

TERMS AND CONDITIONS HEREIN CONTAIN RESPONSIBILITIES, INSURANCE, INDEMNITY, RELEASE, HOLD HARMLESS AND WARRANTY DISCLAIMER PROVISIONS. THESE PROVISIONS EXCULPATE WEATHERFORD INTERNATIONAL, INC. ET AL FROM RESPONSIBILITY IT WOULD OTHERWISE HAVE UNDER THE LAW. PLEASE READ THEM CAREFULLY.

TERMS AND CONDITIONS OF SALE, RENTAL AND SERVICE, AND FISHING TOOL RENTAL

DEFINITIONS

For purposes of this document, the following terms shall have the meaning stated below:

- (A) "Weatherford":** Weatherford International Ltd., its subsidiaries, divisions and other affiliates.
- (B) "Weatherford Group":** Weatherford, its subsidiaries, divisions and other affiliates and their respective officers, directors, employees and agents, individually and collectively.
- (C) "Equipment":** All equipment, tools, products, materials and supplies and/or merchandise rented or sold by Weatherford and/or provided in connection with services performed by Weatherford.
- (D) "Services":** All services furnished by Weatherford, including services of employees and equipment, tools, trucks and/or other merchandise necessary to perform any such employee's job.
- (E) "Customer":** Party ordering and/or on whose behalf Equipment and/or Services are ordered and/or received from or furnished, rented or sold by Weatherford.
- (F) "Claims":** All liabilities, losses, claims, fines, penalties, demands, causes of action, proceedings, damages and penalties, including attorney's fees and court costs and expenses.

TERMS AND CONDITIONS

Equipment ordered by Customer shall be sold by Weatherford only on the following terms and conditions of sale ("Sales Terms"). Equipment and Services rented and/or furnished to Customer by Weatherford shall be rented or furnished only on the following terms and conditions of rental and Service ("Rental and Service Terms"). Fishing tools furnished to Customer by Weatherford shall be rented only on the following terms and conditions of rental ("Fishing Tool Rental Terms"). The Sales Terms, Rental and Service Terms and Fishing Tool Rental Terms shall be referred to herein, individually and collectively, as the "Terms and Conditions". The following provisions are included in each of the applicable Terms and Conditions:

(A) General: These Terms and Conditions constitute the entire contract (the "Contract") between the parties and may not be amended except in writing by Weatherford's authorized representative. Each shipment received by, and rentals or Services furnished to, Customer will be only on these Terms and Conditions, notwithstanding different or additional terms and conditions contained on any of Customer's forms, which are hereby objected to and which will not be binding on Weatherford. The failure of either party to enforce any provision hereof will not constitute a waiver or preclude subsequent enforcement thereof. No partial invalidity of this Contract will affect the remainder. The laws of the jurisdiction in which the services are performed shall govern the validity, construction, interpretation, and effect of these Terms and Conditions, excluding any choice of law rules which would otherwise require the application of laws of any other jurisdiction, and specifically including any applicable laws governing sanctions or the control of exports. Any dispute related to this Contract that cannot be resolved by negotiation between Customer and Weatherford shall be settled by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as amended by this Contract. The arbitration shall take place in Houston, Texas. The parties agree that this provision, the arbitrator's authority to grant relief, and all post-arbitration proceedings shall be subject to the provisions of this Contract, the governing law specified herein, the United States Arbitration Act, 9 U.S.C. et seq., and the ABA-AAA Code of Ethics of Arbitrators in Commercial Disputes. The arbitrator shall have no power or authority to make awards or issue orders of any kind except as expressly permitted by this Contract and the substantive law referenced above, and in no event shall the arbitrator have the authority to make any award that provides for punitive or exemplary damages or attorneys' fees. **(B) Credit:** Any agreement between Weatherford and Customer is subject to Customer establishing and maintaining credit satisfactory to Weatherford. Weatherford reserves the right to approve or reject the credit of any Customer and to establish credit terms for each Customer. Weatherford can terminate this Contract or modify credit terms at any time prior to delivery of Equipment or furnishing of Equipment or Service personnel without further liability if Weatherford's assessment of Customer's financial condition changes. Weatherford reserves the right, prior to making any shipment of Equipment or furnishing of Equipment or Service personnel, to require that Customer furnish security for performance of Customer's obligations. Standard payment terms are net 30 days, except as provided elsewhere herein. All payments, unless otherwise specified, shall be made in U.S. Dollars to the address specified on the invoice without any deductions or setoffs. All currency exchange rate changes, duties, taxes, etc., not specifically included on the face of the quotation and/or invoice shall be paid by Customer. If credit terms are not met, in addition to its other legal rights, Weatherford may (i) defer or cancel, at its option, further shipments of Equipment or Service personnel and (ii) charge Customer interest at the maximum rate permitted by applicable law on the unpaid balance due. Customer will pay all of Weatherford's costs, including attorney's fees and court costs, incurred in connection with the collection of past due amounts from Customer. **(C) NO CONSEQUENTIAL DAMAGES: WEATHERFORD WILL NOT BE RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, WHICH SHALL INCLUDE BUT NOT BE LIMITED TO, LOSS OF REVENUE, PROFITS OR ANTICIPATED PROFITS, LOSS OF BUSINESS OPPORTUNITY, LOSS OF PRODUCTION, DAMAGES FOR FAILURE TO MEET DEADLINES, LOSS OF USE, RIG TIME EXPENSES, WELL CONTROL EXPENSES, SUBSURFACE DAMAGE, LOSS OF HOLE, RE-DRILLING EXPENSES, RESERVOIR OR FORMATION DAMAGE, POLLUTION DAMAGE AND/OR WRECK OR DEBRIS REMOVAL EXPENSE ("CONSEQUENTIAL DAMAGES").** **(D) Force Majeure:** Weatherford will not be liable for any damages, including special and Consequential Damages, caused by events of force majeure or any other occurrences beyond Weatherford's reasonable control. In the event of any such occurrence, the time for performance will be extended automatically for such reasonable time as is necessary to permit performance hereof. **(E) DISCLAIMER OF WARRANTIES/SERVICES AND TECHNICAL INFORMATION: ANY ASSISTANCE IN EQUIPMENT INSTALLATION OR TECHNICAL OR ENGINEERING INFORMATION CONCERNING EQUIPMENT OR SERVICES PROVIDED BY WEATHERFORD WILL BE ADVISORY ONLY, AT CUSTOMER'S SOLE COST**

