gals	200	33.700	6,740.00	58%	2,830.80
488052	CI-25	gals	8	90.000	720.00	58%	302.40
488298	Ferrotrol 280L	gals	48	151.000	7,248.00	58%	3,044.16
A151	Employee Incentive Bonus - Acid Svc	ea	1	111.500	111.50	58%	46.83
F722	Acid Pump, 2501- 5000 psi	2hrs	1	2,925.000	2,925.00	58%	1,228.50
J227	Data Acquisition, Acid, Standard	job	1	1,290.000	1,290.00	58%	541.80
J344	2 in Frac Valve	job	1	329.000	329.00	58%	138.18
J390	Mileage, Heavy Vehicle	miles	420	5.150	2,163.00	58%	908.46
J391	Mileage, Auto, Pick-Up or Treating Van	miles	140	3.120	436.80	58%	183.46
J340	Bulk Delivery, Trans., Over 3000 gals	hrs	4	116.250	465.00	58%	195.30
J401	Bulk Delivery, Dry Products	ton-mi	140	1.730	242.20	58%	101.72
					51,467.50		21,616.35
							277.88
							15.44
							69.47

PHONE: (713) 462-4239

TERMS: NET 30 DAYS

PAY THIS AMOUNT → USD

21,979.14



TREATMENT REPORT

Date 12-AUG-04 District Hobbs F.Receipt 180019391 Customer CUSTOMER (NOT FOR BILLING)
 Lease STATE 3 Well No. - API 30025285880000 Field CROSSROADS EAST Location Hobbs
 County Lea State New Mexico

WELL DATA OG NG NO OO WD IW Misc. Depth TD/PB _____ Formation _____
 Tubing Size _____ WT. _____ Set at _____ Type Packer _____ Set At _____
 Casing Size _____ WT. _____ Set From _____ To _____ Liner Size _____ WT. _____
 Liner Set From _____ To _____ Open Hole: Size _____ From _____ To _____ Casing Perforations: Size _____
 Holes Per Foot _____ Intervals _____
 Previous Treatment _____ Prior Production _____

TREATMENT DATA Pad Used: Yes No Pad Type _____
 Treating Fluid Type: Water Acid Oil Treat. Fluid Vol. _____ Gal.
 Prop Type: Sand ISP Resin Baux. Other _____ Total Prop. Qty. _____ Lbs.
 Prop Mesh Sizes, Types and Quantities _____
 Hole Loaded With _____ Treat Via: Tubing Casing Anul. Tubing & Anul.
 Ball Sealers: _____ in _____ Stages of _____
 Types and Number of Pumps Used _____
 Auxiliary Materials _____

LIQUID PUMPED AND CAPACITIES IN BBLs.
 Tubing Cap. 41.1
 Casing Cap. 1.6
 Annular Cap. 53.4
 Open Hole Cap. 0
 Fluid to Load 0
 Pad Volume 0
 Treating Fluid 78
 Flush 40
 Overflush 0
 Fluid to Recover 118

PROCEDURE SUMMARY

Time AM/PM	Treating Pressure-Psi		Surface Slurry BBLs. Pumped		Slurry Rate BPM	Comments
	STP	Annulus	Stage	Total		
14:56	0	0	0	0	0	TEST LINES
14:58	160	0	0	0	0	START XYLOL G
15:00	230	0	2	3	3	START GYPSUM 11
15:12	230	0	72	75	6.4	START XYLOL G
15:13	258	0	3	78	6.2	START FLUSH
15:20	420	0	40	118	6.5	STOPPING

Treating Pressure	Injection Rates	Shut In Pressures	Customer Rep.
Minimum <u>205</u>	Treating Fluid <u>6.4</u>	ISDP <u>125</u>	BJ Rep.
Maximum <u>460</u>	Flush <u>6.5</u>	5 Min.	Job Number
Average <u>320</u>	Average <u>6.4</u>	10 Min.	Rec. ID No.
Operators Max. Pressure		15 Min.	Distribution
		Final _____ in _____ Min.	
		Flush Dens. lb./gal.	

