

# General Terms & Conditions for Rental Tools and Equipment & Fishing Services

## War Horse Fishing & Rental Tools, Inc., Adcock Pipe & Supply, Inc., and/or Tubular & Tool Transport, LLC

September 2025 Revision 1.3

**1. Scope.** The most current revision of the General Terms & Conditions – Rental Tools and Equipment & Fishing Services will apply to all tool and equipment rentals and/or fishing services provided (collectively referred to hereafter as “Work”), not associated with any tubular product and equipment sale, by War Horse Fishing & Rental Tools, Inc., Adcock Pipe & Supply, Inc., and/or Tubular & Tool Transport, LLC (hereafter referred to as “Lessor”) to the customer renting equipment and/or requesting Lessor to provide fishing services (hereafter referred to as “Lessee”). Lessee and Lessor will collectively be referred to as the “Parties.” In addition, these terms and conditions will control in the event of a conflict between these terms and conditions and any terms and conditions contained in any purchase order, master service agreement, or any other agreement between Lessee and Lessor.

**2. Work Orders.** From time to time, at the request of Lessee, Lessor shall perform Work for Lessee as specified in a work order. The Parties are free to issue/accept work orders in any written form, including purchase orders, statements of work, emails or other written communication between the Parties, regardless of format, or via oral or in person communication.

Lessee may cancel any work order, in whole or in part, prior to being notified by Lessor that the products covered thereby are ready for delivery or the services to be performed thereunder are complete by providing Lessor. With respect to the cancellation of a work order for:

(a) products of Lessor’s or a third-party vendor’s standard manufacture, Lessee shall pay or reimburse Lessor the greater of (i) a cancellation fee of fifty percent (50%) of the price of the cancelled products, or (ii) the vendor termination fees or charges incurred by Lessor with respect to any cancelled work order.

(b) Products which have been or are being specially manufactured or modified to Lessee’s specifications, Lessee shall pay or reimburse Lessor (i) the costs and fees described previously in this Article, and (ii) the full, landed cost of any raw materials or component parts purchased for those Product(s), after receipt of which Lessor shall deliver the raw materials and component parts to Lessee, at Lessee’s expense, without warranty of any kind.

(c) Lessee shall pay or reimburse Lessor for (i) all Services performed prior to the date Lessor receives the notice of cancellation, (ii) all costs incurred by Lessor which would not have been incurred, but for the cancellation, including vendor or subcontractor termination fees or charges; and (iii) any mobilization and demobilization costs incurred by Lessor.

Any Lessee request for changes in the scope and/or scheduling of the Work to be provided under a work order must be given in writing whenever possible, but may be given orally to Lessor’s representative when conditions demand an immediate response (and Lessor may rely on the authority of any Lessee representative who makes such oral requests). Upon Lessor’s receipt of a change request, the Parties shall negotiate in good faith the terms to be included therein.

If after commencing the performance of services the Lessor (a) encounters unexpected conditions, (b) determines that data or information provided by Lessee 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 unsafe work, as a result of which Lessor’s cost of, or the time, equipment or personnel required for, performance of any part of the Services under the applicable work order will or might be increased (whether by the need for different or additional tools, materials or personnel), Lessor may suspend its performance of the Services, without liability to Lessee, and propose an equitable adjustment in price and time of performance for the affected Services, and Lessor shall not be required to proceed with same.

**3. Credit.** Lessor’s acceptance of any work order is subject to Lessee establishing and maintaining credit satisfactory to Lessor or payment of the anticipated work order total including applicable taxes in advance of delivery of product(s) and/or performing of services. Lessor reserves the right to approve or reject the credit of any Lessee and to establish unique credit terms for each Lessee. Lessor may terminate any work order or modify its credit terms at any time prior to the performance of Work without further liability if Lessor’s assessment of Lessee’s financial condition or creditworthiness changes. Lessor reserves the right, prior to performing any Work, to require that Lessee furnish security for the performance of its obligations under any work order. Lessor may suspend any Work, without penalty or liability to Lessee, if Lessee’s financial condition changes and Lessee fails to provide, upon request, adequate assurances of its performance.