AND ON AN "AS IS" BASIS. NO WARRANTY IS GIVEN WITH RESPECT TO SUCH SERVICES OR INFORMATION AND WEATHERFORD WILL NOT BE LIABLE FOR ANY CLAIMS ARISING FROM ITS FURNISHING OR CUSTOMER'S USE OF SUCH ASSISTANCE OR INFORMATION. (F)

Availability: Customer agrees that, although a price is listed in any Price List, the Equipment listed may or may not be available in all and/or any of Weatherford's stores locations. **(G) Insurance:** The parties agree that the indemnities provided by Customer herein shall be supported either by available insurance or be voluntarily self-insured, in whole or part. Customer will, at its expense, maintain a policy of insurance with limits of at least US\$500,000 insuring Customer's obligations herein, which policies shall be primary and name Weatherford as additional insured. Customer shall provide Weatherford with a current certificate of insurance as evidence of such insurance policy. **(H) Taxes:**

All prices and day rates quoted are net of customs fees, duties, and all taxes (including, sales, use, excise or similar taxes and foreign withholding taxes) and Customer shall be responsible for all such amounts. **(I) Acceptance:** Customer acknowledges and represents that it has reviewed these terms, conditions and the prices in the applicable Price List, including any additional terms and conditions concerning specific Equipment and/or Services where applicable and Customer shall keep itself apprised of all revisions, changes and/or amendments thereto. **(J) Assignment:** Customer may not assign any rights or obligations hereunder, without Weatherford's written consent. **(K) Amendment of Indemnities to Conform to Law:**

The indemnities provided by Customer herein shall be limited to the extent necessary for compliance with the laws of the applicable jurisdiction, and to the extent any laws are at variance with the indemnities provided herein, such indemnities shall be deemed to be amended so as to comply with such laws. **(L) Termination/Survival:** No termination shall relieve Customer of any liability incurred hereunder and the obligations of Customer hereunder shall continue and survive such termination, including all indemnities contained herein which are made expressly for the benefit of Weatherford Group. Upon termination, Customer shall immediately return to Weatherford all rental Equipment in Customer's possession. **(M) Acceptance of Terms and Conditions by Customer:**

(i) In the event of a conflict between these Terms and Conditions and the provisions of any of Customer's printed or other prepared form of purchase orders, work or service orders, job or delivery tickets, or other similar forms, the provisions of these Terms and Conditions shall govern and control. (ii) Customer agrees to the Terms and Conditions contained herein, unless Customer specifically objects to Weatherford in writing, to those specific Terms and Conditions which are not acceptable, (a) no later than 7 days after sales confirmation date or invoice date, whichever is earlier, or (b) prior to the time Weatherford, as per Customer's request, dispatches Equipment or Service personnel to Customer, whichever is earlier. Any conflict between these Terms and Conditions and the provisions of any of Customer's work or service orders, job or delivery tickets, or any other similar forms, shall not constitute an objection in writing by Customer. These Terms and Conditions shall not be altered, changed or modified, except as specifically provided herein or by the written agreement of Customer and Weatherford, signed by a duly authorized officer or representative of Weatherford. **(N) Existing Agreements:**

In the event that Customer and the applicable Weatherford entity supplying the goods and services have entered into a current Master Service Agreement (MSA) or Master Rental Agreement (MRA) the terms and conditions of the MSA or MRA, as applicable, shall control. **(O) Registrations:** Customer hereby authorizes Weatherford to sign on Customer's behalf any financing statements, financing change statements or similar documents necessary to perfect any security interest or lien created in Weatherford's favour in this Contract. Customer hereby waives its right to receive copies of any such statements or documents. **(P)**

Confidentiality: Customer shall strictly maintain the confidentiality of all confidential information concerning Weatherford, Equipment or Services, which is acquired by or disclosed to Customer. Customer shall not acquire any title, interest or rights in such confidential information pursuant to this Contract.

