

PETRA DRILLING SUPPLY, LLC TERMS AND CONDITIONS OF SALE

1. ORDERS AND PRICES. Orders are subject to final acceptance at the Seller's office. Prices shall be as quoted by Seller but are subject to increase to the extent of any cost imposed, taxes or duties assessed or incurred as a result of any third-party action.

2. PAYMENT TERMS. Payments shall be made to Seller's PO Box in Amarillo, Texas within the terms specified on each invoice. Any payment not received when due shall accrue a late charge of 1.75% per month after the 15th day of past due date. As of 60 days from the invoice date, any outstanding balance on your account may be referred to a collection agency. Buyers agree to pay any attorney fees and other expenses incurred by the seller as a result of its default on any terms in this agreement.

3. DELIVERY. Delivery will be F.O.B. Sellers warehouse location unless specified otherwise. Shipping costs will be paid by Buyer unless otherwise agreed to by Seller. Delivery dates are ESTIMATES ONLY and given as accurately as possible as conditions permit. All orders will be shipped upon completion (large orders in excess of a single truckload will be shipped upon completion of each truckload). Petra Drilling Supply will not accept the request for an order to be placed on "Hold" for any reason once the seller has accepted the quote.

4. DELAYS. Seller shall not be liable for damages resulting from any circumstance beyond Seller's control, including but not limited to. an act of God, fire, flood, war, government action, accidents, labor trouble, demurrage, or the inability to obtain material, equipment or transportation by common or contract carriers. Where any of such circumstances may cause nonperformance or delay any performance by Seller, Seller may, without liability to either party, cancel all or any part of this contract. Any moneys paid by Buyer will be returned by Seller.

5. RETURN OF MATERIALS/CANCELLATIONS. All returns/cancellations must be approved prior to the return of product, and no returns/cancellations will be accepted for custom made items. Within twenty (20) days of the shipment date, Buyer may return (with prior approval) the goods for credit provided. (i) any return must be F.O.B. to Seller's warehouse in Tangent, Oregon; (ii) any returned goods must be new, undamaged STANDARD ITEMS

then being offered for sale by Seller; and (iii) Buyer shall pay Seller a handling and restocking charge for any returned goods in accordance with policies of Seller prevailing at the time of return.

6. DEFECTS. Buyer may return goods that are defective if (i) Buyer notified Seller of the defect within 30 days of the date of shipment. (ii) promptly returns the goods to Seller, F.O.B from which shipment was originated, or to such other location which may be specified by Seller; and (iii) Seller determines that the defect material impairs the value of the goods to Buyer. Seller, at its option, shall either repair or replace the defective goods, at Seller's expense. Seller's liability for any damage resulting from any defective good is limited. In no event shall seller be liable for special, indirect, incidental or consequential damages, whether in contract, tort, negligence, strict liability or otherwise, including without limitation damages for injury to person or property, lost profits or revenue, lost sales or loss of use of any product. Buyer's sole and exclusive remedy against seller shall be the replacement of defective parts as provided herein. Seller's Liability on any claim, whether in contract, tort, negligence, strict liability or otherwise, for any loss or damage arising out of or in connection with buyer's order, shall in no case exceed the purchase price of the order. Any claim or action by BUYER arising out of or in connection this Agreement or the Product, whether in contract, tort or otherwise, must be commenced within one (1) year after the cause of action has accrued or be barred. Seller has no obligation as to parts or components not manufactured by seller, but Seller assigns to Buyer any warranties made to Seller by the manufacturer therefor.

7. LIMITATION. Goods shall be free from defects in materials and workmanship at the time of delivery. The goods shall also conform to Seller's catalog specifications as most recently published at the time of acceptance of Buyers order. Seller shall not be responsible for conformity of the goods to specifications provided by another person. SELLER DISCLAIMS ALL OTHER WARRANTIES INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANT PARTICULAR PURPOSE, SELLER SHALL HAVE NO LIABILITY FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES DUE TO ANY DEFECT IN THE GOODS OR TO ANY OTHER BREACH BY SELLER. BUYER SHALL HAVE NO RIGHT TO REJECTION OR OF REVOCATION OF ACCEPTANCE OF GOODS.

8. INSTALLATION. Buyer agrees to install/use all goods purchase from Seller in accordance with the directions provided by Seller and in a professional workmanlike manner. Buyer

agrees to hold Seller harmless from any, and all claims, as a result of any damages cause directly or indirectly by the improper installation of these goods or use or care thereof after they left the possession of the Seller.

9. ACKNOWLEDGMENT. By accepting a quotation for order, you are acknowledging that you have read and agree to the terms and conditions of this agreement.

10. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas. any legal action or proceeding arising under this Agreement shall be brought exclusively in the courts located in Texas.

11. COMPLETE AGREEMENT. Seller's Quotation and Terms embody our entire agreement. Any change must be in writing signed by both Buyer and Seller. This agreement may not be supplemented or explained by any course of dealing, usage or trade, or course of performance.