



PREMIER OILFIELD LABORATORIES TERMS AND CONDITIONS

NOTE: THE FOLLOWING CONTAINS INDEMNITY AND CHOICE OF LAW PROVISIONS - PLEASE READ CAREFULLY

1. Acceptance - By requesting Premier Oilfield Laboratories, LLC ("POL") to provide to the requesting person, firm or entity ("Customer") oilfield laboratory and associated services ("Services") including but not limited to the testing and analysis of materials such as cores, drill cuttings, fluids, and other materials associated with the exploration for and production of hydrocarbons and other mineral substances ("Samples") as further described in the Order (as defined herein), Customer voluntarily elects to enter into and be bound by these General Terms and Conditions for Services ("Terms").

2. Formation of Contract – The Customer may make an order ("Order") for Services by either, (i) Customer's unconditional acceptance of a POL offer (proposal) to provide Services within the lesser of thirty (30) days of the offer date or the stated term of the offer, or (ii) POL's acceptance of a work, purchase or service order for the Services issued by Customer. In either case the Order is subject to the Terms and the Order together with the Terms forms the contract ("Contract") for the performance of the Services. The Contract constitutes the entire agreement between the parties and takes precedence over any and all previous verbal or written arrangements in connection with the Services and the Contract. Any Customer document received by POL is for Order identification convenience only and all provisions on the face or reverse side of any document, purchase order or service order which Customer may provide to POL in connection with an Order are expressly waived by Customer and made inapplicable to the Contract. In the event of a conflict between the terms of the Order and the Terms, the Terms shall prevail except as otherwise specifically allowed by the Terms.

3. Deliverables and Services – As a part of the Services POL may provide data, results, measurements, interpretations, research, analysis, advice or interpretational data ("Deliverables") based upon the Services and/or information and data provided by Customer ("Customer Data") which Customer represents and warrants, to the best of its knowledge, is complete and accurate. If Customer is not the sole owner of the of the Samples and/or Customer Data with respect to which POL has provided Services, including but not limited to the Deliverables, but Customer instead shares ownership of the same with one or more third parties, Customer represents and warrants that it is the operating entity and/or the duly constituted and authorized agent of each and all such third parties with full power: (1) to represent and bind the interests of such third parties with respect to the terms of the Contract and all the decisions made concerning any Services including, but not limited to, the Deliverables; and (2) to deliver or otherwise make available to POL, all necessary Customer Data and Samples which may be the property, in whole or in part, of such third parties. **Customer shall release, protect, defend, indemnify, and hold harmless POL from and against any and all claims, cost, expenses (including, but not limited to, reasonable attorney's fees), demands or causes of action ("Claims") arising on account of Customer's breach of the above representations and warranties.**

4. Submitting Sample(s) - Unless otherwise specified in the applicable Order, Customer shall deliver all Samples to POL's facility, at Customer's sole cost and risk of loss or damage to the Sample(s) in transit. Customer shall package, label, and ship Samples to POL strictly in accordance with applicable federal, state or local laws, rules or regulations (whether now existing or hereafter enacted or promulgated) or any judicial or administrative interpretation of any thereof ("Laws") and any packaging, handling, and shipping instructions provided by POL. Customer shall notify POL in writing prior to or upon shipment of any Sample which contains or includes any hazardous, toxic, or other substance(s) or material(s) requiring special handling, storage or disposal.

5. Sample Disposal and Storage - POL shall use commercially reasonable efforts to maintain the Samples it receives from Customer in the condition in which received, and shall store any portion(s) of the Sample(s) not consumed or altered in the course of providing the Services. Except as otherwise provided for in the applicable Order, upon the completion of the Order, Samples will be disposed of at Customer's cost or, upon Customer's written request, (i) returned to Customer at Customer's cost and risk, or (ii) stored and maintained for a monthly fee. If fluid Samples require cylinder/container rental during sampling, transport, or provision of the Services, fluid Sample storage fees shall apply as described herein after the conclusion of the Services. Notwithstanding the foregoing, Samples may be exempt from storage charges for the shorter of sixty (60) days after their initial receipt or initial processing. If Customer fails to timely pay storage charges, POL may destroy or otherwise dispose of the Samples.

