



EOG RESOURCES, INC

Prepared for
Ron Willett

Madera 32 State 2

*Located in
Lea County, NM*

Prepared by
Tanya Gonzalez
on
Thursday, April 11, 2019

Serviced from the Pecos Facility
For Customer Service Call: 432-755-4999
(432) 683-5000

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Contact Information

Serviced from the Pecos Facility
For Customer Service Call: 432-755-4999

Tanya Gonzalez
Account Manager
(432) 683-5000
432-269-7370

Ron Gundy
District Manager
Office: / Cell:

Manuel Grado
Field Manager

Plug to Abandon

Job Data							
MD / TVD	14,340 ft / 14,340 ft	Casing	2.875 in. 7.9#, (0 to 14,033 ft) 1.66 in. 3.02#, (14,033 to 14,340 ft)				
Est. BHST/BHCT	199°F / 173°F (0) (0.83°F/100ft)						
Mud Weight & Type	9#, Water Based		Previous Casing	5.5 in. 20# (0 to 13,988 ft) 3.5 in. 10.3# (13,988 to 14,340 ft)			
		Round Trip Miles	200				
Comment							
Calculations							
Stage	Length	OH ID / Tail ID	Pipe OD	Excess	CF/FT	Volume(cf)	Volume bbl
Tail	788	4.892	2.875	0%	0.085	67.3	12.0
Tail	307	2.922	1.660	0%	0.032	9.7	1.7
Flush							
Fresh Water							
Volume (bbl)						10.00	
Tail							
	Concentration	Item Code	Description				
	100 %	CJ916	Class H Cement				
	0.4 %	CJ511	HT Fluid Loss (Salt Tolerant)				
	0.2 %	CJ415	Dispersant HMW				
	0.2 %	CJ212	LT/MT Retarder				
Top Depth (ft)	13,200		Slurry Density (ppg)		16.40		
Volume (sx)	120		Yield (cf/sx)		1.07		
Excess (%)	10%		Water (gps)		4.41		
Balancing Fluid							
Fresh Water							
Volume (bbl)						TBD	
Displacement							
Volume (bbl)						TBD	

Plug to Abandon

Services							
Item No.	Description	Qty	UoM	Unit Price	Discount	Gross	Net Total
202000008	Bulk Cement Delivery	569	TON MILE	\$ 3.83	35.0%	\$ 2,179.27	\$ 1,416.53
202150001	Bulk Blending Service	123	FT3	\$ 3.20	35.0%	\$ 393.60	\$ 255.84
202990008	AccuDat Recording System	1	JOB	\$ 1,230.00	35.0%	\$ 1,230.00	\$ 799.50
202000001	Mileage, DOT Units	100	MILE	\$ 7.60	35.0%	\$ 760.00	\$ 494.00
202000002	Mileage, non-DOT Units	100	MILE	\$ 4.30	35.0%	\$ 430.00	\$ 279.50
202200100	Depth Pumped 9,501 to 10,000', first 4 hours	1	EA	\$ 7,100.00	35.0%	\$ 7,100.00	\$ 4,615.00
202200101	Depth Pumped, Plus per foot below 10,000'	4,340	FT	\$ 1.80	35.0%	\$ 7,812.00	\$ 5,077.80
202990010	High-Energy Mix System	1	JOB	\$ 746.00	35.0%	\$ 746.00	\$ 484.90
202990035	Drill Pin or Swage	1	JOB	\$ 222.00	35.0%	\$ 222.00	\$ 144.30
302991002	High pressure plug valve - 2", each	1	JOB	\$ 527.00	35.0%	\$ 527.00	\$ 342.55
202990037	Restraints, Iron, High Pressure, Per Job	1	JOB	\$ 1,000.00	35.0%	\$ 1,000.00	\$ 650.00

