

**KLX Energy Services LLC's  
GENERAL TERMS AND CONDITIONS**

Unless and to the extent that a separately negotiated contract executed between the parties is cited on the procuring party's work order, these General Terms and Conditions (these "Terms") shall govern all services to be performed (the "Services"), and all materials to be delivered or sold (the "Materials"), by **KLX Energy Services LLC** ("Contractor") for the procuring party ("Company") under any quote, delivery ticket or other document that incorporates these Terms by reference, or under any verbal or written work order, purchase order or other instrument used or delivered by either party to describe any scope of Services to be performed or the Materials to be provided by Contractor (each a "Work Order"). Each Work Order incorporates these Terms by reference, and each party agrees to be bound by these Terms for the Services and/or Materials covered by each Work Order. As used herein, this "Agreement" means these Terms together with the terms of the applicable Work Order. Each Work Order shall be treated as a separate agreement.

1. Conflicting Terms.

- (a) Any provision in any Work Order that is contrary to or otherwise not in conformity with these Terms will be null and void, unless such Work Order (i) is executed by an authorized representative of Contractor, (ii) specifically references these Terms, and (iii) specifically identifies a provision of these Terms to be superseded.
- (b) Any different or additional terms or conditions in any Work Order or similar document initiated by Company or in any other prior or subsequent communication by Company shall not be binding on Contractor. The acceptance by Company of any Services or Materials provided hereunder shall constitute acceptance by Company of these Terms and shall constitute a waiver of any right to limit acceptance of or object to these Terms. Any representations made by sale representatives, employees or agents of Company that are inconsistent with these Terms shall not be binding on Contractor, and Company shall not rely thereon.

2. Non-Exclusive. This Agreement does not obligate Company to engage Contractor to provide any Materials or Services, nor does it obligate Contractor to accept any order or engagement from Company. This Agreement is not exclusive and either party may enter into similar contracts with any third parties at their sole respective discretion.

3. Payment and Invoices.

- (a) Payment Amounts & Terms. The compensation payable to Contractor, will be set forth in the applicable Work Order, or if such compensation is not set forth in the applicable Work Order, then such compensation will be payable in accordance with Contractor's rates and fees then in effect, as the same may be

adjusted from time to time, and will, unless otherwise agreed in writing by Contractor, be payable within 30 days after Company's receipt of Contractor's invoice.

- (b) Late Payments. Interest shall accrue on any amount due from Company hereunder, but not paid, at the lower of 1.5% per month or any part of a month, compounded annually, or the highest rate allowed by law. Company shall pay all costs and fees incurred by Contractor, including Contractor's attorneys' fees, in collecting any amount due, but not paid hereunder, within 30 days after receiving Contractor's invoice for such amounts.
- (c) All Sales Final. Except as required by applicable law, Company may not return Materials without Contractor's prior written authorization which may be granted at Contractor's sole discretion. Materials returned for reasons other than damage or defects are subject to a re-inspection and restocking charge of 25% of the purchase price of such Materials. Returned Materials must be unopened in their original packaging. No credit will be allowed for any Materials returned that have been altered or defaced in any way. Company has no right of setoff for returned Materials unless credit is issued by Contractor.

#### 4. Confidentiality.

- (a) Confidentiality Obligation. Each party shall keep confidential and not disclose to any third parties, except as provided herein, without the other party's prior written consent, the terms of this Agreement and all other information disclosed in writing, orally, graphically, or in any other format to a party (the "Receiving Party") or any officers, employees, agents or consultants (each individually a "Representative" and collectively "Representatives") of the Receiving Party by the other party (the "Disclosing Party") or by the Disclosing Party's Representatives that is designated or described as confidential, proprietary, or trade secret (together with the terms of this Agreement, "Confidential Information").
- (b) Limitation on Use. The Receiving Party shall not use Confidential Information for any purpose other than to perform under this Agreement.
- (c) Permitted Disclosures to Representatives. The Receiving Party may disclose Confidential Information to its Affiliates (as that term is defined in Section 7(b)(i) below) and to its and their Representatives as may be necessary for the Receiving Party to perform hereunder or as may be necessary for the Receiving Party to prepare tax returns, obtain advice and counsel, obtain insurance, and obtain or comply with the terms of any financings. Any Person, as that term is defined in Section 7(b)(v), to whom Contractor discloses Confidential Information for such purposes is also a "Representative" for purposes of this Agreement. The Receiving Party will inform such Representatives of the

confidential nature and restriction on use of the Confidential Information and will be liable for such Representatives' failure to comply with the terms hereof.

- (d) Disclosures Compelled by Law. If the Receiving Party or any current or former Representative to which or whom the Receiving Party has disclosed Confidential Information as provided hereunder is compelled by applicable law, regulation, securities exchange rule, or legal process to disclose any Confidential Information, then the Receiving Party shall, to the extent permitted by law, promptly notify the Disclosing Party in writing of such requirement and will cooperate fully, at the Disclosing Party's cost and expense, with the Disclosing Party's efforts to seek an appropriate protective order.
- (e) Injunctive Relief. Each party acknowledges that any breach or threatened breach of the terms of this Article 4 by the Receiving Party or the Receiving Party's Representatives would cause irreparable harm to the Disclosing Party for which money damages would not be a sufficient remedy and that the Disclosing Party will be entitled to seek injunctive or other equitable relief for any such breach or threatened breach without being required to post any bond or other security. The foregoing is not intended to prejudice any legal remedy available to the Disclosing Party. The prevailing party in any such action will be entitled to a judgment that includes all of its costs, including attorneys' fees, incurred in connection therewith.
- (f) Information that is not Confidential. Confidential Information does not include any information that (i) is or becomes public through no fault of the Receiving Party or the Receiving Party's Representatives, (ii) was or is disclosed to the Receiving Party or the Receiving Party's Representatives by a third party that is not under any confidentiality obligation to the Disclosing Party, or (iii) is developed by the Receiving Party or the Receiving Party's Representatives without reference to any Confidential Information.
- (g) Term of Confidentiality/Restriction on Use. The provisions of this Article 4 will remain in effect with respect to any Confidential Information so long as such information qualifies as Confidential Information hereunder.

