

**AMEGA WEST SERVICES, LLC ("LESSOR")**  
**TERMS AND CONDITIONS OF RENTAL**

1. **LEASE OF EQUIPMENT:** These Terms and Conditions (T&Cs) apply to the lease of the equipment ("Equipment") identified on the order documentation ("Lease Schedule," together with these T&Cs, the "Lease Agreement") by Amega West Services, LLC ("Lessor") to the customer identified on the order documentation ("Lessee"). Acceptance of Lessee's order is expressly limited to these terms and conditions, and the quotation, if any, and order acceptance issued by Lessor. All orders submitted by Lessee (each an "Order") shall be deemed to be an offer by Lessee to lease the Equipment subject to this Lease Agreement. Notwithstanding any oral or written statement made by Lessee, Lessor's acceptance of Lessee's Order does not in any way constitute acceptance of Lessee's terms and conditions, and Lessee's terms and conditions are not a part of this Lease Agreement unless an authorized official of Lessor expressly agrees in writing to accept such terms and conditions or any part thereof. No Order shall be binding on Lessor until accepted by an authorized official of Lessor. Lessor is under no obligation to accept any Order. Any quotation is valid for thirty (30) days, unless otherwise indicated on the quotation. All quotations are subject to change at any time. No contract shall come into existence until Lessor issues an order acceptance or ships the Equipment to Lessee. Lessor reserves the right to reallocate, without liability to Lessee, Equipment for which Lessee has not accepted delivery by the specified delivery date.

Lessor hereby leases to Lessee the right to use and Lessee hereby rents and accepts the right to use the Equipment listed on the Lease Schedule(s), subject to the terms and conditions hereof, as supplemented with respect to each item of Equipment by the terms and conditions set forth in the appropriate Lease Schedule. This Lease Agreement is effective from the date Lessor issues an order acceptance or delivers the Equipment to Lessee, and shall continue until terminated.

2. **LEASE CHARGE:** The lease charges for the Equipment leased pursuant to this Lease Agreement shall be the amounts set for in the applicable Lease Schedule (the "Lease Charges"). Lessee agrees to pay to Lessor the Lease Charges in accordance with the Lease Schedule(s), and the payments shall be made at the Lessor's address indicated thereon. Unless otherwise specifically stated on a document agreed to in writing by Lessor, terms of payment shall be net cash (U.S. dollars) without setoff due thirty (30) days from the invoice date. Lessee shall provide appropriate rig records to validate duration of Equipment usage. Charges for taxes made in accordance with Section 3 and charges made under any other provision of this Lease Agreement and payable by Lessee shall be paid to Lessor on the date specified in the Lease Schedule(s) or the applicable invoices delivered to Lessee. If any payment is not received in a timely manner, Lessee agrees to and shall, to the extent permitted by law pay on demand, as a late charge, an amount equal to one and one-half percent per month or the maximum percentage allowed by law if less, of the amount past due ("Late Charges").

3. **TAXES:** In addition to the Lease Charges set forth in Section 2, Lessee shall be responsible for (and reimburse Lessor for) all assessments, sales and use taxes, rental taxes, gross receipts taxes, personal property taxes and other taxes now or hereafter imposed by any government, agency, province or otherwise upon the Equipment, including upon the ownership, leasing, renting, purchase, possession or use of the Equipment, whether assessed to Lessor or Lessee (the "Taxes").

4. **DELIVERY AND FREIGHT COSTS:** The agreed upon delivery dates, if any, are based on the Lessor's projected lead time, current inventory, commitments and supplier's advice. All shipment and delivery dates are estimates only. All shipments shall be F.O.B. Lessor's facility unless otherwise specified in writing on the Order. The method and route of shipment shall be at Lessor's discretion, unless Lessee supplies explicit reasonable instructions in writing at least two (2) days prior to shipment. Lessee assumes risk of loss of the Equipment upon the Equipment departing Lessor's facility, regardless of whether Lessor has arranged for the transportation of the Equipment. Lessor is not responsible for any installation of Equipment. Lessor shall not be liable to Lessee for any damages, losses or expenses if Lessor fails to meet the estimated delivery date. Lessor may deliver the Equipment in installments. Claims for shortages must be made in writing within two (2) days of Lessee's receipt of shipment, or Lessee is deemed to have waived such claims. Lessee shall have a period of two (2) business days after delivery of the Equipment to inspect the Equipment and notify Lessor in writing if any of such Equipment is unacceptable. Lessee agrees that unless it delivers such specific written notice within such two business day period, (i) it shall be deemed that Lessee has fully inspected the Equipment, (ii) it shall be deemed that Lessee has accepted the Equipment and that such Equipment is in good condition and repair, and (iii) Lessee waives any right to subsequently claim that the Equipment is defective or were not in good condition and repair. If Lessee provides such notice to Lessor within such two (2) business day period, Lessor shall have the right, as determined in its sole discretion, to replace such Equipment or terminate the order with regards to such unacceptable Equipment.

