



MASTER LABORATORY SERVICES AND PRODUCT SALES AGREEMENT

**THIS AGREEMENT CONTAINS WARRANTY DISCLAIMERS AND RELEASE AND INDEMNITY OBLIGATIONS.
NO WELL SITE SERVICES OTHER THAN THE COLLECTION OF SAMPLES SHALL BE PERFORMED UNDER THIS AGREEMENT.**

This Master Laboratory Services and Product Sales Agreement ("Agreement") is made and entered by and between _____, a _____ with its principal place of business at the address indicated below (hereinafter "Company") and **Stratum Reservoir, LLC**, a Delaware limited liability company, with its principal place of business at the address indicated below, acting on behalf of itself and as agent for its Affiliates (hereinafter collectively or individually "Stratum"), to be effective as of the date specified on the signature page of this Agreement.

Company: _____
Address: _____

Stratum: **Stratum Reservoir, LLC**
Address: 5200 N. Sam Houston Pkwy W.
Suite 500
Houston, Texas 77086

AGREEMENT

In consideration of the respective covenants and agreements contained herein, the Parties agree as follows:

1. **DEFINITIONS AND GENERAL TERMS**

1.1 **Definitions.** In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Affiliate" or "Affiliates" means (in relation to either Party) any Person directly or indirectly controlled by, controlling, or under common control with that Party, including any Person which becomes an Affiliate after the Effective Date. For purposes of the foregoing, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "controlled" have correlative meanings.

"Applicable Law(s)" means those laws (common or statutory), rules, regulations, codes, administrative and judicial orders and directives, rulings, interpretations, permit conditions and restrictions or similar requirements or actions, including any bilateral, multilateral or other international treaty or convention, of any federal, state, provincial, foreign or local government, or any agency or executive or administrative body of any of the foregoing, in each case that govern or pertain, as of the date of the applicable Order, to (i) the Parties' respective obligations under this Agreement or any Order; (ii) Stratum's performance and/or Company's use of Work; (iii) the health, safety and welfare of individuals working at or visiting any Well Site; and/or (iv) protection of the environment at any Well Site.

"Claim(s)" means all claims, demands, damages, losses, liabilities (including contractual liabilities), liens, encumbrances, government imposed fines and/or penalties, causes of action of any kind or character (including those for property damage, environmental damage or contamination, personal injury, disease or death), obligations, costs, judgments and awards, whether under judicial proceedings, administrative proceedings or otherwise (including those requiring the payment of interest, reasonable attorneys' fees, and/or other costs of litigation), arising out of, or in any way relating to this Agreement or Stratum's performance of Work under any Order, and expressly includes any claims that may be brought by (or losses suffered by) spouses, heirs, survivors, legal representatives, successors or assigns.

"Company Group" means, individually or in any combination, Company, its Affiliates, (including any of its or their co-working, non-working, operating and any other interest owners), lessors and co-lessees, and each of their respective officers, directors, employees, subcontractors (of any tier), contractors (other than members of Stratum Group), consultants, vendors, agents, representatives, invitees, licensees, successors and/or assigns.

“Containers” means tubes, sleeves, cylinders, tanks, bottles, boxes, bags, traps, or any other form of container for the collection, shipment, preservation or storage of Samples.

“Effective Date” means the date specified as such on the signature page of this Agreement.

“Hazardous Waste” means and includes those elements or compounds which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) and the list of toxic pollutants designated by Congress or the EPA or defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now or at any time in effect.

“Indemnify” or “Indemnification” means indemnify, defend and hold harmless, including the payment of all reasonable attorneys’ fees and costs associated therewith.

“Laboratory Services” means laboratory testing and analysis of Samples conducted by Stratum at a Stratum Facility and the preparation of Reports with respect thereto, as specified in an Order.

“Order(s)” means the transactions between the Parties for Stratum’s performance of Work during the Term of this Agreement.

“Person” means any legal or governmental entity and any natural person.

“Price(s)” means the amounts and/or rates to be paid by Company to Stratum for Work, established as described in Section 3.1.

“Product(s)” means any goods, materials, or other tangible items purchased by Company from Stratum pursuant to an Order, including Containers.

“Report” means a written report prepared by Stratum detailing the data from and results of its testing, analysis, and interpretation of Sample(s), as specified in an Order.

“Sample(s)” means core samples, fluid samples, gas samples, or any other item(s) or material(s) collected by or submitted to Stratum for testing and analysis in accordance with and as more fully described in an Order.

“Service(s)” means the services furnished by Stratum to Company pursuant to an Order, including Well Site Sample collection, Laboratory Services, and Sample storage.

“Standard Oilfield Services Practices” means those practices and procedures routinely employed by oilfield services companies conducting business in the United States when performing the same or similar services, under the same or similar conditions, in the same or similar locations.

“Stratum Facility” means the Stratum laboratory at which Laboratory Services are performed, or the Stratum manufacturing plant, stocking point or other location at or from which any Products are delivered to Company, as specified in Orders.

“Stratum Group” means, individually or in any combination, Stratum, its Affiliates, and their respective officers, directors, employees, contractors, subcontractors, consultants, vendors, agents, representatives, invitees, licensees, successors and/or assigns.

“Term” means the period commencing on the Effective Date of this Agreement and ending when this Agreement expires or is terminated in accordance with the provisions of Article 4.

“Third Party” means any Person other than a member of Company Group or Stratum Group.

“Well Site” means the well site or location specified in an Order at which Stratum is to perform on-site Sample collection or retrieval Services.

"Work" means Services rendered and/or Products sold by Stratum to Company pursuant to an Order. As a result, terms such as "perform Work," "performance of the Work" or "Work performed" shall mean and include Stratum's performance of Services or sale of Products.

- 1.2 **Headings and Exhibits.** All references in this Agreement to Articles, Sections or Exhibits are deemed references to the corresponding Articles, Sections or Exhibits in this Agreement. The Article and Section headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The Exhibits to this Agreement are hereby incorporated into and deemed part of this Agreement for all purposes. All references to this Agreement include the Exhibits to this Agreement, unless the context otherwise requires.
- 1.3 **General Terms.** As used herein, unless expressly stated otherwise, references to (a) "includes" or "including" means "including, without limitation" or "including, but not limited to"; (b) "and/or" means "either or both"; (c) "or" means "either" and (d) a "party" or "Party" means Company or Stratum and to the "parties" or "Parties" means Company and Stratum.