Products							
Item No.	Description	Qty	UoM	Unit Price	Discount	Gross	Net Total
CJ916	Class H Cement (SK)	120	SK	\$ 45.75	35.0%	\$ 5,490.00	\$ 3,568.50
CJ511	HT Fluid Loss (Salt Tolerant) (LB)	46	LB	\$ 59.70	35.0%	\$ 2,746.20	\$ 1,785.03
CJ415	Dispersant HMW (LB)	23	LB	\$ 16.00	35.0%	\$ 368.00	\$ 239.20
CJ212	LT/MT Retarder (LB)	23	LB	\$ 19.90	35.0%	\$ 457.70	\$ 297.51
CJ773L	PPG Defoamer (GAL)	1	GAL	\$ 165.92	50.0%	\$ 165.92	\$ 82.96
CJ795	Sugar (LB)	100	LB	\$ 10.00	90.0%	\$ 1,000.00	\$ 100.00
Gross Price:						\$	32,627.69
Discounted Amount:						\$	11,994.58
Estimated Job Cost:						\$	20,633.11

If-Needed Items							
Item No.	Description	Qty	UoM	Unit Price	Discount	Gross	Net Total
202990002	Boost Pump (centrifugal), 4" discharge (JOB)	1	JOB	\$ 1,090.00	50.0%	\$ 1,090.00	\$ 545.00
202000100	Non-Pumping Standby, after 4 hours (HR)	1	HR	\$ 1,100.00	50.0%	\$ 1,100.00	\$ 550.00

Item Code	O-Tex Code	UOM	Desc	Description
CJ916	CP002	SK	Class H Cement	API Class 'H' Portland Cement [94 lbs/sk].
CJ511	CPC29	LB	HT Fluid Loss (Salt Tolerant)	Non gelling fluid loss additive for fresh or salt water applications in low and high density slurries at temperatures up to 400 F.
CJ415		LB	Dispersant HMW	Powdered cement dispersant used to improve the rheological properties of the cement slurry. Temperature range is (60-300F).
CJ212		LB	LT/MT Retarder	Synthetic Mid-temp retarder used to control thickening time.
CJ773L		GAL	PPG Defoamer	PPG Defoamer.
CJ795	CP031	LB	Sugar	Used as a low temperature cement retarder.
202990002	AE006	JOB	Boost Pump (centrifugal), 4" discharge	
202000100		HR	Non-Pumping Standby, after 4 hours	

CONTRACTOR'S STANDARD TERMS AND CONDITIONS

1. **The Agreement.** The services, equipment, and/or materials supplied (the "**Work**") by CJ Holding Co. ("**Contractor**"), shall be provided to the customer requesting such Work from Contractor (collectively with its parents, subsidiaries and affiliates, "**Customer**") only upon the following Standard Terms and Conditions (the "**Agreement**"); provided, however, that in the event that a negotiated Master Service Agreement or Master Sales Contract applicable to the Work has been executed between Customer and Contractor, the negotiated Master Service Agreement or Master Sales Contract shall govern the relationship between the parties with respect to the Work. Contract formation and acceptance by Contractor are expressly conditioned upon Customer's agreement to the terms of this Agreement. If the terms of this Agreement are not acceptable, Customer must notify Contractor of its objections at once upon the earlier of: (x) notice of the terms of the Agreement or (y) Contractor's arrival at Customer's jobsite. If no such objections are tendered to Contractor, Customer shall be deemed to have agreed to this Agreement upon Contractor's arrival on Customer's jobsite. Contractor objects to and shall not otherwise be bound by any additional or different terms, whether printed or otherwise, in Customer's orders for Work ("**Work Order**") or in any other communication from Customer to Contractor, except to confirm the type and quality of services, equipment, and materials to be supplied to the Customer. This Agreement shall be for the benefit of Contractor and Customer and not for the benefit of any other person. Prior courses of dealing, trade usage and verbal agreements not reduced to a writing signed by Contractor, to the extent they differ from, modify, add to or detract from the Agreement, shall not be binding on Contractor and are void *ab initio*. There are no agreements, promises or understandings, either verbal or written that are not fully expressed herein. No statements, recommendations, or assistance by either party has been relied upon by either party or shall constitute a waiver by either party of the provisions. CJ Holding Co.'s subsidiary and affiliated entities may enter into Work Orders with Customer from time to time, and in such case "Contractor" as used herein shall refer solely to the entity entering into such Work Order, and this Agreement shall govern all such Work performed.

