

Confidentiality Requested:

Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1

January 2018

Form must be Typed

Form must be Signed

All blanks must be Filled

**WELL COMPLETION FORM**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # \_\_\_\_\_

Name: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

CONTRACTOR: License # \_\_\_\_\_

Name: \_\_\_\_\_

Wellsite Geologist: \_\_\_\_\_

Purchaser: \_\_\_\_\_

Designate Type of Completion:

New Well  Re-Entry  Workover

Oil  WSW  SWD

Gas  DH  EOR

OG  GSW

CM (Coal Bed Methane)

Cathodic  Other (Core, Expl., etc.): \_\_\_\_\_

If Workover/Re-entry: Old Well Info as follows:

Operator: \_\_\_\_\_

Well Name: \_\_\_\_\_

Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Deepening  Re-perf.  Conv. to EOR  Conv. to SWD

Plug Back  Liner  Conv. to GSW  Conv. to Producer

Commingled Permit #: \_\_\_\_\_

Dual Completion Permit #: \_\_\_\_\_

SWD Permit #: \_\_\_\_\_

EOR Permit #: \_\_\_\_\_

GSW Permit #: \_\_\_\_\_

Spud Date or Date Reached TD Completion Date or Recompletion Date

API No.: \_\_\_\_\_

Spot Description: \_\_\_\_\_

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West

\_\_\_\_\_ Feet from  North /  South Line of Section

\_\_\_\_\_ Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE  NW  SE  SW

GPS Location: Lat: \_\_\_\_\_, Long: \_\_\_\_\_  
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)

Datum:  NAD27  NAD83  WGS84

County: \_\_\_\_\_

Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Field Name: \_\_\_\_\_

Producing Formation: \_\_\_\_\_

Elevation: Ground: \_\_\_\_\_ Kelly Bushing: \_\_\_\_\_

Total Vertical Depth: \_\_\_\_\_ Plug Back Total Depth: \_\_\_\_\_

Amount of Surface Pipe Set and Cemented at: \_\_\_\_\_ Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set: \_\_\_\_\_ Feet

If Alternate II completion, cement circulated from: \_\_\_\_\_

feet depth to: \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

**Drilling Fluid Management Plan**

*(Data must be collected from the Reserve Pit)*

Chloride content: \_\_\_\_\_ ppm Fluid volume: \_\_\_\_\_ bbls

Dewatering method used: \_\_\_\_\_

Location of fluid disposal if hauled offsite:

Operator Name: \_\_\_\_\_

Lease Name: \_\_\_\_\_ License #: \_\_\_\_\_

Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West

County: \_\_\_\_\_ Permit #: \_\_\_\_\_

**AFFIDAVIT**

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Submitted Electronically

**KCC Office Use ONLY**

Confidentiality Requested

Date: \_\_\_\_\_

Confidential Release Date: \_\_\_\_\_

Wireline Log Received  Drill Stem Tests Received

Geologist Report / Mud Logs Received

UIC Distribution

ALT  I  II  III Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Operator Name: \_\_\_\_\_ Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West County: \_\_\_\_\_

**INSTRUCTIONS:** Show important tops of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed.

Final Radioactivity Log, Final Logs run to obtain Geophysical Data and Final Electric Logs must be emailed to [kcc-well-logs@kcc.ks.gov](mailto:kcc-well-logs@kcc.ks.gov). Digital electronic log files must be submitted in LAS version 2.0 or newer AND an image file (TIFF or PDF).