SALES TERMS

1. LIMITED WARRANTY/DISCLAIMER: (A) Provided that Customer subjects Equipment only to operating conditions specified by Customer when the order is placed, if any, and operates it in

accordance with Weatherford's written operating instructions, if any, Weatherford warrants Equipment sold pursuant hereto to be free of defects in material and workmanship for a period of 1 year after the date Equipment is delivered. The above warranty does not apply to: (i) used Equipment or Equipment that has been repaired or worked over; (ii) Equipment that has been modified or subjected to improper handling, storage, installation, operation or maintenance by Customer, including use of unauthorized replacement parts; (iii) component parts not manufactured by Weatherford, whether purchased by Weatherford or furnished by Customer, such parts being subject to any applicable manufacturer's warranty; (iv) parts requiring replacement because of normal wear and tear; (v) design on those jobs where Weatherford prepared drawings, lists or bills of material from designs furnished by others; and (vi) models or samples furnished to Customer as illustrations only of general properties of equipment. This warranty will not apply if Customer, on request by Weatherford, does not return the defective part to Weatherford for inspection, freight prepaid. **(B) Weatherford's liability for breach of this warranty is expressly limited to the repair or replacement, at its sole option, of any Equipment or parts of Equipment which prove to be defective during the warranty period. All parts repaired or replaced hereunder shall be repaired or replaced F.O.B. Weatherford's Plant (i.e. location from which Equipment is shipped.) (C) WEATHERFORD'S OBLIGATION TO REPAIR OR REPLACE CONSTITUTES AGREED AND LIQUIDATED DAMAGES FOR ANY BREACH OF WEATHERFORD'S WARRANTY. THIS LIMITED EXPRESS WARRANTY, AND THE STATED REMEDIES FOR BREACH THEREOF, SHALL BE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES FOR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND IN LIEU OF LIABILITY FOR WEATHERFORD'S NEGLIGENCE OR FAULT. WEATHERFORD WILL NOT BE RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND. (D) Notice of defective products or services must be given in writing to Weatherford by the Customer. Customer or user of the products must keep the products in unaltered condition for examination by Weatherford representative. All warranty claims must be made within ten (10) days after discovery, or after such claims should have been discovered, or else be barred from any remedy.**

Leamco-Ruthco Pumping Unit Services: Notwithstanding the preceding, the following products and Services are warranted as follows: PTFE PUMPING UNIT BEARING ASSEMBLIES, when installed by Weatherford will carry a 5 year pro-rated warranty. REBUILT PUMPING UNITS will be as stated on the quotation. AMPSCOT PUMPING UNITS will be as stated on the quotation. USED PARTS AND ASSEMBLIES – unless rebuilt by Weatherford and specifically stated otherwise on the quotation or invoice, will carry no warranty. Warranties will not apply and be void if the product or Service has been subjected to or suffered misuse, negligence, abuse, neglect, accident, or has not been installed or operated or repaired in accordance with applicable published instructions or has been installed in or operated under more severe conditions than those specified for the particular product or Service or has been altered so as to affect its ability or reliability (except where such alteration has been accomplished with the prior written consent of Weatherford). Products sold by Weatherford, but manufactured by another company, will carry only the warranty of the manufacturer, and Customer will rely solely on that warranty. The liability of Weatherford for any loss or damage resulting to Customer or user or any third party from any defect in any product or Service will not, in any case, exceed the selling price which Weatherford received from Customer for that product or Service. Weatherford does not warrant that any of the products sold by it, if used or sold in combination with other equipment or used in the practice of methods or processes, will not, by virtue of such combination or use, infringe patents of others and Weatherford shall not be liable for any patent infringement arising from, or by reason of, any use or sale of any materials, Equipment or products not of Weatherford's manufacture or for the use or sale of any materials, Equipment or products or other goods specially made, in whole or in part, to Customer's design specifications.

2. Return Policy: Products purchased from Weatherford may be returned for credit provided the returned item is unused, in substantially new condition, and considered by Weatherford to be a

normally stocked item and Weatherford gives its written consent. A minimum restocking fee of 20% of list price plus freight will be charged for inspection and testing on all products returned for credit. No products or other material will be accepted for credit after ninety (90) days from date of purchase.

3. Cancellation or Changes: Purchase orders once placed and accepted by Weatherford may be cancelled only with Weatherford's written consent. Any cancellation at Customer's request may result in a cancellation charge equal to (a) if standard Equipment, 20% of, and (b) if nonstandard or special Equipment, 100% of, the full Contract price for Equipment billable by Weatherford to Customer, before any discount. Purchase orders once placed and accepted can be changed only with Weatherford's written consent. Weatherford reserves the right to make substitutions or design and construction modifications to Equipment or Services provided these changes do not affect the performance of those Equipment or Services.