**4. Invoicing and Payment.** Unless Lessor has established other terms of payment, Lessee shall pay the price(s), rates and other amounts stated on each invoice submitted by Lessor for Work performed within thirty (30) days of its receipt of Lessor’s invoice. Lessee will pay Lessor for the Work whether or not the desired results are achieved. To the extent allowed by Applicable Law, invoices not paid in a timely manner will bear interest at the lesser of (i) one and one-half percent (1.5%) per month, or (ii) the highest rate allowed by Applicable Law until paid in full. Unless otherwise specified in the work order, all payments shall be made in U.S. dollars and delivered to the address or bank account specified on Lessor’s invoice.

If Lessee disputes any invoice or part thereof, it may withhold payment of the disputed amount(s), but shall nonetheless timely pay all undisputed amounts and promptly notify Lessor 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 tools and equipment involved. The parties will work in good faith to promptly resolve disputed amounts. Invoices not disputed by Lessee within thirty (30) days of the invoice date shall be deemed accurate and Lessee shall not thereafter be entitled to dispute any amount(s) reflected thereon.

If payment of undisputed amounts is not timely received, or Lessor determines, in its reasonable discretion, that Lessee’s financial condition or creditworthiness has become impaired, Lessor shall be entitled, at its option, to (i) require payment in advance for Work yet to be performed under any work order, (ii) reduce Lessee’s payment terms under any work order, (iii) revoke any discounts available with respect to Work performed or to be performed under any work order (including discounts granted with respect to Work covered by any outstanding invoice), (iv) require that Lessee furnish security with respect to its obligations under any work order, and/or (v) immediately suspend its performance of Work under any work order, or terminate any work order, without penalty or liability, and Lessee shall indemnify Lessor from and against any and all claims resulting from or arising out of such suspension or termination. Lessee will pay all of Lessor’s costs, including attorney’s fees and court costs, incurred in connection with the collection of past due amounts.

**5. Pricing.** Unless otherwise specified in the work order applicable thereto, prices for products, rates for personnel performing services, and rental rates for rental tools and equipment shall be those stated in the applicable Lessor price book at the time the work order is entered into. Price book rates are subject to change at any time, without notice. When prices are quoted by Lessor, same shall be valid for thirty (30) days only, unless otherwise noted in the quotation. Not all products listed in Lessor’s Price Book may be available.

**6. Shipment.** Unless otherwise specified in the work order with respect thereto, prices for products sold to Lessee are F.O.B. Alice, TX. Lessee will arrange for shipping and pay all shipment costs. If Lessee requests Lessor to arrange for product shipment or does not furnish Lessor with shipping instructions prior to the time products are ready for shipment, Lessor will, at its option, either (i) ship the products to Lessee, at Lessee’s risk, via a commercial carrier of Lessor’s choosing, and charge Lessee at Lessor’s cost, plus fifteen percent (15%), or (ii) ship the products via a Lessor vehicle, at prevailing Lessor mileage rates.

**LESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LESSOR AND ITS PAST, PRESENT, AND FUTURE OFFICERS, DIRECTORS, STOCKHOLDERS, MEMBERS, MANAGERS, ATTORNEYS, AGENTS, SERVANTS, REPRESENTATIVES, EMPLOYEES, SUBSIDIARIES, PARENTS, AFFILIATES, PARTNERS AND PREDECESSORS AND SUCCESSORS IN INTEREST AND ASSIGNS FROM ALL FINES, COSTS, PENALTIES, LIABILITIES AND CLAIMS OF EVERY KIND, INCLUDING ATTORNEYS’ FEES, COSTS OF SUIT, SETTLEMENTS, JUDGMENTS, AND OTHER EXPENSES TO WHICH LESSOR MAY BE SUBJECT ARISING OUT OF THE SHIPMENT OF GOODS TO LESSEE.**

**7. Service Warranties.** Lessor does not guarantee the results of the services it performs or represent that those services will achieve Lessee’s intended objectives, but does warrants to Lessee that all services performed by Lessor (i) shall be performed in a good and workmanlike manner, with reasonable diligence, using competent workmen and supervisors; (ii) shall be performed in accordance with the specifications (if any) detailed in the work order therefore; and (iii) shall be performed in accordance with Standard Oilfield Services Industry Practices and the requirements of any Applicable Laws.