2. **Termination or Modification.** If either party cancels any Work Order, any Work in progress on the effective date of such cancellation shall be controlled and governed by this Agreement until its completion. Customer shall pay Contractor, as compensation for the Work performed prior to said cancellation, all documented, reasonable costs incurred by Contractor; the documented, reasonable costs committed to by Contractor (such costs for orders of goods which orders are not cancelable or which goods cannot otherwise be utilized or sold in the ordinary course of Contractor's business) and demobilization costs, if applicable.

3. **Terms of Payment.** Contractor shall receive the compensation specified in the Work Order. Any balances unpaid after thirty (30) days of the date of invoice will be charged interest at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law. Contractor shall be entitled to recover all of the attorneys' fees, expert fees, consultant fees, and court costs Contractor incurs to prosecute any claim or counter-claim against Customer arising out of or related to this Agreement or any Work Order to the extent Contractor prevails on such claim or counter-claim.

4. **Limited Warranty.**

Contractor shall supply its own personnel of the type and number reasonably necessary to perform the Work specified in the applicable Work Order.

Unless otherwise specified in the applicable Work Order, Contractor and/or Contractor's subcontractors shall, at its or their own expense, furnish all tools, equipment, machines, appliances, parts, material and supplies necessary for the performance of the Work. Contractor's equipment shall be in good working condition.

Contractor warrants that it will perform all Work in conformity with the specifications and requirements provided by Customer in the applicable Work Order. Such warranty of performance shall commence when Contractor first performs Work and shall extend until Contractor's departure from the applicable Work site (the "**Warranty Period**").

If any of the Work is not in compliance with the warranties of this Article 4, Customer must provide Contractor written notice of such non-compliance during the Warranty Period. Failure by Customer to give such notice within the Warranty Period shall be deemed an absolute and unconditional waiver of Customer's claim for any breach of warranty under this Agreement. Provided that Customer timely provides such notice, Contractor, as Contractor's sole and exclusive obligation and Customer's sole and exclusive remedy for any breach of warranty under this Agreement, shall elect either to (x) re-perform the non-complying Work or (y) refund to Customer any amounts paid by Customer for such non-complying work.

When requested by Customer, Contractor shall make available for rent certain tools, equipment and/or parts (the "**Rental Tools**") in accordance with Customer's specifications in the applicable Work Order. Contractor's Rental Tools shall be in good working condition upon delivery to Customer Group's (as defined below) location, and shall comply with Customer's specifications in the applicable Work Order. If during the rental period Contractor's Rental Tools fail to conform to Customer's specifications through no fault of Customer Group, Contractor shall, at its option: (x) repair the Rental Tools or provide replacements in a timely fashion, or (y) refund to Customer amounts paid to Contractor for the Rental Tools.

Contractor's warranty and the remedies related thereto exclude damages, defects, or nonconformities caused by: (i) modifications to the Work by someone other than Contractor; (ii) improper use or abuse of the Work by someone other than Contractor; or (iii) normal wear and tear. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS EXPRESSLY PROVIDED IN THIS ARTICLE 4, CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, OR OTHERWISE, CONTAINED IN OR DERIVED FROM THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, SUITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, CONTRACTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE SERVICES, DATA OR MATERIALS PROVIDED HEREUNDER.**

5. **Indemnification.**

Definitions.

"**Claims**" shall include, without limitation, any and all claims, losses, damages, causes of action, fines, penalties, enforcement proceedings, suits, and liabilities of every kind (including interest and all expenses of litigation, court costs, and attorneys' fees), whether arising in tort, contract, strict liability, under statute, or of any other character whatsoever.

"**Contractor Group**" means Contractor, its parent, subsidiary and affiliated companies, and their contractors (of whatever tier), and its and their respective directors, officers, employees, agents, and representatives.

"**Customer Group**" means Customer, its parent, subsidiary and affiliated companies, and entities for whom it performs services for, and its and their co-lessees, partners, joint venturers, co-owners, contractors (other than Contractor), and its and their respective directors, officers, employees, agents, and representatives.

Mutual Indemnification for Bodily Injury.

Customer shall release Contractor, and shall defend, indemnify and hold harmless each member of Contractor Group from and against any and all Claims brought by or on behalf of any member of Customer Group or their invitees alleging bodily injury, personal injury, illness, or death of any member of Customer Group or their invitees and which arise out of, relate to, or are connected with this Agreement or the performance thereof.