4. Prices: **(A)** Prices for standard Equipment will be the sales price shown on Weatherford's current product sales price list (the "Price List"). Prices are subject to change at any time without notice. **(B)** Requests for quotations for nonstandard Equipment should be sent to the appropriate Weatherford office. Quoted prices are valid for 30 days after the date of the quotation. Unless otherwise noted on the quotation, validity of the quotation may be extended at the sole option of Weatherford. **(C)** Prices are EX WORKS Weatherford's point of manufacture or one of Weatherford's district stock points, depending on the location from which the Equipment is shipped. **(D)** Customer will arrange for shipment of Equipment, at Customer's risk, and pay for all crating, handling and shipping costs. If Customer requests Weatherford to arrange for shipment or does not furnish Weatherford with shipping instructions prior to the time Equipment is ready for shipment, Weatherford will ship Equipment to Customer in a commercially reasonable manner, at Customer's risk, and Weatherford may charge Customer at Weatherford's cost, plus 15% or as otherwise agreed to by the parties. **(E)** Prices are based on Weatherford's standard procedures and specifications for manufacturing and testing Equipment. Cost of additional labor, materials or outside service for modification of such procedures or specifications requested by Customer will be charged to Customer at Weatherford's total cost, plus 15%, including direct and indirect cost, such as engineering, labor, overhead and shop supplies. **(F)** Prices do not include the cost of personnel or equipment required to install the Equipment. Upon request, Weatherford will provide such personnel and Equipment at its prevailing rates at the time of installation.

5. DISCLAIMER: Weatherford will use reasonable efforts to have Equipment ready for shipment by the date agreed to by Weatherford, subject to receipt by Weatherford of all necessary Customer information, including approval of drawings. **HOWEVER, WEATHERFORD ASSUMES NO LIABILITY FOR DAMAGES INCURRED AS A RESULT OF ITS LATE DELIVERY OF EQUIPMENT, REGARDLESS OF CAUSE.**

6. Delivery, Title and Risk of Loss: **(A)** Delivery, title and risk of loss will pass to Customer upon the date the Seller notifies Buyer the Equipment is ready for delivery to Customer or Customer's agent or carrier. EX WORKS Weatherford's Plant (i.e. location from which Equipment is shipped.) Customer shall be responsible for arranging shipping and for all shipping costs. **(B)** If Weatherford has not received shipping instructions at the time of delivery or if Customer requests that Weatherford store the Equipment until further instruction, Weatherford shall act as a bailee of such Equipment and may charge Customer Weatherford's customary storage rates. During any such bailment, Customer will maintain all-risk property insurance on Equipment, at its replacement value, and Weatherford will not be liable for deterioration of Equipment resulting from atmospheric conditions, acts of God, or other events not within Weatherford's reasonable control.

7. CUSTOMER'S INDEMNITY OF WEATHERFORD GROUP: IF WEATHERFORD MANUFACTURES OR MODIFIES EQUIPMENT IN ACCORDANCE WITH CUSTOMER'S PLANS OR SPECIFICATIONS, CUSTOMER WILL DEFEND, INDEMNIFY, RELEASE AND HOLD

WEATHERFORD GROUP HARMLESS FROM AND AGAINST ALL CLAIMS BY CUSTOMER, OR ANY OTHER PERSON OR ENTITY, AGAINST WEATHERFORD GROUP OF EVERY KIND OR CHARACTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO THOSE CLAIMS ARISING IN CONNECTION WITH BODILY INJURY, DEATH OR DAMAGE TO PROPERTY ARISING OUT OF, DIRECTLY OR INDIRECTLY, OR IN ANY MANNER CONNECTED WITH SUCH EQUIPMENT, INCLUDING ALL CLAIMS RESULTING, EITHER IN WHOLE OR IN PART, FROM WEATHERFORD GROUP'S ALLEGED BREACH OR BREACH OF IMPLIED OR EXPRESSED WARRANTY (EXCEPT AS SPECIFICALLY PROVIDED HEREIN), OR OF THE DOCTRINE OF STRICT LIABILITY IN TORT OF WEATHERFORD GROUP OR ANY OTHER PERSON OR LEGAL ENTITY FOR WHICH WEATHERFORD GROUP IN LAW WOULD OTHERWISE BE HELD LIABLE, IRRESPECTIVE OF WHETHER WEATHERFORD GROUP MAY BE ALLEGED OR PROVEN TO HAVE BEEN NEGLIGENT, (INCLUDING BUT NOT LIMITED TO ACTIVE, PASSIVE, SOLE, JOINT, CONCURRENT OR COMPARATIVE) OR OTHERWISE LEGALLY LIABLE (WITH OR WITHOUT FAULT OR WHETHER STRICTLY LIABLE OR IN BREACH OF ANY WARRANTY) ANY SUCH CLAIMS, WHETHER SUCH CLAIMS ARE BASED ON THEORIES OF CONTRACT LAW, TORT LAW, OR OTHERWISE, DIRECT OR INDIRECT, INCLUDING SPECIAL AND CONSEQUENTIAL DAMAGES FOR BODILY INJURY, DEATH OR PROPERTY DAMAGE OR DESTRUCTION OR ECONOMIC LOSS (INCLUDING, BUT NOT LIMITED TO SUBSURFACE PROPERTY OR PROPERTY RIGHTS), OR ON ACCOUNT OF INFRINGEMENT OF ANY PATENT, DESIGN, COPYRIGHT, OR TRADE NAME OR MARK.