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Lessor shall, at its sole cost and expense, reperform any services (or portion thereof) not conforming to the service warranties specified above; *provided* Lessee has notified Lessor of the non-conformity within thirty (30) days of the date of the completion of the services with respect to which the warranty claim is made. If the Parties mutually determine that Lessor's reperformance of the nonconforming services cannot or will not provide a commercially viable remedy, Lessor shall, at its option, either refund or credit in full the price paid by Lessee 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 LESSOR (AND THE SOLE AND EXCLUSIVE REMEDIES OF LESSEE) WITH RESPECT TO NONCONFORMING SERVICES.**

**8. Rental Tools and Equipment.** Lessee agrees to pay for, or to reimburse Lessor for, any loss of or damage (which includes damage beyond repair) to Lessor tools and equipment (i) that occurs while the Lessor tools and equipment are in the hole, or in the drill string below the level of the rotary table; (ii) 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 (iii) that occurs while the Lessor tools and equipment are otherwise in the care, custody and control of the Lessee (e.g., while being transported on, or being loaded or unloaded to/from, a conveyance provided or arranged for by the Lessee). Unless the Parties stipulate a replacement price for Lessor tools and equipment in the applicable work order or have entered into a separate, written agreement waiving Lessee's responsibility for (or specifying the replacement values applicable to) the specific lost Lessor tool(s) and equipment, Lessee shall pay or reimburse Lessor for the replacement price (as defined below) of lost (or damaged beyond repair) Lessor tools and equipment, plus any applicable taxes, as well as the costs of shipping the replacement tools or equipment from the manufacturer thereof to the Lessor's designated location. For purposes of the foregoing and these terms and conditions, the term "replacement price" shall mean Lessor's then current list price, without discounts (if the lost Lessor tools or equipment were manufactured by Lessor) 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, Lessee shall reimburse Lessor for the cost of repairing damaged Lessor tools and equipment, including the costs of inspection and of shipping the damaged Lessor tools and equipment to and from the place of repair, not to exceed the replacement price thereof.

**ALL SOLD EXPENDABLE COMPONENTS OR EQUIPMENT DAMAGED BEYOND REPAIR WILL REMAIN PROPERTY OF LESSOR UNLESS OTHERWISE SPECIFIED IN WRITING PRIOR TO APPROVAL OF THE APPLICABLE FIELD TICKET. ANY SOLD EXPENDABLE COMPONENTS OR EQUIPMENT DAMAGED BEYOND REPAIR REQUESTED IN WRITING MUST BE PICKED UP WITHIN FOURTEEN (14) DAYS OF APPROVAL OF THE APPLICABLE FIELD TICKET.**

**9. Rental Equipment Warranties.** Lessor warrants that all rental tools and equipment shall, upon delivery to Lessee, (i) be clean and in good mechanical condition; (ii) be capable of operating in accordance with its rated capacities and capabilities when operated in accordance with the Rental Equipment Guidelines and otherwise conform to Lessor's published rental tools and equipment specifications (and to any additional specifications stipulated in the work order); and (iii) comply with the requirements of all Applicable Laws.

**LESSOR MAKES NO OTHER REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO RENTAL EQUIPMENT, HEREBY EXPRESSLY DISCLAIM ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY THAT THE RENTAL EQUIPMENT WILL BE MERCHANTABLE OR SUITABLE FOR ANY PARTICULAR USE OR PURPOSE.**

**10. Delivery and Inspection.** Unless otherwise specified in the work order, Lessor shall, at Lessee's expense, deliver all rental tools and equipment to the location specified in the work order. Lessee shall conduct a thorough visual inspection of all rental tools and equipment upon its delivery and shall promptly notify Lessor of any apparent defects or deficiencies therein or damages thereto. Within 72 hours of its first use of the rental tools and equipment, Lessee shall notify Lessor if same is non-operational by reason of a latent defect not discoverable from a thorough visual inspection, or otherwise fails to satisfy the requirements of the work order. If Lessee timely notifies Lessor that the rental tools and equipment is damaged, defective, non-operational, or otherwise fails to satisfy the

requirements of the work order, Lessor shall replace the rental tools and equipment, at Lessor's expense as soon as reasonably practical under the circumstances.