Unless otherwise provided for by Lessor in a Lease Schedule, all transportation charges upon the Equipment for delivery to Lessee's designated location are to be paid by Lessee.

5. **RISK OF LOSS; RETURN TO LESSOR:** Lessee assumes and shall solely bear the risk of loss for the Equipment for injury, damage (including damage to third parties and their property), loss, destruction, theft, expropriation or requisition (as to either title or use). Lessee is responsible for any damage of any nature whatsoever to any Equipment that occurs while the Equipment is in the Lessee's custody or control.

Upon the expiration of the Lease Term for any item of Equipment, Lessee shall return the Equipment to Lessor in the same condition as received, reasonable wear and tear excepted. If any Equipment is returned to Lessor damaged, but capable of repair as determined by Lessor, Lessee shall pay the cost of repair. If Lessee fails to return any Equipment or returns any damaged equipment that are incapable of being repaired as determined by Lessor, Lessee shall pay to Lessor the replacement cost of such Equipment.

6. **MAINTENANCE:** Lessee agrees at Lessee's expense, to maintain the Equipment in the same condition as received, reasonable wear and tear excepted, and to make all repairs and replacements necessary to maintain, preserve, and keep the Equipment in good order and condition.

7. **LOCATION, OWNERSHIP AND USE:** Except as expressly contemplated on a schedule hereto, the Equipment shall, at all times, be the sole and exclusive property of Lessor. Lessee shall have no right or property interest therein, except for the right to use the Equipment as contemplated by the subject rental. Lessee shall keep the Equipment at all times free and clear from all claims, levies, encumbrances and process. Lessee shall give Lessor immediate notice of any such attachment or other judicial process affecting any of the Equipment. Without Lessor's written permission, Lessee

shall not attempt to or actually pledge, lend, create a security interest in, sublet, exchange, trade, assign, swap, use for an allowance or credit or otherwise, any item of Equipment.

8. **FINANCING STATEMENT:** Lessor is hereby authorized by Lessee to cause this Lease Agreement or other instruments, including Uniform Commercial Code Financing Statements, to be filed or recorded for the purposes of showing Lessor's interest in the Equipment. Lessee agrees to execute any such instruments as Lessor may request from time to time.

9. **LOSS AND DAMAGE:** Lessee shall add the Equipment to Lessee's existing insurance policy pursuant to Section 10 and assume and bear the risk of loss, theft and damage (including any governmental requisition, condemnation or confiscation) to the Equipment and all component parts thereof from any and every cause whatsoever, whether or not covered by insurance. No loss or damage to the Equipment or any component part thereof shall impair any obligation of Lessee under this Lease Agreement, which shall continue in full force and effect except as hereinafter expressly provided. Lessee shall repair or cause to be repaired all damage to the Equipment. In the event that all or part of the Equipment shall, as a result of any cause whatsoever, become lost, stolen, destroyed or otherwise rendered irreparably unusable or damaged (collectively, the "Loss") then Lessee shall, within ten (10) days after the Loss, fully inform Lessor in writing of such Loss and shall pay to Lessor the Lost-in-Hole charge for the Equipment set forth in the applicable Lease Schedule.

10. **INSURANCE:** Until the Equipment is returned to Lessor or as otherwise herein provided, whether or not this Lease Agreement has terminated as to the Equipment, Lessee, at its expense, shall maintain property and casualty insurance insuring the Equipment for its casualty loss value naming Lessor and its assigns as additional loss payees. The insurance shall cover the interest of both Lessor and Lessee in the Equipment, or as the case may be, shall protect both the Lessor and Lessee in respect to all risks arising out of the condition, delivery, installation, maintenance, use or operation of the Equipment. The proceeds of any loss or damage insurance shall be payable to Lessor. It is understood and agreed that any payments made by Lessee or its insurance carrier for loss or damage of any kind whatsoever to the Equipment are not rental payments or adjustments of rental, but are made solely as indemnity to Lessor for loss or damage of its Equipment.

11. **WARRANTY DISCLAIMERS:** LESSOR DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING ON LESSOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH GOODS SUITABLE FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO WARRANTIES CONTAINED IN THIS LEASE AGREEMENT.