6. Hazardous Substances - In the course of providing Services POL may receive Samples containing materials such as asbestos, polychlorinated biphenyls, or any other hazardous or toxic materials, wastes and substances which are defined, determined or identified as such under any applicable Law ("Hazardous Materials"). Customer understands and agrees that any Hazardous Materials received by POL from Customer, or a third party at Customer's request, shall remain the property of Customer and that upon completion of the Services POL will dispose of all unused portions of samples as specified by Customer. In the event Customer does not specify its preferred method of disposal, POL will return to Customer all unused Samples which contain Hazardous Materials. POL reserves the right to charge Customer for the disposal of unused Samples in accordance with POL's then current Sample disposal policy. In no event shall POL be considered the generator of Hazardous Materials, irrespective of any handling, analysis, transportation, treatment, or disposal thereof provided by POL. POL shall not be responsible for signing any manifests or for the storage, transportation, or disposal of Hazardous Materials **and Customer shall release, protect, defend, indemnify, and hold harmless POL from and against any and all Claims arising there from.**

7. Delivery and Acceptance - POL will deliver the Services, or portion thereof, to Customer on or before the dates specified in the Order or as otherwise agreed in writing by the parties ("Delivery Date(s)"). The Delivery Date(s) will automatically be extended for Force Majeure Events (as defined herein) and other delays beyond POL's reasonable control. All Services not specifically rejected in writing by Customer within two calendar weeks of the Delivery Date are deemed to be accepted by Customer.

8. Change Orders - If either party wish to make a change to an Order it shall make a written request to the other party detailing the nature of and the reason for the changes including the details of the modification, and any proposed adjustments to the price, Services, Deliverables, Customer Data or Delivery Date. The change order will become effective and when signed by both parties. It is the parties' intent to work together to reasonably accommodate the requested change within the scope and capability of each party; however, if agreement cannot be achieved the requested change shall be deemed rejected.

9. Milestones. POL will deliver the Deliverables to Customer at the dates set forth in the applicable scope of work ("Milestones"). The Milestones will automatically be extended for Force Majeure Events (as defined herein) and other delays beyond POL's reasonable control that affect the delivery of the Deliverables. POL and Customer must agree in advance in writing to any other revisions to the Milestones.

10. Price, Price Adjustments, Taxes and Payment Terms – Customer shall pay POL for the Services as provided for in the Order and in accordance with the terms of the Contract. In the event pricing is not included in the Order, Customer shall pay for the Services in accordance with POL's then current applicable Price Schedule or as may otherwise be agreed by the parties in writing. To the extent that delayed, incomplete or inaccurate Customer Data increases POL's cost, such cost may be itemized and added to the invoice. Prices of Services do not include sales, use, excise or similar taxes, or other taxes which POL may be required to pay or collect, with respect to the provision of the Services. All such taxes in effect and/or hereafter levied which are applicable to the purchase of the Services shall be paid by Customer. The total invoice amount is due at POL's office, Houston, Texas, or POL's bank if paid by wire transfer, within thirty (30) days of invoice receipt by Customer. Customer shall pay interest on past due balances at the lesser of 1.5% per month or the

O: (713) 492-2057

www.pofg.com

11335 Clay Road, Suite 180

Houston, TX 77041



maximum allowed by applicable state or federal law. Customer agrees to pay all fees directly or indirectly incurred in the collection of past due or delinquent accounts, including agency and attorney's fees.