**11. Use and Control.** Lessee shall have and assume all responsibility for the care, custody and control of the rental tools and equipment after delivery and until its return, and agrees to use and operate the rental tools and equipment in a careful and prudent manner, using only competent and properly trained employees or subcontractors, and only in accordance with any written installation, maintenance and/or operating manuals, procedures or instructions applicable thereto (including any applicable Original Equipment Manufacturer ("OEM") specifications or warranty requirements) furnished by Lessor and the requirements of all Applicable Laws. Lessee shall not move the rental tools and equipment from the location specified in the work order, sublease the rental tools and equipment or allow any third party to operate such equipment without the prior written consent of Lessor. Lessee shall not modify the rental tools and equipment without Lessor's prior written consent, and shall not change, alter or remove any insignia, serial number or lettering of or on the same, or affix any of its own markings or insignia thereto.

**12. Routine Maintenance and Parts.** Unless otherwise specified in the work order with respect thereto, Lessee shall have sole responsibility for the installation, routine inspection, service and maintenance of the rental tools and equipment, and shall be responsible for furnishing or obtaining all labor, parts and other materials necessary to service and maintain the rental tools and equipment in good operating condition throughout the rental period. The rental tools and equipment shall be serviced by trained and qualified Lessee personnel or by the repair facility designated by Lessor. All parts and other materials employed by Lessee to service and maintain the rental tools and equipment shall conform to the manufacturer's specifications. Lessee shall maintain a maintenance log indicating the details of all maintenance and service performed on the rental tools and equipment and shall provide a copy thereof to Lessor upon request.

**13. Replacement Parts and Service Technician.** Should the rental tools and equipment fail at any time during the rental period and Lessee be unable to repair same, Lessee shall notify Lessor thereof and Lessor shall as soon as reasonably practical under the circumstances (i) ship any necessary replacement parts and/or repair items ("replacement parts") to where the rental tools and equipment is located, and (ii) if requested by Lessee, dispatch a service engineer or equipment technician ("service technician") to repair the rental tools and equipment. Should the rental tools and equipment's failure occur by reason of a latent defect or by virtue of normal wear and tear specific to the item of equipment and the customary use thereof, all costs and expenses for or relating to (i) the replacement parts necessary to repair same, and (ii) the services of the service technician (including all travel costs) shall be borne by Lessor, and no rental shall be due for the period during which the rental tools and equipment was inoperable. Should the rental tools and equipment's failure occur for any other reason, including Lessee's misuse of the rental tools and equipment or failure to install, operate and maintain it, or damage by a third party, Lessee shall be charged as stated in the applicable work order (or if not so stated, at Lessor's then current rates) for the service technician's time, plus the cost of transportation from and to the Lessor facility from which he/she was dispatched, along with associated expenses for meals and lodging, or invoiced directly by the rental tools and equipment's manufacturer or designated repair facility, as applicable.

**14. Return of Rental Equipment.** At the end of the rental period, Lessee shall return the rental tools and equipment to Lessor in the same condition as received (ordinary wear and tear excepted) and shall pay or reimburse Lessor for the costs of any inspections performed by Lessor or any third party. Where rental tools and equipment is returned in an excessively uncleaned condition, Lessor reserves the right to clean the rental tools and equipment or have it to be cleaned by a third party. Rental tools and equipment which has been run downhole shall also be inspected and tested for the presence of Naturally Occurring Radioactive Material, including Technologically Enhanced Naturally Occurring Radioactive Material (collectively "NORM") upon its return and, if found to be contaminated with NORM above the levels permissible under Applicable Law, Lessee shall, at its sole cost and expense, either (i) take direct responsibility for decontaminating the rental tools and equipment, at its expense, at an appropriately licensed facility before returning to Lessor, or (ii) direct Lessor to have the rental tools and equipment decontaminated at a licensed facility. For rental tools and equipment

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decontaminated by Lessor, Lessee shall reimburse Lessor for all NORM decontamination charges incurred, including transportation, plus fifteen percent (15%).

