

Terms and Conditions (August 2015)

This agreement is expressly limited to the terms and conditions contained herein except and to the extent that the parties hereto are also parties to a Master Service Agreement in which event, to the extent provided in such Master Service Agreement, the provisions of the latter shall also govern the transaction covered by this agreement. Customer acknowledges that the price for the services to be rendered hereunder is based upon the warranties, remedies, limitations and other terms set forth therein.

RISK OF OPERATIONS AND INDEMNITY - All tools, equipment and techniques provided hereunder are operated at Customer's risk and on a best efforts basis. **DASH DRILLING PRODUCTS, AND ITS SUBCONTRACTORS SHALL NOT BE LIABLE FOR ANY DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM USE OF ITS TOOLS, EQUIPMENT OR TECHNIQUES.** Well conditions which prevent satisfactory operation of such tools and techniques do not relieve Customer of its responsibilities for payment as provided in the agreement. To the greatest extent permitted by law, Customer shall be responsible for any surface and subsurface damages (including the reservoir) to persons or property which may result from the use of such tools, equipment and techniques (irrespective of the cause of such damage and whether or not occasioned by Dash Drilling Products' negligence). **CUSTOMER SHALL INDEMNIFY AND HOLD HARMLESS DASH DRILLING PRODUCTS, AND ITS SUBCONTRACTORS FROM ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES AND CAUSES OF ACTION FOR INJURY TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO OR DESTRUCTION OF PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY WILD WELL DAMAGES AND ANY DAMAGE TO OR DESTRUCTION OF WELL-CASING, TUBING, PLATFORM, WELLHEAD EQUIPMENT OR IN-HOLE EQUIPMENT CAUSED BY THE TOOLS, EQUIPMENT AND TECHNIQUES HEREUNDER, WHETHER OR NOT SUCH INJURY OR DAMAGE IS OCCASIONED BY DASH DRILLING PRODUCTS, OR SUB-CONTRACTORS NEGLIGENCE.** Customer further agrees to handle and defend at its own expense, on behalf of Dash Drilling Products, and Dash Drilling Products' name, any claim or litigation in connection with any such injury, death, or damage. For liabilities assumed under this agreement by Customer, Customer will obtain liability insurance in the amount of Five Hundred Thousand Dollars (\$500,000.00) and cause its insurance to be endorsed to provide that the underwriters waive their right of subrogation against Dash Drilling Products, and name Dash Drilling Products, as an additional insured under its Worker's Compensation and General Liability policies.

MODIFICATION OR DAMAGE TO TOOLS - Dash Drilling Products' tools may not be dressed, changed, altered, disassembled or in any other way modified without the prior written approval of Dash Drilling Products. Tools shall be repaired by Dash Drilling Products at the expense of Customer. Tools and equipment lost in the hole or damaged beyond repair will be charged to the Customer in accordance with Dash Drilling Products' current price list.

PROTECTION OF TECHNOLOGY - Customer agrees to keep confidential all Dash Drilling Products proprietary and confidential information provided whether patentable, copyrightable, or not. Customer acknowledges that Dash Drilling Products' ownership of, development of, and protection of its proprietary and confidential information is an integral part of Dash Drilling Products business. Customer agrees that it will not use or allow the use of any technology or know-how supplied by Dash Drilling Products or otherwise obtained from Dash Drilling Products to replicate Dash Drilling Products' equipment and Customer agrees that it will not attempt to analyze, reverse engineer, or otherwise ascertain the composition or manufacture of Dash Drilling Products' products. All materials, products, technology, know-how, and intellectual property developed by, created by, or invented by Dash Drilling Products as a part of these Terms and Conditions are and shall remain the sole and exclusive property of Dash Drilling Products without limitations. Customer and third parties shall have no right to audit, review or inspect Dash Drilling Products' records, manufacturing facilities, products or manufacturing processes or procedures under any circumstances.