Drill Stem Tests Taken <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input type="checkbox"/> No Geologist Report / Mud Logs <input type="checkbox"/> Yes <input type="checkbox"/> No  List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum
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CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

1. Did you perform a hydraulic fracturing treatment on this well?  Yes  No *(If No, skip questions 2 and 3)*
2. Does the volume of the total base fluid of the hydraulic fracturing treatment exceed 350,000 gallons?  Yes  No *(If No, skip question 3)*
3. Was the hydraulic fracturing treatment information submitted to the chemical disclosure registry?  Yes  No *(If No, fill out Page Three of the ACO-1)*

Date of first Production/Injection or Resumed Production/Injection:	Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____				
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i>	PRODUCTION INTERVAL: Top Bottom
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Shots Per Foot	Perforation Top	Perforation Bottom	Bridge Plug Type	Bridge Plug Set At	Acid, Fracture, Shot, Cementing Squeeze Record <i>(Amount and Kind of Material Used)</i>

TUBING RECORD:	Size:	Set At:	Packer At:	
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# Short Cuts

## TANK CAPACITY

BBLs. (42 gal.) equals  $D^2 \times .14 \times h$

D equals diameter in feet.

h equals height in feet.

## BARRELS PER DAY

Multiply gals. per minute x 34.2

HP equals BPH x PSI x .0004

BPH - barrels per hour

PSI - pounds square inch

## TO FIGURE PUMP DRIVES

\* D - Diameter of Pump Sheave

\* d - Diameter of Engine Sheave

SPM - Strokes per minute

RPM - Engine Speed

R - Gear Box Ratio

\*C - Shaft Center Distance

D -  $RPM \times d$  over  $SPM \times R$

d -  $SPM \times R \times D$  over RPM

SPM -  $RPM \times D$  over  $R \times d$

R -  $RPM \times D$  over  $SPM \times d$

BELT LENGTH -  $2C + 1.57(D + d) + \frac{(D-d)^2}{4C}$

\* Need these to figure belt length

TO FIGURE AMPS:  $\frac{WATTS}{VOLTS} = AMPS$

746 WATTS equal 1 HP

# Log Book

Well No. 2-2

Farm Zumattan

KS Crawford  
(State) (County)

36 28 21  
(Section) (Township) (Range)

For TOC, Inc.  
(Well Owner)

## Town Oil Company, Inc.

16205 W. 287th St.

Paola, KS 66071

913-294-2125



Thickness of Strata	Formation	Total Depth	Remarks
11	Soil & clay	11	
4	Loam	15	Hertha
2	shale	17	
6	sandy lime	23	
20	shale	53	
6	sandy lime	59	
55	shale	114	
28	lime	142	Lt Brown, oil show
2	shale	144	
2	slate	146	
34	shale	180	w/ lime streaks
10	sand	190	slight oil show
30	sandy shale	220	no show
7	sandy lime	227	no show, hard
5	lime	232	
7	shale	239	w/ slate
1	grn shale	240	w/ lime
6	lime	246	
21	shale	267	
8	sand	275	no show or odor, limest
134	shale	409	
21	sand	430	good odor <del>slight</del> <sup>good</sup> bleed
20	shale	450	w/ lime streaks T.V.D.



PRESSURE PUMPING LLC  
PO Box 884, Chanute, KS 66720  
620-431-9210 or 800-467-8676

SM-10933  
PO-17054  
FT-10824

TICKET NUMBER 54021  
LOCATION Ottawa  
FOREMAN Alan Maden

**FIELD TICKET & TREATMENT REPORT  
CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
6-14-18	7823	Zumwalt 2-2	NW 36	28	21	OK
CUSTOMER <u>Town Oil Co.</u>						
MAILING ADDRESS <u>11205 W 287th</u>						
CITY <u>Paola</u>		STATE <u>KS</u>	ZIP CODE <u>66071</u>			

TRUCK #	DRIVER	TRUCK #	DRIVER
<u>730</u>	<u>Alan Mad</u>	<u>Safety</u>	<u>Meet</u>
<u>467</u>	<u>Kei Car</u>		
<u>503</u>	<u>Kee Del</u>		

JOB TYPE long string HOLE SIZE 634 HOLE DEPTH 450 CASING SIZE & WEIGHT 4 1/2  
 CASING DEPTH 409 DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT \_\_\_\_\_ SLURRY VOL \_\_\_\_\_ WATER gal/sk \_\_\_\_\_ CEMENT LEFT in CASING yes  
 DISPLACEMENT \_\_\_\_\_ DISPLACEMENT PSI 200 MIX PSI 200 RATE 4 bpm

REMARKS: Held meeting. Established rate. Mixed & pumped 100# gel followed by 74 sk Pozblend I-A plus 2% gel. Circulated cement. Displaced casing with clean water. Closed valve.