8. Design and Construction Modification: Weatherford may modify the design and method of construction of any Equipment without notice and without incurring any obligation to furnish or install such modification on Equipment previously or subsequently sold.

9. Compliance with Laws: Equipment will be produced in compliance with all laws of the applicable jurisdiction.

RENTAL AND SERVICE TERMS

1. LIABILITY WARRANTY/DISCLAIMER : Rental and Service Terms do not include fishing tools, which are addressed elsewhere. **(A)** Weatherford uses reasonable efforts to ensure that all Service personnel furnished are competent and that Equipment is in good condition. Weatherford personnel will attempt to perform the work requested; however, because of the nature of the work to be accomplished and unpredictable conditions, such results cannot be and are not guaranteed or warranted by Weatherford. Weatherford reserves the right not to do work if, in its opinion, job conditions render such action inadvisable. **(B)** Customer will pay Weatherford for the Equipment and/or Services whether or not the desired results are achieved without any deduction or offset of any kind, irrespective of any Claims which Customer may assert or allege against Weatherford or any manufacturer and/or supplier of the Equipment and/or Services, at the rates indicated in the applicable Price List in effect at the time of delivery, except where rental and Service charges are otherwise agreed to by Weatherford and Customer in writing, signed by an authorized representative of Weatherford. All rates and/or charges for Equipment and/or Services are subject to change by Weatherford without notice and Customer will be invoiced at the rental or Service rates in effect at the beginning of the invoice period. **(C)** Customer agrees that all charges are due and payable within 30 days from the date of the invoice, net cash with no discount (except as described in Section 3 below) to Weatherford at the address printed on the applicable invoice. Weatherford may charge Customer interest at the maximum rate permitted by applicable law on the unpaid balance due. **(D)** Customer agrees that any employee(s) furnished to Customer by Weatherford shall not be responsible for any final decision made on any job. Rather, Customer shall retain complete control and supervision of the well and performance of operations in and about the well. **(E) WEATHERFORD MAKES NO**

WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE DESIGN, OPERATION OR QUALITY OF THE MATERIAL OR WORKMANSHIP OF EQUIPMENT DELIVERED TO CUSTOMER HEREUNDER, AND WEATHERFORD MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS AS BETWEEN WEATHERFORD AND CUSTOMER ARE TO BE BORNE BY CUSTOMER, WHETHER OR NOT SUCH EQUIPMENT IS OPERATED UNDER WEATHERFORD'S SUPERVISION AND ALL SUCH EQUIPMENT IS HEREBY ACCEPTED BY CUSTOMER "AS IS". CUSTOMERS DESIRING DIFFERENT STANDARDS SHOULD, AT CUSTOMER'S EXPENSE, OBTAIN AN INSPECTION OF THE EQUIPMENT PRIOR TO USE AND THE BENEFITS OF ANY AND ALL IMPLIED WARRANTIES OF WEATHERFORD ARE HEREBY WAIVED BY CUSTOMER.

2. Charges: **(A) Rentals:** Unless stated otherwise in the applicable Price List, (i) no Services are included in the rental charges shown thereon; (ii) all rental charges are subject to the minimum rental period designated in the applicable Price List; (iii) rental charges begin when each piece of Equipment departs Weatherford's store location and will continue until it is returned to the same store location or a nearer point designated by Weatherford, or until Weatherford is notified that such Equipment is lost or damaged beyond repair; and (iv) all rental charges are on a daily basis for a 24-hour day or any part stated therein. (Customer shall be charged a full calendar day's rental for any portion of a calendar day, which day shall end at midnight.) **(B) Services:** Unless stated otherwise in the applicable Price List, (i) all Services are on a daily or hourly basis, as indicated, subject to any minimum charge indicated therein; (ii) Service charges begin when each person departs Weatherford's store location where such person is based and continue until such person returns to that store location; (iii) Customer will furnish quarters and meals for Weatherford personnel or reimburse Weatherford for reasonable living expenses incurred at cost plus 10% from the time each Service person leaves their base location until such person returns; (iv) all Service charges are on a daily basis for a 24-hour day or any part stated therein; (Customer shall be charged a full calendar day's Service charge for any portion of a calendar day, which day shall end at midnight); and (v) if Service personnel and/or Equipment are dispatched at Customer's request and the request is then cancelled by Customer, Customer will be invoiced for a "dead call" as provided in the applicable Price List. **(C) Transportation:** Customer will be invoiced at cost, plus 15% for commercial transportation or at the prevailing mileage rates for any Weatherford vehicles used by Service personnel, as appropriate. At Weatherford's option and as a convenience to Customer, Weatherford or an independent carrier will pick up or deliver Equipment. All transportation charges will be paid by Customer and will be in addition to any rental or Service charges hereunder. Charges will be at the current rate charged by Weatherford or at the rate charged by the carrier, plus 15%. Any waiting time in excess of one hour spent on location to pick up or deliver Equipment will be charged to Customer by Weatherford at the current rental rate. Transportation charges are separate and apart from, and not included in the rental charges set forth in the applicable Price List. **(D) Well Conditions:** Well conditions, which prevent satisfactory operation of the Equipment, do not relieve Customer of responsibility for any charges.