WELL OR LOCATION CONDITIONS - Customer having custody and control of the well and location, and having superior knowledge of the same and the conditions surrounding them, shall provide Dash Drilling Products, with all necessary information to enable Dash Drilling Products, to perform its services safely and efficiently. Dash Drilling Products' downhole equipment is designed to operate under conditions normally encountered in the well bore. This downhole equipment may be seriously damaged by excessive well temperature and pressure, gas-cut drilling mud, deviated bore, obstacles in the borehole, corrosive gas or chemicals and other hazardous conditions existing in the borehole. Customer shall notify Dash Drilling Products, in advance and make special arrangements for servicing wells in which hazardous or unusual conditions exist. The services of Dash Drilling Products' representative are available to assure the proper operation of Dash Drilling Products' tools, equipment and techniques; however, Customer agrees that even when Dash Drilling Products' representative is present, Customer retains complete control of the well and complete supervision of any operation performed in or about the well.

TRANSPORTATION AND DELIVERY CHARGES - All transportation charges shall be paid by Customer, and common carrier rates shall apply. When tools and equipment are delivered by Dash Drilling Products, and common carrier rates do not apply, charges shall be in accordance with Dash Drilling Products current price list.

PERFORMANCE OR DELIVERY - Dash Drilling Products, shall not be responsible for delays in delivery or any failure to deliver due to causes beyond Dash Drilling Products' control, including but not limited to acts of God, war, mobilization, civil commotion, riots, embargoes, domestic or foreign governmental regulations or orders (including but not limited to priorities, requisitions, allocations and price adjustment restrictions), fires, strikes, lockouts or other labor difficulties, or shortages of or inability to obtain materials, electrical power, gas, shipping space or transportation. Any delays so occasioned shall effect a corresponding extension of Dash Drilling Products' performance dates which are, in any event, understood to be approximate, and Dash Drilling Products, shall be entitled to compensation at Dash Drilling Products' current Standby/Force Majeure rate for the affected period. In no event shall Customer be entitled to incidental or consequential damages for late performance of a failure to perform due to Force Majeure.

TERMS OF PAYMENT - All rental charges, service charges, prepaid transportation and cartage are net and payable in Bryan, Brazos County, Texas, on receipt of invoice. Interest will be charged at the maximum rate allowed by law after thirty (30) days from date of invoice. Customer further agrees to cooperate in providing necessary information to permit Dash Drilling Products, to file oil and gas liens when appropriate.

JOINT OWNERSHIP - If Customer is not the sole owner of the well in respect of which Dash Drilling Products, has been asked for services, but instead shares ownership of the same with one or more third parties, Customer represents that it is the operating partner and/or the duly constituted and authorized agent of each of such third parties with full power:

- to represent the interests of same with respect to all decisions made concerning any Dash Drilling Products, services, equipment or products; and
- to deliver or otherwise make available all information covering the well which is necessary for the rendering by Dash Drilling Products, of services hereunder. Customer shall protect, defend, indemnify and hold Dash Drilling Products, and its officers, directors and employees harmless from and against all loss, liability, claims, demands, and causes of action (including all costs and expenses thereof and attorney's fees) of every kind and character without limit arising in favor of any third party on account of any deficiency in the above representations.

EQUIPMENT MANUFACTURERS - All of the terms and conditions of this agreement shall also apply in favor of any manufacturer or supplier of any tools or equipment used by Dash Drilling Products, hereunder.

WAIVER OF BREACH - Failure of Customer or Dash Drilling Products, to enforce any of the terms and conditions of this agreement shall not prevent a subsequent enforcement of such term or condition or be deemed a waiver of any subsequent breach.

TAXES AND CUSTOMS DUTIES - Customer shall pay any sales, use, rental or other taxes that may be applicable, as well as any import/export duties that are or become applicable.

GOVERNING LAW - This agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding its conflicts rules.