5. Limited Warranties.

- (a) Services. Contractor will perform the Services in a good and workmanlike manner in accordance with industry standards prevailing in the area where such Services are rendered. Contractor's liability concerning defective Services and/or correction of defective Services will be limited to, ***and Company's sole and exclusive remedy for such defective Services shall be, at Contractor's option, either Contractor's*** re-performance of such Services or a refund of the fees paid by Company for such defective Services; provided that Company must notify Contractor of any such defective Services prior to Contractor demobilizing from

the site where such Services were performed. Due to the nature of wellbore obstruction removal and the fact that there are numerous factors that could cause the wellbore to become obstructed again which are beyond Contractor's control, Contractor does not warrant that the wellbore will remain unobstructed for any fixed period of time after wellbore services are performed.

- (b) Materials. Contractor will undertake commercially reasonable efforts to pass through any warranties by the manufacturer in connection with Materials purchased by Company from Contractor, but Contractor makes no warranty regarding such Materials except that title to such Materials will be delivered free and clear of any encumbrance and that no defect to such Material will have been caused by Contractor.
- (c) EXCEPT FOR THE WARRANTIES SET FORTH IN SECTION 5(A), CONTRACTOR MAKES NO AND EXPRESSLY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6. Independent Contractor. Contractor is an independent contractor, with authority to direct and control the provision of Services, subject to Company's right to observe the provision of such Services and to inspect the results thereof. Company has no authority to supervise or give instructions to Contractor's employees or subcontractors. This Agreement is not intended by either party to create any agency, partnership or employment relationship between them or between them and their respective employees. Except as otherwise provided in this Agreement, neither party assumes any liability for the actions or omissions of the other party.

7. INDEMNITY AND HOLD HARMLESS.

- (a) ALLOCATION OF RISK. CONTRACTOR AND COMPANY INTEND THAT THIS AGREEMENT ALLOCATE BETWEEN THEM RESPONSIBILITY FOR LOSSES INVOLVING PERSONAL INJURY, ILLNESS, DEATH AND/OR PROPERTY DAMAGE OR LOSS, WHICH MAY ARISE OUT OF OR IN CONNECTION WITH PERFORMANCE UNDER THIS AGREEMENT.
- (b) DEFINITIONS. FOR THE PURPOSES OF THIS AGREEMENT, THE FOLLOWING DEFINITIONS APPLY:
  - (i) "AFFILIATE" MEANS ANY PERSON CONTROLLING, CONTROLLED BY, OR UNDER COMMON CONTROL WITH ANOTHER PERSON. THE TERM "CONTROL" AS USED IN THE PRECEDING SENTENCE MEANS, WITH RESPECT TO AN ENTITY, THE RIGHT TO EXERCISE, DIRECTLY OR INDIRECTLY, MORE THAN FIFTY PERCENT OF THE VOTING RIGHTS ATTRIBUTABLE TO THE SHARES OF SUCH ENTITY OR OTHERWISE TO

CONTROL THE MANAGEMENT OF SUCH ENTITY, AND WITH RESPECT TO ANY PERSON OTHER THAN AN ENTITY, DIRECTLY OR INDIRECTLY, THE POWER, DIRECTLY OR INDIRECTLY, TO DIRECT OR CONTROL OR TO CAUSE THE DIRECTION OR CONTROL OF ANY ACTIONS RELATING TO THE AGREEMENT OR PERFORMANCE THEREUNDER BY SUCH PERSON.