2. ORDERS; CANCELLATION OF ORDERS; CHANGE ORDERS; SCOPE OF AGREEMENT; REPRESENTATIVES

2.1 Orders.

- (a) From time to time during the Term of this Agreement, Stratum shall perform Work for Company and/or its Affiliates as agreed by Stratum and specified in Orders. The Parties are free to issue/accept Orders in any written form, including purchase orders, work orders, statements of work, emails or other written communication between the Parties, regardless of format, or via oral Orders, but (i) each Order shall be subject to the terms and provisions of this Agreement, which are hereby incorporated by reference into any Order and shall control and govern all transactions between the Parties with respect to Work performed after the Effective Date, whether or not this Agreement is referred to in the Order; (ii) no other, additional or different terms and conditions in any written or oral communication with respect to a transaction for Work (including the terms and conditions in any Company request for proposal, request for quote, request for bid, purchase order, or similar document) shall vary or amend the terms of this Agreement; and (iii) Orders submitted by Company orally or via email shall be followed by a purchase order or other written confirmation of the Order within seven (7) days from the date of the oral or email order, failing which Stratum shall have no obligation to perform Work thereunder. In the event of a conflict between the terms of this Agreement and the terms in any Order, the terms of this Agreement shall control, unless the Order (i) makes specific reference to and identifies (by Section and/or subsection number) the term(s) or provision(s) of this Agreement to be modified, (ii) explicitly states the intention of the Parties to effect the modification thereof, and (iii) is executed on behalf of each Party by an authorized officer of the Party. Such modifications shall be effective for that Order only, and no agreement to modify the terms and conditions of this Agreement with respect to any particular Order shall have the effect of varying or amending those terms and conditions (or any others in this Agreement) with respect to any other or subsequent Order.
- (b) Company shall advise Stratum, in advance, if the Work to be performed under any Order involves the performance of services or the provision of goods governed by the terms of a contract with any executive agency of the United States federal government or requiring compliance with the Federal Acquisition Regulations.
- (c) Each Order shall constitute a separate agreement between the parties to the Order. Only the Stratum legal entity performing Work under an Order shall have any liability or responsibility with respect to such Work. Company shall be jointly and severally liable with each/any of its Affiliates for which Stratum performs Work for payment with respect to such Work.

- 2.2 **Changes Orders.** Company may request changes in the scope and/or scheduling of the Services to be performed or the quantity of Products to be provided under an Order. Requests for such changes shall be given in the form of a written change order ("Change Order"). Upon Stratum's receipt of a Change Order, the Parties shall negotiate in good faith the terms to be included therein. Each Change Order shall reference the original Order and shall specify (a) the changes in the scope or timing of the Services to be performed or quantity of Products to be provided under the affected Order, and (b) the adjustment (if any) to be made to the fees and other amounts due to Stratum in connection therewith, and shall be executed on behalf of each Party by an authorized officer. If the Parties are unable to agree upon the terms and adjustments to be included in a Change Order, Stratum shall have no obligation to perform Work thereunder.

- 2.3 **Cancellation of Orders.** Subject to the further provisions of this Section 2.3, Company may cancel any Order, in whole or in part, prior to the Products covered thereby being delivered or the Services to be performed thereunder are complete by providing Stratum with a written notice of cancellation. With respect to the cancellation of an Order for:
- (a) Products of Stratum's or a Third Party vendor's standard manufacture, Company shall pay or reimburse Stratum the greater of (i) a cancellation fee of twenty-five percent (25%) of the Price of the cancelled Products, or (ii) the vendor or supplier termination fees or charges incurred by Stratum with respect to the cancelled Products.
 - (b) Services, Company shall pay or reimburse Stratum for (i) all Services performed prior to the date Stratum receives the notice of cancellation, and (ii) any mobilization and/or demobilization costs incurred by Stratum with respect to Services to be performed at a Well Site.
- 2.4 **Unexpected Well Site Conditions.** If before Stratum begins the performance of Sample collection Services at any Well Site, Company encounters unusual physical conditions at the Well Site, differing materially from those ordinarily encountered and generally recognized as inherent in work of a character (and in the location) similar to the Services to be performed by Stratum under the Order, or differing from those made known to Stratum at the time the Order was accepted ("Unexpected Conditions"), Company shall promptly notify Stratum thereof. Stratum shall promptly investigate the Unexpected Conditions and may make its own Well Site inspection with respect thereto. If Stratum determines, in its sole discretion, that the Unexpected Conditions would or might cause an increase in Stratum's cost of, or the time, equipment, or personnel required for, performance of any part of the Services under the applicable Order, Stratum shall propose an equitable adjustment in Price and time of performance for the affected Services and shall not be required to proceed with same unless and until the Order has been modified accordingly in a written Change Order (as described above). Similarly, if after commencing the performance of Services at any Well Site Stratum (a) encounters Unexpected Conditions, (b) determines that data or information provided by Company was inaccurate or insufficient for the safe and efficient performance of the Services, or (c) determines, in its sole discretion, that the continued performance thereof will or may require the performance of unusually hazardous Services, as a result of which the cost of, the time required for, or the risks associated with continued performance of any part of the Services under the applicable Order will or might be increased (whether by the need for different or additional tools, materials or personnel), Stratum may suspend its performance of the Services, without liability to Company Group, and propose an equitable adjustment in Price, time of performance, and allocation of the risks and liabilities associated with the affected Services, and Stratum shall not be required to proceed with same unless and until the Order has been modified accordingly in a written Change Order.
- 2.5 **No Obligation.** Nothing herein shall require Company to request any Work or Stratum to perform any Work, unless agreed to in an Order.
- 2.6 **Representatives.** Each Party shall designate in each Order an individual (the Party's "Representative") who shall have authority to deliver and receive notices related to the Order and who shall be the main point of contact for the Party with respect to that Order and all Work performed thereunder.
- 3. PRICING; INVOICING AND PAYMENT; TAXES; AUDIT**
- 3.1 **Service Pricing.**
- (a) Prices for Services shall be established in the Order with respect thereto. If not stated in the Order, Service Prices shall be those stated in the current Stratum price book, price list, or rate sheet applicable to the Services covered by an Order. Prices quoted or established for Laboratory Services are based on the assumption that the Samples to be tested and analyzed have properties within conventional parameters and do not require special handling, storage or treatment, for which additional charges may apply.
 - (b) Laboratory Services involving core Samples which require special handling and/or storage, or require excessive time to test and analyze (including extremely fragile core Samples, fluid sensitive core Samples, friable or unconsolidated sands, conglomerates, or low porosity/permeability core Samples) ("Special Cores"), and the preparation of Reports with respect thereto, may be charged at rates higher than those established in the Order. If Stratum collects or receives a Special Core, it will promptly advise Company thereof and will not proceed with the testing and analysis thereof unless and until the parties have agreed upon the rates to be paid Stratum therefore (and, if necessary, executed a Change Order confirming those rates).