**15. Rental Equipment Default.** Should Lessee fail to timely pay account balance due Lessor or to otherwise comply with its obligations with respect to the rental tools and equipment, Lessor or its agent shall have the right to enter upon the Lessee's premises or work site to take possession of the rental tools and equipment, with or without judicial process, after first making written demand upon Lessee and providing Lessee ten (10) days to resolve. Lessee hereby waives any and all damages occasioned by such taking of possession. Lessor's taking of possession of the rental tools and equipment shall not constitute a termination of the work order under which the rental tools and equipment was furnished and shall not relieve Lessee of its obligations under the provisions of Article 14.

**16. Cancellation of Rental Equipment Orders.** If Lessee cancels a work order for rental tools and equipment prior to commencement of the rental period, it shall nonetheless pay or reimburse Lessor for all testing, inspection and/or other make-ready costs incurred by Lessor prior to its receipt of Lessee's cancellation. If Lessee cancels a work order for rental tools and equipment prior to the end of the rental period, it shall remain liable for its obligations under the provisions of Article 14 above (ii) the services of the service technician (including all travel costs) incurred by Lessor, and no rental shall be due for the period during which the rental tools and equipment was inoperable. Should the rental tools and equipment's failure occur for any other reason, including Lessee's misuse of the rental tools and equipment or failure to install, operate and maintain it, or damage by a third party, Lessee shall be charged as stated in the applicable work order (or if not so stated, at Lessor's then current rates) for the service technician's time, plus the cost of transportation from and to the Lessor facility from which he/she was dispatched, along with associated expenses for meals and lodging, or invoiced directly by the rental tools and equipment's manufacturer or designated repair facility, as applicable.

Notwithstanding the provisions of Article 23, if the rental tools and equipment is damaged or otherwise not returned in the same condition as received by Lessee (ordinary wear and tear excepted), Lessee shall pay Lessor the lesser of (i) all costs incurred by Lessor to restore the same to such condition, or (ii) its replacement price (plus applicable taxes and shipping costs). Rental tools and equipment parts or components replaced shall be charged to Lessee at Lessor's price book price or the manufacturer's current list price, as applicable. Rental payments shall not apply to the cost of repair or replacement.

**17. 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 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

(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 discovery request, subpoena, or other order issued by a court or governmental body pursuant to law or regulation (a "disclosure request"), the parties each hereby agree (i) to promptly notify the other party of the existence, terms and circumstances surrounding the disclosure request, and

(a) Unless the parties have otherwise agreed in writing, a party's intellectual property (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 Work provided to Lessee, 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 Work solely for the purpose of performing or using such Work, as applicable. Except as expressly stated herein, neither Lessor nor Lessee shall have any right or license to use, whether directly or indirectly, any of the other's intellectual property. The foregoing does not, however, grant or extend to Lessee any ownership interest in or license to use (or right to sublicense) any computer programs, software or firmware used or employed by Lessor in performing Work or made available to Lessee in connection therewith.

(b) If Lessor and Lessee 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 Lessor. Lessor hereby grants Lessee, a revocable, non-exclusive, non-sub-licensable, non-transferrable, royalty free, right and license to use the joint IP incorporated into the Work solely for the purpose of using such Work.

**18. Reverse Engineering Prohibited.** Except to the extent necessary for the maintenance or repair thereof, Lessee shall not (and shall not direct or permit any third party to) disassemble any Lessor product(s) or rental tools and equipment, or decompile, analyze or otherwise seek to reverse engineer any Lessor product(s) or rental tools and equipment (or any component part thereof) in an effort to discover its design, structure, construction, or formulation, or the firmware used or embedded therein.

**19. Taxes.** Prices shown may not include sales or other taxes imposed on the sale of the goods, labor, and/or services. Taxes now or hereafter imposed upon such sales or shipments will be added to the purchase price, and Lessee will be invoiced for such taxes. Lessee agrees to reimburse Lessor for such taxes or provide Lessor with an acceptable tax exemption certificate.