- (ii) “CLAIM” MEANS DAMAGE, LOSS, LIABILITY, CLAIMS, DEMANDS, AWARDS, JUDGMENTS, FINES, PENALTIES, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER (WHETHER ARISING IN TORT, CONTRACT, STRICT LIABILITY AND/OR ANY OTHER THEORY OF LIABILITY OR CAUSE WHATSOEVER AND INCLUDING ALL ATTORNEYS’ FEES AND OTHER COSTS AND EXPENSES INCURRED IN CONNECTION THEREWITH) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND/OR PERFORMANCE OF SERVICES OR PROVISION OF MATERIALS PURSUANT TO THIS AGREEMENT.
  - (iii) “COMPANY GROUP” MEANS COMPANY, COMPANY’S CONTRACTORS (OTHER THAN CONTRACTOR AND OTHER MEMBERS OF CONTRACTOR GROUP) OF ANY TIER, WORKING INTEREST OWNERS PARTY TO AN OPERATING AGREEMENT WITH COMPANY, JOINT VENTURERS, AND CO-LESSEES, AND ITS AND THEIR RESPECTIVE AFFILIATES, AND ALL OF THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, MANAGERS, OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND INVITEES.
  - (iv) “CONTRACTOR GROUP” MEANS CONTRACTOR, ITS SUBCONTRACTORS OF ANY TIER, AND ITS AND THEIR RESPECTIVE AFFILIATES, SHAREHOLDERS, MEMBERS, MANAGERS, OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND INVITEES.
  - (v) “PERSON” MEANS ANY INDIVIDUAL, CORPORATION, LIMITED LIABILITY COMPANY, GENERAL OR LIMITED PARTNERSHIP, BUSINESS TRUST, UNINCORPORATED ASSOCIATION, COURT, AGENCY, GOVERNMENT, BOARD, COMMISSION, ESTATE, OR ANY OTHER ENTITY OR AUTHORITY.
  - (vi) “THIRD PARTY,” FOR PURPOSES OF THIS ARTICLE 7, MEANS ANY PERSON WHO OR WHICH IS NOT A MEMBER OF COMPANY GROUP OR CONTRACTOR GROUP.
- (c) CONTRACTOR GENERAL INDEMNITY OBLIGATION. TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR WILL BE RESPONSIBLE FOR AND SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS COMPANY GROUP FROM AND AGAINST ANY CLAIMS TO THE EXTENT ARISING FROM THE NEGLIGENCE OF ANY MEMBER OF COMPANY GROUP, FOR PERSONAL INJURY, ILLNESS, DEATH AND/OR PROPERTY DAMAGE OR LOSS INCURRED BY ANY MEMBER OF CONTRACTOR GROUP, UNLESS SUCH CLAIM AROSE DUE TO THE

GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A MEMBER OF COMPANY GROUP. CONTRACTOR'S PROTECTION FROM DIRECT SUIT UNDER ANY WORKERS' COMPENSATION LAWS WILL NOT LIMIT CONTRACTOR'S INDEMNITY OBLIGATIONS HEREUNDER IN ANY MANNER.

- (d) COMPANY GENERAL INDEMNITY OBLIGATION. TO THE FULLEST EXTENT PERMITTED BY LAW, COMPANY WILL BE RESPONSIBLE FOR AND SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS CONTRACTOR GROUP FROM AND AGAINST ANY CLAIMS TO THE EXTENT ARISING FROM THE NEGLIGENCE OF ANY MEMBER OF CONTRACTOR GROUP, FOR PERSONAL INJURY, ILLNESS, DEATH AND/OR PROPERTY DAMAGE OR LOSS INCURRED BY ANY MEMBER OF COMPANY GROUP, UNLESS SUCH CLAIM AROSE DUE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH MEMBER OF CONTRACTOR GROUP. COMPANY'S PROTECTION FROM DIRECT SUIT UNDER ANY WORKERS' COMPENSATION LAWS WILL NOT LIMIT COMPANY'S INDEMNITY OBLIGATIONS HEREUNDER IN ANY MANNER.
- (e) CONTRACTOR ENVIRONMENTAL INDEMNITY. CONTRACTOR SHALL ASSUME RESPONSIBILITY FOR CONTROL AND REMOVAL OF AND SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS COMPANY GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING IN CONNECTION WITH POLLUTION OR CONTAMINATION THAT ORIGINATES ABOVE THE SURFACE OF THE LAND OR WATER FROM SPILLS OR RELEASES OF FUELS, LUBRICANTS, MOTOR OILS, PIPE DOPE, PAINTS, SOLVENTS, BALLAST, BILGE, GARBAGE, AND OTHER SUBSTANCES ("CONTAMINANTS") TO THE EXTENT THAT SUCH CONTAMINANTS ARE IN CONTRACTOR GROUP'S POSSESSION AND CONTROL AND ARE DIRECTLY ASSOCIATED WITH THE SERVICES.
- (f) COMPANY ENVIRONMENTAL INDEMNITY. COMPANY SHALL ASSUME RESPONSIBILITY FOR CONTROL AND REMOVAL OF AND SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS CONTRACTOR GROUP FROM AND AGAINST ALL CLAIMS ARISING IN CONNECTION WITH ALL POLLUTION, CONTAMINATION OR SPILLS OR RELEASES OF CONTAMINANTS, EXCEPT TO THE EXTENT DESCRIBED IN SECTION 7(E), INCLUDING ANY SUCH SPILLS OR RELEASES WHICH MAY RESULT FROM FIRE, BLOWOUT, CRATERING, LOST CIRCULATION, FISH RECOVERY MATERIALS AND FLUIDS, SEEPAGE OR ANY OTHER UNCONTROLLED FLOW OF OIL, GAS, WATER OR OTHER SUBSTANCE, AS WELL AS THE USE OR DISPOSITION OF ALL DRILLING FLUIDS, INCLUDING OIL EMULSION, OIL BASE OR CHEMICALLY TREATED DRILLING FLUIDS, AND CONTAMINATED CUTTINGS OR CARVINGS.
- (g) INDEMNITY FOR VIOLATIONS OF LAW. TO THE FULLEST EXTENT PERMITTED BY LAW: (I) CONTRACTOR WILL BE RESPONSIBLE FOR AND SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS COMPANY GROUP FROM

AND AGAINST ANY CLAIM BY OR THROUGH ANY GOVERNMENT AGENCY OR OTHERWISE FOR ANY VIOLATION BY ANY MEMBER OF CONTRACTOR GROUP OF ANY APPLICABLE LAW, RULE, ORDER OR REGULATION IN CONNECTION WITH THIS AGREEMENT AND/OR PERFORMANCE OF SERVICES OR PROVISION OF MATERIALS PURSUANT TO THIS AGREEMENT; AND (II) COMPANY WILL BE RESPONSIBLE FOR AND SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS CONTRACTOR GROUP FROM AND AGAINST ANY CLAIM BY OR THROUGH ANY GOVERNMENT AGENCY OR OTHERWISE FOR ANY VIOLATION BY ANY MEMBER OF COMPANY GROUP OF ANY APPLICABLE LAW, RULE, ORDER OR REGULATION IN CONNECTION WITH THIS AGREEMENT AND/OR PERFORMANCE OF SERVICES OR PROVISION OF MATERIALS PURSUANT TO THIS AGREEMENT.