- (c) Laboratory Services involving fluid Samples which require special handling and/or storage required by Stratum safety protocols or regulatory requirements, or which require excessive time to test and analyze (including low API "heavy" oils, fluids near critical point, or fluid Samples containing H2S ("Special Fluids"), and the preparation of Reports with respect thereto, may be charged at rates higher than those established in the Order. If Stratum collects or receives a Special Fluid Sample, it will promptly advise Company thereof and will not proceed with the testing and analysis thereof unless and until the parties have agreed upon the rates to be paid Stratum therefore (and, if necessary, executed a Change Order confirming those rates).
- 3.2 **Container Rental and Cleaning Pricing.** Rental rates and cleaning charges for reusable Sample Containers furnished by Stratum shall be established in the Order with respect thereto. If not stated in the Order, Container rental and cleaning rates shall be those stated in the current Stratum price book, price list, or rate sheet applicable thereto. Rental rates for Stratum furnished Containers shall commence when the Container is shipped out of Stratum's facility to Company's facility or first used by Stratum to collect the Sample to be transported and stored therein and shall end when the Container is no longer in use.
- 3.3 **Product Pricing; Shipment; Storage; Title and Risk of Loss.**
- (a) Prices for Products shall be established in the Order with respect thereto. If not stated in the Order, Product Prices shall be those stated in the current Stratum price book, price list, or rate sheet applicable to the Products covered by an Order.
 - (b) Unless otherwise specified in the Order with respect thereto, Prices for Products sold to Company are FCA the Stratum Facility designated in the Order (Incoterms 2010). Company shall arrange for shipping and pay all shipment costs. If Company requests Stratum to arrange for shipment or does not furnish Stratum with shipping instructions prior to the time Products are ready for shipment, Stratum shall ship the Products to Company in a commercially reasonable manner, at Company's risk, and Stratum may charge Company for Stratum's shipping cost, plus fifteen percent (15%), or as specified in the Order.
 - (c) Unless otherwise specified in an Order with respect thereto, title and risk of loss or damage for Products sold to Company will pass to Company upon delivery of same, FCA Stratum's Facility (Incoterms 2010).
- 3.4 **Invoicing and Payment; Parent Company Guarantee.**
- (a) Company shall pay the Price(s) and other amounts stated on each invoice submitted by Stratum net thirty (30) days of the invoice date. All Stratum invoices shall include supporting documentation for all reimbursable costs included therein. Invoices not paid in a timely manner will bear interest at the lesser of (i) one percent (1%) per month, or (ii) the highest rate allowed by Applicable Law until paid in full. In the event Company fails to pay any undisputed amounts within sixty (60) days of the invoice date, or Stratum determines, in its reasonable discretion, that Company's financial condition or creditworthiness has become impaired, Stratum shall be entitled, at its option, to (i) require payment in advance for Work yet to be performed under any Order, (ii) reduce Company's payment terms under any Order to net ten (10) days of the invoice date, (iii) revoke any discounts available with respect to Work performed or to be performed under any Order (including discounts granted with respect to Work covered by any outstanding invoice), (iv) require that Company furnish security with respect to its obligations under any Order, and/or (v) immediately suspend its performance of Work under any Order, or terminate any Order, without penalty or liability, and Company shall Indemnify Stratum Group from and against any and all Claims resulting from or arising out of such suspension or termination.
 - (b) In the event that Company disputes an invoice or part thereof, it may withhold payment of the disputed amount(s), but shall nonetheless timely pay all undisputed amounts and promptly notify Stratum of the disputed amounts or items, specifying the invoice date and number, the amount of the disputed items or charges, and the Products, Services or Rental Equipment involved. The Parties shall work in good faith to promptly resolve disputed amounts. Invoices not disputed by Company within thirty (30) days of the invoice date shall be deemed accepted and approved, and Company shall not thereafter be entitled to dispute any amount(s) reflected thereon except upon audit as described below.
 - (c) Upon request, Company shall provide a parent company guarantee, in a form acceptable to Stratum, prior to Stratum's performance of any Work for a Company Affiliate. If a parent company guarantee is required of Company, Stratum shall have no obligation to perform Work for the Company's Affiliate unless and until Stratum receives same.

3.5 **Audit.**

- (a) Stratum shall maintain reasonable accounting records in such detail as to permit verification of charges made to Company for Work (including Third Party charges reimbursed by Company) ("Records"). Records shall not include payroll, compensation, or any other personnel record or personally identifiable information regarding Stratum's employees or consultants. Stratum shall keep all Records in accordance with commonly accepted accounting and oilfield industry practices and retain such Records for a period of two (2) years following Stratum's invoicing for the Work. Company and any Qualified Auditor (as hereinafter defined) selected by Company shall have the right, during regular business hours, to inspect, copy, and audit the Records of Stratum pertaining to the Work performed by Stratum in order to verify the accuracy of any invoice or payment; provided, however, that Stratum shall have the right to exclude from the Records subject to inspection (i) any trade secrets or legally privileged documents and information, (ii) any information with respect to which Stratum is under an independent obligation of confidentiality to any Third Party, and (iii) data or information with respect to the calculation of Stratum's profit margin and overhead rates. The audit shall be conducted using generally recognized audit procedures and methodologies agreed upon by the Parties prior to the commencement of the audit, and if the audit is conducted for Company by a Third Party auditor, such auditor shall be required to execute a non-disclosure agreement acceptable to Stratum prior to commencement of the audit. For the purposes of this Section, the term "**Qualified Auditor**" shall mean an impartial, independent, certified public accounting firm, reasonably satisfactory to Stratum, no portion of whose fees for conducting the audit shall be (i) based upon the results of the audit, (ii) calculated on the basis of the amounts (if any) found to be due Company, or (iii) determined by any other contingency. Company shall provide reasonable advance, written notice of its intent to audit the Records of Stratum, and shall not be entitled to conduct an audit of Stratum's Records more than once in any twelve (12) month period. Company shall bear all costs and expenses of any audit it conducts.
- (b) If as a result of an audit conducted by Company it is determined that any amount previously paid to Stratum was an overcharge on Stratum's part, the amount of such overcharge will be credited back to Company, provided Company's account with Stratum is current. If Company's account with Stratum is sixty (60) days or more past due, Stratum will offset against and deduct all such amounts from any past due amounts owed to Stratum. If Company's account is current, Stratum will pay Company any amounts due it within forty-five (45) days after the audit is settled.
- (c) If as a result of an audit conducted by Company it is determined that Company was undercharged by Stratum, the amount of the undercharge will be considered a counter-claim from Stratum and will be (i) deducted from any amounts determined by the audit to be due Company, or (ii) if no amounts are determined to be due Company (or the amount due Company is less than the undercharged amount), promptly paid, net, to Stratum.
- (d) No claim may be made by Company with respect to amounts paid to Stratum for Work more than two (2) years after Company has been invoiced for that Work.

3.6 **Taxes.** Unless otherwise stated in the Order, the Prices and other charges payable by Company for or in connection with the Work performed by Stratum are exclusive of taxes and duties. If not included in the Price, such taxes and duties shall be shown as a separate line item on the invoices submitted by Stratum, are in addition to the Prices, are for Company's account, and shall be paid or reimbursed by Company. The term "**taxes and duties**" shall mean all fees or charges imposed, assessed or levied by any governmental department, agency, or taxing authority with respect to the Work performed by Stratum and shall include property taxes, sales and use taxes, value added taxes, goods and services taxes, excise taxes, well services taxes, and/or other taxes of a similar nature, customs or other duties, customs agent fees and other such charges and fees. The provisions of this Section 3.6 shall continue after termination of this Agreement.

4. TERM AND TERMINATION; OBLIGATIONS UPON TERMINATION

- 4.1 **Term and Termination.** This Agreement shall continue and remain in force from the Effective Date until terminated by either Party, with or without cause, on ninety (90) days prior written notice to the other Party. Except as otherwise herein provided, termination of this Agreement shall not cancel or terminate any existing or in-process Order until the Work under such Order is completed.
- 4.2 **Obligations Upon Termination.** Notwithstanding anything to the contrary in this Agreement, the termination of this Agreement shall not relieve Company from its obligation to pay any amounts owed to Stratum with respect to Work performed prior to the effective date of termination and any costs incurred by Stratum as a result of such termination.

5. WARRANTIES AND REMEDIES

5.1 Stratum Product Warranties. Stratum warrants to Company that all Products of its own manufacture (“**Stratum Products**”) supplied pursuant to an Order:

- (a) shall conform in all respects to the Stratum’s published Product specifications (and to any additional specifications stipulated in the Order therefore); and
- (b) shall be and remain free of material defects in materials and workmanship for a period of one (1) year from the date of their delivery to Company.

Unless otherwise expressly stated in the Order with respect to a particular Stratum Product, the foregoing Stratum Product warranties are the sole and exclusive warranties made by Stratum with respect to Stratum Products, and STRATUM HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE OR PURPOSE.