STIMULATION TREATMENT REPORT



Conroy

Date 12-AUG-04 District Hobbs F.Receipt 180019391 Customer CUSTOMER (NOT FOR BILLING)
 Lease STATE T #3 Well Name STATE T #3
 Field Townsend Location 18-10S-37E
 County Lea State New Mexico Stage No 1 Well API - API 30025285880000

WELL DATA		Well Type: <u>OLD</u>	Well Class: <u>DISPOSAL</u>		Depth TD/PB: <u>6850</u>	Formation: <u>San Andres/Glorietta</u>			
Geometry Type	Tubular Type	OD	Weight	ID	Grade	Top	Bottom	Perf Intervals	
TUBULAR	TBG	3.5	9.3	2.992		0	4730	Top	Bottom
TUBULAR	CSG	5.5	17	4.892		4730	9200	SPF	Diameter
								4800	6850
								2	.41

Packer Type r Packer Depth 4730 FT

TREATMENT DATA			Prop. Description	Volume Pumped(Lbs)
Fluid Type	Fluid Desc	Pumped Volume(Gals)		
TREATMENT FLUID	Gypsol II	3,000	NO PROPPANT	Total Prop Qty: _____
TREATMENT FLUID	Xylene	250		
Previous Treatment <u>N/A</u>		Previous Production <u>N/A</u>		
Hole Loaded With <u>dry</u>		Treat Via: Tubing <input checked="" type="checkbox"/> Casing <input type="checkbox"/> Anul. <input type="checkbox"/> Tubing & Anul. <input type="checkbox"/>		
Ball Sealers: <u>0</u> in		Stages Type _____		
Auxiliary Materials _____				

LIQUID PUMPED AND CAPACITIES IN BBLs	
Tubing Cap.	41.1
Casing Cap.	1.6
Annular Cap.	53.4
Open Hole Cap.	0
Fluid to Load	0
Pad Volume	6
Treating Fluid	72
Flush	40
Overflush	0
Fluid to Recover	118