**20. Force Majeure.** If performance by Lessor is prevented or made more difficult or less profitable or desirable to Lessor due to circumstances arising out of earthquakes, floods, hurricanes, named tropical storms, lightning strikes, ice storms, blizzards, icebergs, air and sea disasters, piracy, explosions, fire, epidemics, pandemics, public health emergencies, acts of God or public enemy, war, terrorism, national emergency, invasions, insurrections, riots, strikes, theft, lockouts, blockades, any laws, rules, regulations, orders, directives of, or interference by any government or government agency, failure of its suppliers to ship or deliver on time, or any other circumstance beyond Lessor's reasonable control, Lessor shall be relieved of its obligations under any agreement between Lessor and Lessee.

**21. Indemnities.** NOTWITHSTANDING ANY PROVISION OF THESE TERMS AND CONDITIONS TO THE CONTRARY, LESSOR AGREES TO INDEMNIFY LESSEE FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF, RESULTING FROM, OR RELATING TO (I) BODILY INJURY, DISEASE, OR DEATH OR (III) DAMAGE TO OR LOSS OF PROPERTY SUFFERED BY THE LESSOR ARISING OUT OF OR IN CONNECTION WITH THE WORK PERFORMED BY THE LESSOR UNDER ANY WORK ORDER.

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**22. Insurance.** TO THE EXTENT THE INDEMNITY OBLIGATIONS CONTAINED IN THIS AGREEMENT ARE GOVERNED BY CHAPTER 127, TEXAS CIVIL PRACTICE & REMEDIES CODE, KNOWN AS THE TEXAS OILFIELD ANTI-INDEMNITY ACT, THE PARTIES SHALL EACH SUPPORT THEIR RESPECTIVE MUTUAL INDEMNITY OBLIGATIONS IN SECTION 21 BY FURNISHING LIABILITY INSURANCE COVERAGE OF LIKE KIND AND IN EQUAL AMOUNTS OBTAINED BY EACH PARTY FOR THE BENEFIT OF THE OTHER PARTY AND ITS GROUP, RESPECTIVELY, AS INDEMNITEES. LESSEE SHALL OBTAIN COMMERCIAL GENERAL LIABILITY INSURANCE WITH A LIMIT OF NOT LESS THAN \$6,000,000 PER OCCURRENCE INCLUDING, BUT NOT LIMITED TO, COVERAGE FOR PUBLIC LIABILITY INCLUDING BODILY INJURY AND PROPERTY DAMAGE LIABILITY, PERSONAL/ADVERTISING INJURY, CONTRACTUAL LIABILITY FOR ALL LIABILITIES ASSUMED BY LESSEE HEREIN (INCLUDING THE INDEMNITIES CONTAINED HEREIN), CROSS LIABILITY AND SEVERABILITY OF INTEREST, POLLUTION, PRODUCTS AND COMPLETED OPERATIONS. LESSOR SHALL BE NAMED AS AN ADDITIONAL INSURED UNDER SUCH INSURANCE POLICY.

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**23. Third Parties.** TO THE EXTENT ALLOWED BY APPLICABLE LAW, LESSEE SHALL RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE LESSOR AGAINST ALL LOSSES RELATED TO THE GOODS AND ARISING OUT OF OR RELATED TO ILLNESS, BODILY INJURY, DEATH, AND PROPERTY LOSS OR DAMAGE SUFFERED BY THIRD PARTIES EVEN IF CAUSED BY THE SOLE, JOINT, OR CONCURRENT NEGLIGENCE OR FAULT OF THE LESSOR.