3. Trade discount: Trade discounts offered by Weatherford, if any, apply only to Equipment owned by Weatherford, and such discounts apply only to rental charges for such Equipment. In no event shall such discounts apply to any other charges, including but not limited to, labor charges, transportation costs, repair costs, inspection charges, expendable charges, or rental charges for Equipment not owned by Weatherford or Equipment considered proprietary to Weatherford. Trade discounts are available only if Weatherford receives payment of the invoice amount due and owing within 30 days of the invoice date.

4. CUSTOMER'S RESPONSIBILITY FOR EQUIPMENT: **(A)** Customer agrees to return each piece of Equipment to Weatherford in as good a condition as when dispatched from Weatherford's store

location, ordinary wear and tear from reasonable use excepted. Customer assumes all risk of loss, destruction or damage to Equipment from the time it departs Weatherford's store location until it is returned to that same store location, or a nearer point designated by Weatherford, or until it is declared lost or damaged beyond repair by Weatherford. With respect to Equipment in the possession and control of Customer (whether leased or rented to Customer, or stored at the work location), that is not returned or is damaged beyond repair, Customer will reimburse Weatherford with the current list price new of such Equipment. No damages or charges of any kind, either for labor, expenses or otherwise, suffered or incurred by Customer in repairing or replacing defective Equipment, or occasioned by defective Equipment will be allowed. **(B)** Customer agrees to pay Weatherford the entire cost of any inspections performed by Weatherford or a third party inspection service upon return of the Equipment. Where Equipment is returned in an uncleaned condition, Weatherford reserves the right to clean such Equipment or cause it to be cleaned by a third party. Where applicable, the charges for all such cleaning and disposal of waste will be for the account of Customer as follows: (i) removal of thread compound and cleaning end connections will be charged an applicable fee per connection; (ii) pressure control equipment will be charged at 3% total invoice amount before discount; and (iii) removal and disposal of oil base mud, heavy pipe scale, hazardous and/or oilfield waste and corrosive material will be invoiced at cost, plus 15%. **(C) ALL EQUIPMENT NOT RETURNED, FOR WHATEVER REASON, OR DAMAGED BEYOND REPAIR, WILL BE PAID FOR BY CUSTOMER AT THE RESPECTIVE MANUFACTURER'S CURRENT LIST PRICE, NEW.** In addition, all transportation, shipping freight, insurance, taxes, customs duties, and any other charges, will be invoiced to Customer. All damaged Equipment, which can be repaired to meet API and/or other applicable specifications, will be repaired by Weatherford, and all costs for parts, labor and inspection will be paid by Customer. Accrued rental charges cannot be applied against the purchase price or cost of repairs of Equipment damaged or not returned. Equipment billed as a sale after having been damaged beyond repair will be held for Customer without charge, for 60 days after the invoice date, and if not removed within those 60 days, will be subject to disposal at the discretion of Weatherford, without any liability of Weatherford to Customer. **(D)** All expendable spare parts may be replaced upon return of the Equipment, at Weatherford's sole discretion, and any such replacement will be charged to Customer at manufacturer's current list price new. **(E)** Customer will not use, operate, maintain or store the Equipment improperly, carelessly or in violation of this Contract or of any applicable regulatory or statutory requirements, or use or request that it be used for a purpose or job other than the purpose or job for which it is supplied. **(F)** Customer will not permit the Equipment to become subject to any lien, charge or encumbrance. **(G)** Upon return, the Equipment will be monitored and tested for the presence of Naturally Occurring Radioactive Material ("NORM"). If any Equipment is found contaminated with NORM, above the regulatory limits, Weatherford will notify Customer's representative. Customer may elect to take direct responsibility for decontaminating the Equipment at an appropriate licensed facility. Following proper decontamination, Customer shall return the Equipment to Weatherford. Otherwise, Weatherford will have the Equipment decontaminated at such a facility and charges, including transportation, will be direct billed to Customer or if direct billing is not possible, billed back to Customer by Weatherford at cost, plus 15%. Following proper decontamination, the Equipment shall be retained by Weatherford.