The foregoing Stratum Product warranties do not apply to (i) Stratum Products that have been modified after their delivery; (ii) Stratum Products subjected to improper handling, storage, installation, operation or maintenance, including use of unauthorized replacement parts; (iii) Stratum Products (or any component thereof) requiring replacement because of normal wear and tear; (iv) the design of Stratum Products which were modified according to specifications furnished by Company Group; or (v) Company’s failure to implement any update, upgrade, or adjustment to the Stratum Products (or any component thereof) recommended by Stratum and furnished by it without cost to Company.

5.2 Remedies for Breach of Stratum Product Warranties. Stratum shall, at its sole cost and expense, repair or replace with products of like or comparable quality any Stratum Product not conforming to the Stratum Product warranties specified in Section 5.1 above; *provided* Company has notified Stratum of the non-conformity promptly upon the discovery thereof and within the one (1) year warranty period specified above. **The foregoing remedies of repair or replacement shall be the sole and exclusive obligations and responsibilities of Stratum (and the sole and exclusive remedies of Company) with respect to Stratum Products not conforming to the warranties specified in Section 5.1 above. Stratum’s responsibility to repair or replace Stratum Products shall not exceed the Price of the Stratum Products or extend to any ancillary or related costs (including shipping, installation, removal, mobilization or demobilization) not included in the original Order with respect to such Stratum Products.**

5.3 Third-Party Product Warranties. Company acknowledges that certain Products to be provided by Stratum may be secured by Stratum from Third Parties (“**Third-Party Products**”). **With respect to Third-Party Products, Stratum warrants that same shall be new (unless otherwise specified in the Order), but makes no other representations or warranties whatsoever with respect thereto, hereby disclaiming any and all other warranties, express or implied.** Stratum shall pass through to Company any Third-Party Product warranties provided by the Third Party Product’s manufacturer, to the extent same are transferable, and shall provide Company reasonable assistance in the pursuit and enforcement of all warranty claims with respect to Third-Party Products.

5.4 Service Warranties. Stratum does not guarantee the results of the Services it performs or represent that those Services will achieve Company’s intended objectives, but does warrant to Company that all Services performed by Stratum:

- (a) shall be performed in a good and workmanlike manner, with reasonable diligence, using duly trained and qualified personnel and supervisors;
- (b) shall be performed in accordance with the specifications (if any) detailed in the Order therefore; and
- (c) shall be performed in accordance with Standard Oilfield Services Practices and any Applicable Laws.

5.5 Remedies for Breach of Service Warranties. Stratum shall, at its sole cost and expense, reperform any Services (or portion thereof) not conforming to the Service warranties specified in Section 5.4 above (“**Nonconforming Services**”); *provided* Company has notified Stratum of the non-conformity (i) with respect to all Services other than Laboratory Services, within thirty (30) days of the date of the completion of the Services with respect to which the warranty claim is made, or (ii) with respect to Laboratory Services, within thirty (30) days of the date Stratum delivers its Report(s) to Company, provided the Sample(s) still in Stratum’s possession are sufficient therefore, or a new Sample is furnished by Company. **In no event, however, shall Stratum**

assume any responsibility or liability for resampling or the cost thereof. If the Parties mutually determine that Stratum's reperformance of the Nonconforming Services cannot or will not provide a commercially viable remedy, Stratum shall, at its option, either refund or credit in full the Price paid by Company for the Nonconforming Services. **The foregoing remedies of reperformance of Nonconforming Services, or the refund or credit of the Price paid therefore, shall be the sole and exclusive obligations and responsibilities of Stratum (and the sole and exclusive remedies of Company) with respect to Nonconforming Services.**

5.6 **Reports.**

- (a) As specified in the Order(s) therefore, Stratum may prepare and deliver to Company a Report (or Reports) detailing the test data from and results of the Laboratory Services it performs with respect to Samples. Unless otherwise specified in the Order, all Reports (and any accompanying data and/or analysis) may be provided to Company electronically in non-editable format. Stratum shall have no obligation to prepare or delivery any Report(s) with respect to an Order for Laboratory Services which is cancelled by Company prior to the delivery of the Report(s) specified therein.
- (b) In interpreting the results of its testing and analysis with respect to Company's Sample(s) and producing Reports with respect thereto, and in making any recommendations based upon its performance of Laboratory Services, Stratum will give Company the benefit of its best judgment based on its experience, but any interpretation of test or other data, and any recommendation(s) based upon such interpretations, are opinions based upon inferences from measurements and empirical relationships and assumptions which are not infallible, and with respect to which professional engineers and analysts may differ. **ACCORDINGLY, STRATUM CANNOT AND DOES NOT WARRANT THE ADEQUACY, SUFFICIENCY, OR COMPLETENESS OF ANY SUCH INTERPRETATION OR RECOMMENDATION OR THE REPORTS REFLECTING SAME, AND ITS REPORTS SHOULD NOT UNDER ANY CIRCUMSTANCES BE RELIED UPON BY COMPANY (OR ITS CLIENTS) AS THE SOLE OR PRIMARY BASIS FOR ANY ACTION, ACTIVITY OR BUSINESS DECISION TAKEN OR MADE BY COMPANY.** Company assumes all responsibility for any decision made by Company Group based on Stratum's Laboratory Services or Reports, including any drilling, well treatment, production or other financial decision, and hereby waives and releases Stratum Group from any liability with respect to Claims relating thereto and agrees to defend, hold harmless and Indemnify Stratum Group from Claims arising from the use of such interpretations, recommendations and Reports reflecting the same.

6. **SAMPLE HANDLING, STORAGE AND DISPOSAL; CONTAINER**

6.1 **Submitting Samples.** Except with respect to Samples collected by Stratum, Company shall, at its cost and expense, deliver all Samples with respect to which Stratum is to perform Laboratory Services to the Stratum Facility specified in the Order for those Laboratory Services. Company shall bear all risk of loss or damage to (or contamination of) the Samples in transit. Company shall package, label, and ship Samples to Stratum strictly in accordance with the requirements of Applicable Law and any packaging, handling, and shipping instructions provided by Stratum, and shall notify Stratum, in writing, prior to or when it submits the Sample, if the Sample contains any hazardous, toxic, or other substance(s) or material(s) requiring special handling, storage or disposal.

6.2 **Sample Storage and Disposal.** Stratum will use commercially reasonable efforts to maintain the Samples it collects or receives from Company in the condition in which same were initially collected or received, and will store any portion(s) of the Sample(s) not consumed or altered in the course of testing and analysis, free of charge (other than applicable Container rental charges), for a period of thirty (30) days after completion of the Laboratory Services performed with respect thereto and the delivery to Company of the Report(s) or other Sample data or test results required by the terms of the Order (the "**Free Storage Period**"). Upon Company's written request at the expiration of the Free Storage Period, the Samples may be either (i) returned to Company, at Company's cost and risk, or (ii) stored and maintained beyond the Free Storage Period for a monthly fee fixed by Stratum based on the size and nature of the Sample and the conditions under which same must be stored in order to preserve its condition. In the event Company does not request in writing either the return or storage of the Samples in accordance with the immediately preceding sentence within 30 days following Company's receipt of written notice from Stratum that the Free Storage Period has expired, Stratum may, in its sole discretion, retain, dispose or destroy the Samples at Company's cost. In the event the Samples are retained by Stratum, Stratum may use the Samples and data, information and analysis with respect to such Samples without restriction so long as the data, information and analysis with respect to such Samples, does not (or has been aggregated or anonymized by Stratum so that it does not and cannot be used to) specifically identify the well from which it was obtained or Company as the owner or operator thereof. If Samples to be stored beyond the Free Storage Period are stored in Stratum furnished rental Containers, then, in addition to applicable monthly Sample storage charges, Company shall pay Stratum for any related Container rental charges. If Company fails to timely pay any storage or Container rental charges,

Stratum may destroy, discard, or otherwise dispose of the Sample, at Company's expense, and destroy, discard, recycle, or sell for its own account any non-Stratum furnished Container in which the Sample was being stored.

