

EXHIBIT __
to
Master Goods and Service Agreement
between
_____ (“Customer”)
and
Quality Oilfield Services (2001) Ltd. (“Quality”)

GENERAL TERMS AND CONDITIONS OF SERVICE

These terms and conditions shall govern the transaction(s) between Quality and Customer with regard to rental of equipment (“Equipment”), and services provided by Quality (“Services”). These terms and conditions are hereby incorporated into and made a part of the agreement between the Customer and Quality and no terms and conditions that may be a part of any order, acknowledgement, or any other document submitted by Customer shall be effective to amend or add to these terms and conditions. Failure to enforce any or all of the terms and conditions hereof in any particular instance shall not constitute waiver or preclude subsequent enforcement.

1. CHARGES AND PAYMENT

Charges: All Services and Equipment charges are on a daily basis for a calendar day or any part stated therein. Customer will be invoiced at the rental or service rates in effect at the beginning of the invoice period. All prices are subject to change without notice. Charges begin when Service personnel or Equipment departs Quality’s shop location (or a nearer point as designated by Quality) and continue until returned to the same shop location or a nearer point designated by Quality, or until Quality is notified that such Equipment is lost or damaged beyond repair. From the time each Service person leaves the Quality shop location until return, Customer will furnish transportation, quarters and meals for Quality personnel or reimburse Quality for reasonable living expenses incurred at cost and transportation at Quality’s prevailing mileage rates. Customer is responsible for transporting Equipment. For Equipment where Customer does not timely furnish shipping instructions or requests that Quality arrange shipment, such transportation shall be in a commercially reasonable manner at Customer’s sole risk and invoiced to Customer at cost or at the prevailing mileage rate for any vehicles used by Quality personnel. Prices listed and quoted do not include taxes and Quality reserves the right to add such taxes, if any, to its prices. Services or materials not listed in the Quality price lists and purchases by Quality at the Customer’s request shall be charged at actual cost to Quality plus twenty-five percent (25%). The Quality price lists apply to normal operations. On jobs requiring unusual mobilization or Equipment and/or personnel such as blowouts, experimental jobs and other such unusual activities shall be charged at prices negotiated specifically for such project(s).

If, in order to gain access to or return from a well, it is necessary to repair roads or bridges or to provide tractors, vessels or other special means of transportation for Quality Equipment, material or personnel, such shall be arranged and paid for by the Customer.

Invoice and Payment: Payment of each invoice for Services and/or Equipment provided hereunder shall be made by Customer to Quality at the location specified in the invoice in such manner as will place Quality in possession of United States currency or equivalent domestic bank demand deposit in the full amount thereof within thirty (30) days following the date of such invoice. Customer

shall pay interest on all past due amounts at the lower of (a) one and one and one-half percent (1.5%) per month or (b) the maximum non-usurious rate permitted by applicable law. Should Customer dispute the accuracy of any portion of the invoice, Customer may not withhold payment of the disputed amount, but shall promptly notify Quality, specifying the amount in dispute and the reasons therefore. Customer will make timely payment of all amounts, including those in dispute. The parties will promptly attempt to resolve the dispute and, upon resolution, Quality will promptly pay any amounts due Customer.

2. CANCELLATION

Equipment/Services: In the event Customer terminates an order for Services and/or Equipment, Customer shall be liable for all costs incurred by Quality in the mobilization/demobilization of personnel and Equipment, any third party costs incurred plus the cost of any “special order” exotic product and any other reasonable termination costs incurred by Quality incident to such termination. In addition, a restocking charge of the original order may be applied at Quality’s sole discretion. If a job is cancelled by Customer prior to Quality being rigged up to do the job, a cancellation charge based on round trip kilometers plus hours spent traveling to the site will be assessed to Customer. If a job is cancelled by Customer after Quality is rigged up to do the job, a cancellation charge equal to fifty percent (50%) of the applicable Equipment charges plus travel charges at regular rates from the Quality shop location and all hours in excess of the job set up time allowance will be assessed to Customer.

3. INTELLECTUAL PROPERTY, TRADE SECRETS AND EXPERIMENTAL USE

The Customer acknowledges and agrees that the Services and/or Equipment are provided by Quality on a strictly confidential basis with regards any intellectual property or trade secret embodied in or associated with the Services and/or Equipment. The Customer further acknowledges and agrees that the use of the Service and/or Equipment may constitute “experimental use”, as defined by applicable intellectual property law, of Services and/or Equipment being field tested by Quality. The Customer therefore agrees that it will not, without consent in writing from Quality: photograph in isolation, draw, sketch, deconstruct or reverse engineer any Service and/or Equipment; communicate any information about any Service and/or Equipment to any third party; describe, publish or otherwise make public any information about any Service and/or Equipment; or, seek intellectual property protection for any Service and/or Equipment provided by Quality.