Lessee agrees that Lessor shall not be liable to Lessee for with respect to, any claim from a third party for any liability, claim, loss, damage or expense of any kind or nature, whether based upon a theory of strict liability or otherwise, caused, directly or indirectly, by: (i) the inadequacy of any item of Equipment for any purpose; (ii) any deficiency or any latent or other defects in any Equipment whether or not detectable by Lessee; (iii) the selection, manufacture, rejection, ownership, lease, possession, maintenance, operation, use or performance of any item of Equipment; (iv) any interruption or loss of service, use or performance of any item of Equipment; (v) patent, trademark or copyright infringement; or (vi) any loss of business or other special, incidental or consequential damages whether or not resulting from any of the foregoing.

12. **EVENT OF DEFAULT:** The occurrence of any of the following events shall constitute an Event of Default under this Lease Agreement and/or any Lease Schedule:

- (1) the nonpayment by Lessee of any Lease Charges or any other sum required hereunder to be paid by Lessee which non-payment continues for a period of thirty (30) days from the due date;
- (2) the failure of Lessee to perform any other term, covenant or condition of this Lease Agreement, or any other document, agreement or instrument executed pursuant hereto or in connection herewith, which is not cured within thirty (30) days after notice from Lessor;
- (3) Lessee attempts to or does remove, transfer, sell, swap, assign, sublease, trade, exchange, encumber, receive an allowance or credit for, or part with possession of, any item of Equipment; or
- (4) Lessee ceases doing business as a going concern, is insolvent, makes an assignment for the benefit of creditors, fails to pay its debts as they become due, offers a settlement to creditors or calls a meeting of creditors for any such purpose, files a voluntary petition in bankruptcy, is subject to an involuntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or has filed against it a petition seeking any reorganization, arrangement or composition, under any present or future statute, law or regulation.

13. **REMEDIES:** Should any Event of Default occur and be continuing, Lessor may, in order to protect its rights, pursue and enforce, alternatively, successively and/or concurrently, any one or more of the following remedies:

- (1) recover from Lessee all accrued and unpaid Lease Charges and other amounts due and owing on the date of the default;
- (2) retake possession of the Equipment;
- (3) require Lessee to deliver the Equipment to a location designated by Lessor;
- (4) proceed by court action to enforce performance by Lessee of its obligations associated with this Lease Agreement;
- (5) terminate the applicable Lease Schedule(s) and/or terminate this Lease Agreement; and/or
- (6) pursue any other remedy Lessor may otherwise have, at law, equity or under any statute, and recover damages and expenses (including attorneys' fees) incurred by Lessor by reason of the Event of Default.

Lessor's pursuit and enforcement of any one or more remedies shall not be deemed an election or waiver by Lessor of any other remedy. Lessor shall not be obligated to sell or re-lease the Equipment. Any sale or re-lease may be held at such place or places as are selected by Lessor, with or without having the Equipment present. Any such sale or re-lease, may be at wholesale or retail, in bulk or in parcels. Time and exactitude of each of the terms and conditions of this Lease Agreement are hereby declared to be of the essence.

14. **LIMITATION OF LIABILITY:** A. LESSEE AGREES THAT REGARDLESS OF THE CLAIM OR OTHER FORM IN WHICH ANY LEGAL OR EQUITABLE ACTION MAY BE BROUGHT BY LESSEE AGAINST THE LESSOR GROUP THAT NEITHER LESSOR NOR ANY MEMBER OF THE LESSOR GROUP SHALL BE LIABLE FOR ANY INDIRECT,

SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOST TIME, FISHING COSTS, REVENUE, PROMOTIONAL EXPENSES, INJURY TO REPUTATION, OR LOSS OF CUSTOMERS ARISING OUT OF OR RELATED TO THE EQUIPMENT OR THIS LEASE AGREEMENT, AND LESSEE HEREBY WAIVES ANY CLAIM FOR ANY SUCH EXCLUDED FORM OF DAMAGES.

B. Lessee's aggregate recovery from all members of the Lessor Group for any claim in any way arising from or related to the Equipment or to this Lease Agreement shall not exceed the lower of (i) the rent paid by Lessee for the Equipment at issue; irrespective of the nature of the claim, whether in contract, tort, warranty, strict liability, product liability or otherwise and whether arising in whole or in part from the negligence of the Lessor Group.

C. IF AND TO THE EXTENT ANY PAYMENT REQUIRED TO BE MADE PURSUANT TO THIS AGREEMENT OR DAMAGE LIMITATION SET FORTH HEREIN IS DEEMED TO CONSTITUTE LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGE AND AGREE THAT SUCH DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THAT SUCH PAYMENT IS INTENDED TO BE A REASONABLE ESTIMATION OF THE AMOUNT OF SUCH DAMAGES AND NOT A PENALTY.