**24. Catastrophic Losses.** NOTWITHSTANDING ANY PROVISION OF THESE TERMS AND CONDITIONS TO THE CONTRARY, LESSEE SHALL INDEMNIFY LESSOR FROM AND AGAINST ANY AND ALL CLAIMS RELATING TO OR ARISING FROM:

(A) ANY BLOWOUT, FIRE, EXPLOSION OR OTHER CATASTROPHIC EVENT RESULTING IN A WILD WELL, OR ANY FIRE OR EXPLOSION AT THE WORK SITE, AND ALL COSTS ASSOCIATED WITH ANY OF THE FOREGOING EVENTS, INCLUDING (I) THE COST OF REGAINING CONTROL OF A WILD WELL, (II) DAMAGES CAUSED TO A RIG, A PLATFORM, A VESSEL, A PIPELINE, ANY SUBSEA STRUCTURE, OR ANY OTHER OIL AND GAS INFRASTRUCTURE ITEM, (III) ANY DOWNTIME OR REMEDIATION/RECOVERY TIME, (IV) ANY COSTS OF CLEAN UP OR REMEDIATION WITH RESPECT TO ANY CONTAMINATION OR POLLUTION, AND/OR (V) THE COSTS OF REMOVING DEBRIS OR WRECKAGE;

(B) LOSS OR DAMAGE TO ANY RESERVOIR, FORMATION, OR WELL BORE, AND ANY OTHER SUBSURFACE AND SUBSEA LOSS OR DAMAGE, AND/OR THE COST OF REDRILLING A WELL OR FISHING; AND/OR

(C) ANY LOSS, DAMAGE, INJURY AND/ OR DEATH SUFFERED OR SUSTAINED BY ANY THIRD PARTY RESULTING FROM ANY OF THE EVENTS DESCRIBED IN SUBSECTIONS (A) OR (B) ABOVE, INCLUDING LOSS OF, OR DAMAGE TO, OIL OR GAS PRODUCTION FACILITIES, PIPELINES, FLOW LINES, SUBSEA STRUCTURES, OR ANY OTHER THIRD-PARTY PROPERTY, INSTALLATIONS, RIGS, PLATFORMS OR VESSELS.

### 25. Pollution

**25.1** NOTWITHSTANDING ANY PROVISION OF THESE TERMS AND CONDITIONS TO THE CONTRARY, LESSOR SHALL ASSUME ALL RESPONSIBILITY FOR AND SHALL INDEMNIFY LESSEE FROM AND AGAINST ALL CLAIMS RELATING TO POLLUTION OR CONTAMINATION WHICH ORIGINATES FROM LESSOR'S TOOLS ABOVE THE SURFACE OF THE EARTH OR WATER WHILE SUCH TOOLS AS IN LESSOR'S SOLE POSSESSION OR CONTROL, INCLUDING COSTS OF CLEAN UP OR REMEDIATION ASSOCIATED THEREWITH.

**25.2** NOTWITHSTANDING ANY PROVISION OF THESE TERMS AND CONDITIONS TO THE CONTRARY, LESSEE SHALL ASSUME ALL RESPONSIBILITY FOR AND SHALL INDEMNIFY LESSOR FROM AND AGAINST ALL OTHER CLAIMS RELATING TO POLLUTION OR CONTAMINATION, WHETHER ABOVE OR BELOW THE SURFACE OF THE EARTH OR WATER, OCCURRING DURING OR IN CONNECTION WITH LESSOR'S PERFORMANCE OF WORK, INCLUDING COST OF CLEANUP OR REMEDIATION ASSOCIATED THEREWITH.

**26. Third Party Claims.** SUBJECT ONLY TO THE PROVISIONS OF ARTICLE 25 ABOVE, 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 (I) BODILY INJURY, DISEASE, OR DEATH SUFFERED BY ANY THIRD PARTY, OR (II) DAMAGE TO OR LOSS OF PROPERTY SUFFERED OR SUSTAINED BY ANY THIRD PARTY.

**27. Interest and Attorney Fees.** Interest shall accrue on amounts past due at a monthly rate of 1.5% or the maximum rate permitted by law. In the event that Lessee breaches these terms and conditions, or a legal action is otherwise required to collect money due from Lessee for goods, labor, and/or services, Lessee shall pay all reasonable costs, including without limitation, collection agency costs, attorneys' fees and court costs incurred by Lessor in connection with such action.

**28. Liens.** Lessor expressly reserves all lien and bond rights. Lessee agrees to provide Lessor, upon request, information relevant to Lessor's lien and bond claims or the perfection thereof.

**29. Assignment.** Lessee shall not assign its rights or delegate its duties hereunder, or any interest herein, without the prior written consent of Lessor. Any such assignment will be void.

