



nigerian agip oil company limited

CONTRACT NO. 4600040867

**RENTAL OF WELL CONTROL EQUIPMENT FROM SPDC FOR
NAOC's OBRIKOM 6 EMERGENCY WELLS**

(Rental Agreement

On

Surplus Inventory Sharing and Sales)



SCHEDULE 1
Lease and Rental Agreement

RENTER: Nigerian Agip Oil
Company (NAOC) Limited

OWNER: The Shell Petroleum
Development Company of Nigeria
Limited (SPDC)

ADDRESS: 40/42 Aguiyi Ironsi
Street, Maitama, Abuja, Nigeria

ADDRESS: Shell Industrial Area,
Rumuobiakani, Port Harcourt, Rivers
State, Nigeria

This Agreement ("Agreement") is entered into this between Owner and Renter.
Owner and Renter have, in consideration of the terms and conditions set out below, agreed as follows:

1. Any term used herein but not expressly defined, shall have the same meaning ascribed to it in the Memorandum of Understanding of 2018 between Chevron Nigeria Limited, Mobil Producing Nigeria Unlimited, Nigerian Agip Oil Company Limited, Shell Companies in Nigeria and Total E&P Nigeria Limited on Surplus Inventory Sharing and Sales ("MoU").
2. Renter has agreed to rent from Owner and Owner has agreed to lease to the Renter the attached listed Inventories: **Ref: Attachment 1 – Price of Well Control Equipment for Hire**
Rental Price: **USD1,182,499.00 (One million, one hundred and eighty-two thousand, four hundred and ninety-nine dollars).**
3. Renter shall pay Owner Rental Price for Inventories, which sum shall be due and payable within thirty (30) days of execution of this Agreement.
4. Owner shall, upon receipt of Purchase Price, allow Renter to pick-up the Inventories at Owner's warehouse or Inventory location. Title and risk of loss to Inventories shall pass to Renter when Inventories are loaded on vehicle(s) at the Owner's warehouse or Inventories location for transportation to Renter. Renter hereby expressly agrees and binds itself to remove Inventories from the premises at its sole risk and expense within thirty (30) days from the date of completion of payment for the Inventory by the Renter. Any Material not removed within the said thirty (30) days shall attract a storage fee of one percent (1%) of the transaction value for each day that the Inventory shall remain in Owner's warehouse or Inventory location. Renter's failure to remove Inventories purchased hereunder within the specified time or to pay the storage fee assessed shall, at Owner's option, entitle Owner to revoke its acceptance of Renter's offer and otherwise dispose of Inventories without liability to Renter. In addition, Owner shall be entitled to keep any portion of the Purchase Price paid by Renter as liquidated damages for default and storage costs.
5. Owner warrants that it has good and marketable title to Inventories, free and clear of any encumbrances.
6. Renter acknowledges that:
 - (a) Inventories are being stored in the Owner's designated facility;
 - (b) Renter is fully familiar with the manner in which such Inventories are used and the effects that use may have on Inventories, including structural stress and exposure to corrosive elements such as water, salt and other chemicals;



- (c) Renter has the expertise to evaluate the condition of Inventories and the suitability of Inventories for the purposes that it intends, and Owner has given Renter full opportunity to make such evaluation; and
 - (d) Renter has not relied on Owner in any way in making any determination as to the suitability or fitness of Inventories for its intended purpose.
- 7. Renter has made an independent determination of the presence, if any, of hazardous materials and Naturally Occurring Radioactive Materials ("NORM"). Renter has notified Owner, prior to removing Inventories from their locations, of any Inventory that Renter believes contains NORM. Once Inventories have been removed from their locations, Renter will take all measures to ensure, at its expense, the proper storage, handling and disposal of all hazardous materials and NORM, if any, contained in Inventories, as required by applicable laws and regulations.
- 8. "Renter shall be liable for and shall release, defend, indemnify and hold completely harmless Owner, its Affiliates and their respective officers, directors, employees, servants, and agents (collectively "Owner Parties") from all claims, costs, damages, losses, and liabilities whatsoever (collectively "Claims") that Owner Parties may in any way suffer, pay, sustain or incur related to the Inventories including, a) any such Claims arising in whole or in part from the activities of Renter Parties, whether active, passive, joint, concurrent or sole with respect to claims arising after the date hereof or arising out of use of the Inventories after the date hereof b) breach of the terms herein by the Renter; c) anything in any way related to Inventories arising from or after the date of this sale, whether or not Renter at such time has any interest in Inventories; d) Renter's presence on Owner Parties' premises or actions taken to dismantle the Inventories and remove them from such premises; e) the existence of Inventories or subsequent use of it by any person after Renter takes possession of Inventories, f) third party Claims (including without limitation, employees of Renter) for personal injury, death or loss or damage to property PROVIDED in all cases that Renter's obligation to indemnify Owner Parties shall not apply where such Claims arose as a result of Owner Parties' negligence, gross negligence or wilful misconduct.
- 9. Renter acknowledges and agrees as follows:
 - (a) Inventories are sold on an "**as is where is**" basis with all defects and deficiencies both patent and latent.
 - (b) Owner makes no representations or warranties whatsoever regarding Inventories whether expressed or implied at law or otherwise (except as set out in this agreement) including, without limitation, any representation or warranty as to merchantability or fitness for a particular purpose or the presence or lack of presence of any hazardous materials as part of Inventories.
 - (c) Although Owner believes that the quantities and descriptions of the Inventories specified in this Agreement are accurate, Owner does not warrant their accuracy or completeness.
 - (d) Inventories are not be used for any other purpose other than to support the operations of the Renter, and are to be used in compliance with all applicable laws. They are to be used in Nigeria, are not to be exported out of Nigeria and undertakes to maintain this export restriction.
- 10. The validity, interpretation and construction of this Agreement shall be governed and construed in accordance with laws of the Federal Republic of Nigeria, and any dispute arising out of or relating to this Agreement shall be resolved as provided in Article 8 of the MOU.