Town Drilling, Scotty / Winton  
Town H2O

Alan Maden

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
LED45D	1	PUMP CHARGE	467 1500 <sup>00</sup>	
LED002	70	MILEAGE	467 500 <sup>50</sup>	
LED711	min	ten miles	503 160 <sup>00</sup>	
		sub	2665 <sup>50</sup>	
		less 30% -	798 <sup>15</sup>	1862 <sup>35</sup>
CLS840	74	Pozblend I-A	999 <sup>00</sup>	
CL3965	224#	gel	67 <sup>20</sup>	
		sub	1066 <sup>20</sup>	
		less 30% -	3198 <sup>6</sup>	746 <sup>34</sup>
<b>SCANNED</b>				
<u>AM</u>				
		7.58	SALES TAX	55 <sup>98</sup>
			ESTIMATED TOTAL	2664 <sup>67</sup>
			DATE	6-14-18 (380667)

AUTHORIZATION Scott Rikeland

TITLE Driller

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form.



## TERMS AND CONDITIONS

### ATTENTION: THESE TERMS AND CONDITIONS CONTAIN INDEMNITY PROVISIONS FOR DAMAGE TO PERSONS AND PROPERTY.

All Services or Products provided by QES Pressure Pumping LLC (the Consolidated Oil Well Services LLC) are subject to these Terms and Conditions unless superseded by a Master Service Agreement signed by the parties. In the event Customer does not accept these Terms and Conditions as written, Customer must request a Master Service Agreement from QES' Contracts Administration Department at [mas@oeslp.com](mailto:mas@oeslp.com).

The operations, services, supplies, materials, personnel or goods to be provided ("Services" or "Products" as applicable) by QES Pressure Pumping LLC ("QES") will be provided to you as customer ("Customer") in accordance with the following terms and conditions ("Agreement"). QES and Customer may be referred to as "Party" or "Parties".

**1. Price and Taxes.** Customer will pay QES for the Services or Products in accordance with QES' quoted price which excludes applicable taxes or process license fees. Customer shall pay all applicable taxes and process license fees related to the Services and/or Products. QES' prices are subject to change without notice.

**2. Terms of Payment.** Customer will pay QES cash in advance for Services and Products unless QES has approved credit prior to the performance of the Services and/or delivery of the Products. Credit terms for approved accounts require full payment of the invoiced amount within 30 days from the date of invoice. All invoices not paid within 30 days will be charged an interest rate of 1 1/4% per month or the maximum rate allowed under applicable state law, whichever is higher. Customer will be responsible for any fees incurred by QES in the collection of any amounts owed to QES including but not limited to attorney's fees and/or collection fee costs.

**3. Proof of Services or Delivery of Products.** QES will furnish verification of proof of Services performed and Product delivered to Customer's representative at the time of performance of the Services or Product delivery. Customer agrees to sign and return such verification indicating Customer's acceptance of the Services or Products.

**4. Delivery or Completion.** All liability and responsibility of QES ceases when (1) Products are delivered to the Customer by QES and no longer in the care, custody and control of QES or (2) when the carrier receives the Products and/or shipment. QES will not be responsible for loss or damage to Products in transit or for delays of carriers in delivering goods. In case of shortage, non-conformance, or apparent damage, it is the Customer's responsibility to secure written acknowledgment from the carrier before Customer accepts delivery. Additionally, QES will not be liable for any damage for delays in delivery or completion due to a Force Majeure (as defined below), acts or omissions of the Customer, third party material or manufacturing delays, impossibility or impracticability of performance or any other cause or causes beyond the control of QES. In the event of a delay caused by the aforesaid, the delivery or completion date will be extended for a period equal to any such delay, and the purchase or service will not be void or voidable as a result thereof.