Contractor shall release Customer, and shall defend, indemnify and hold harmless each member of Customer Group from and against any and all Claims brought by or on behalf of any member of Contractor Group or their invitees alleging bodily injury, personal injury, illness, or death of any member of Contractor Group or their invitees and which arise out of, relate to, or are connected with this Agreement or the performance thereof.

Mutual Indemnification for Property Damage.

Customer shall release Contractor, and shall defend, indemnify and hold harmless each member of Contractor Group from and against any and all Claims brought by or on behalf of any member of Customer Group or their invitees alleging damage, loss, or loss of use of any property of any member of Customer Group or their invitees and which arise out of, relate to, or are connected with this Agreement or the performance thereof.

Contractor shall release Customer, and shall defend, indemnify and hold harmless each member of Customer Group from and against any and all Claims brought by or on behalf of any member of Contractor Group or their invitees alleging damage, loss, or loss of use of any property of any member of Contractor Group or their invitees and which arise out of, relate to, or are connected with this Agreement or the performance thereof.

Supporting Insurance. Each of Customer and Contractor shall carry insurance or qualified self-insurance in support of their respective release, defense and indemnification obligations under this Article 5 in mutually-agreed amounts (the "Supporting Insurance"). Each party agrees that the policy limits of its Supporting Insurance shall be \$10,000,000. If a party does not carry Supporting Insurance in the required amount, such party will be deemed to be self-insured in an amount equal to the amount of Supporting Insurance carried by the other party in compliance with this Section 5(d). In the event this Agreement's indemnification provisions are subject to limitations imposed by applicable State law, then so long as that law is in force, it is agreed that such provisions are limited to the extent allowed by law. To the extent a party obtains Supporting Insurance and to the extent such party has agreed to release, defend and indemnify the other party's Group (i.e. Contractor Group or Company Group, as applicable), such party shall: (i) cause its underwriter(s) to name all members of the other party's Group as additional insureds on its Supporting Insurance, and (ii) cause its underwriter(s) to waive rights of subrogation against all members of the other party's Group on its Supporting Insurance. Supporting Insurance carried by a party as required by this Section 5(d) shall provide primary and non-contributory coverage only for Claims in which such party has agreed to release, defend and indemnify the other party's Group.

Contractor's In-Hole Equipment. Notwithstanding the provisions of Section 5(c), Customer shall assume liability at all times for damage to or destruction of Contractor's in-hole equipment, including, but not limited to, coiled tubing, drill pipe, drill collars, and tool joints, while in the hole or in use and below the level of the rotary table, and Customer shall make commercially reasonable efforts to recover such equipment should it become lost or stuck in the wellbore or hole, and shall pay or reimburse Contractor for the actual repair costs or the replacement cost new of such equipment. The replacement cost of such equipment may be as defined in the price list associated with the Work Order for the same. If such costs are not outlined in the applicable price list, any replacement cost for which Customer is liable hereunder shall be reimbursed to Contractor without deduction for depreciation.

Contractor's Equipment – Environmental Loss or Damage. Notwithstanding the provisions of Section 5(c), Customer shall assume liability at all times for damage to or destruction of Contractor's equipment resulting from the presence of H₂S, CO₂ or other corrosive elements that enter the drilling fluids from subsurface formations or the use of corrosive, destructive or abrasive additives in the drilling fluids. Customer shall pay or reimburse Contractor for the actual repair costs or the replacement cost new of such equipment. The replacement cost of such equipment may be as defined in the price list associated with the Work Order for the same. If such costs are not outlined in the applicable price list, any replacement cost for which Customer is liable hereunder shall be reimbursed to Contractor without deduction for depreciation.

The Hole. Notwithstanding to the provisions of Sections 5(b) and 5(c), in the event the hole should be lost or damaged, Customer shall be solely responsible for such damage or loss of the hole, including the

of any property right in or to oil, gas, or other mineral substance or water held by any person or entity, if at the time of the act or omission causing such injury, destruction, loss, or impairment, said substance had not been reduced to physical possession above the surface of the earth, (ii) any loss or damage to any formation, strata, or reservoir beneath the surface of the earth and/or (iii) subsurface trespass or Claims of a related nature.