11. Warranty –

11.1 Service Warranty - POL shall perform the Services in a good and workmanlike manner, shall follow generally accepted industry practices applicable to the Services, shall conform to the Order's specifications and procedures, shall comply with all applicable laws, regulations, rules, standards (governmental and industry), and codes (governmental and industry). POL will give Customer the benefit of its best judgment based on its experience interpreting laboratory measurements and results, Customer Data, and other information and making written or oral recommendations concerning these; however, all such interpretations, recommendations or predictions are opinions only and in view of the impracticability of obtaining first-hand knowledge of the many variable conditions, the reliance on inferences, measurements, empirical relationships and assumptions which are not infallible, and/or the necessity of relying on facts and supporting services furnished by others, **no warranty is given concerning the accuracy, correctness or completeness of laboratory test or other data, interpretations, recommendations or predictions given, or results of the Services rendered. Customer assumes full responsibility for the use of Services, and all decisions based on the Services, and shall release, protect, defend, indemnify, and hold harmless POL from and against any and all Claims arising from the use of the Services.**

11.2. Warranty Period and Remedies – Services are warranted for a period of fifteen (15) calendar days from the Delivery Date and any warranty claim must be made within fifteen (15) days of discovery. POL's sole liability, and Customer's exclusive remedy, for breach of any warranty for Services provided hereunder are expressly limited to, at POL's sole option: (i) replacement or re-performance of the defective portion of the Service, if practical, or (ii) refund to Customer the invoiced and paid portion of the defective portion of the Service.

11.3. Warranty Exclusions and Disclaimers - **The foregoing warranties for Services are in lieu of all other warranties, whether oral, written, express, implied or statutory. Implied warranties of fitness for a particular purpose and merchantability shall not apply. POL's warranty obligations and Customer's remedies there under (except as to title) are solely and exclusively as stated herein.**

12. Transmission of Data – Each party shall transmit all data as accurately and securely as practicable, in accordance with current industry practice relevant at the time the Services are being performed. Notwithstanding the forgoing, POL shall not be responsible to Customer for the corruption of data, including without limitation Customer Data and Deliverables, during transmission or the accidental or intentional interception of such data by others.

13. Incidental or Consequential Damages - It is expressly agreed that neither Customer nor POL shall be liable to the other party for (and the parties shall release, protect, defend, indemnify and hold each other harmless from and against) any special, punitive, indirect, incidental or consequential damages or losses resulting from or arising, directly or indirectly, out of or in connection with this Contract, the Orders, the Service or operations hereunder, including, without limitation, loss of use, loss of data, loss of assets (including but not limited to loss of or delay in production, or loss of samples), loss of profit, loss of business, or business interruption or downtime, and all without regard to the sole, joint, concurrent, active or passive negligence or breach of duty (statutory or otherwise) of any party.

14. Limitation of Liability – Notwithstanding anything to the contrary herein, POL's liability arising from or in connection with this Contract (whether for indemnity, breach of contract, negligence, misrepresentation or otherwise) shall not in any circumstance exceed the full value of the consideration owed to POL under the Contract and **Customer shall release, protect, defend, indemnify, and hold harmless POL from and against any and all Claims in excess thereof.**

15. Insurance - Each party agrees to support the obligations it assumes hereunder, by obtaining at its own cost, adequate insurance for the benefit of the other party. To the extent each party assumes liability hereunder, such insurance shall waive subrogation against the other party and its insurers and name the other party as additional insured(s) and loss payee, and to the same extent such coverage shall be primary to that carried by the other party.

16. Services performed at Customer's Site – In the event, and only to the extent, the Services are performed by POL at any physical site other than its own facilities, including without limitation Customer's well-site, the following mutual release, defense and indemnity provisions shall apply.

16.1 POL's Indemnity to Customer - **Customer, its contractors (other than POL and its subcontractors of any tier) and subcontractors of any tier, co-interest owners, joint venturers, co-lessees, and invitees, and its/their affiliates, shareholders, officers, directors, employees (including the Customer representative at the work site whether a consultant or not), agents, consultants, and servants ("Customer Group") shall not be liable for and POL agrees to release, protect, defend, indemnify, and hold harmless Customer Group from and against any and all Claims for personal injury, illness, death, property (whether real or personal, owned or leased) damage and loss arising out of or resulting from the performance of this Contract or any Order suffered by POL, its contractors and subcontractors, co-interest owners, joint venturers, co-lessees, and invitees and its/their affiliates, shareholders, officers, directors, employees, agents, consultants, and servants ("POL Group") (including Claims of spouses, heirs, survivors or legal representatives, successors and assigns of any member(s) of POL Group) even if such are contributed to or caused by the sole, joint, comparative, concurrent, gross, active or passive negligence, or breach of duty (statutory or otherwise) or other fault of any member(s) of Customer Group.**