- (h) INDEMNIFICATION FOR DAMAGE RELATED TO WELL. NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY, COMPANY SHALL BE RESPONSIBLE AND LIABLE FOR AND SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS CONTRACTOR GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING FROM (I) ANY DAMAGE OR LOSS TO ANY WELL, HOLE, CASING, PIPELINE, VESSEL, STORAGE OR PRODUCTION FACILITY, RESERVOIR, AQUIFER, MINERAL RESOURCE, UNDERGROUND STRATA, GEOLOGICAL FORMATION OR PRODUCTIVE FORMATION AND ANY OTHER SURFACE OR SUBSURFACE (INCLUDING SUBSURFACE TRESPASS), (II) THE USE OF RADIOACTIVE MATERIAL (INCLUDING ANY POLLUTION, CONTAMINATION AND ASSOCIATED CLEAN UP), (III) ANY BLOWOUT, FIRE, EXPLOSION, OR CRATERING, (IV) SEEPAGE OR OTHER LOSS OR FLOW OF OIL, GAS, WATER OR WELL FLUIDS, AND (V) REMOVAL OF DEBRIS AND COST OF REGAINING CONTROL OF ANY WILD WELL.
  
- (i) INDEMNITY FOR HAZARDOUS MATERIALS. COMPANY AGREES THAT IT WILL, AT ITS SOLE EXPENSE AND RISK, STORE, MANIFEST, TRANSPORT AND DISPOSE OF ANY SPENT OR USED CHEMICALS OR HAZARDOUS WASTE AS DEFINED BY THE RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. SECTION 6901 ET SEQ.), AS AMENDED FROM TIME TO TIME AND THE REGULATIONS PROMULGATED THEREUNDER, ("HAZARDOUS MATERIALS") RESULTING FROM OR INCIDENT TO THE JOB AND ASSUMES ALL RESPONSIBILITIES AND OBLIGATIONS ASSOCIATED IN ANY MANNER WITH SUCH HAZARDOUS MATERIALS. FURTHERMORE, CONTRACTOR SHALL NOT BE RESPONSIBLE FOR THE SIGNING OF MANIFESTS OR FOR THE STORAGE, TRANSPORTATION OR DISPOSAL OF SUCH HAZARDOUS MATERIALS. THE COST AND RESPONSIBILITY FOR STORAGE, TRANSPORTATION AND DISPOSAL OF SUCH HAZARDOUS MATERIALS SHALL BE THE RESPONSIBILITY OF COMPANY. COMPANY SHALL FULLY PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE CONTRACTOR GROUP FROM AND AGAINST ANY CLAIMS AGAINST OR LIABILITY INCURRED BY ANY MEMBER OF CONTRACTOR GROUP, UNDER STATUTE, REGULATION, OR OTHERWISE, ARISING FROM ANY MEMBER OF COMPANY

GROUP'S FAILURE TO PROPERLY STORE, MANIFEST, TRANSPORT AND/OR DISPOSE OF SUCH HAZARDOUS MATERIALS OR OTHERWISE CAUSED IN ANY WAY BY ANY MEMBER OF COMPANY GROUP.