**5. Well or Service Site Conditions.** Customer, having custody and control of the well and/or service site, and having superior knowledge of the same and the conditions surrounding them, warrant that the well and/or service site will be in proper condition to receive and accommodate Services and Products. Upon QES' request, Customer will provide documentation to verify that the well or service site is adequate to support the Services and the delivery of Products. Customer also warrants that QES' personnel and equipment will be able to safely access the well and service site and that any special equipment or road improvements required for such access will be the responsibility of Customer, unless otherwise agreed to by the parties.

**6. Chemical Handling and Hazardous Materials.** Customer agrees that for any waste created as part of the Services, Customer will be considered the "generator" for purposes of any applicable laws or regulations pertaining to the transportation, storage and handling of chemicals and hazardous materials.

**7. Data, Data Transmission and Storage.** QES does not warrant or guarantee the accuracy of any research analysis, survey, or other data generated for the Services. QES is not responsible for any accidental or intentional interception of such data by third parties and it is the responsibility of the Customer to safeguard such data against loss including any need to secure digital or paper copies for storage.

### 8. WARRANTIES - LIMITATION OF LIABILITY.

a) QES warrants that the Services and Products will: (i) be free from defects in materials and workmanship; (ii) be performed in a good and workmanlike manner, in accordance with good oilfield servicing practices; and (iii) conform to the plans, specifications and technical information provided in writing by Customer until the Services or Products are accepted by Customer or QES' contractual obligations are met. In the event that Customer discovers a defect in the Services or Products within the warranty period specified above, Customer will notify QES of such defect. In the event that QES confirms that the Services or Products are defective, QES's liability and Customer's exclusive remedy in any cause of action (whether in tort, contract, breach of warranty or otherwise) arising out of the sale or use of any Services or Products is expressly limited to, at QES' option, the (i) replacement of such Services or Products upon their return to QES or (ii) a credit to Customer for the full price paid by Customer for the defective segment of the Services or Products upon their return to QES. In the case of products or parts not wholly of QES' manufacture, QES' liability will be limited to the extent of its recovery from the manufacturer of such products or parts under its liability to QES. QES will not be liable for any damages, claims, losses or expenses of Customer resulting from such defects or for damages resulting from delays, loss of use, or other direct, indirect, incidental, punitive or consequential damages of any kind. QES will not be responsible for: (i) failures of Services that have been in any way tampered with or altered by anyone other than an authorized representative of QES; (ii) failures due to lack of compliance with recommended maintenance procedures; and (iii) products requiring replacement due to normal wear and tear.

b) EXCEPT FOR THE WARRANTIES EXPRESSLY STATED ABOVE, THERE ARE NO OTHER WARRANTIES. THE PARTIES EXPRESSLY EXCLUDE AND CUSTOMER WAIVES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

c) IN NO EVENT WILL QES' ENTIRE LIABILITY (IN TORT, CONTRACT, WARRANTY, INFRINGEMENT OR OTHERWISE) TO CUSTOMER EXCEED THE PURCHASE PRICE ACTUALLY PAID BY CUSTOMER FOR THE SERVICES OR PRODUCTS THAT GIVE RISE TO A DISPUTE. THIS PROVISION WILL SURVIVE ANY TERMINATION OF THIS AGREEMENT.

### 9. INDEMNIFICATION AND WAIVER OF CONSEQUENTIAL DAMAGES.

9.1 For purpose of this Section 9, the following definitions will apply: "QES Group" means QES Pressure Pumping LLC, its parent company, and affiliated companies, and its and their officers, directors, employees, contractors, subcontractors and invitees. "Customer Group" means Customer, its parent (if any), subsidiary and affiliated companies, co-owners, co-venturers, partners and any entity with whom Customer has an economic interest with respect to the Services, including Customer's joint interest owners and partners and its and their officers, directors, employees, contractors (not including QES), subcontractors and invitees.