16.2 Customer's Indemnity to POL - **POL Group shall not be liable for and Customer agrees to release, protect, defend, indemnify, and hold harmless POL Group from and against any and all Claims for personal injury, illness, death, property (whether real or personal, owned or leased) damage and loss arising out of or resulting from the performance of this Contract or any Order suffered by any member(s) of Customer Group (including Claims of spouses, heirs, survivors or legal representatives, successors and assigns of any member(s) of Customer Group) even if such are contributed to or caused by the sole, joint, comparative, concurrent, gross, active or passive negligence, or breach of duty (statutory or otherwise) or other fault of any member(s) of POL Group.**

17. Confidentiality - POL agrees that it will hold in strict confidence the Services, Deliverables, Customer Data and/or information designated by Customer in writing as confidential, and it will not disclose such confidential information to any third party without written authorization from Customer or except as required by law or legal process. Likewise, Customer shall observe the above confidentiality obligation, insofar as it has access to and knowledge of the measurements, equipment, instruments, mixtures, algorithms, empirical relationships, programs, pricing, processes, and procedures that are the property of and proprietary to POL. Further, Customer shall not, nor have any person or entity at its request or behalf, analyze, reverse engineer, decode, decompile, disassemble or test POL's software, Services, Deliverables, equipment or other property to determine their algorithms, formulas, empirical relationships, source code or components.

18. Intellectual Property -

18.1 Ownership - While performing Services for Customer, POL may utilize its intellectual property and/or develop additional expertise, know-how, inventions, ideas, designs, methods, or processes which are POL's exclusive property and which it may freely utilize in providing services and deliverables for itself and/or its other customers. Notwithstanding the forgoing, Customer shall own the Deliverables and, subject to the confidentiality obligations herein, POL may use the Deliverables to improve and refine its equipment, measurements, services, empirical relationships, algorithms, and numerical and computer models.



18.2 Infringement - **Customer shall release, protect, defend, indemnify, and hold harmless POL from all Claims for infringement of any U.S. patent, license, trade secret, copyright, and/or any other such intellectual property arising out POL's use of Customer Data or any other such property supplied by Customer for use in the Services.**

19. Termination –

19.1 Termination by POL - If Customer becomes insolvent, makes a general assignment for the benefit of its creditors, applies for or consents to the appointment of a receiver, trustee, or liquidator of all or substantially all of its assets, has an involuntary petition in bankruptcy filed against it which is not dismissed within forty-five (45) days, fails to pay its debts and obligations as they become due, commits any breach of the Contract or any other contract between the parties, or if POL reasonably believes that any of the above events is likely to occur, POL may, without prejudice to any of its other rights, immediately terminate this Contract without liability for termination by notice in writing to the Customer.

19.2 Termination by Customer – Customer may cancel an Order for convenience by giving POL thirty (30) days written notice and paying for the portion of the Services completed up to the effective date of such termination and all out-of-pocket expense incurred by POL in preparation for the canceled portion of the Services.

19.3 Accrued Rights and Continuation - Any termination of this Contract shall be without prejudice to the accrued rights of the parties existing on the date of such termination, and the continuation in force of all provisions of this Contract intended to survive such termination.