- (j) INDEMNITY FOR THIRD PARTY CLAIMS. COMPANY SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE CONTRACTOR GROUP FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR RELATED TO ANY INJURY, ILLNESS, DEATH, OR DAMAGE TO THE PROPERTY OF ANY THIRD PARTY TO THE EXTENT THAT SUCH INJURY, ILLNESS, DEATH, OR PROPERTY DAMAGE IS CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF COMPANY GROUP. SIMILARLY, CONTRACTOR SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS, AND RELEASE COMPANY GROUP FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR RELATED TO ANY INJURY, ILLNESS, DEATH, OR DAMAGE TO THE PROPERTY OF ANY THIRD PARTY TO THE EXTENT THAT SUCH INJURY, ILLNESS, DEATH, OR PROPERTY LOSS IS CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF CONTRACTOR GROUP.
- (k) OBLIGATIONS WITHOUT REGARD TO INSURANCE. EACH PARTY'S INDEMNITY OBLIGATIONS HEREUNDER SHALL BE WITHOUT REGARD TO ANY INSURANCE MAINTAINED BY SUCH PARTY.
- (l) CLAIMS FOR INDEMNIFICATION. EACH PERSON THAT MAY BE INDEMNIFIED HEREUNDER (AN "INDEMNITEE") SHALL PROMPTLY NOTIFY IN WRITING THE APPLICABLE PARTY OF ANY CLAIM THAT MAY BE PRESENTED TO OR SERVED UPON THE INDEMNITEE FOR WHICH THE NOTIFIED PARTY (THE "INDEMNITOR") MAY BE LIABLE HEREUNDER. SUCH NOTICE MUST DESCRIBE IN REASONABLE DETAIL THE FACTS GIVING RISE TO THE CLAIM, STATE THAT THE INDEMNITEE INTENDS TO SEEK INDEMNITY HEREUNDER, AND SET FORTH THE GROUNDS UPON WHICH THE INDEMNITEE ASSERTS ITS RIGHT TO SEEK INDEMNITY HEREUNDER. UPON RECEIPT OF SUCH NOTICE, THE INDEMNITOR SHALL ASSUME THE DEFENSE OF SUCH CLAIM IF THE INDEMNITOR IS OBLIGATED TO DO SO HEREUNDER. IF THE INDEMNITOR ASSUMES THE DEFENSE OF SUCH CLAIM, THEN THE INDEMNITEE WILL COOPERATE WITH THE INDEMNITOR'S EFFORTS TO PREPARE THE DEFENSE, INCLUDING TIMELY RESPONDING TO INTERROGATORIES AND DOCUMENT REQUESTS, MAKING WITNESSES AVAILABLE FOR DEPOSITIONS AND ATTENDING ANY TRIAL RELATING THERETO. THE INDEMNITEE MAY EMPLOY SEPARATE COUNSEL AND PARTICIPATE IN THE DEFENSE OF ANY SUCH CLAIM AT ITS OWN COST AND EXPENSE, BUT THE INDEMNITOR WILL HAVE THE RIGHT TO MAKE ALL DECISIONS ABOUT DEFENSE AND TRIAL STRATEGY. IF THE INDEMNITOR FAILS TO REPLY IN WRITING TO THE INDEMNITEE'S NOTICE OF THE CLAIM, STATING THAT THE INDEMNITOR INTENDS TO ASSUME THE DEFENSE OF SUCH CLAIM, WITHIN 30 DAYS OF RECEIVING THE INDEMNITEE'S NOTICE, OR WITHIN TEN DAYS PRIOR TO ANY DEADLINE TO RESPOND TO SUCH CLAIM, WHICHEVER IS EARLIER, OR IF THE INDEMNITOR



CEASES TO VIGOROUSLY AND PROMPTLY DEFEND THE SAME, THE INDEMNITEE MAY DEFEND THE SAME WITH COUNSEL OF ITS OWN CHOOSING, AND SETTLE SUCH CLAIM, ALL AT THE EXPENSE OF THE INDEMNITOR, IF THE INDEMNITOR IS OBLIGATED TO INDEMNIFY THE INDEMNITEE FOR THE CLAIM PURSUANT TO THIS AGREEMENT. IF THE INDEMNITOR TIMELY ASSUMES THE DEFENSE OF AND CONTINUES TO VIGOROUSLY DEFEND SUCH CLAIM, THEN THE INDEMNITEE WILL HAVE NO RIGHT TO SETTLE THE SAME WITHOUT THE PRIOR WRITTEN CONSENT OF THE INDEMNITOR. THE INDEMNITOR MAY ASSUME THE DEFENSE OF SUCH CLAIM AT ANY TIME PRIOR TO ANY SETTLEMENT OR OTHER FINAL DETERMINATION THEREOF.

- (m) **WAIVER OF CONSEQUENTIAL DAMAGES.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, UNDER NO CIRCUMSTANCES WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS RESPECTIVE GROUP (CONTRACTOR GROUP OR COMPANY GROUP, AS APPLICABLE) FOR PUNITIVE, EXEMPLARY, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFIT OR BUSINESS INTERRUPTIONS, LOSS OF USE, LOSS OF DATA, LOSS OF ASSETS OR LOSS OR DELAY OF PRODUCTION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF, OR OTHERWISE COULD HAVE ANTICIPATED THE POSSIBILITY OF, SUCH DAMAGES OR LIABILITIES IN ADVANCE. THE PRECEDING SENTENCE SHALL NOT, HOWEVER, OPERATE TO LIMIT THE INDEMNITY OBLIGATIONS OF EITHER PARTY OWED TO ANY THIRD PARTY HEREUNDER.
- (n) **LIMITATION ON LIABILITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCEPT FOR THEIR RESPECTIVE INDEMNITY OBLIGATIONS AND COMPANY'S OBLIGATION TO PAY CONTRACTOR FOR MATERIALS, SERVICES, INTEREST AND COSTS OF COLLECTION PURSUANT TO THIS AGREEMENT, NEITHER PARTY WILL BE LIABLE TO THE OTHER IN CONNECTION WITH THIS AGREEMENT OR THE MATERIALS OR SERVICES PROVIDED HEREUNDER FOR MORE THAN COMPANY HAS PAID CONTRACTOR UNDER THIS AGREEMENT DURING THE 12 MONTHS PRECEDING THE APPLICABLE CLAIM.
- (o) **INDEMNITY OBLIGATIONS WITHOUT REGARD TO NEGLIGENCE.** EXCEPT AS OTHERWISE PROVIDED HEREIN OR LIMITED BY LAW, IT IS THE INTENT OF THE PARTIES THAT ALL INDEMNITY OBLIGATIONS AND OTHER LIABILITIES ASSUMED BY SUCH PARTIES UNDER THE TERMS OF THIS AGREEMENT WILL BE WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF, INCLUDING PREEXISTING CONDITIONS, STRICT LIABILITY, BREACH OF CONTRACT, BREACH OF DUTY, OR THE NEGLIGENCE OR FAULT OF ANY MEMBER OF CONTRACTOR GROUP OR COMPANY GROUP, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, COMPARATIVE OR CONCURRENT, OR ACTIVE, PASSIVE, OR GROSS, BUT EXCLUDING THE WILLFUL MISCONDUCT OF ANY MEMBER OF CONTRACTOR GROUP OR COMPANY GROUP.

