



### NeoProducts GENERAL TERMS AND CONDITIONS

The "items" to which these General Terms and Conditions refer are the items supplied, rented from, and/or sold by NeoProducts, LLC ("NeoProducts") to an entity renting and/or purchasing items from NeoProducts, this entity hereafter referred to as "Buyer". These items are sold and/or rented only under the following General Terms and Conditions:

When Buyer chooses to purchase NeoProducts equipment and/or employ the services of NeoProducts personnel, it is expressly understood and accepted by Buyer that **NeoProducts** personnel are only authorized to provide counsel regarding the specifications and possible uses of **NeoProducts** equipment; **NeoProducts** and **NeoProducts** personnel are not authorized and shall not be called upon by the Buyer or Buyer's authorized representatives to exercise any operational authority or suffer any accountability relative to the operational running of **NeoProducts** equipment and/or consequences of the uses of **NeoProducts** equipment, and these aforementioned conditions apply to each and every NeoProducts/Buyer transaction and supersede any other NeoProducts/Buyer agreements regarding authorization and accountability of **NeoProducts** and its representatives.

1. Price.

- (a) All prices are expressed in United States dollars net FOB New Orleans, Louisiana, and unless otherwise agreed in writing by NeoProducts, are subject to change without notice and are at the rates in effect at the time of order placement. Quotations will be given on request for items not shown on NeoProducts' Price List. Any quotation will remain in effect only for the period of validity specified therein or, if no such period is stated, for thirty (30) days from the date the quotation is given.
- (b) All prices are exclusive of costs of transportation and insurance and federal, state and local use, sales property (ad valorem) and similar taxes and license fees, import duties and the like. Buyer agrees, by purchase of an item, to pay such costs, taxes, fees and duties, and where appropriate, report the same. When applicable, such costs, taxes, fees, and duties will appear as separate items on NeoProducts' invoice.

2. Payment

- (a) Payment for all items is net cash United States funds on delivery or shipment except that a Buyer with an established credit account currently approved by NeoProducts shall pay net cash within thirty (30) days following invoice date. Partial shipments will be invoiced as made. All invoices are payable in New Orleans, LA.
- (b) Interest from due date until payment at the maximum rate allowable by law but in any event not more than eighteen percent (18%) per annum will be charged on invoices unpaid sixty (60) days after due date. If unpaid amounts are collected through legal proceedings or an attorney, Buyer shall pay reasonable attorneys' fees and court costs. NeoProducts shall never be entitled to receive, collect or apply as interest any amount in excess of the highest non-usurious rate of interest permitted by applicable law (the "Maximum Rate"). In the event that NeoProducts ever receives, collects or applies as interest any amount in excess of the Maximum Rate, the amount which would be excessive interest shall be deemed to be a partial payment on the amount Buyer owes to NeoProducts, or if Buyer does not owe any amount to NeoProducts, any remaining excess shall be paid to the Buyer, and in such event, NeoProducts shall not be subject to any penalties provided by any law for contracting for, charging, taking, reserving or receiving interest in excess of the Maximum rate.

3. Delivery Dates and Excusable Delays.

All shipment and/or delivery dates are subject to NeoProducts' availability schedule. NeoProducts will make every reasonable effort to meet any delivery date(s) quoted: however, NeoProducts will not be liable for its failure to meet any quoted delivery date(s) or for any delay in performance due to any unforeseen circumstances or any causes beyond NeoProducts' control including, without prejudice to the foregoing generality, strike, lockout, riot, war, fire, acts of God, accident, failure or breakdown of parts necessary for completions, subcontractor, supplier, Buyer caused delays, inability to obtain labor, materials or manufacturing facilities, or compliance with any law, regulation or order, whether valid or invalid, of any governmental body or instrumentality thereof. Performance shall be deemed suspended during and extended for such time as any such circumstances or causes delay its execution. Whenever such circumstances or causes have been remedied, NeoProducts will make and Buyer shall accept performance hereunder. No penalty clause of any kind shall be effective. As used herein, performance shall include, without limitation, fabrication, assembly shipment, delivery and warranty repair or replacement, as applicable.

4. Packing. All items shall be packed, if appropriate, for shipping and storage in accordance with standard commercial practices.