**30. Waiver.** The failure of Lessor to insist upon the performance of any of these terms or conditions, or to exercise any right hereunder, shall not be deemed a waiver of such terms, conditions, or rights in the future, nor shall it be deemed to be a waiver of any other term, condition, or right hereunder.

**31. Severability.** If any provision herein is partially or completely void or unenforceable pursuant to applicable law, then such provision shall be deemed amended to the extent necessary to make it enforceable. If such an amendment is not possible, then such provision shall be deemed deleted. If any provision is so deleted, the remaining terms and conditions will remain in full force and effect.

**32. Entire Agreement and Amendment.** These terms and conditions constitute the entire understanding between the Parties and replace any previous oral or written agreements, representations, or statements. No modification or amendment to these terms and conditions will be effective unless it is in writing and signed by an authorized representative of both Parties. Any proposed modifications or additional terms are specifically rejected and deemed a material alteration hereof. If this document shall be deemed an acceptance of a prior offer by Lessee, such acceptance is expressly conditional upon Lessee's assent and agreement to any additional or different terms set forth herein.

**33. Disclaimer of Reliance.** Lessee acknowledges that it agrees to these terms and conditions by its own free choice and without any inducement offered in any way other than the express terms and conditions contained herein. Lessee warrants and represents that no promise, agreement, representation, inducement, or condition not set forth in these terms and conditions or on the face of the quotation or order confirmation has been made or relied upon by Lessee in agreeing to purchase Goods from Lessor. Lessee is relying solely upon its own judgment in agreeing to these terms and conditions and in purchasing Goods from Lessor.

**34. Law/Forum/Arbitration.** These terms and conditions and the relations between the Parties shall be governed by the procedural and substantive laws of the state of Texas, excluding its conflicts laws. The parties hereto submit to the exclusive Jurisdiction of the Texas courts located in Alice, Jim Wells County, Texas.

**PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THE RENTAL ORDER OR THESE TERMS AND CONDITION.**

In connection with any litigation, or similar proceeding arising pursuant to or under the purchase order or these Terms and Conditions, the parties agree to enter a discovery control plan under the Texas Rules of Civil Procedure meeting the requirements under this Section.

**35. LESSEE ACKNOWLEDGMENT.** LESSEE HAS READ ALL OF THESE TERMS AND CONDITIONS. LESSEE HAS HAD THE OPPORTUNITY TO ASK ANY QUESTIONS CONCERNING THE TERMS AND CONDITIONS BEFORE AGREEING TO THEM. LESSEE FURTHER STATES THAT IT HAS BEEN ADVISED BY AN ATTORNEY OF ITS CHOICE AND SELECTION OR HAS HAD THE OPPORTUNITY TO CONSULT WITH SUCH ATTORNEY REGARDING THE BENEFITS AND DETRIMENTS OF AGREEING TO THESE TERMS AND CONDITIONS. LESSEE HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS. LESSEE HAS BEEN ADVISED TO KEEP A COPY OF THE TERMS AND CONDITIONS.

**36. Government Trade Regulations.** Notwithstanding anything to the contrary, all orders placed with Lessor by Lessee are subject to immediate cancellation at Lessor's sole discretion in the event of any finding or recommendation by the U.S. Department of Commerce pursuant to Section 232(B) of the Trade Expansion Act of 1962 that the country of origin of or the import of the materials to be furnished by Lessor to Lessee threatens to impair U.S. national security, whether such finding or opinion is issued prior to or after Lessee's acceptance of the material. This includes any agreement or action by the U.S. Government, including but not limited to the imposition of any tariff(s) or quotas applicable to the order and any action by the U.S. Government against unfairly traded products, regardless of whether such recommendation, agreement or action is proactively or retroactively enforced. Additionally, in the event the U.S. Government makes a recommendation or takes any action referenced herein, Lessor may demand specific performance of the order and Lessee shall pay Lessor for any additional tariffs, taxes or fees imposed upon any materials furnished by Lessor to Lessee within thirty (30) days of delivery of an invoice for such amounts to Lessee from Lessor.