- (p) CONFORMITY WITH INDEMNIFICATION LAW. THE INDEMNITIES PROVIDED FOR IN THIS ARTICLE 7 SHALL BE LIMITED TO THE EXTENT, AND ONLY TO THE EXTENT, NECESSARY FOR COMPLIANCE WITH LAWS OR REGULATIONS APPLICABLE TO THE PERFORMANCE OF THE SERVICES OR PROVISION OF MATERIALS HEREUNDER, AND TO THE EXTENT ANY SUCH LAWS OR REGULATIONS ARE IN VARIANCE WITH THE INDEMNITIES PROVIDED IN THIS AGREEMENT, SUCH INDEMNITY SHALL BE DEEMED TO BE AMENDED TO THE EXTENT NECESSARY SO AS TO COMPLY WITH SUCH LAWS OR REGULATIONS TO PROVIDE FOR THE MAXIMUM INDEMNITY OTHERWISE ALLOWABLE AND ENFORCEABLE UNDER SUCH LAWS OR REGULATIONS; PROVIDED, THAT IN NO CASE SHALL SUCH REFORMED INDEMNITY PROVISIONS UNDER THIS SECTION 7 EXCEED THE INDEMNITY PROVIDED FOR IN THIS AGREEMENT. NO OTHER PROVISIONS OF THIS AGREEMENT SHALL BE AMENDED OR AFFECTED THEREBY.

IN THE EVENT THAT THIS AGREEMENT IS INTERPRETED UNDER THE LAWS OF THE STATE OF TEXAS FOR A PARTICULAR OCCURRENCE, THEN SECTION 7 SHALL APPLY, BUT FOR THE PURPOSES OF TITLE 6, CHAPTER 127 OF THE TEXAS CIVIL PRACTICE AND REMEDIES CODE, COMMONLY KNOWN AS THE TEXAS OILFIELD ANTI-INDEMNITY ACT, THE INDEMNITY AND INSURANCE PROVISIONS OF THIS AGREEMENT APPLICABLE TO PROPERTY DAMAGE AND THE INDEMNITY AND INSURANCE PROVISIONS APPLICABLE TO PERSONAL INJURY, BODILY INJURY, AND DEATH SHALL BE DEEMED SEPARATE FOR INTERPRETATION, ENFORCEMENT, AND OTHER PURPOSES. IF THE LAWS OF THE STATE OF TEXAS GOVERN THIS AGREEMENT, THEN CONTRACTOR AND COMPANY INCORPORATE TITLE 6, CHAPTER 127 OF THE TEXAS CIVIL PRACTICE AND REMEDIES CODE, AND AGREE TO THE LIMITS OF THAT STATUTE.

IN THE EVENT THAT THIS AGREEMENT IS INTERPRETED UNDER THE LAWS OF THE STATE OF LOUISIANA FOR A PARTICULAR OCCURRENCE, THEN SECTION 7 SHALL APPLY, BUT FOR THE PURPOSES OF LA. R.S. 9:2780, COMMONLY KNOWN AS THE LOUISIANA OILFIELD ANTI-INDEMNITY ACT, THE INDEMNITY AND INSURANCE PROVISIONS OF THIS AGREEMENT APPLICABLE TO PROPERTY DAMAGE AND THE INDEMNITY AND INSURANCE APPLICABLE TO PERSONAL INJURY, BODILY INJURY, AND DEATH SHALL BE DEEMED SEPARATE FOR INTERPRETATION, ENFORCEMENT, AND OTHER PURPOSES. IF THE LAWS OF THE STATE OF LOUISIANA GOVERN THIS AGREEMENT, THEN CONTRACTOR AND COMPANY INCORPORATE LA. R.S. 9:2780 AND AGREE TO THE LIMITS OF THAT STATUTE.

8. Insurance.

- (a) Required Coverage. Contractor and Company will at all times during the provision of any Services performed hereunder carry and maintain insurance as is necessary to protect against all claims for damages, risks, losses, and contractual indemnities covered by this Agreement, where permitted by law,

and shall carry and maintain insurance of such type and with such limits as set forth in Exhibit A. All such policies shall be issued by insurance companies that are solvent and that have an AM Best Rating of B+ or higher. Before Contractor begins performing any Services hereunder, each party will furnish the other party with certificates from their insurers and a copy of policy endorsements evidencing the coverage required hereby and as described in Exhibit A. Each party will notify the other party of any cancellation or any material changes to such party's coverage within 30 days of the effective date of such cancellation or change. If either party fails to perform any of its obligations hereunder with respect to insurance, with or without the knowledge or consent of the other party, then such party shall itself be an insurer to the extent it has failed to perform such obligations. The minimum insurance requirements set forth in Exhibit A attached hereto are not intended in any way to limit the extent of Contractor's or Company's indemnity obligations provided for in Article 7 above.

- (b) Required Endorsements. Each party covenants and agrees that all of its employer's liability, commercial general liability, automobile liability, and excess/umbrella liability insurance policies will: (i) include the other party as an additional insured, as its interests may attach; (ii) provide that the inclusion of additional insureds will not in any way affect the rights of any insureds as respects any claim made, brought or recovered, by or in favor of any other insured, or by or in favor of any employee of such other insured, such that the policy will protect each insured in the same manner as though a separate policy had been issued to each, subject to the amount of coverage provided by such policy; and (iii) be primary with respect to any liability assumed under this Agreement. Additionally, each party covenants and agrees that all of its employer's liability, commercial general liability, automobile liability, excess/umbrella liability, workers' compensation and, when applicable, professional liability/errors & omissions insurance policies will waive any right of subrogation against the other party.