- 6.3 **Disposal of Hazardous Waste.** Company shall provide Stratum with prior written notice of any Hazardous Waste that may be handled by Stratum under the Agreement. Company shall make any necessary special arrangements for disposal of such Hazardous Waste, and Company shall be solely responsible for all costs associated therewith if such waste cannot be disposed of through Stratum's standard waste disposal system.
- 6.4 **Container Cleaning.** Once Samples being stored in a Stratum furnished rental Container have been disposed of or destroyed by Stratum, Stratum will clean the Container and invoice Company for the applicable cleaning charges.

7. DATA SECURITY AND STORAGE

Stratum does not encrypt its electronic communications and does not warrant against the accidental or intentional interception by Third Parties of any data or information transmitted between the Parties by email or other electronic means or against the corruption thereof during transmission. **Stratum makes no representation or warranty whatsoever as to the sufficiency of its cyber-security measures, standards, policies or procedures to preserve and protect from unauthorized access any electronic or digital data or information pertaining to the Work it performs.** Unless otherwise specified in the Order, Stratum also does not warrant or guarantee the length of time it will store or maintain any electronic or digital data or information pertaining to the Services it perform, or any Report.

8. INDEMNITY; RELEASE; WAIVER

- 8.1 **Well Site Services.** With respect to Sample collection or retrieval Services performed by Stratum at any Well Site:

- (a) Except as provided in Section 8.2 below, Stratum agrees to Indemnify Company Group from and against any and all Claims arising out of, resulting from, or relating to (a) bodily injury, disease, or death or (b) damage to or loss of property suffered by any Stratum Group member arising out of or in connection with the Well Site Services performed by any member of Stratum Group under this Agreement or any Order.
- (b) Company agrees to Indemnify Stratum Group from and against any and all Claims arising out of, resulting from, or relating to (a) bodily injury disease, or death or (b) damage to or loss of property suffered by any Company Group member arising out of or in connection with the with the Well Site Services performed by any member of Stratum Group under this Agreement or any Order.
- (c) Each Party shall, to the full extent of its liability therefore under Applicable Law, be and remain responsible for, and shall Indemnify the other Party and all members of its Group from and against, any and all Claims resulting from or with respect to (a) bodily injury, disease, or death suffered by any Third Party, or (b) damage to or loss of property suffered or sustained by any Third Party.
- (d) Company shall obtain such permits, licenses, easements, rights of way and/or other authorizations ("Authorizations") from governmental agencies and the owner(s) and/or operator(s) of the Well Site as may be necessary in connection with the Services to be performed by Stratum, and shall advise Stratum as to any areas for which Authorizations have been obtained, if any. Stratum shall not perform (or be required to perform) Services in any area requiring Authorizations until Company has notified Stratum that Company has obtained such Authorizations as it deems necessary for Stratum to proceed with the Services. Company shall Indemnify Stratum from and against any and all Claims relating to Company's failure to obtain any necessary Authorizations.

- 8.2 **Sample Collection with Stratum Tools.** Notwithstanding the provisions of Section 8.1(a) above, if the Services to be performed by Stratum under an Order involve downhole Sample collection or retrieval using a Stratum provided tool or device (a "**Stratum Tool**"), Company agrees to pay or reimburse Stratum for any loss of or damage (which includes damage beyond repair) to the Stratum Tool (a) that occurs while the Stratum's Tool is in the hole; (b) that results from the flow or existence of any substance from or in the reservoir or well, or any well condition (including corrosion, erosion, embrittlement or abrasion); or (c) occurs while the Stratum Tool is in the care, custody and control of Company or any member of Company Group. Unless the Parties stipulate a replacement price for the Stratum Tool in the applicable Order or have entered into a separate, written agreement waiving Company's responsibility for the loss of or damage to the specific lost Stratum Tool(s), Company shall pay or reimburse Stratum for the Replacement Price (as defined below) of lost (or damaged beyond repair) Stratum Tools, plus any applicable taxes, as well as the costs of shipping the replacement tools or equipment from the manufacturer thereof to Stratum's Facility.

For purposes of the foregoing, the term “**Replacement Price**” shall mean Stratum’s then current list price, without discounts (if the Stratum Tool was manufactured by Stratum) or the list purchase price of new replacement tools or equipment purchased from a Third Party. Save and except for damage occasioned by normal wear and tear, Company shall reimburse Stratum for the cost of repairing damaged Stratum Tools, including the costs of inspection and of shipping the damaged Stratum Tools to and from the place of repair, not to exceed the Replacement Price thereof.

8.3 Consequential Damages Waiver.

- (a) Notwithstanding any provision of this Agreement to the contrary, neither Party shall be liable to the other Party (or any member of the other Party’s Group) for, and each Party hereby waives and releases the other Party from and against, any and all Claims for Consequential Damages. For purposes of the foregoing, the term “**Consequential Damages**” shall mean and include (i) any and all indirect, incidental, special, punitive, exemplary, or consequential damages or consequential losses of any nature whatsoever (whether or not foreseeable), and (ii) damages or losses, whether direct or indirect, for lost product or production, lost profit or revenue, loss of data, reservoir loss or damage, lost business, loss of or inability to use property and equipment, losses from business interruptions, losses resulting from failure to meet other contractual commitments or deadlines, or losses from downtime of rigs, vessels or facilities.
- (b) Without negating the preceding general exclusion of Consequential Damages, the Parties expressly agree that Claims with respect to the following shall NOT be considered Consequential Damages and are recoverable between the Parties: (i) Stratum Claims with respect to amounts due it for Work or Company’s cancellation of an Order; (ii) damages for breaches of a Party’s obligations with respect to the Confidential Information or Intellectual Property (as such terms are defined below) of the other Party; or (iii) Third Party Claims with respect to which a Party is entitled to Indemnification under this Agreement.
- (c) Notwithstanding the provisions of Sections 8.1 and 8.2, Company shall assume liability at all times for damage to or destruction of Stratum’s equipment resulting from the presence of H2S, CO2 or other corrosive elements that enter the drilling fluids from subsurface formations or the use of corrosive, destructive or abrasive additives in the drilling fluids. Company shall pay or reimburse Stratum for the actual repair costs or the replacement cost new of such equipment.
- (d) Notwithstanding to the provisions of Sections 8.1 and 8.2, if the hole should be lost or damaged, Company shall be solely responsible for such damage or loss of the hole, including the casing therein and the cost to re-drill. Company shall release each member of Stratum Group of any liability for damage to or loss of the hole, and shall protect, defend and Indemnify each member of Stratum Group from and against any and all Claims relating to, arising out of or in connection with such damage to or loss of the hole.
- (e) Notwithstanding to the provisions of Sections 8.1 and 8.2, Company shall release each member of Stratum Group from any liability for, and shall protect, defend and Indemnify each member of Stratum Group from and against any and all Claims resulting from operations under this Agreement on account of injury to, destruction of, or loss or impairment of any property right in or to oil, gas, or other mineral substance or water, if at the time of the act or omission causing such injury, destruction, loss, or impairment, said substance had not been reduced to physical possession above the surface of the earth, and for any loss or damage to any formation, strata, or reservoir beneath the surface of the earth.
- (f) Notwithstanding to the provisions of Sections 8.1 and 8.2, Company shall be liable for the cost of regaining control of any wild well, as well as for cost or removal of any debris and cost of property remediation and restoration associated therewith, and Company shall release, protect, defend and Indemnify each member of Stratum Group of any tier from and against any liability for such cost.