5. Shipment
  - a) All prices are net FOB New Orleans, LA. Buyer will pay all rigging, draying and transportation charges.
  - b) Normally NeoProducts will ship in accordance with Buyer's shipping instructions. In the absence of shipping instructions or if NeoProducts considers Buyer's shipping instructions unsuitable, NeoProducts reserves the right to ship by the most appropriate method.
6. Passage of Title. Title to items sold and risk of loss and damage shall pass to Buyer upon delivery by NeoProducts to common carrier for shipment to Buyer, or to buyer directly, as the case may be.
7. Changes, Cancellations and Returns
  - a) NeoProducts reserves the right to change designs, materials and specifications, and to discontinue items without any notice or liability to buyer.
  - b) If buyer issues a change order or cancels an order, Buyer shall be liable to pay to NeoProducts the whole cost and loss incurred by NeoProducts resulting from such change or cancellation, as such is determined by NeoProducts, which shall include all costs, direct or indirect, plus a pro rata proportion of normal profit.
  - c) No credit shall be given for any item returned unless returned with the prior approval of an authorized representative of NeoProducts authorizing the return. Only officers of NeoProducts or their assigned designees are authorized to approve returned items. Risk of loss or damage in respect of any item returned with NeoProducts' authorization will remain with Buyer until redelivered and signed for at NeoProducts. A charge of not less than fifteen percent (15%) or such larger amount as deemed reasonable and customary by NeoProducts under the circumstances, with a minimum of \$10.00 per item, will be assessed as a re-stocking fee on all items returned to pay the costs associated with re-inspection, repacking, restocking, credit arrangements, handling, etc. NeoProducts shall not be responsible for holding or accounting for any items returned without priority authorization by NeoProducts and/or unaccompanied by the required written declaration. If freight and other transportation costs are not prepaid on any returned item, the cost thereof will be deducted from the credit issued. No credit will be given on any non-standard item manufactured at the request or to the individual specifications of Buyer.
8. Other Manufacturer's Equipment.

If any items sold to the buyer by NeoProducts contain any parts or materials obtained by NeoProducts from any other party, these parts or materials are sold to Buyer AS IS. AS TO ANY SUCH PARTS OR MATERIALS, NeoProducts EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. BUYER'S REMEDY FOR ANY FAILURE OR DEFECT IN SUCH PARTS OR MATERIALS IS LIMITED TO REPAIR OR REPLACEMENT AS PROVIDED IN PARAGRAPH 12 BELOW. FURTHER, WITH RESPECT TO SUCH PARTS OR MATERIALS, NeoProducts DISCLAIMS LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.
9. Use and Acceptance of Item. Buyer warrants, by purchase of an item, that Buyer is familiar with the item and its proper use. Before using any item, Buyer shall give the item reasonable and prudent examination and/or tests to determine the suitability of the item for Buyer's intended use. Buyer shall be deemed to have accepted any item on the Buyer's use of the item, or in any event, no later than thirty (30) days after the first to occur of the date of shipment or delivery unless, before that time, NeoProducts received written notice of any defect or nonconformity from Buyer.
10. Assistance to Customer. At Buyer's request, NeoProducts may make NeoProducts employees available to Buyer to train Buyer to operate items supplied by NeoProducts or to perform other actions as agreed between Buyer and NeoProducts. If NeoProducts does make NeoProducts employees available to Buyer, it is only on the conditions that the employees shall be under the direction and control of Buyer. Buyer shall supply all necessary equipment and supplies for the proper performance of the services performed by the employee(s), and NeoProducts shall have no liability whatever to Buyer for the employees during the time that the employees are under Buyer's direction and control. In addition, Buyer agrees that it will be responsible to NeoProducts for any acts or occurrences or omissions of the employees, and agrees to the terms and conditions of paragraph 13 below with respect to the acts of such employees.
11. Repair of Items. Any repair to any item supplied by NeoProducts to Buyer affected at Buyer's request outside normal working hours (8:00am to 5:00pm, Monday thru Friday) shall be charged by NeoProducts at double the labor rate otherwise chargeable.
12. Limited Warranty and Remedy

