

WORKOVER SOLUTIONS, INC.
STANDARD TERMS AND CONDITIONS

1. Acknowledgment; Acceptance of Statement of Work. These Standard Terms and Conditions (the “**Terms**”) are hereby incorporated into, and form an integral part of the work to be performed (the “**Work**”) by Workover Solutions, Inc. (“**WOS**”) and the undersigned customer (“**Customer**”). The Work shall be performed in accordance with the requirement set forth in the applicable statement of work, work order or purchase order executed by Customer and WOS (each a “**SOW**”), and if no such agreement is executed, in accordance with customary industry practices for such Work. WOS hereby objects to any terms contained in any SOW or any other document sent by Customer or changes to any portion of these Terms by Customer.

2. Permits; Compliance with Laws. WOS represents and warrants that it holds all necessary permits and licenses required for the performance of the Work. WOS shall take reasonably necessary precautions for the safety of its employees, and shall comply with applicable provisions of the Occupational Safety and Health Act. WOS represents and warrants that it shall complete the Work in compliance with all applicable federal, state and local laws, regulations and ordinances.

3. Schedule. WOS agrees to perform the Work in accordance with the project schedule included in the SOW, or, if there is no project schedule, with reasonable diligence and in coordination with Customer. Upon request, WOS shall work with Customer to create a master schedule that shows the major activities and milestones to successfully complete the Work.

4. Changes. Either party may, at any time, without invalidating this Agreement, request changes to the scope, price, schedule or terms relating to the Work set forth in a SOW. Adjustments, if any, in the scope, price, schedule or terms for the Work shall be set forth in a written amendment or change order to the applicable SOW.

5. Payment. Customer agrees to pay WOS for performance of the Work at the rates set forth in the applicable SOW, subject to adjustments for changes in the Work; provided that if no such rates are set forth in the SOW, then all Work shall be at the then-current rates charged by WOS. All invoices shall be due and payable within thirty (30) days following the date of such invoice. If Customer fails to pay any undisputed invoice when due hereunder, WOS may, without prejudice to any other available remedies, stop the Work until payment of the amount owing has been received and the cost of the Work shall be increased by the amount of the WOS’s reasonable costs of demobilization, delay and remobilization plus any costs incurred in collecting such payment. All late payments shall be interest at the lesser of one and one-half percent (1 1/2%) per month or the maximum rate permitted by law.

6. Taxes. Customer is responsible for payment of value added tax, goods and services tax, sales tax, other excise taxes and/or other similar taxes applicable to the Work unless stated otherwise in the SOW. If any part of the Work is tax exempt, Customer shall provide a tax exemption certificate prior to start of the Work. Each party shall pay, at its own expense, at such times when due and payable, all federal, state or local taxes directly related to that party’s income, compensation or benefits paid to the party’s personnel, and property of WOS.

7. Suspension; Termination. Upon not less than ten (10) days prior written notice to WOS, Customer may suspend the Work or any portion thereof for Customer’s convenience. Customer shall allow WOS an adjustment in the price and/or schedule to the extent attributable to any such suspension by execution of a written change order. Either party may suspend Work under a SOW for cause by giving seven (7) calendar days’ advance notice in writing to the other party, if the party receiving such notice fails to any perform any material obligation in accordance with the applicable SOW. If the condition giving rise to the suspension of Work is not corrected within the initial notice period, or, if the condition may not reasonably be corrected within that period, if the defaulting party fails to commence and diligently continue correction of the condition, the affected party may at its option terminate these Terms upon an additional 48 hours’ written notice. Notwithstanding the above, WOS may immediately suspend the Work if any payment, including any payment for a change order, is not made to WOS as required herein. Either party may terminate any SOW for convenience, without cause, by giving the other party at least thirty (30) days advance notice in writing. If Customer terminates any SOW for convenience, WOS shall be entitled to recover payment for (1) Work performed up to the date of termination of such SOW, (2) all documented costs resulting from such

termination, including but not limited to demobilization costs, plus (3) a reasonable markup percentage for overhead and profit.

8. Delays. If WOS is delayed at any time in the commencement or progress of the Work by (1) changes ordered in the Work; (2) a delay in or failure of Customer, its agents or other contractors to perform their respective obligations, a suspension by Customer; (3) concealed or unknown conditions or those not ordinarily found to exist, (4) by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties, or any causes beyond WOS’s control; or (5) by other causes that WOS reasonably asserts, then the project schedule to complete the Work and/or pricing for the Work shall be increased.