8.4 Express Negligence. SUBJECT ONLY TO LIMITATIONS IMPOSED BY APPLICABLE LAW OR PUBLIC POLICY, THE INDEMNITIES SET FORTH IN THIS ARTICLE 8 ARE INTENDED TO BE ENFORCEABLE AGAINST THE PARTIES IN ACCORDANCE WITH THE EXPRESS TERMS AND SCOPE THEREOF, NOTWITHSTANDING TEXAS’ EXPRESS NEGLIGENCE RULE OR ANY SIMILAR DIRECTIVE THAT WOULD PROHIBIT OR OTHERWISE LIMIT INDEMNITIES BECAUSE OF THE NEGLIGENCE OR OTHER FAULT OR STRICT LIABILITY OF ANY OF THE INDEMNIFIED PARTIES. THE INDEMNITIES SET FORTH IN THIS ARTICLE SHALL APPLY REGARDLESS OF WHETHER THE CLAIM OR LOSS IS CAUSED BY THE SOLE, JOINT, CONTRIBUTORY OR CONCURRENT NEGLIGENCE (IN ANY AMOUNT), GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, STRICT LIABILITY, PRODUCTS LIABILITY, BREACH OF WARRANTY, BREACH OF CONTRACT, BREACH OF STATUTE OR OTHER FAULT OR FORM OF LIABILITY OF ANY MEMBER OF STRATUM GROUP, COMPANY GROUP, OR A THIRD PARTY, OR ANY PRE-EXISTING CONDITION.

8.5 **Limitation of Liability.** EACH PARTY'S MAXIMUM LIABILITY TO THE OTHER WITH RESPECT TO ALL CLAIMS ARISING OUT OF THIS AGREEMENT SHALL BE LIMITED IN THE AGGREGATE TO THE AMOUNTS PAID OR PAYABLE TO STRATUM UNDER THE APPLICABLE WORK ORDER. THE LIMITATION OF LIABILITIES CONTAINED IN THIS SECTION WILL NOT APPLY WITH RESPECT TO (A) THE PAYMENT OF CLAIMS RELATED TO A PARTY'S RELEASE, DEFENSE OR INDEMNITY OBLIGATIONS HEREUNDER, (B) ITS BREACH OF THE CONFIDENTIALITY PROVISIONS, OR (C) CLAIMS ARISING OUT OF A PARTY'S ACTS OF INTENTIONAL MISCONDUCT.

9. CONFIDENTIAL INFORMATION; INTELLECTUAL PROPERTY

9.1 Confidential Information.

- (a) Each Party receiving Confidential Information (the "**Receiving Party**") warrants and agrees that for a period of five (5) years after its receipt thereof, it shall maintain and safeguard the confidentiality of all Confidential Information received by it from (or generated for) the other Party (the "**Disclosing Party**"), handling and treating it with at least the same degree of care (and affording it the same protections) the Receiving Party observes and provides for its own confidential, proprietary and trade secret information, and in all events with at least a reasonable standard of care. For purposes of the foregoing, the term "**Confidential Information**" shall mean and include (i) with respect to Company, the source of any Sample collected by or furnished to Stratum (including the name and location of the well or formation and the depth from which the Sample was obtained), all Sample data, analysis, and test results, and the Report(s) (if any) prepared by Stratum with respect to the Sample; and (ii) with respect to Stratum, the tools, equipment, processes, methods, techniques, or technologies employed by Stratum in performing Services, or the Prices quoted or discounts provided by Stratum for the Work. For the avoidance of doubt, data, information or analysis with respect to Samples which does not (or has been aggregated or anonymized by Stratum so that it does not, and cannot be used to) specifically identify the well from which it was obtained or Company as the owner or operator thereof shall **not** be considered Company Confidential Information, and Stratum shall be free to use such information, without restriction, including to market, promote, modify, improve or enhance its performance of Laboratory Services for Company or any Third Party. Confidential Information shall not include information which is independently developed by a Receiving Party, without reliance upon or reference to the Confidential Information of the Disclosing Party.
- (b) Nothing contained herein shall in any way limit or restrict a Receiving Party's right to use, disclose, or otherwise deal with any Confidential Information of the Disclosing Party which (i) is or becomes generally available in the public domain through no wrongful act or unauthorized disclosure of the Receiving Party, (ii) was lawfully in the Receiving Party's possession prior to being provided to the Receiving Party, or (iii) is independently made available to the Receiving Party as a matter of right by a Third Party who is under no obligations to maintain the confidentiality thereof.
- (c) If a Receiving Party receives a request or order to disclose all or any part of the Disclosing Party's Confidential Information under the terms of a subpoena, decree or order issued by a court or tribunal of competent jurisdiction, or by a governmental body pursuant to law or regulation, the Parties each hereby agree to promptly notify the other Party of the existence, terms and circumstances surrounding the request or order and reasonably assist the Disclosing Party in seeking an appropriate protective order at Disclosing Party's election, or waive the requirements of the confidentiality provisions of this Agreement. If, in the written opinion of a Receiving Party's legal counsel, disclosure of Confidential Information of the Disclosing Party is required in order to avoid sanction or penalty, said counsel shall exercise reasonable efforts, with the cooperation of the Disclosing Party if necessary, to obtain an order or other reliable assurance that confidential treatment will be accorded to the Confidential Information of the Disclosing Party.

9.2 **Intellectual Property Rights.** Unless otherwise agreed in writing, a Party's Intellectual Property (as defined below), and any development, enhancement, improvement, or derivative thereof (regardless of inventorship), shall be and remain the property of that Party. To the extent any Intellectual Property of a Party (and/or any enhancement, improvement, or derivative thereof) is incorporated into or necessary for the performance of any Services, that Party grants the other Party only a non-exclusive, non-transferrable, non-sub-licensable, revocable, royalty-free, right and license to use such Intellectual Property incorporated into the services solely for the purpose of performing or using such Services, as applicable. Except as expressly stated herein, neither Party shall have any right or license to use (directly or indirectly) any of the other's Intellectual Property. For the purposes of the foregoing "**Intellectual Property**" means all copyrights, patents, trade secrets, proprietary software or firmware or other intellectual property rights associated with or incorporated in any ideas, concepts, know-how, techniques, processes, reports, or works of authorship owned, developed or created by a Party, and expressly includes, as to Stratum, any of the foregoing used or included in any Report. If Stratum and Company or their respective employees jointly develop any Intellectual

Property which is not an enhancement, improvement or derivation of either Party's Intellectual Property ("Joint IP"), the Joint IP shall be owned by Stratum.

- 9.3 **Injunctive Relief.** The Parties agree that money damages are not a sufficient remedy for any breach or threatened breach of this Article 9. Accordingly, each Party is entitled to seek specific performance, injunctive or other equitable relief to enforce the provisions of this Article, without the necessity of posting bond and without waiving any other remedies at law or in equity. In the event of such an action, the prevailing Party shall be entitled to recover its reasonable attorney's fees and costs of litigation.