9. Reporting Injuries and Environmental Incidents. In the event either party is subject to: (a) an accident and/or occurrence resulting in bodily injury or death, (b) a spill or release of pollutants, (c) loss of or damage to property, or (d) any other emergency, arising out of or during the course of the performance of Services, such party shall notify the other party as soon as practicable and, when requested, will furnish the other party with a copy of any non-privileged reports made by or on behalf of the party subject to any such event to its insurers, governmental authorities, or to others of such accidents or occurrences.
10. Compliance with Law. Each party will comply with all applicable laws, rules, regulations and orders ("Laws"), which are now or may hereafter become applicable to the parties' in connection with this Agreement, including Laws applying to equipment, operations or personnel. If any of the terms hereof are in conflict with any applicable rule, regulation,

order or law of any state or federal regulatory body, the terms of this Agreement so in conflict will not apply and the applicable state or federal rule, regulation, order or law will prevail.

11. Taxes. Company shall pay all taxes and fees levied or assessed on Contractor (other than taxes based upon Contractor's income) in connection with or incident to the performance of the Services by any governmental agency. Contractor shall furnish Company with the information required to enable Company to pay such taxes or governmental charges and file any returns related thereto.
12. Force Majeure. An event of Force Majeure is any event not within a party's reasonable control and not contributed to by the negligence or willful misconduct of a party or any of its Representatives, including acts of God, unusually severe weather, flood, fire, epidemic, terrorism, riot, war, labor disputes, or actions or failures to act by any government agency (except to the extent that such actions or failures to act by any government agency were sought by the party whose performance is affected thereby or are due to the failure of such party to pursue with reasonable diligence any approval required by such government agency), that prevents a party from performing its obligations hereunder. A party will not be in breach of this Agreement if its performance of obligations hereunder, other than an obligation to make payment, is prevented or unreasonably hindered by an event of Force Majeure, but such party shall undertake commercially reasonable efforts to mitigate the effects of such event of Force Majeure. Notwithstanding the foregoing, neither party will have any obligation to settle any labor dispute that constitutes an event of Force Majeure hereunder. Either party may terminate this Agreement if performance in connection with this Agreement is delayed by 60 consecutive days or 90 days in the aggregate by the same event of Force Majeure and neither party will have any further obligation to the other in connection with this Agreement except to the extent that such obligations accrued prior to any such event of Force Majeure. Contractor will deliver title and/or control of all material and work in progress to Company, to the extent that Company has paid for such material and work in progress, pursuant to this Agreement.
13. Patents, Copyright and Intellectual Property.
  - (a) Ownership of Intellectual Property. Any property or subject that (i) is potentially patentable, is embodied in a patent application, or that is patented; (ii) is potentially copyrightable, is embodied in a copyright registration application, or constitutes a copyright, whether registered or not; (iii) is potentially useable as a trademark or service mark, is embodied in a trademark or service mark application, or constitutes a trademark or service mark, whether registered or not; (iv) constitutes or potentially constitutes a trade secret, or (v) constitutes or potentially constitutes a protectable intellectual property right under any state, federal, or foreign jurisdiction (collectively, the "Intellectual Property") of a party, existing prior to the date of this Agreement or developed by such party

during the term of this Agreement will, absent a written agreement between the parties to the contrary, remain the sole property of such party.

- (b) Contractor's Infringement Indemnity Obligation. Contractor shall defend, indemnify and hold harmless Company Group from and against all Claims for any patent, copyright or trademark infringement or trade secret misappropriation resulting from Contractor's performance of Services under this Agreement in cases in which the Intellectual Property giving rise to such Claims was not provided to Contractor by Company in connection with those Services.
- (c) Company's Infringement Indemnity Obligation. Company shall defend, indemnify and hold harmless Contractor Group from and against all Claims for any patent, copyright or trademark infringement or trade secret misappropriation resulting from Contractor's performance of Services under this Agreement in cases in which the Intellectual Property giving rise to such Claims was provided to Contractor by Company in connection with those Services.

14. Equipment.

- (a) Notwithstanding any other provision of this Agreement to the contrary, Company shall be responsible for any loss or damage to each member of Contractor Group's equipment, tools, supplies and instruments while being transported by any member of Company Group or by conveyance arranged by any member of Company Group and during fueling, servicing, loading or if such fueling, servicing, loading or unloading is performed or controlled by any member of Company Group.
- (b) Notwithstanding any other provision in this Agreement to the contrary, Company shall be responsible and liable for loss of or damage to any member of Contractor Group's equipment, tools, supplies and instruments which are lost or damaged: (i) in the well, (ii) due to abrasion or corrosion caused by well effluents, or (iii) while in the care, custody and control of any member of Company Group, unless such loss or damage is caused by the willful misconduct of a member of Contractor Group or is the result of normal wear and tear.
- (c) In the event of loss or damage to Contractor Group's equipment, tools and instruments as described in Sections 14(a) and 14(b), Company shall pay the owner of such equipment, tools or instruments the cost to replace such equipment, tools or instruments.
- (d) Notwithstanding any provision herein to the contrary, in the event a tool containing a radioactive source, or a radioactive source utilized in any other manner by Contractor Group, becomes lost or lodged in a well, Company shall be solely responsible for any efforts to recover the radioactive source and Company shall also be responsible for complying with all applicable Laws concerning such

recovery and any reporting to any government agency relating thereto, and, if necessary, the abandonment of lost or lodged radioactive sources. Contractor shall be entitled to observe at its sole cost, any such recovery or abandonment efforts and to receive copies of any reports relating thereto.