Liability for Wild Well. Notwithstanding to the provisions of Sections 5(b) and 5(c), Customer shall be liable for the cost of regaining control of any wild well, as well as for cost or removal of any debris and cost of property remediation and restoration associated therewith, and Customer shall release, protect, defend and indemnify each member of Contractor Group of any tier from and against any liability for such cost.

Pollution or Contamination. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed by and between Contractor and Customer that the responsibility for pollution or contamination shall be as follows:

Contractor shall assume all responsibility for, including control, removal, clean up and remediation of, and shall release, and shall protect, defend and indemnify each member of Customer Group from and against all Claims arising from pollution or contamination, which originates above the surface of the land or water from spills of fuels, lubricants, motor oils, pipe dope, paints, solvents, ballast, bilge and garbage (except unavoidable pollution from reserve pits) wholly in Contractor Group's possession and control and directly associated with any member of Contractor Group's equipment, which may result during the conduct of operations hereunder.

Customer shall assume all responsibility for, including control, removal, clean up and remediation of, and shall release, and shall protect, defend and indemnify each member of Contractor Group from and against all Claims arising from pollution or contamination other than that described in Section 5(j)(i), which may occur during the conduct of operations hereunder, including, but not limited to, that which may result from fire, blowout, cratering, 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, but not limited to, oil emulsion, oil base or chemically treated drilling fluids, contaminated cuttings and cavings, lost circulation and fish recovery materials and fluids.

Rental Tools. Notwithstanding any other provision of this Agreement to the contrary, Customer shall assume liability at all times for damage to or destruction of Contractor's Rental Tools while at Customer Group's locations or otherwise in the care, custody or control of Customer Group, and Customer Group shall pay or reimburse Contractor for the actual repair costs or the replacement value new of such Rental Tools. The replacement cost of such Rental Tools may be as defined in the price list associated with the Work Order for such Rental Tools. If such costs are not outlined in the applicable price list, any replacement cost for which Customer is liable hereunder shall be reimbursed to Contractor without deduction for depreciation.

Lost Equipment Indemnity Buy-Back. In some locations, lost equipment indemnity buy-back ("LEIB") may be available for Contractor's Rental Tools. LEIB must be purchased by Customer prior to the Rental Tools leaving Contractor's point of origin. Regardless of Customer's purchase of LEIB, Customer shall make every reasonable effort to recover Contractor's Rental Tools lost or damaged in a well or hole in accordance with Section 5(e). Contractor reserves the right not to offer LEIB in its sole discretion.

Third Party Materials. Notwithstanding any provisions of this Agreement to the contrary, if Customer requests that Contractor utilize proppant, materials or chemicals supplied by any party other than Contractor (collectively, "Third Party Materials"), Customer shall assume all liabilities related to such use of Third Party Materials, including Claims for injury or damage to Contractor Group's personnel or property caused thereby. Notwithstanding any provisions of the Agreement to the contrary, Customer shall release and shall protect, defend and indemnify each member of Contractor Group from all Claims associated with the procurement, transportation, supply and use of Third-Party Materials.

Express Negligence. THE RELEASE, HOLD HARMLESS, DEFENSE AND INDEMNITY OBLIGATIONS CONTAINED IN THIS ARTICLE 5 SHALL APPLY EVEN IF CAUSED, IN WHOLE OR IN PART, BY PRE-EXISTING CONDITIONS, THE UNSEAWORTHINESS OF ANY VESSEL, THE UNAIRWORTHINESS OF ANY AIRCRAFT, STRICT LIABILITY, BREACH OF REPRESENTATION OR WARRANTY, CONTRACTUAL LIABILITY TO OTHER MEMBERS OF THE INDEMNIFIED PARTY'S GROUP OR THE JOINT, SOLE, OR CONCURRENT NEGLIGENCE OR ANY OTHER FAULT WHATSOEVER OF ANY KIND, WHETHER PASSIVE OR ACTIVE, OF ANY PERSON OR ENTITY, INCLUDING BUT NOT LIMITED TO THE INDEMNIFIED PARTY OR ANY MEMBER OF THE INDEMNIFIED PARTY'S GROUP, BUT NOT TO THE EXTENT CAUSED BY OR RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTY OR ANY MEMBER OF THE INDEMNIFIED PARTY'S GROUP. BOTH PARTIES AGREE THAT THIS STATEMENT COMPLIES WITH THE REQUIREMENT KNOWN AS THE EXPRESS NEGLIGENCE RULE TO EXPRESSLY STATE IN A CONSPICUOUS MANNER TO AFFORD FAIR AND ADEQUATE NOTICE THAT THIS ARTICLE 5 HAS PROVISIONS REQUIRING ONE PARTY TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF ANOTHER PARTY.