20. Laws and Regulations -

20.1 Trade Compliance - Each Party shall comply with all applicable Laws (including import, export, export control, anti-boycott, and sanctions laws) and shall not, directly or indirectly, sell, provide access to, export, re-export, transfer, divert, loan, lease, consign, transship (including a stop in port), transport, or otherwise dispose of any POL Deliverable to, via, or for (i) any entity known to be headquartered in, or owned or controlled by a national of any country subject to comprehensive sanctions applicable to POL, as of the date of the Order or in the future, including currently Cuba, Iran, North Korea, Sudan, and Syria, (ii) any other individual or entity identified on a denied or restricted party list applicable to POL, or (iii) any activity or end-use restricted by applicable Laws without first obtaining all required government authorizations and written permission of the other party. Customer shall complete POL's end-use, end-user, end-destination documentation when requested. Notwithstanding anything to the contrary in these Terms, neither party shall be required to take any action prohibited or penalized by, or to refrain from taking any action required under, the laws of any applicable domestic or foreign jurisdiction relating to international boycotts. Either party shall have the right, in its sole discretion, to immediately suspend performance or to terminate any Order if (i) applicable comprehensive sanctions are imposed, or (ii) the other party is designated as or determined to be a denied or restricted party under applicable Law.

20.2 Ethics and Anticorruption - Each party agrees to comply with the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010, and/or any applicable Laws related to anti-corruption, anti-kickbacks, and anti-money laundering. Neither party shall make facilitating or grease payments with regards to the Services.

20.3 Termination and Indemnification. - If a party is required by the other Party to engage in any act that violates this Article 19, that party may immediately terminate any Order and will not be in breach or default. **Each party shall release, protect, defend, indemnify, and hold harmless the other party for all Claims arising from that its violation of this Article 19.**

21. Assignment and Subcontracting - POL may assign any Order to an affiliate, or subcontract the Services (or any portion thereof) to be performed, but shall not assign an Order to any third party without Customer's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

22. Force Majeure - The consequences, direct or indirect, of labor troubles, Acts of God, fires, accidents, floods, named tropical storms, hurricanes, hostilities, shortage of transportation, failure or suspension or curtailment of production due to shortage of labor or supply of raw materials, or other economic factors, government acts or requirements and any and all like or different causes beyond the control of the parties hereto ("Force Majeure Event") shall excuse performance, except payment, by either party to the extent by which performance is prevented thereby. If a party is rendered unable, wholly or in part, by a Force Majeure Event to perform, that party will give written notice detailing such Force Majeure event to the other party as soon as reasonably possible. If a Force Majeure event continues without interruption for thirty (30) days, either party may cancel the applicable Order by giving written cancellation notice to the other party.

23. Employee Solicitation - During the term of the Contract and for one (1) year thereafter, Customer shall not directly, indirectly, or through third parties, solicit, recruit, or induce any employee if POL to leave, terminate, or otherwise end his/her association with POL, in order to become an employee, consultant, or representative of Customer or any other entity, except with the prior written consent of POL.

24. Choice of Law - This Contract, including all matters relating to the validity, construction, performance, and enforcement thereof, shall be governed by the laws of the State of Texas, without reference to any conflict of laws principles that would require application of the substantive laws of another jurisdiction. The parties specifically agree to bring any and all legal action(s) regarding interpretation, enforcement, and/or any other aspect of this Contract in the federal or state courts of Houston, Harris County, Texas.

25. General Provisions - If any part of this Contract contravenes any applicable statutes, regulations, rules, or common law requirements, then, to the extent of and only to the extent of such contravention, such part shall be severed from this Contract and deemed non-binding while all other parts of this Contract shall remain binding. No modification of this Contract shall be of any force or effect unless in writing and signed by an authorized signatory of both parties and expressly identified as a modification to this Contract. This Contract constitutes the entire understanding between the parties with respect to its subject matter and supersedes and cancels all prior agreements, negotiations, understandings (written or oral), and discussions of the parties in relation to its contents. Failure to enforce any or all of the terms and conditions of this Contract in a particular instance or instances shall not constitute a waiver thereof or preclude subsequent enforcement thereof. Reference to the singular includes a reference to the plural and vice versa. Reference to one gender includes reference to the other gender. The headings, sub-headings, and other subdivisions of this Contract are inserted for convenience only. The parties do not intend them to be an aid in legal construction. The provisions of this Contract which by their nature are intended to survive the termination or expiry of this Contract will remain in full force and effect after said termination or expiry. The Contract has been carefully read by the parties, the contents hereof are known and understood and it is freely entered into by the parties. This Contract shall not be construed against the party responsible for drafting any section alleged to be ambiguous or uncertain.