D. LESSEE ACKNOWLEDGES AND AGREES THAT THE LIABILITY LIMITATIONS SET FORTH IN THIS SECTION 14 ARE ESSENTIAL ELEMENTS OF THE LEASE AGREEMENT AND THAT IN THE ABSENCE OF SUCH LIMITATIONS THE MATERIAL AND ECONOMIC TERMS OF THIS LEASE AGREEMENT WOULD BE SUBSTANTIALLY DIFFERENT.

15. INDEMNIFICATION. LESSEE SHALL BE LIABLE FOR, AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LESSOR, ITS AFFILIATES OR ITS OR THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS OR REPRESENTATIVES ("LESSOR GROUP") FROM AND AGAINST ANY AND ALL CLAIMS WHICH ARISE OUT OF THE PERFORMANCE OF THE LEASE AGREEMENT TO THE FOLLOWING: (I) LOSS OF OR DAMAGE TO ANY WELL OR HOLE OR ANY LESSEE OR THIRD PARTY OIL AND GAS PRODUCTION FACILITIES; (II) RESERVOIR SEEPAGE OR POLLUTION ORIGINATING UNDERGROUND OR FROM THE PROPERTY OF LESSEE OR ANY THIRD PARTY HOWSOEVER, (III) BLOW-OUT, FIRE, EXPLOSION, CRATERING OF ANY WELL OR RESERVOIR OR ANY OTHER UNCONTROLLED WELL CONDITION (INCLUDING THE COSTS TO CONTROL A WILD WELL AND THE REMOVAL OF DEBRIS); (IV) DAMAGE TO OR ESCAPE OF PRODUCT, OR SUBSTANCE FROM ANY FACILITY, INCLUDING ANY PIPELINE OR OTHER SUBSURFACE FACILITY; AND/OR (V) BODILY INJURY, PROPERTY DAMAGE AND ANY RELATED DAMAGES TO LESSEE OR THIRD PARTIES, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR GROUP.

16. CONFIDENTIALITY: Except as otherwise provided in this Lease Agreement, Lessee agrees that any and all information associated with the Equipment (including but not limited to Lessor's technical data), Lessor or its affiliates that is not otherwise publicly available ("Confidential Information") that is disclosed to or received by Lessee (i) shall be treated as Lessor's confidential, proprietary, and trade secret information (with Lessor reserving all rights to its Confidential Information); (ii) shall be held by Lessee in strict confidence, (iii) shall be used by Lessee only for purposes of this Lease Agreement, and (iv) that no Confidential Information, including without limitation the provisions of this Lease Agreement, shall be disclosed by Lessee without the prior written consent of Lessor. Lessee shall safeguard Confidential Information with at least the same degree of care (which shall always be at least a reasonable amount of care) that it uses to safeguard its own confidential, proprietary, and trade secret information.

17. COSTS AND ATTORNEYS' FEES: In the event of any default, claim, proceeding, including a bankruptcy proceeding, arbitration, mediation, counter-claim, action (whether legal or equitable), appeal or otherwise, whether initiated by Lessor or Lessee (or a debtor-in-possession or bankruptcy trustee), which arises out under, or is related in any way to this Lease Agreement or any other document, agreement or instrument executed pursuant hereto or in connection herewith, or any governmental examination or investigation of Lessee, which requires Lessor's participation (individually and collectively, the "Claim"), Lessee, in addition to all other sums which Lessee may be called upon to pay under the provisions of this Lease Agreement, shall pay to Lessor, on demand, all costs, expenses and fees paid or payable in connection with the Claim, including, but not limited to, attorneys' fees and out-of-pocket costs, including travel and related expenses incurred by Lessor or its attorneys.

18. LESSOR'S PERFORMANCE OPTION: Should Lessee fail to make any payment or to do any act as provided by this Lease Agreement, then Lessor shall have the right (but not the obligation), without notice to Lessee of its intention to do so and without releasing Lessee from any obligation hereunder to make or to do the same, to make advances to preserve the Equipment or Lessor's title thereto, and to pay, purchase, contest or compromise any insurance premium, encumbrance, charge, tax, lien or other sum which in the judgment of Lessor appears to affect the Equipment, and in exercising any such rights, Lessor may incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor. All sums so incurred or expended by Lessor shall be due and payable by Lessee within thirty (30) days of notice thereof.