Louisiana Oilfield Indemnity Act. Insofar as Work to be performed or rendered under this Agreement is subject to the Louisiana Oilfield Indemnity Act, La. R.S. 9: 2780, each party will submit an invoice to the other party for, and such other party will pay, the additional cost to the party for waiving subrogation as to the other party's Group and naming the other party's Group as additional insureds under the insurance coverage provided by the party for such Work under this Agreement, and for providing that such coverage shall be primary and shall receive no contribution from insurance policies maintained by the other party's Group, assuming the party incurs a charge for the above prescribed provisions. Each party shall include evidence of such additional charge from its insurance provider with its invoice submitted to the other party. Such cost paid by the other party shall be in addition to the contract price for the Work under this Agreement.

Notification. Customer and Contractor shall promptly notify each other, as appropriate under the above Sections, of any Claims that may be presented to either by any party. Customer and Contractor shall afford each other full opportunity to assume the defense of such Claims, and to protect all interests implicated. A party's participation in, or selection of counsel for the defense of the such party's Group as to any legal process shall not constitute a waiver of such party's Group's right to insist upon the other party's full compliance with the other party's obligations under this Article 5.

Survival. All indemnity provisions of the Agreement shall survive termination, expiration, or cancellation of the Agreement and/or any Work Order hereunder.

6. WAIVER OF CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ITS GROUP FOR, AND EACH PARTY HEREBY RELEASES THE OTHER PARTY AND ITS GROUP FROM, ANY OF THE RELEASING PARTY'S INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR LOSSES INCLUDING, BUT NOT LIMITED TO, DAMAGES OR LOSSES FOR LOST PRODUCTION, LOST REVENUE, LOST PRODUCT, LOST PROFITS, LOST BUSINESS OR BUSINESS INTERRUPTIONS, WITHOUT REGARD TO THE CAUSE(S) THEREOF INCLUDING, WITHOUT LIMITATION, PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF STATUTORY DUTY, BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE OF ANY PERSON OR PARTY, INCLUDING, BUT NOT LIMITED TO, THE RELEASED PARTY AND ITS GROUP, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT AND/OR CONCURRENT, ACTIVE OR PASSIVE, OR ANY OTHER THEORY OF LEGAL LIABILITY.

7. Force Majeure. Contractor's failure to deliver Product by reason of any of the following and such event shall not constitute an event of default or breach of any Terms: strikes, picket lines, boycott efforts, fires, floods, freeze, accidents, war (whether or not declared), revolution, riots, insurrections, acts of God, acts of government (including without limitation any agency or department of the United States of America or any other country), acts of the public enemy, scarcity or rationing of gasoline or other fuel or vital products, inability to obtain materials or labor, or other causes which are reasonably beyond the control of the defaulting party. Contractor shall notify the Customer of any such delay and its cause.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, but without regard to any conflict of laws provisions of that state which would have the effect of applying the law of another state or jurisdiction. Any suit or proceeding hereunder shall be brought exclusively in state or federal courts located in Harris County, Texas. Each Party consents to the personal jurisdiction and venue of the state and federal courts of said county and waives any objection that such courts are an inconvenient forum. **EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

9. Miscellaneous. Should any clause, sentence or part of this Agreement be held invalid, such holding shall in no way affect the validity of the remainder, which shall remain in full effect. Failure to enforce any

TERMS AND CONDITIONS ACKNOWLEDGED, AGREED TO, AND ACCEPTED BY:

CUSTOMER:

CJ HOLDING CO.

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____