10. **INSURANCE**

- 10.1 **Insurance in Support of Indemnities.** In support of their respective mutual indemnity obligations under this Agreement, and not as an obligation separate or independent therefrom, and in order to be in compliance with the limitations and proscriptions on indemnity in Chapter 127 of the Texas Civil Practices and Remedies Code (commonly known as the "**Texas Oilfield Anti-Indemnity Act**"), to the extent such Act is applicable to the Parties' indemnity obligations hereunder, Company and Stratum each agree to obtain (and to maintain throughout the Term), at its sole expense, policies of insurance of the types described, and in coverage amounts not less than the minimum limits specified, in Exhibit A attached hereto (the "**Insurance Policies**"). If a Party does not carry liability insurance in the minimum amounts specified in Exhibit A, then it is agreed that the Party has qualified self-insurance, as stated in the Texas Oilfield Anti-Indemnity Act, and the mutual indemnification amount shall be the maximum limit carried by the other Party. With respect to any unilateral Indemnity obligation assumed by a Party under this Agreement, that Party shall support its obligation with liability insurance coverage of \$500,000. Notwithstanding the foregoing, Stratum shall be entitled to self-insure, to any extent and/or in any amount it determines to be appropriate, any of its Indemnity or other obligations hereunder.
- 10.2 **Certificates of Insurance.** None of a Party's Insurance Policies shall be cancelled or materially modified or amended without advance written notice to the other Party. Notice of cancellation of any of the Insurance Policies required by the provisions of Section 10.1 above shall be subject to ACCORD 25 Certificate of Liability standards and will be delivered in accordance with policy provisions. Upon request, each Party shall deliver to the other Party certificates of insurance showing that the Insurance Policies are in full force and effect.
- 10.3 **Insurance Policy Endorsements.** To the extent of their express obligations to Indemnify the other Party under this Agreement (and to no greater extent), each Party shall arrange for their respective Insurance Policies covering or supporting their Indemnity obligations under this Agreement to be endorsed to (i) name Company Group or Stratum Group (as applicable) as additional insureds (other than Worker's Compensation and Employer's Liability), (ii) provide a waiver of subrogation in favor of the additional insureds and their insurer(s), and (iii) be primary as to any other insurance policies (including any deductibles or self-insured retentions) and self-insurance which may provide coverage in favor of the additional insureds.

11. **LAWS AND REGULATIONS**

- 11.1 **Compliance with Applicable Laws.** Each Party (and all members of their respective Groups) shall comply with all Applicable Laws in the performance of their obligations and the enforcement of their rights under this Agreement and all Orders. **Notwithstanding anything to the contrary in this Agreement, 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.**

11.2 **Trade Compliance.**

- (a) Without limiting the generality of Section 11.1, each Party agrees to comply with all Applicable Laws related to economic sanctions, embargoes, international boycotts and the importation, exportation, or re-exportation of any equipment, product, services, software, source code, technical data or technology ("**Trade Compliance Laws**"), and shall not, directly or indirectly, sell, provide access to, export, re-export, transfer, divert, loan, lease, consign, transship, transport, or otherwise dispose of any Stratum product, material, software (including source code), technical data or technology to, via, or for (i) any entity known to be headquartered in, or owned or controlled by a national of, any country or region subject to comprehensive sanctions applicable to Stratum, whether as of the Effective Date or at any time in the future, including currently Cuba, Iran, North Korea, Sudan, Syria, and the Crimea Region of Ukraine, (ii) any other Person identified on a denied or restricted party list applicable to Stratum, or (iii) any activity or end-use restricted by Trade Compliance Laws without first obtaining all required government authorizations and written permission of the other Party. Company agrees to complete Stratum's end-use, end-user, and/or end-destination documentation when requested.

- (b) Either Party shall have the right, in its sole discretion, to immediately suspend performance or to terminate this Agreement or 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 any Trade Compliance Law.
- 11.3 **Ethics and Anticorruption.** Each Party agrees, on behalf of itself and all members of its Group, to comply with the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010, and/or any Applicable Laws related to anti-corruption, anti-kickback, and/or anti-money laundering. Neither Party shall make any facilitating payments, or grease payments, with regards to the Work.
- 11.4 **Termination and Indemnification.** If a Party is required by the other Party to engage in any act that violates this Article 11, that Party may immediately terminate this Agreement and/or any Order and will not be in breach or default as a result of such termination. Each Party further agrees to Indemnify the other Party and all members of its Group from and against all Claims arising from its violation of this Article 11.

12. ASSIGNMENT AND SUBCONTRACTING

Stratum may assign this Agreement (or any rights and interests herein) to an Affiliate, or subcontract the Work (or any portion thereof) to be performed under any Order, but shall not, except as provided in the immediately following sentence, assign this Agreement to any Third Party without the prior written consent of Company, which consent shall not be unreasonably withheld, conditioned, or delayed. Stratum may also assign this Agreement (and any Order), without the need for Company's consent, to any successor by merger, reorganization, or sale of all or substantially all of Stratum's business or assets, provided such successor agrees to assume all of Stratum's obligations in and under this Agreement and Orders hereunder. Neither this Agreement nor any rights or interest herein shall be assigned by Company without the prior written consent of Stratum, which consent shall not be unreasonably withheld, conditioned, or delayed. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assignees.

13. FORCE MAJEURE EVENTS

- (a) Neither Party shall be considered in breach of this Agreement or any Order (excluding the obligation of Company to pay Stratum for Work) if prevented from performing due to a Force Majeure Event. The term "**Force Majeure Event**" means any act or event that renders it wholly or partially impossible for the affected Party to perform its obligations under this Agreement or any Order or delays such affected Party's ability to do so, when such act or event (i) is beyond the reasonable control of the affected Party, (ii) is not due to the fault or negligence of the affected Party, and (iii) could not have been avoided by the affected Party by the exercise of reasonable diligence.
- (b) Should a Force Majeure Event delay Stratum's performance of Work under an affected Order by more than thirty (30) days, and cannot be accommodated by adjustment to the schedule of the Work, either Party may terminate the affected Order by giving five (5) days written notice to the other Party. In the event of such termination, Stratum shall be paid or reimbursed for (i) all Work performed prior to the date of termination and (ii) any other reasonable costs incurred as a result of such termination (including Stratum's standard personnel and equipment stand-by charges, demobilization costs, and any early vendor termination expenses incurred). If the Force Majeure Event affects only a portion of the Work and Company should elect to terminate the Order, then Company shall pay the early termination fee specified in the Order (if any) or as agreed between the Parties. Subject to the foregoing and/or any other compensation or reimbursement provided for in the applicable Order, each Party shall otherwise bear its own costs for the Force Majeure Event.

14. NOTICES

All notices, notifications, requests, consents, directions, instructions, and other communications required or permitted to be given under this Agreement ("Notices") shall be in writing and shall be deemed to have been duly given if delivered (a) in person, by courier or by overnight delivery service, with independent proof of delivery, or (b) via confirmed email as indicated below. Unless otherwise specified herein (such as Notices to be delivered to a Party's Representative), Notices shall be addressed to the Party at the address set forth below (or to such other physical or email address(es) and to the attention of such other Person(s) as either Party may designate by Notice given in accordance with the foregoing requirements).

If to Stratum, to:

If to Company, to:

Stratum Reservoir, LLC
5200 N. Sam Houston Pkwy W.