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11. This Agreement constitutes the entire agreement between Renter and Owner, and it supersedes all prior negotiations, representations, or agreements, whether oral or written, related to this Agreement.

IN WITNESS WHEREOF Renter and Owner have duly executed this Agreement the day and year first above written.

NAME Nigerian Agip Oil Company (NAOC) Limited
(Renter)

Signature: 

ROBERTO DANIELE

Title VICE CHAIRMAN/MANAGING DIRECTOR

NAME: The Shell Petroleum Development
Company of Nigeria Limited (SPDC) (Owner)

Signature: Matthias Akhiden

Digitally signed by Matthias
Akhiden
Date: 2021.02.11 12:59:52 +01'00'

Title Wells Engineering and Discipline Manager

Attachment 1 – Quotation for Hire of Well Control Equipment

RENTAL OF WELL CONTROL EQUIPMENT REQUIRED FOR ACTIVITIES ALREADY PERFORMED DURING OBRIKOM 6 219EMERGENCY.					
S/N	Equipment Description	Qty	Unit Rates (FUSD)	Hire days	Total (USD)
1	4000 GPM B&C Fire Pump (complete with 4 suction hoses)	2	4,300.00	28	240,800.00
2	Diesel Tank (520 gallon)	2	1,835.00	28	102,760.00
3	Red Adair Tool Store (with complete tools inventory handed to the driver)	1	3,055.00	28	85,540.00
4	1700 GPM Godwin Pump	1	2,935.00	21	61,635.00
5	B&C Pipe Rack	1	3,185.00	28	89,180.00
6	B&C Job Box	1	1,955.00	28	54,740.00
7	Enclosed Monitor Shed	7	210	21	30,870.00
8	Joints 13-3/8" flanged water-header line (In the rack)	10	230	28	64,400.00
9	13-3/8" flanged pump manifold (approx. 6 ft in length) w/ 1 8" thread half on the end.	1	262	21	5,502.00
10	13-3/8" flanged end section w/8" hammer union connections	1	262	21	5,502.00
11	Hydraulic power pack for winch	1	2,055.00	21	43,155.00
12	Hydraulic Power pack Remote Joystick	1	1,050.00	21	22,050.00
13	Hydraulic winch	1	3,055.00	21	64,155.00
14	Red Steel box w/ Athey Wagon blocks, shackles, stinger assembly, etc.	1	2,055.00	20	41,100.00
15	2" pennant line for Athey Wagon	1	1,055.00	20	21,100.00
16	Athey wagon rake	2	230	21	9,660.00
17	Athey wagon hook	1	250	21	5,250.00
18	Athey wagon yoke	1	300	20	6,000.00
19	Athey wagon boom	2	800	20	32,000.00
20	Athey wagon	1	3,150.00	20	63,000.00
21	11" 5M pick up tube	1	450	20	9,000.00
22	11" 5M Spacer spool	1	500	20	10,000.00
23	11" 5M Mud cross w/two 4-1/16" manual valves	1	500	20	10,000.00
24	11" 5M BOP	1	3,500.00	20	70,000.00
25	1 7/8" Studs C/w Nuts	24	25	20	12,000.00
26	Pipe Racks Stands	5	120	28	16,800.00
27	Suction Hoses	6	50	21	6,300.00
TOTAL (USD)					1,182,499