- A) NeoProducts not liable for incidental, consequential, or specific damages. UNDER NO CIRCUMSTANCES WILL NeoProducts BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES WITH RESPECT TO ANY GOODS OR SERVICES PROVIDED BY NeoProducts TO BUYER OR ANY THIRD PARTIES.
- B) Buyer's remedies are limited to repair and replacement. Buyer's remedies for any and all breaches of any nature, including without limitation breaches of contract and warranty, are limited to the remedies of repair and replacement as specifically stated in this agreement. The remedies provided herein are the exclusive remedies of Buyer for failure to NeoProducts to meet its warranty obligations, whether claims of Buyer are based on contract, in tort or otherwise, and upon expiration of the applicable warranty period all obligations of NeoProducts for breach of warranty will terminate.
- C) Disclaimer of warranties not expressly stated. THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS OR IMPLIED. NeoProducts EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.
- D) Limited Warranty. NeoProducts warrants each item sold by it to Buyer (excluding any part or parts which are components to the item and are subject to Paragraph 8 above concerning parts supplied by others) to be free from defects in materials and workmanship if, and only if, all of the following conditions are met:
- 1) The item claimed to be defective has been exposed only to normal storage, use and service, has been reasonably maintained, has not been subjected to misuse, negligent use, or accident which caused the item to suffer a defect, and has not been repaired or altered except by an authorized representative of NeoProducts.
  - 2) The item claimed to be defective has been returned at Buyer's expense to NeoProducts' plant at New Orleans, LA (or to such other location as NeoProducts may designate), within ten (10) days after Buyer first discovers the alleged defect;
  - 3) The alleged defect in the item is actually caused by a defect in materials or workmanship originally supplied by NeoProducts as opposed to materials or workmanship originally supplied by others; and
  - 4) The item is not one that is expendable in normal use, which has been expended, in normal use.
  - 5) This warranty shall be in effect until 6 months after sale to purchaser, except: a) Subsurface electronic equipment is warranted only until 90 days after date of sale to purchaser, b) Scintillation detectors are warranted only to be in working order upon delivery to purchaser, and c) No subsurface electronic equipment is warranted against damage occurring when used in a down hole drilling environment such as MWD or LWD operations.
  - 6) No subsurface electronic equipment will be warranted that has been modified or repaired by someone other than NeoProducts' approved representative. Equipment that has had its serial number or temperature indicator altered, defaced, or removed will not be warranted.
  - 7) Notwithstanding anything to the contrary in these Terms and Conditions, Buyer acknowledges all risks associated with the items once the items are in Buyer's (or its representatives, agents, or employees') possession and Buyer hereby assumes all such risks and all responsibility for losses, costs, and damages incurred in connection with Buyer's or its related parties' use of the items. Buyer hereby releases, discharges, and covenants not to sue NeoProducts, its members, managers, administrators, directors, agents, officers, employees, or insurers with respect to any and all liability, claims, demands, losses, or damages related to Buyer's or its related parties' acts or omissions with respect to the items.
- e) Limited remedies available under warranty. NeoProducts' liability under the limited warranty described above shall be limited to the repair or replacement of the items sold hereunder. NeoProducts will repair or replace the item at no cost to Buyer, but the decision as to whether to repair or replace will be solely that of NeoProducts'. In addition, Buyer shall pay or reimburse NeoProducts for the cost of wear and tear to each item arising from normal use and service, or at NeoProducts' option, Buyer shall refund an equitable proportion of the purchase price. Repairs or replacement items are only warranted for the remaining unexpired portion of the warranty period.
- f) Notice of claims required. All claims under the warranty set out in this agreement must be made promptly after the alleged defect occurs and must be received by NeoProducts within the warranty period. The claim must include the item's description, part number, serial number (if any), date of shipment or delivery and a full description of the circumstances giving rise to the claim. Any item returned under claim of defect shall be sent prepaid by appropriate transportation. Buyer is responsible for all damage or loss resulting from improper packing or handling, and for any loss or damage occurring during the transmission of the item to NeoProducts. If any item is returned and is found not to be defective, NeoProducts will notify Buyer and, at Buyer's option, will return the item to Buyer at Buyer's expense. Further, in this event, Buyer will reimburse NeoProducts for all costs incurred in testing and examining the item. Notwithstanding anything to the contrary in these Terms and Conditions, Buyer agrees to contact NeoProducts immediately and shall cease any use of

the items if Buyer believes there are any defects, issues, or concerns related to the items; Buyer acknowledges and agrees that it shall accept all liability, claims, and losses, and hereby releases NeoProducts from all liability, claims, and losses, as a result of Buyer's failure to so notify NeoProducts.