- (e) Unless Contractor has been engaged to perform such Services, if Company fishes for any of member of Contractor Group's equipment, tools or instruments, unless Contractor has been engaged to perform such fishing services, Company assumes the entire responsibility for such operations.

15. Dispute Resolution. If a dispute arises between the parties regarding this Agreement or either party's performance hereunder, the parties will use the procedure described herein to resolve the dispute.

- (a) Informal Dispute Resolution Procedure. If the parties' respective project managers are unable to resolve the dispute after making reasonable efforts to do so, either party may give written notice to the other that it is invoking this dispute resolution procedure, whereupon the parties will cooperate in good faith to schedule an in-person meeting with a senior executive from each party during which the relevant personnel from each party will present their respective positions regarding the dispute and the senior executives will negotiate in good faith to settle the dispute.
- (b) Litigation. If, within 30 days after one party has given the other the written notice referenced in Section 15(a) the parties have not settled the dispute, either party may pursue whatever remedies may be available to it, subject to the terms of this Agreement, at law or in equity.

16. Miscellaneous.

- (a) Successors and Assigns. This Agreement will be binding upon the parties hereto and, as applicable, their respective heirs, successors or assigns.
- (b) Assignment. Neither party may assign this Agreement without the prior written approval of the other party, which approval shall not be unreasonably withheld.
- (c) Notice. Any notices given by one party to the other in connection with or relating to this Agreement or the performance of any obligation or the exercise of any right hereunder will be deemed to have been received by the party to which it is sent (i) on the day it is delivered (or the next business day if it is delivered on a weekend or holiday) if it is sent via overnight courier, certified mail (return receipt requested) to the party at the address noted below, or (ii) when receipt is acknowledged by the party if sent by email to the email address provided by that part, in each case as the same may be changed by either party from time to time by written notice to the other party:

If to Contractor: KLX Energy Services LLC, Attn: Region VP, 6072 W Veterans Memorial Highway, Bridgeport, WV 26330

If to Customer: The address for Customer indicated on the corresponding Field Ticket or Delivery Ticket

- (d) Governing Law and Jurisdiction. The parties intend that this Agreement be construed and enforced in accordance with Texas law without, so far as may be allowed by law, consideration of any jurisdiction's choice of law principles. Subject to Article 15, the parties submit irrevocably to the jurisdiction of the state and federal courts situate in Harris County, Texas, and will not assert any defense, including any claim of *forum non conveniens*, to avoid such jurisdiction. Each party hereby waives its right to a trial by jury in any trial that arises from, is in connection with, or that relates to this Agreement.
- (e) Non-Waiver of Rights. The failure of either party to demand strict performance of the terms of or to exercise any right conferred by this Agreement is not intended by the parties to be construed as a waiver or relinquishment of its right to assert or rely upon any term or right in the future, or as a consent to any continuing or subsequent failure or breach.
- (f) Severability. If any provision or any part or portion of any provision of this Agreement becomes or is declared to be unlawful, invalid, void, or otherwise unenforceable, the rights and obligations of the parties will be reduced only as much as is required to remove the unenforceability and the balance of this Agreement will remain in effect.
- (g) References. References made in this Agreement, including use of a pronoun, are intended to include where applicable, masculine, feminine, singular or plural, individuals or entities. The term "including" or "includes" means "including, without limitation."
- (h) Headings. Article and Section headings are inserted for convenience and are not intended to have any effect on the interpretation or construction of this Agreement.
- (i) Counterparts and Copies. This Agreement may be executed in counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same agreement. Electronic and hard copies of this Agreement will be as valid for all purposes as original versions.
- (j) Survival. Notwithstanding any provisions herein to the contrary, upon the termination of this Agreement for any reason whatsoever, the provisions of Articles 3, 4, 5, 7, 9, 10, 11, 13, 15 and 16 will survive such termination and be binding until any actions, obligations and/or rights therein provided have been satisfied or released.

- (k) Entirety and Amendment. This Agreement supersedes and replaces all prior or contemporaneous agreements between the parties regarding its subject matter, whether oral, written, or formed by a course of dealing. No amendment to this Agreement will be valid unless it is in writing and signed by each party.
  
- (l) Time of Performance. Contractor will work diligently and use commercially reasonable efforts to complete the work without delay.



**Exhibit A**  
**to**  
**General Terms and Conditions**

Insurance Requirements

At a minimum, each party must carry the following insurances:

- Workers' Compensation and Occupational Disease Insurance at the statutory minimum limits applicable in the area where the Services are rendered;
- Employer's Liability Insurance in an amount of \$1,000,000;
- Commercial General Liability Insurance in an amount of \$1,000,000 per occurrence for bodily injury and property damage;
- All Risk Property Insurance to cover the owner's own property and property of others while in their care, custody or control;
- Automobile Liability Insurance covering owned, hired, and non-owned vehicles with single limits in an amount of \$1,000,000 for bodily injury and property damage; and
- Excess/Umbrella Liability in an amount of \$5,000,000 per occurrence.