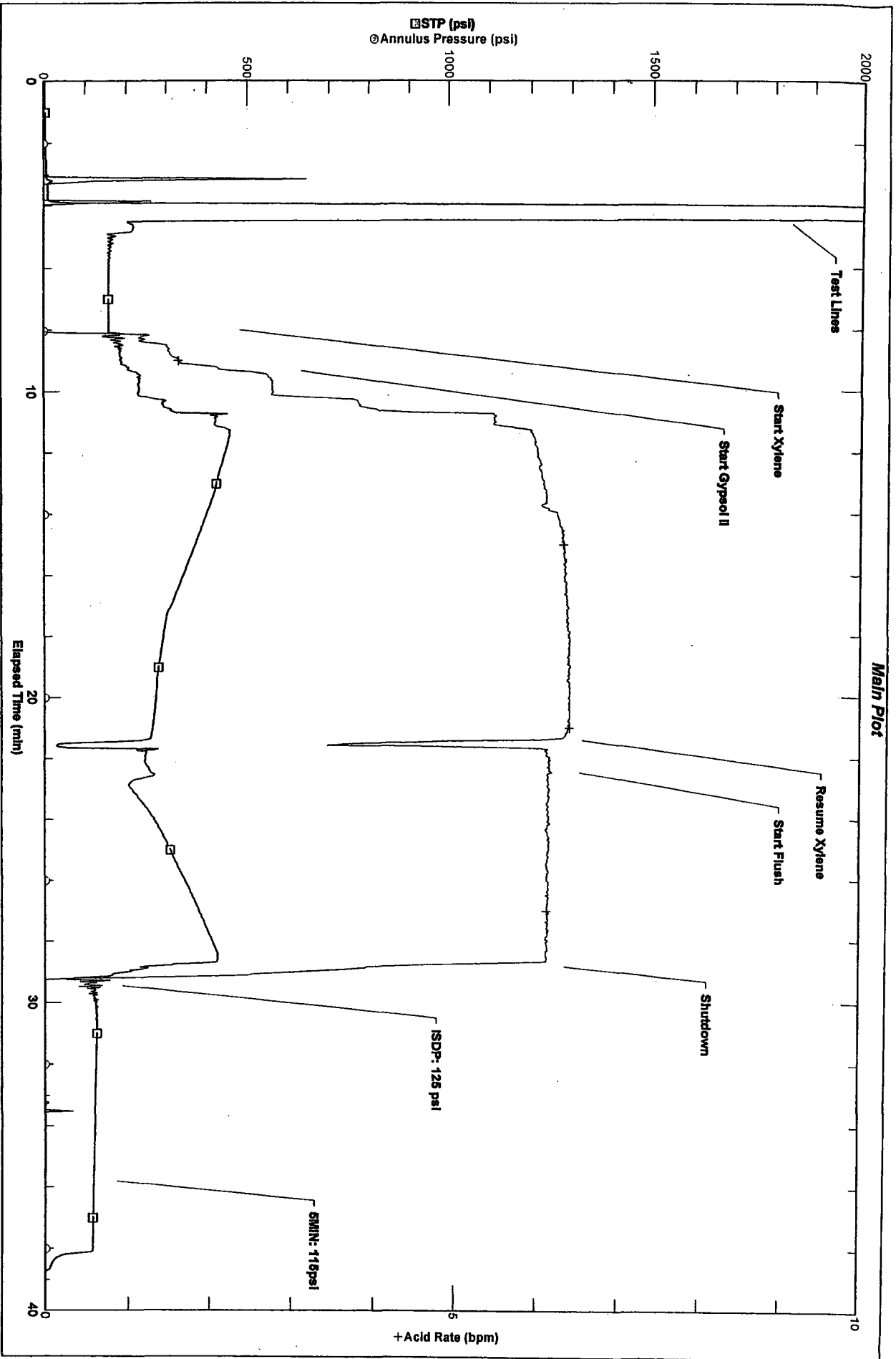
PROCEDURE SUMMARY

Time AM/PM	Treating Pressure-Psi		Surface Slurry BBLs. Pumped		Slurry Rate BPM	Comments
	STP	Annulus	Stage	Total		
14:50	0	0	0	0	0	TEST LINES CHECK HOLDING
14:58	160	0	0	0	0	START XYLENE
15:00	230	0	3	3	3	START GYPSOL II
15:12	230	0	72	75	6.4	START XYLENE
15:13	258	0	3	78	6.2	START FLUSH
15:20	420	0	40	118	6.5	SHUTDOWN COMPLETE

Treating Pressure		Injection Rates		Shut In Pressures		Customer Rep.		
Minimum	205	Treating Fluid	6.4	ISDP	125	BJ Rep.	David Woolsey	
Maximum	460	Flush	56.5	5 Min.	115	Job Number	180019391	
Average	320	Average	320	10 Min.	0	Rec. ID No.		
Operators Max. Pressure 1000				15 Min.	0	Distribution		
				Final	115	In	5	Min.
				Flush Dens. lb./gal.			8.4	



BJ Services JobMaster Program Version 3.00
Job Number: 180019397
Customer: Gandy
Well Name: State #3