13. Safe Operations. Buyer agrees that when their personnel or agents use tools and/or explosives while preparing or using NeoProducts equipment that their personnel/agents will comply with all applicable county, state, and federal requirements (or equivalent authorities) and that all related operations must comply with the safety requirements of the operating company, the on-site operating authority and all involved service companies. The buyer further agrees that their personnel/agents who handle explosives will be qualified in accordance with all applicable county, state, and federal requirements (or equivalent authorities).
14. Hold Harmless Terms. Hold Harmless Terms. *Buyer agrees to hold harmless and unconditionally indemnify NeoProducts, its employees, officers, agents, affiliates and subsidiaries, against and for all liability, cost, expenses, claims and damages which NeoProducts may at any time suffer or sustain or become liable for by any reason of any accidents, damages, or injuries either to persons or property or both, of Buyer, or any third parties, or to the property of NeoProducts or any persons or firms affiliated with NeoProducts, in any manner, arising from or related to the use of any item sold hereunder, including, but not limited to any negligent act or omission of NeoProducts, its officers, agents, employees, affiliates, or subsidiaries, or any negligent acts or omissions of parties supplying items or equipment used by NeoProducts in manufacturing any item or product sold to Buyer. In addition to the above, Buyer agrees that NeoProducts, its officers, employees, agents, affiliates and subsidiaries, will not be liable under any indemnity theories, whether common law, statutory, contractual or otherwise, to Buyer; instead, Buyer agrees to indemnify and hold harmless NeoProducts for all claims, liability, costs, expenses and damages asserted under all legal theories, including, without limitation, negligence, product defect and strict liability in tort.*
15. Miscellaneous
  - a) All of these General Terms and Conditions including Buyer's agreement to hold NeoProducts harmless and indemnify NeoProducts shall also apply in favor of all employees, agents affiliates, and subsidiaries of NeoProducts.
  - b) Order confirmation by NeoProducts of any item to be supplied by NeoProducts shall constitute NeoProducts' offer to sell the item in accordance with the terms, provisions and conditions of this Agreement. Buyer's acceptance of NeoProducts' offer shall be limited to the terms, provisions and conditions of this Agreement. Any proposed acceptance by Buyer under terms, provisions or conditions that vary from, conflict with, or modify the terms, provisions and conditions of this Agreement shall not be effective. Neither NeoProducts' commencement of performance under this Agreement nor delivery of any item shall be construed as or deemed to be acceptance by NeoProducts of any term, provision or condition that varies from, conflicts with, or modifies the terms, provisions and conditions contained in this Agreement.
  - c) This Agreement constitutes the entire understanding and agreement of NeoProducts and the Buyer with respect to the sale of the item or items described in this Agreement, and contains all of the covenants and agreements of NeoProducts and Buyer with respect thereto. Acceptance of the item by Buyer will evidence Buyer's acknowledgement that no representations, inducements, promises or agreements, oral or written, have been made by NeoProducts or anyone acting on behalf of NeoProducts, which are not contained herein, and any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect. This agreement may not be altered, changed or amended except by an instrument in writing signed by NeoProducts officer and Buyers approved representative.
  - d) Failure by NeoProducts to enforce any or all of these General Terms and Conditions in any case or cases shall not constitute a waiver of or preclude subsequent enforcement of any or all of such General Terms and Conditions.
  - e) Any attempted or purported assignment or transfer of any of the rights, duties or obligations herein contained shall render such attempted or purported assignment or transfer null and void, provided that NeoProducts may perform and fulfill all or any of its obligations hereunder by or through any subsidiary and affiliate (f) If any provision of these terms and conditions is capable of more than one construction, the provision shall be interpreted in the manner in which will render it valid. If any provision is determined to be void, the determination shall not affect any other provision and all other provisions not construed to be void shall remain in full force and effect.
16. Arbitration. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR WITH REGARD TO ITS INTERPRETATION OR BREACH, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. Unless otherwise required by applicable law, the parties hereto agree to arbitrate their differences in New Orleans, Louisiana. The parties further agree that all claims of any type by either party, including defenses

and counterclaims, shall be included in the arbitration. Either party may send written notice to (a) the other party, and (b) any Regional Office of the American Arbitration Association invoking the binding arbitration provisions in this paragraph. The parties further consent to the jurisdiction of one of the state district courts sitting in New Orleans, Louisiana, or the United States District Court for the Southern District of Louisiana, New Orleans Division, to enforce the provisions of this paragraph and/or to confirm any award rendered by the arbitrator.

17. Limited Statute of Limitations. AS PERMITTED BY Louisiana Bus. & Com. Code Ann §2.725, THE STATUE OF LIMITATIONS FOR ANY BREACHES OF CONTRACT AND WARRANTY IS AGREED TO BE ONE YEAR FROM THE DATE THE CAUSE OF ACTION ACCRUES.
18. Choice of Law. ANY AGREEMENT OR TRANSACTION TO WHICH THESE GENERAL TERMS AND CONDITIONS APPLY SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF LOUISIANA. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR WITH REGARD TO TIS INTERPREATION OR BEACH SHALL BE GOVERNED BY ANY CONSTRUED, INTEPRETED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF LOUISIANA, INCLUDING BUT NOT LIMITED TO, LOUISIANA SUBSTANTIVE AND PROCEDURAL LAW AND THE LOUISIANA VERSION OF THE UNIFORM COMMERCIAL CODE. NO DOCTRINE OF CHOICE OF LAW SHALL BE USED TO APPLY THE LAWS OF ANY OTHER STATE, NATION, OR JURISDICTION.