19. QUIET POSSESSION AND INSPECTION: Lessor hereby covenants with Lessee that Lessee shall quietly possess the Equipment subject to and in accordance with the provisions hereof so long as Lessee is not in default hereunder; provided, however, that Lessor or its designated agent may, at any and all reasonable times during business hours, enter Lessee's premises for the purposes of inspecting the Equipment and the manner in which it is being used.

20. ASSIGNMENTS: This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Lessee, however, shall not assign this Lease Agreement or sublet any of the Equipment to any third party without first obtaining the prior written consent of Lessor. Any such attempted assignment shall be void.

21. SURVIVAL OF OBLIGATIONS: All covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall be for the benefit of Lessor and Lessee and their successors, any assignee or secured party. Further,

all covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, which by their nature are intended to survive the termination of this Lease Agreement, shall survive the execution and delivery of this Lease Agreement and the expiration or other termination of this Lease Agreement.

22. AUTHORITY: The Parties covenant and warrant that the persons executing this Lease Agreement and/or the Lease Schedule(s) on their behalf have been duly authorized to do so, and this Lease Agreement constitutes a valid and binding obligation of the Parties.

23. MISCELLANEOUS: The validity, performance, and construction of this contract shall be governed by the laws of the State of Texas (excluding its conflict of laws rules which would refer to and apply the substantive laws of another jurisdiction). Any suit or proceeding hereunder shall be brought exclusively in state or federal courts located in the State of Texas. Each party consents to the personal jurisdiction of the state and federal courts within Texas and waives any objection that such courts are an inconvenient forum.

There are no unwritten or oral agreements between the Parties. This Lease Agreement constitutes the entire understanding and agreement between Lessor and Lessee with respect to the lease of the Equipment superseding all prior agreements, understandings, negotiations, discussions, proposals, representations, promises, commitments and offers between the parties, whether oral or written. No provision of this Lease Agreement shall be deemed waived, amended, discharged or modified orally or by custom, usage or course of conduct unless such waiver, amendment or modification is in writing and signed by an officer of each of the Parties. If any one or more of the provisions of this Lease Agreement is for any reason held invalid, illegal or unenforceable, the remaining provisions of this Lease Agreement will be unimpaired, and the invalid, illegal or unenforceable provisions shall be replaced by a mutually acceptable valid, legal and enforceable provision that is closest to the original intention of the parties.

Any notice provided for herein shall be in writing and sent by certified or registered mail to the Parties at the addresses stated on the signature page(s) of this Lease Agreement. This Lease Agreement is made subject to the terms and conditions included herein and Lessee's acceptance is effective only to the extent that such terms and conditions are consistent with the terms and conditions herein. Any acceptance which contains terms and conditions which are in addition to or inconsistent with the terms and conditions herein will be a counter-offer and will not be binding unless agreed to in writing by Lessor. The terms used in this Lease Agreement, unless otherwise defined, shall have the meanings ascribed to them in the Lease Schedule(s).

Notwithstanding anything to the contrary contained herein, the Parties agree that this is a true lease, not a financing lease or other similar financing transaction and as such, no purchase option or right has been granted by Lessor to Lessee and Lessee in agreeing to return the Equipment to Lessor upon termination or expiration of this Lease Agreement.

25. COMPLIANCE WITH LAWS. The parties shall abide by all applicable laws and regulations in all activities associated with this Lease Agreement, including the applicable export license regulations of the respective country(ies). Specifically, the parties shall abide by all export control laws of the United States, including (i) the Code of Federal Regulations (CFR) 15, Commerce and Foreign Trade and specifically the Export Administration Regulation of 15 CFR, Chapter VII, Subchapter C (the "Commerce Regulations"); and (ii) CFR 22, International Traffic and Arms Regulations ("ITAR"). Any information that is protected in accordance with the Commerce Regulations or ITAR cannot be disclosed to a foreign person, whether or not an employee of either party, as defined in CFR 22, paragraph 120.16, unless previously approved in writing by the Department of Commerce or the Department of State.

26. RIGHT OF REPOSSESSION: LESSEE ACKNOWLEDGES THAT, PURSUANT TO SECTION 13 HEREOF, LESSOR HAS BEEN GIVEN THE RIGHT TO REPOSSESS THE EQUIPMENT SHOULD LESSEE BECOME IN DEFAULT OF ITS OBLIGATIONS HEREUNDER. LESSEE HEREBY WAIVES THE RIGHT, IF ANY, TO REQUIRE LESSOR TO GIVE LESSEE NOTICE AND A JUDICIAL HEARING PRIOR TO EXERCISING SUCH RIGHT OF REPOSSESSION.