**9.2 QES INDEMNITY.** QES AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS CUSTOMER GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ARISING IN CONNECTION WITH THE SERVICES, ON ACCOUNT OF BODILY INJURY, ILLNESS, OR DEATH OF ANY MEMBER OF QES GROUP OR DAMAGE TO OR LOSS OF PROPERTY OF ANY MEMBER OF QES GROUP.

**9.3 CUSTOMER INDEMNITY.** CUSTOMER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS QES GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ARISING IN CONNECTION WITH THE SERVICES, ON ACCOUNT OF BODILY INJURY, ILLNESS, OR DEATH OF ANY MEMBER OF CUSTOMER GROUP OR DAMAGE TO OR LOSS OF PROPERTY OF ANY MEMBER OF CUSTOMER GROUP.

**9.4 WELL.** CUSTOMER WILL RELEASE, PROTECT, DEFEND, AND INDEMNIFY QES GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER IN THE EVENTS OF: (i) LOSS OR DAMAGE TO ANY GEOLOGICAL FORMATION, STRATA OR OIL OR GAS RESERVOIR OR MINERAL OR WATER RESOURCE BENEATH THE SURFACE OF THE LAND OR WATER, (ii) LOSS OR DAMAGE TO THE HOLE OR WELL, (iii)

IMPAIRMENT OF PROPERTY RIGHTS OR OTHER INTERESTS IN OR TO OIL, GAS, MINERAL OR WATER RESOURCES, AND (iv) REGAINING CONTROL OF ANY WILD WELL OR OUT OF CONTROL WELL, UNDERGROUND OR ABOVE THE SURFACE, INCLUDING REMOVAL OF WRECK, DEBRIS, EQUIPMENT, AND HAZARDOUS MATERIALS AND REMEDIATING ENVIRONMENTAL DAMAGE.

**9.5 POLLUTION RESPONSIBILITY.** Subject to paragraphs 9.2 and 9.3, it is understood and agreed between Customer and QES that the responsibility for pollution shall be as follows:

(a) QES WILL ASSUME RESPONSIBILITY FOR CONTROL AND REMOVAL OF AND WILL PROTECT, DEFEND AND INDEMNIFY CUSTOMER GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION OF EVERY KIND OF CHARACTER ARISING FROM POLLUTION OR CONTAMINATION WHICH ORIGINATES ABOVE THE SURFACE OF THE LAND OR WATER FROM THE EQUIPMENT OF ANY MEMBER OF QES GROUP MAINTAINED IN QES GROUP'S CARE, CUSTODY AND CONTROL, AND ARISING FROM THE PERFORMANCE OF THE SERVICES.

(b) CUSTOMER WILL ASSUME RESPONSIBILITY FOR CONTROL AND REMOVAL OF AND WILL PROTECT, DEFEND AND INDEMNIFY QES GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ARISING FROM POLLUTION OTHER THAN THAT DESCRIBED IN SECTION 9.5(A) ABOVE, WHICH MAY OCCUR DURING THE CONDUCT OF OPERATIONS HEREUNDER, INCLUDING, BUT NOT LIMITED TO, POLLUTION RESULTING FROM FIRE, BLOWOUT, CRATERING, SEEPAGE OR OTHER UNCONTROLLED FLOW OF OIL, GAS OR OTHER SUBSTANCE.

**9.6 WAIVER OF CONSEQUENTIAL DAMAGES.** NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, CUSTOMER AND QES FURTHER AGREE THAT NEITHER PARTY WILL BE LIABLE TO THE OTHER OR EACH OTHER'S RESPECTIVE GROUP FOR ANY CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFIT, LOSS OF PRODUCTION, REVENUE, OR ANTICIPATED BUSINESS ("LOSSES"). CUSTOMER AGREES TO INDEMNIFY AND HOLD QES GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR SUCH LOSSES ASSERTED BY MEMBERS OF CUSTOMER GROUP. QES AGREES TO INDEMNIFY AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR SUCH LOSSES ASSERTED BY MEMBERS OF QES GROUP.