ATTORNEY FEES - Should suit be commenced to enforce any of the terms hereof, the prevailing party shall be entitled to court costs and reasonable attorney's fees fixed by the court.

AUTHORITY OF DASH DRILLING PRODUCTS, REPRESENTATIVE - No employee or agent of Dash Drilling Products, or Customer is empowered to alter the terms and conditions of this agreement. **NO PROPOSALS, STATEMENTS, REPRESENTATIONS OR OTHER CONDUCT BY SUCH REPRESENTATIVE SHALL MODIFY OR REPLACE DASH DRILLING PRODUCTS PUBLISHED PRODUCT SPECIFICATIONS, WARRANTIES, REMEDIES, AND LIMITATIONS THEREON.**

EARLY TERMINATION - Dash Drilling Products, shall have the right to terminate this agreement at any time provided Dash Drilling Products, determines, in its sole discretion, that a horizontal borehole for the particular well cannot be reasonably completed for any reason; provided, however, in the event of termination as contemplated by this sentence, Dash Drilling Products, shall be entitled to receive partial compensation, as provided by Dash Drilling Products' current Standby/Force Majeure rate, to date of termination. Customer hereby expressly agrees to protect, indemnify and save Dash Drilling Products, harmless from any claims, demands, and causes of action, including all costs of defense of Dash Drilling Products, arising out of any drilling, commitments or obligations contained in any lease, farmout agreement or other agreement, which may be affected by such termination of performance hereunder.

DISCLAIMER OF WARRANTIES - **DASH DRILLING PRODUCTS, DOES NOT GUARANTEE RESULTS. ALL IMPLIED CONDITIONS, WARRANTIES, AND REPRESENTATIONS (WHETHER BY STATUTE OR OTHERWISE), RELATING TO THE ACCURACY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, IN RELATION TO THE PROVISION OF GOODS, SERVICES OR EQUIPMENT, ARE HEREBY EXCLUDED AND DISCLAIMED. THE ONLY EXPRESS WARRANTIES PROVIDED ARE THOSE STATED HEREIN.**

LIMITATION OF REMEDIES - **CUSTOMER AGREES THAT THE SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT OR RELATED AGREEMENTS BY DASH DRILLING PRODUCTS SHALL BE REPAIR OR REPLACEMENT OF THE TOOL(S) IN ISSUE OR REFUND OF ALL OR A PORTION OF THE PRICE PAID FOR THE TOOL(S) OR SERVICES. THE DECISION WHETHER TO REPAIR, REPLACE OR REFUND SHALL BE SOLELY IN THE DISCRETION OF DASH DRILLING PRODUCTS.**

ASSIGNMENT - Neither party may assign this agreement without the prior written consent of the other, and prompt notice of any such intent to assign shall be given to the other party. In the event of such assignment, the assigning party shall remain liable to the other party as a guarantor of the performance by the assignee of the terms of this agreement. If any assignment is made that materially alters Dash Drilling Product's financial burden, Dash Drilling Product's compensation shall be adjusted to give effect to any increase or decrease in Dash Drilling Products' operating costs.

EXECUTION-ENTIRE AGREEMENT - This agreement is the complete and exclusive statement of all the terms and conditions of the Agreement between Dash Drilling Products, and Customer and contains all representations of the parties and supersedes all prior oral or written agreements or representations (save and except for the applicable terms and conditions of any Master Service Agreement between Customer and Dash Drilling Products. This Agreement shall not be varied, implemented, qualified or interpreted by any prior course of dealing with the parties or by any usage of trade. This Agreement may be amended only by a subsequent written instrument duly executed by Customer and by Dash Drilling Products.

SEVERANCE - Should any provision of this contract, or a portion thereof, be unenforceable or in conflict with the laws in the United States of America or the laws of any state which governs this contract, then the validity of the remaining provision, and portions thereof, shall not be affected by such unenforceability or conflict and this agreement shall be construed as if such provisions, or portion thereof, were not contained herein.