9. Limitation of Damages. WOS and Customer each waive all special, indirect, incidental, or consequential losses or damages, specifically excluding, however, actual damages, but including loss of profits, use, opportunity, revenues, financing, bonding capacity, or business interruptions or other matters in question arising out of or relating to any SOW and/or these Terms. This mutual waiver is applicable, without limitation, to all such damages due to either party’s termination of these Terms. Notwithstanding anything in any SOW or these Terms to the contrary, the maximum liability of WOS and its officers, agents, and employees for any and all claims, causes of action, damages, losses, and expenses (collectively, “**Claims**”), including, but not limited to, attorneys’ fees, arising out of or related to Work performed hereunder, from any cause or causes, shall not exceed sum of (a) the aggregate payments received by WOS from Customer under the applicable SOW for such Work and (b) the required limits of insurance coverage under these Terms; provided however that in no event shall such amount exceed the total sum paid on behalf of or to WOS by its insurers in settlement or satisfaction of Customer’s Claims under the terms and conditions of the insurance carried by WOS pursuant to the insurance requirements of these Terms, and Customer hereby releases WOS and its officers, agents, and employees from any liability above such amount which arises out of or relates to services performed under any SOW or these Terms.

10. Hazardous Materials. Customer shall provide WOS with all relevant information available to it concerning any asbestos, lead, or other hazardous materials known or suspected to be present on or near the area where the Work will be performed. Customer shall be solely responsible for managing, handling, transporting and disposal of any hazardous waste arising out of or resulting from the Work. To the extent that the Work involves the handling of hazardous materials, WOS shall be responsible for its own compliance with all applicable local, state and federal rules and regulations applicable to hazardous materials. WOS shall immediately notify Customer of any release of potentially hazardous or known hazardous materials or spills encountered on the site where the Work is performed.

11. Force Majeure. Neither WOS nor Customer shall be liable for failure to perform its respective obligations (other than payment obligations owed hereunder) under any SOW or these Terms when such failure is caused by fire, explosion, water, act of God, civil disorder or disturbance, strikes, vandalism, war, riot, sabotage, weather and energy related closings, pandemic, governmental rules or regulations, failure of third parties to perform their obligations hereunder, or like causes beyond the reasonable control of such party, or for real or personal property destroyed or damaged due to such causes. If the condition continues for more than thirty (30) continuous days, WOS or Customer may terminate immediately upon giving written notice of termination to the other.

12. Warranty. WOS warrants to Customer that materials and equipment furnished under any SOW will be of good quality and new unless the SOW requires otherwise. WOS further warrants that the Work will conform to the requirements of the SOW and will be free from defects, except for those inherent in the quality of the Work the SOW requires or permits. Work, materials, or equipment not conforming to these requirements will be considered defective. WOS’s warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by WOS, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If, within one year after the date of Substantial Completion (defined below) of the Work (the “**Warranty Period**”), any of the Work is found to be not in accordance with the requirements hereof, WOS shall correct it promptly after receipt of written notice from Customer to do so unless Customer has previously given WOS a written acceptance of such condition. Customer shall give such written notice promptly after discovery of the condition. “**Substantial Completion**” shall mean the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the agreed upon requirements and

specifications. During the Warranty Period, Customer shall (i) establish and conduct a reasonable maintenance and repair program in and around the property; (ii) comply in all respects with the requirements set forth in the manufacturers' warranties on all equipment, fixtures and systems; (iii) promptly notify WOS in writing immediately after the discovery of any defect or deficiency which Customer believes is covered by WOS's warranty; and (iv) grant to WOS such easements and rights of access necessary to inspect the work during the warranty period and correct or replace any defect covered by WOS's warranty. WOS shall not be liable for any damages that could have been prevented but occurred as a result of Customer's failure to give WOS prompt notice pursuant to this paragraph. WOS hereby assigns to Customer, effective as of the time of Substantial Completion of the Work, any and all manufacturer's warranties required by the applicable SOW relating to materials and labor used in the Work and further agrees to perform the Work in such manner so as to preserve all such manufacturers' warranties. WOS does not warrant any specified sole source or brand-name products, equipment, or materials, and Customer accepts the manufacturer warranty as its sole recourse with regard to such items. THE WARRANTIES SET FORTH HEREIN ARE SOLE AND EXCLUSIVE, AND IN LIEU OF ANY AND ALL OTHER WARRANTIES RELATING TO THE WORK, WHETHER, EXPRESS OR IMPLIED, AND WOS ANY SUCH OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING AND/OR USAGE OF TRADE. ANY OTHER STATEMENT OF FACT OR DESCRIPTIONS EXPRESSED HEREIN SHALL NOT BE DEEMED TO CONSTITUTE A WARRANTY OF THE WORK OR ANY PART THEREOF.