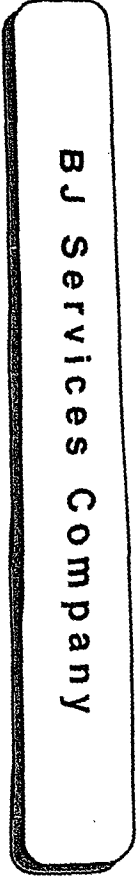
FIELD RECEIPT NO. 180019391

BJ Services Company



CUSTOMER (COMPANY NAME) Gandy			CREDIT APPROVAL NO. CASH - CERTIFIED FUNDS			PURCHASE ORDER NO.			CUSTOMER NUMBER 2007777 - 2007777			INVOICE NUMBER		
MAIL STREET OR BOX NUMBER			CONTACT CREDIT BEFORE PERFORM JOB.			CITY Houston			STATE Texas			ZIP CODE 77092		
DATE WORK COMPLETED 08 12 2004			BJ SERVICES SUPERVISOR David Woolsey			WELL API NO. 30025285880000			WELL TYPE: Old Well					
BJ SERVICES DISTRICT Hobbs						JOB DEPTH (ft) 6.850			WELL CLASS: Disposal					
WELL NAME AND NUMBER STATE 3			LEGAL DESCRIPTION 18-10S-37E			COUNTY/PARISH Lea			STATE New Mexico			JOB TYPE CODE: Acid Matrix		
GAS USED ON JOB: No Gas														
PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT							
100105	Xylene	gals	250	3,500	875.00	0%	875.00							
398063	Gypsol II	gals	3000	6,450	19,350.00	58%	8,127.00							
SUB-TOTAL FOR Product Material					20,225.00	55.49%	9,002.00							
SUB-TOTAL FOR Service Charges					111,500	58%	46,83							
SUB-TOTAL FOR Equipment					111,500	58%	46,83							
SUB-TOTAL FOR Freight/Delivery Charges					116,250	58%	48,83							
SUB-TOTAL FOR Freight/Delivery Charges					116,25	58,00%	48,83							
ARRIVE LOCATION: 08 12 2004 11:30			CUSTOMER REP: Gandy			DATE GANDY			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.		
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS			CUSTOMER AUTHORIZED AGENT			X			X			BJ SERVICES APPROVED		

FIELD RECEIPT NO. 180019391



CUSTOMER (COMPANY NAME) CUSTOMER (NOT FOR BILLING)	CREDIT APPROVAL NO. CASH - CERTIFIED FUNDS	PURCHASE ORDER NO.	CUSTOMER NUMBER 2007777 - 2007777	INVOICE NUMBER
STREET OR BOX NUMBER Contact Credit Before Perform Job.		CITY Houston	STATE Texas	ZIP CODE 77092
MAIL INVOICE TO :	DATE WORK COMPLETED 08 12 2004	BJ SERVICES SUPERVISOR David Woolsey	WELL API NO. 3002528580000	WELL TYPE : Old Well
BJ SERVICES DISTRICT Hobbs		JOB DEPTH (ft) 6,850	WELL CLASS : Disposal	GAS USED ON JOB : No Gas

WELL NAME AND NUMBER STATE 3	LEGAL DESCRIPTION 18-10S-37E	COUNTY/PARISH Lea	STATE New Mexico	JOB TYPE CODE : Acid Matrix	TD WELL DEPTH (ft) 6,850
WELL LOCATION :	DESCRIPTION	FIELD ESTIMATE	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT

PRODUCT CODE	DESCRIPTION	FIELD ESTIMATE	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT

ARRIVE LOCATION : MO. 08 | DAY 12 | YEAR 2004 | TIME 11:30
CUSTOMER REP. Dale Gandy

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 AUTHORIZED AGENT
 BJ SERVICES APPROVED

SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS

CUSTOMER AUTHORIZED AGENT

NOTICE: THE FOLLOWING TERMS AND CONDITIONS APPLY TO ALL SERVICES ORDERED BY CUSTOMER.

NOTICES: CUSTOMER. For the purpose of this contract, the term Customer shall include agents, subsidiaries, joint ventures and partners of customers.

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.

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.

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.

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 1 1/2% 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.

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.

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 constitute 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.

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.

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 BY CUSTOMER BY BJ SERVICES IN VIEW OF THE UNCERTAINTY OF WELL CONDITIONS AND THE RELIANCE BY 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.

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.

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.

Printed on: August 13, 2008

DEMANDS, LOSSES, LIABILITIES, PENALTIES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES AND COSTS 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' EMPLOYEES ON ACCOUNT OF LOSS OF 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 UNCONTROLLED 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, EXCEPT ANY POLLUTION IN RESERVE PITS FROM FLOWBACK INCIDENT TO BJ 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 TO 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 80% 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 MAXIMUM 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. Information will not be disclosed by either party to its employees unless it is necessary in order to perform 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 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 loss, other than the fault of either party. (B) Customer represents that it is a business consumer purchasing products and services from BJ Services and that it is not in a significantly disparate bargaining position. C. This contract shall be governed by the law of the State of Texas.

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