Suite 500
Houston, Texas 77086
Attention: Global Contracts Manager

Attention: _____
Email: _____

15. GOVERNING LAW; VENUE; JURY WAIVER; ATTORNEYS' FEES

- 15.1 **Governing Law and Venue.** This Agreement and all Orders shall be governed, construed and interpreted in accordance with the laws of the State of Texas, which shall apply without regard to any choice of laws or conflict of laws provisions which would direct the application of the laws of another jurisdiction. Venue for any litigation filed with respect to this Agreement or any Order (or the Work performed thereunder) shall be exclusive in the courts, state or federal, sitting in Houston, Harris County, Texas. Each party consents to the personal jurisdiction of the state and federal courts of said county and waives any objection that such courts are an inconvenient forum.
- 15.2 **Jury Waiver.** **TO THE EXTENT ALLOWED BY THE GOVERNING LAW, EACH PARTY HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY LITIGATION INVOLVING THIS AGREEMENT OR ANY ORDER.** Nothing herein shall prohibit a Party from availing itself of a court of competent jurisdiction for the purpose of injunctive relief.
- 15.3 **Attorneys' Fees.** In the event either Party institutes suit to enforce any right or obligation against the other arising from or incidental to this Agreement and/or any Order, the prevailing Party shall be entitled to recover, in addition to any damages or other relief awarded to it, reasonable attorney's fees, court costs, fees of testifying experts or consultants, and other expenses related thereto. Without limiting the generality of the foregoing, a Party entitled to Indemnification hereunder shall be entitled to reimbursement for the reasonable attorneys' fees and other costs and expenses incurred by it in enforcing its rights to Indemnification or in defending against any Claim with respect to which it is entitled to Indemnification.
- 15.4 **Waiver of Sovereign Immunity.** **IF COMPANY IS OWNED, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, BY ANY COUNTRY OR SOVEREIGN, OR IS AN AUTHORITY OR AGENCY OF ANY COUNTRY OR SOVEREIGN, THEN COMPANY HEREBY WAIVES ANY AND ALL RIGHTS AND IMMUNITIES, INCLUDING WITHOUT LIMITATION, ANY IMMUNITIES FROM LAWSUITS, CLAIMS, PREJUDGMENT SEIZURE, ARREST OR ATTACHMENT IT MAY HAVE UNDER THE FOREIGN SOVEREIGN IMMUNITIES ACT OF 1976 (28 USC SECTION 1602, ET SEQ.), AS AMENDED, OR ANY SIMILAR TYPE OF STATUTE, LAW, RULE OR REGULATION OF ANY COUNTRY OR SOVEREIGN.**

16. SEVERABILITY

If any term or provision of this Agreement is found to be inconsistent with or contrary to Applicable Law or public policy, same shall be deemed to be modified to the extent required to comply with Applicable Law or public policy (it being the intention of the Parties to enforce to the fullest extent all terms of this Agreement) and as so modified, this Agreement shall continue in full force and effect. In the event such term or provision cannot be deemed modified automatically, the Parties shall attempt to reach agreement on a conforming modification to such term or provision. In the event any such term or provision cannot be modified to comply with Applicable Law, then said term or provision shall be deemed to be deleted from this Agreement and the remaining terms and conditions shall remain in full force and effect.

17. ENTIRE AGREEMENT; NO ORAL MODIFICATION; COUNTERPART EXECUTION

This Agreement embodies the entire agreement between the parties with respect to Stratum's performance of Work for Company from and after the Effective Date and supersedes and replaces all other agreements between Stratum and Company with respect to transactions for Work. Neither of the Parties shall be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter of this Agreement other than as expressly provided herein. No amendments or modifications shall be effective unless reflected in a writing signed by an authorized officer of each Party. This Agreement may be executed in multiple counterparts, all of which, taken together, shall be regarded as one and the same instrument. A copy of this Agreement signed by one Party and delivered by facsimile, or e-mail transmission of a scanned copy (in pdf format) bearing a Party's signature, to the other Party shall have the same effect as the delivery of an original of this Agreement containing the original signature of such Party.

18. WAIVER OF TERMS

No waiver by a Party of any of the terms, provisions, or conditions hereof shall be effective unless said waiver shall be in a writing signed by an authorized officer of the Party against whom the waiver is sought to be enforced. The failure of either

Party to enforce any term, provision or condition of this Agreement shall in no manner affect the Party's right to enforce the same at a later time, and the waiver by either Party of any breach of any term, provision or condition in this Agreement shall not be construed to be a waiver by such Party of any subsequent or succeeding breach of such term, provision or condition or a waiver by such Party of any breach of any other term, provision or condition.

19. INDEPENDENT CONTRACTOR

Stratum is an independent contractor as to all Work performed under this Agreement and neither Stratum, its subcontractors, nor anyone employed by either Stratum or its subcontractors shall be deemed for any purpose to be an employee, agent, servant, or representative of Company. Stratum and its subcontractors shall be solely responsible for any and all salaries, employee benefit plans, taxes, insurance, and any and all other compensations and responsibilities for their respective employees. Neither Stratum, its subcontractors nor any of their employees are authorized to act or appear to act as agents or representatives of Company, whether in performing the Work or otherwise. If the performance of the Work shall include the use by Stratum or its subcontractors of Company's facilities, equipment or other resources, such use is permitted only to the extent necessary for the performance of the Work and not for any other purpose. Nothing in this Agreement shall be construed or interpreted to create a partnership or joint venture between Company and Stratum.

20. ACCEPTANCE OF AGREEMENT

The Parties acknowledge that there are indemnities and limitations of liability expressed throughout this Agreement, whether or not so indicated with different typeface or heading. The Parties expressly acknowledge that they have reviewed, negotiated and received notice of said indemnities, limitations of liability and all other terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the _____ day of _____, 20____ (the "Effective Date").

Company:

**Stratum:
Stratum Reservoir, LLC**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A

Insurance

At all times during the Term, Company and Stratum shall each procure and maintain, at its sole expense, policies of insurance or self-insurance of the following types and in coverage amounts not less than the minimum limits specified below:

- (a) Statutory Workers' Compensation Insurance complying with applicable state laws and Employer's Liability Insurance covering all of the Party's employees, with liability limits of \$1,000,000.00 per occurrence.
- (b) Comprehensive or Commercial General Liability Insurance (including contractual liability for the Party's obligations to Indemnify the other Party) with combined single limits of not less than \$1,000,000.00 per occurrence and in the aggregate, to include Bodily Injury and Property Damage, specifically including the Party's Contractual Liability.
- (c) Comprehensive or Commercial Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used by it in connection with the Work, if any, with a combined minimum limit of \$1,000,000 each occurrence for Bodily Injury and Property Damage.
- (d) Excess Liability Insurance over that required in Paragraph (a), (b) and (c) above, with minimum limits of \$4,000,000.00 per occurrence and in the aggregate, specifically including the Party's Contractual Liability.
- (e) In the event Services are to be performed are over water, the respective employer shall carry in addition to the Statutory Workers' Compensation Insurance, endorsements covering liability under the Longshoreman and Harbor Workers' Compensation Act, with Outer Continental Shelf Lands Act Extension and Maritime Liability including wages, transportation, maintenance and cure with limits of \$1,000,000.00 for death or injury to one person and \$1,000,000.00 for any one accident, and endorsed to provide that a claim "in rem" shall be treated as a claim "in personam."
- (f) If Stratum provides Work involving well(s) that Company operates, Company shall procure and maintain throughout the Term, at its sole expense, a Control of Well Policy that covers the cost of regaining control of a wild well, pollution, stuck drill stem, and evacuation expense, with liability limits of not less than \$1,000,000.00 per occurrence.