13. Indemnification. To the full extent permitted by law, WOS agrees to defend, indemnify and hold harmless Customer, and its managers, officers, agents, servants and employees, from and against any Claims attributable to bodily injury, sickness, disease or death, or to damage to or destruction of property, to the extent directly caused or to the extent directly arising out of, resulting from, or occurring in connection with the performance of the Work by WOS, its contractors, subcontractors, materialmen or suppliers or their agents, servants, or employees; provided, however, WOS's duty under this paragraph shall be limited to the extent such injury, sickness, disease, death, damage or destruction is caused by the negligence or willful misconduct of a party indemnified under this paragraph. To the full extent permitted by law, Customer agrees to defend, indemnify and hold harmless WOS, and its shareholders, officers, agents, servants and employees, from and against any Claims attributable to bodily injury, sickness, disease or death, or to damage to or destruction of property, to the extent directly caused or to the extent directly arising out of, resulting from, or occurring from the acts or omissions of Customer, its separate contractors, subcontractors, materialmen or suppliers or their agents, servants, or employees; provided, however, Customer's duty under this paragraph shall be limited to the extent such injury, sickness, disease, death, damage or destruction is caused by the negligence or willful misconduct of a party indemnified under this paragraph.

14. Insurance. WOS will maintain the following insurance covering its activities under the applicable SOW and these Terms: (a) Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the state where Work is performed with limits for Employer's Liability in the minimum amount of \$1,000,000 per occurrence. If applicable, this insurance is to include coverage for United States Longshore and Harbor Workers' Compensation Act (USL&H), (b) Commercial General Liability Insurance, including Contractual Liability, with minimum coverage of a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage liability, with a \$2,000,000 annual aggregate; and (c) Business Auto Liability Insurance covering all owned, non-owned

and hired automobiles, with minimum coverage of a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage liability. All insurance policies required under these Terms, except Workers' Compensation and Employer's Liability, shall include Customer as an additional insured to the extent of the liabilities assumed by WOS hereunder. Upon Customer request, WOS shall furnish Customer with certificates of insurance as evidence of all coverage required above. Notwithstanding any provision herein, and to the fullest extent permitted by law, WOS's liability for any claims, losses, costs, or damages whatsoever arising out of, resulting from or in any way related to these Terms from any cause or causes, including but not limited to negligence, errors and omissions, or strict liability shall not exceed amounts recoverable under the required insurance policies up to the limits listed above. Customer shall be responsible for purchasing and maintaining Customer's usual liability insurance.

15. Independent Contractor. WOS shall be an independent contractor with respect to performance of all Work hereunder and neither WOS nor any party employed by WOS nor any of WOS's subcontractors shall be deemed for any purpose to be an employee, agent, servant, or representative of Customer in the performance of any Work hereunder. Customer shall have no direction or control over WOS, its employees, agents, or subcontractors except in the results to be obtained.

16. Notices. Any termination or notice of non-renewal must be in writing and provided to the other party using U.S. Certified Mail only; no other method shall be considered acceptable.

17. Waiver/Severability. A waiver by either party of a breach of any provision of any SOW or these Terms shall not constitute a waiver or prejudice of the party's rights to otherwise demand strict compliance with the applicable SOW or these Terms and any and all provisions hereof.

18. Entire Agreement. These Terms constitutes the entire agreement between the parties and cancels and supersedes all prior negotiations, representations or agreements, either written or oral. No changes, alterations or modifications to these Terms shall be effective unless in writing and signed by an authorized representative of each party.

19. Severability and Waiver. The partial or complete invalidity of any one or more provisions of these Terms shall not affect the validity or continuing force and effect of any other provision. The failure of either party to insist, in any one or more instances, upon the performance any of the terms, covenants or conditions of these Terms, or to exercise any right herein, shall not be construed as a waiver or relinquishment of any term, covenant, condition or right under these Terms.

20. Assignment and Delegation. Neither party shall assign any right or interest in these Terms or any SOW or delegate any obligation owed or the performance of any obligation without the other party's prior written consent, not to be unreasonably withheld. Any attempted assignment or delegation shall be wholly void unless made in conformity with this paragraph.

21. Choice of Law, Jurisdiction, Legal Fees, Costs and Expenses. All disputes, disagreements and controversies between the parties regarding these Terms or any SOW shall be governed and resolved in accordance with the laws of the State of Texas with sole and exclusive jurisdiction and venue in any court of Harris County, Texas.

IN WITNESS WHEREOF, the parties do hereby execute these Terms effective as of the date of signature.

WOS:

CUSTOMER:

Workover Solutions, Inc.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____