5. CUSTOMER'S INDEMNITY OF WEATHERFORD GROUP: CUSTOMER WILL DEFEND, INDEMNIFY, RELEASE AND HOLD WEATHERFORD GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS BY CUSTOMER OR ANY OTHER PERSON OR ENTITY AGAINST WEATHERFORD GROUP OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER SUCH CLAIMS ARE BASED ON THEORIES OF CONTRACT LAW, TORT LAW, OR OTHERWISE, DIRECT OR INDIRECT, INCLUDING SPECIAL AND CONSEQUENTIAL DAMAGES ARISING OUT OF DELIVERY, PICK-UP, REPAIR, USE OR OPERATION OF EQUIPMENT, RELATING TO TERMINATION OF THIS CONTRACT OR ARISING IN CONNECTION WITH BODILY INJURY OR DEATH OR PROPERTY DAMAGE, DESTRUCTION OR ECONOMIC LOSS (INCLUDING, BUT NOT LIMITED TO RELEASE OF RADIOACTIVE MATERIALS, NORM

CONTAMINATION OR DAMAGE TO RESERVOIR, FORMATION, SUBSURFACE PROPERTY OR PROPERTY RIGHTS) BECAUSE OF LEASE, RENTAL, PURCHASE, DELIVERY, INSTALLATION, POSSESSION, OPERATION, USE, CONDITION OR RETURN OF EQUIPMENT, WHETHER BY WEATHERFORD GROUP, CUSTOMER OR ANY OTHER PERSON OR ENTITY, IRRESPECTIVE OF WHETHER WEATHERFORD GROUP MAY BE ALLEGED OR PROVEN TO HAVE BEEN NEGLIGENT, (INCLUDING BUT NOT LIMITED TO ACTIVE, PASSIVE, JOINT, CONCURRENT OR COMPARATIVE) OR OTHERWISE LEGALLY LIABLE (WITH OR WITHOUT FAULT OR WHETHER STRICTLY LIABLE OR IN BREACH OF ANY WARRANTY), BUT EXCEPTING WHERE THE DAMAGE, INJURY OR DEATH WAS CAUSED BY THE SOLE NEGLIGENCE OF WEATHERFORD.

6. Environmental: Weatherford shall be responsible only for Claims from pollution or contamination that results from spills of fuels, lubricants, motor oils, pipedope, paints, solvents, ballast, bilge, metallic objects and garbage in Weatherford's possession and control. The initiation of clean-up operations including control, response and removal by Weatherford shall not be an admission or assumption of liability.

7. Title to Equipment: Title to Equipment will remain in Weatherford. Weatherford may enter the premises during business hours where the Equipment is located to inspect it. Upon default by Customer, including without limitation default in the payment of rental charges, breach of any provision of this Contract or Customer's insolvency, bankruptcy or impairment of financial responsibility, Weatherford, in addition to its other legal rights, will have the right, after sending notice of default to Customer at its invoicing address, to repossess the Equipment and to enter upon any premises where such Equipment is situated and take any necessary action for such purpose without being guilty of trespass and without liability for any damages or other cost thereby occasioned. In addition, Weatherford is also granted a first and superior lien on any property to which the Equipment may be affixed in the event that Weatherford is unable for any reason to take possession of the Equipment.

8. Inspection: Customer's acceptance of delivery of Equipment indicates that Customer has inspected and found the Equipment to be suitable for its needs and in good condition. The signature of Customer's authorized representative on the Service/Delivery Ticket is conclusive evidence of this inspection and acceptance. Customer also has a duty to inspect the Equipment prior to use and notify Weatherford immediately of any defects.

9. Sub-Rentals: Where it is necessary for Weatherford to obtain Equipment from a third party to comply with a Customer order, irrespective of the reason therefor, if any, Customer shall pay such third party's charges therefor, even though such charges may be higher than the amount stated in the applicable Price List for similar Equipment.

10. Special Equipment / Service Charges: **(A)** For all special Equipment purchased from another supplier or manufactured by Weatherford for a special job, Customer will be charged for materials, shop time, plus either a minimum rental or the sales price of Equipment, whether used or not. All third party charges are subject to a 15% surcharge. **(B)** All pressure control equipment used during high pressure snubbing applications will be charged at the current published price, plus an additional charge of up to 25%, depending upon regional pricing. **(C)** A charge of up to 25%, depending upon regional pricing, shall be added to all Equipment trimmed for H₂S (sour gas), geothermal and horizontal well applications, unless otherwise noted. **(D)** All Equipment with left hand or Non-API threads will be charged at current listed rates, plus an additional charge of up to 50%, depending upon regional pricing. **(E)** A charge of up to 50%, depending upon regional pricing, shall be added to all Washpipe requiring premium high torque connections.

11. Standby Charges: Where applicable, standby rates may be applied under conditions specified in various sections of the applicable Price List ("Standby Rental Terms").

12. Customer Authorized Inspections: Any inspection or testing of the Equipment performed according to regional or Customer requirements shall be paid for by Customer.