**9.7 EXCEPT AS OTHERWISE EXPRESSLY LIMITED BY THIS AGREEMENT OR BY LAW, ALL RELEASES, INDEMNITY OBLIGATIONS AND OTHER LIABILITIES ASSUMED UNDER THIS AGREEMENT WILL BE WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES, INCLUDING, WITHOUT LIMITATION, PREEXISTING CONDITIONS, UNSEAWORTHINESS, STRICT LIABILITY, WILLFUL MISCONDUCT, AND THE SOLE, JOINT, GROSS, OR CONCURRENT NEGLIGENCE OF ANY PARTY.**

**9.8.** Each Party hereunder agrees to support its indemnity obligations with liability insurance coverage with limits of liability not less than ten million dollars (\$10,000,000). It is the express intention of the Parties that the indemnities contained herein apply to the fullest extent permitted by applicable law, and in no event will a Party's indemnity obligation be limited to the amount of insurance carried by each Party.

### THIS SECTION 9 WILL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

**10. Insurance.** All insurance policies of either Party, in any way related to the Services, whether or not required by this Agreement, shall to the extent of the rates and liabilities assumed by such party: (i) name the other party group as additional insured (except for worker's compensation, OEE/COW, or professional liability policies), (ii) waive subrogation as to the other party group; and (iii) be primary and non-contributory to any insurance of the other party group.

**11. Force Majeure.** Except the obligation to make payments when due, neither QES nor Customer will be liable nor deemed to be in breach of this Agreement for any delay or failure in performance resulting from the acts of God, civil or military authority, material change of law, any governmental action, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, national strikes, acts of unusual labor, material or equipment shortages, or any similar or dissimilar cause beyond the reasonable control of either Party. The Party so affected will as soon as such a cause or event occurs promptly notify the other Party in writing concerning the cause and the estimated effect and take reasonable measures with proper dispatch to remedy the condition. In the event Customer declares a force majeure occurrence, QES will be compensated at the standard daily rate for the materials and personnel that are standing idle as a consequence of the force majeure occurrence until Customer terminates the work order or work resumes.

**12. Governing Law.** This Agreement will be governed by the laws of the State of Texas, without regard to its conflicts of law provisions. The Parties agree to submit to the exclusive jurisdiction of the federal or state courts located in Houston, Harris County, Texas with respect to any and all disputes that arise out of or are related in any way to the subject matter of this Agreement. This Section 12 will survive the termination or expiration of this Agreement.

**13. Independent Contractor.** QES will be an independent contractor with respect to the Services performed, and neither QES nor anyone employed by QES will be deemed for any purpose to be the employee, agent, servant, borrowed servant or representative of Customer.

**14. Severability.** In the event any provision of this Agreement is inconsistent with or contrary to any applicable law, rule or regulation, the provision will be deemed modified to the extent required to comply, and the remaining terms, as modified, will remain in full force and effect.

**15. Waiver.** A waiver on the part of either Party of any breach of any term, provision or condition of this Agreement will not constitute a precedent and not bind either Party hereto to a waiver of any succeeding or other breach of the same or any other term, provision or condition of this Agreement.

**16. Entire Agreement.** This Agreement contains the entire agreement of the Parties with regard to the subject matter hereof and supersedes any prior oral and written agreements, contracts, representations or warranty between the Parties relating to the subject matter hereof. No amendment or modification of this Agreement will be effective unless it is in writing and signed by an authorized representative of each Party. If the Parties enter into a Master Service Agreement, then any term or condition herein which conflicts with the provisions of such Master Service Agreement will be deemed invalid.