The Customer further agrees without reservation that any Service and/or Equipment developed, improved or re-engineered in cooperation with Quality is and always shall be the exclusive property of Quality, subject to any prior written agreement to the contrary between the Customer and Quality.

4. WARRANTY

Quality will not be liable for concealed and unusual conditions at the work site, either above or underground, where such conditions were not reasonably discoverable through normal visual inspection, where such conditions were not indicated by Customer, or where Customer has supplied inadequate or incomplete information. In the event such concealed or unusual conditions result in delays and extra expense to Quality, an equitable adjustment shall be made in the contract price and schedule. In the event any fluids containing hazardous substances or materials that could cause damage to the environment are flowed back in relation to the work/services provided by Quality, it is the responsibility of the Customer to

ensure that any tool/flow line used for flowing back such fluids leads to a tank or pit provided by the Customer and Quality shall not be liable for any pollution resulting from the lack of any such pit or tank. Customer will at all times have complete care, custody, supervision and control of the work site and the recommendations of Quality are advisory only and without representations as to results. Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, Quality does not guarantee the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by Quality. Customer agrees that any employee(s) furnished by Quality shall not be responsible for any final decision made on any job. Furthermore, Quality reserves the right not to do work if, in its opinion, job conditions render such action inadvisable. Therefore, notwithstanding any other provision herein to the contrary, it is understood by Customer that Quality does not warrant that its Services or Equipment will accomplish any particular result and that the warranties offered by Quality are expressly limited to the following:

Quality warrants that Services and Equipment provided pursuant to this Agreement shall be free from defects in workmanship and materials, comply with the applicable scope of work document, conform to Quality's published specifications and shall otherwise be supplied in accordance with sound and generally accepted industry practice by competent personnel. This warranty is exclusive of any other liability, particularly in respect of any damage suffered because of defective Equipment or Services. In the event that Quality's Equipment or Services fail to comply with the foregoing standards, Quality shall (i) perform such corrective Services of the type originally performed, provided that Quality is notified thereof in writing by Customer prior to the departure of Quality from the worksite and/or (ii) repair or replace Equipment as may be necessary to correct any such deficiencies provided Quality is notified in writing within forty-eight (48) hours of the discovery of such deficiency. Liability will only be accepted if the Equipment was used for the purpose for which it was designed. The warranty expires ninety (90) days from the date of shipment.

Quality shall have no responsibility for the design and/or engineering of the Equipment or Services provided hereunder, even though Quality may have participated in its development, nor for any Customer furnished materials, nor for the labor, freight or travel expenses incurred in replacing or repairing any warranted item. In addition, Quality does not warrant any consumable components. With regard to materials furnished by third-party suppliers, Quality's liability for materials furnished by its third-party suppliers shall be limited to the assignment of such third-party supplier's warranty, if any, to Customer.

THE PARTIES AGREE THAT ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY, OF WORKMANLIKE PERFORMANCE AND/OR FOR REDHIBITORY DEFECTS, ARE EXCLUDED.

5. EQUIPMENT OPERATION/LOSS OR DAMAGE

Customer agrees to return all Equipment to Quality in as good a condition as when dispatched from Quality's shop location, ordinary wear and tear from reasonable use excepted. Customer assumes all risk of loss, destruction or damage to Equipment from the time it departs Quality's shop location until it is returned to that same shop location, or a nearer point designated by Quality, or until it is declared lost or damaged beyond repair by Quality. Customer

shall also be responsible for any loss or damage to Equipment while such Equipment is being loaded upon or attached to any special means of transportation furnished or arranged by the Customer. No damages or charges of any kind, either for labor, expenses or otherwise, suffered or incurred by Customer in repairing or replacing defective goods or occasioned by them will be allowed. Customer agrees to pay Quality the entire cost of any repairs, cleaning or inspections performed or, if not returned for whatever reason, the respective manufacturer's current list price for new Equipment. Customer will not use, operate, maintain or store Equipment improperly, carelessly or in violation of any applicable regulatory or statutory requirements, or use or request that it be used for a purpose or job other than the purpose or job for which it is supplied.

As to Services provided by Quality, Customer shall, at its risk and expense, attempt to recover any Quality equipment, tools or instruments which are lost in the well and if such equipment, tools or instruments are not recovered, Customer shall pay Quality its replacement cost unless such loss is due to the sole negligence of Quality. If Quality's equipment, tools or instruments are damaged in the well, Customer shall pay Quality the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of Quality.

6. LIENS, ATTACHMENTS AND ENCUMBRANCES

Should Customer violate any terms and conditions of this Agreement, become bankrupt, insolvent, go into receivership or should any creditor or other person attach or levy Customer's property or equipment, Quality shall immediately have the right without notice to retake and remove any of its Equipment wherever it may be found. Customer shall defend, indemnify and hold Quality harmless from any and all liens and encumbrances against Equipment furnished hereunder and shall return same promptly to Quality free of any liens or encumbrances.