FISHING TOOL RENTAL TERMS

Both the Fishing Tool Rental Terms set forth herein below and the above-described Rental and Service Terms shall apply to fishing tool rentals and Services. All tools listed in the rental tools section of the applicable Price List delivered to the location designated by Customer and not intended for use in a fishing or cutting operation will be charged at the current rental prices from the time when tools leave Weatherford's Service point and continue until they are returned whether rented with or without a Weatherford supervisor. Tools or Equipment obtained from outside sources are subject to the conditions, warranties (if any), and prices established by such suppliers.

1. Fishing Tools with Supervisor: (A) Tool Rentals. Where fishing tools are rented with Weatherford supervisor, tools used will be charged at the rental prices designated in the applicable Price List, plus the applicable charges for the Supervisor. Customer's responsibility hereunder begins when tools leave Weatherford's Service point and continues until they are returned. Unless specifically stated otherwise in the applicable Price List, all rental charges are on a daily basis for a 24-hour day or any part stated therein. Customer shall be charged a full calendar day's rental for any portion of a calendar day, which day shall end at midnight. **(B) Tools Not Used.** All tools and equipment will be charged to Customer according to the Standby Rentals Prices.

2. Fishing Tools without Supervisor: Where fishing tools are rented without a Weatherford supervisor, tools used will be charged at the current rental prices designated in the applicable Price List. Customer's responsibility hereunder and tool rental begins when the tools leave Weatherford's Service point and continue until they are returned. Unless specifically stated otherwise in the applicable Price List, all rental charges are on a daily basis for a 24-hour day or any part stated therein. Customer shall be charged a full calendar days' rental for any portion of a calendar day, which day shall end at midnight. Where Customer requests a transfer of tools and Equipment from one location to another, Weatherford will charge a minimum rental period, plus additional days. MOST, BUT NOT ALL, FISHING TOOLS ARE AVAILABLE FOR RENT WITHOUT A WEATHERFORD SUPERVISOR.

3. Supervisor Rates: See area Service charge price lists for rates.

4. Transportation: All costs of transporting supervisor, tools and Equipment to and from the job will be charged to Customer at rates listed in the area Service charge price list. Charges made on common carriers will be billed to Customer on the same basis billed to Weatherford by the carrier, plus a 15% Service charge.

5. Standby Rentals: Except as otherwise specifically referred to in the applicable Price List, the standby rates on a particular fishing tool will be charged on the basis of one minimum rental: one run, one cut, or one job for each 14-day period or fraction thereof that the tools or Equipment are away from Weatherford's Service point. The prices will be as specified in the applicable Price List. When tools obtained on a standby basis are used, all days actually used will be charged at the additional day rate designated in the applicable Price List. Tools or Equipment obtained from outside sources are subject to the conditions, warranties (if any), and prices established by such supplier.

6. Special Tools: Special tools ordered and built for a specific job will be charged on the basis of the applicable shop time, plus a minimum rental, whether or not the tools are used.

7. CUSTOMER'S INDEMNITY FOR RADIOACTIVE MATERIALS RELEASE: Where Customer has requested Weatherford to perform certain Services which may involve wells where there may have been a radioactive release or a tool lodged containing a radioactive isotope: **(A) CUSTOMER SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD WEATHERFORD GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING DIRECTLY OR INDIRECTLY OUT OF OR AS A CONSEQUENCE OF WEATHERFORD GROUP'S PERFORMANCE OF THE SERVICES FOR (i) THE DEATH, INJURY OR ILLNESS OF ANY PERSONS, AND (ii) THE LOSS OR DESTRUCTION OF, OR DAMAGE TO, ANY EQUIPMENT OR PROPERTY, THAT MAY RESULT FROM THE RELEASE OF RADIOACTIVE MATERIAL, WHETHER OR NOT CAUSED OR CONTRIBUTED TO BY ANY NEGLIGENCE OF WEATHERFORD GROUP, IN WHOLE OR PART, WHETHER SOLE, JOINT, ACTIVE OR PASSIVE, WHILE PERFORMING SERVICES ON THE WELL. (B)** Customer warrants that the owner of the radioactive isotope and a representative authorized and licensed by the appropriate governmental unit to handle radioactive isotopes shall (i) operate a monitoring device on the rig floor to detect the presence of any radioactivity in the well fluid or mud prior to the radioactive isotope reaching the surface, (ii) take possession of and handle the radioactive isotope once it reaches the surface, (iii) remove the radioactive isotope from Weatherford's Equipment, and (iv) monitor and test Weatherford's Equipment, personnel and the job site for the presence of any radioactive contamination. **(C)** In the event any of Weatherford's Equipment used to perform the Services on the well is contaminated, Customer will be responsible for decontaminating any such Equipment in accordance with all applicable regulations, and if such decontamination is not possible, Customer will reimburse Weatherford for such Equipment at current replacement cost new of such Equipment or, subject to Weatherford's approval, will replace such Equipment with comparable equipment or property in the same or better condition as Weatherford's Equipment. In addition, Customer will be responsible for disposal of any contaminated Equipment. **(D)** To the extent the provisions of this Contract are different than the provisions of any other agreement between Weatherford and Customer, this Contract shall control.