

TERMS AND CONDITIONS

These terms and conditions shall govern and be incorporated into any contract for the sale of Norris products. No additional or different terms shall become part of any contract for sale unless expressly approved in writing by an authorized agent of Norris.

(1) If BUYER has any complaints or objections to the quantity or quality of products arriving at BUYER'S Delivery Point, BUYER shall notify SELLER immediately and provide the SELLER an opportunity to investigate. Failure to notify SELLER of the complaints or objections within 24 hours from time of delivery shall be deemed a waiver of any such complaints or objections.

(2) DELIVERY, PASSING OF TITLE and RISK: Delivery terms are Ex Works (EXW), Seller's location, per Incoterms. Any different arrangement must be mutually agreed upon by BUYER and SELLER, supported by BUYER purchase order. Risk of loss and title shall pass to BUYER upon delivery EXW, Seller's location, per Incoterms.

(3) TERMS OF PAYMENT: Terms of payment will be as provided in the invoice as issued. Remittance will be made to SELLER at the address specified on SELLER'S invoice, or by means of Electronic Funds Transfer (EFT). If at any time BUYER fails to make payment when due or the financial condition of BUYER becomes impaired or unsatisfactory to SELLER, SELLER may require BUYER to provide additional security to SELLER at any time during the term of this Agreement. The type and amount of the additional security must be satisfactory to SELLER. If such additional security is not provided by BUYER upon request, SELLER has the right to: (i) immediately suspend further deliveries until the additional security is provided, or (ii) terminate this Agreement. Nothing in this provision will be construed to waive SELLER'S legal or equitable remedies or rights. In addition, BUYER WILL PAY INTEREST EQUAL TO THE LOWER OF 1-1/2% PER MONTH, OR THE MAXIMUM RATE PERMITTED BY LAW, on all amounts not paid within 30 days from the date of purchase. Invoices not paid within the allotted 30 days will bear interest on all amounts not paid from the date of purchase until said invoices are paid in full. In any action to collect for amounts due under this contract, the prevailing party shall be entitled to recover its reasonable costs and attorney's fees.

(4) TAXES: BUYER shall be responsible for payment of sales, storage or use taxes on any products purchased from BUYER. If BUYER has a valid tax exemption certificate that would be applicable to purchase transactions under this agreement, it shall be BUYER'S responsibility to provide a copy of that certificate to SELLER in advance of any purchases.

(5) SECURITY INTEREST: BUYER hereby grants SELLER a security interest in all products purchased from SELLER to secure payment of all amounts due by BUYER.

(6) WARRANTY: Norris, A Dover Company, Tulsa, Oklahoma, (hereinafter called "Norris") warrants its steel sucker rods, pony rods, and couplings for a period of two (2) years from the date of delivery to the original purchaser or user with support of invoice that if our steel sucker rods, pony rods, or couplings are found defective (defined as the condition causing a downhole failure in the original well for which they were designed or purchased) in material or workmanship, Norris will replace the same sucker rod, pony rod, or coupling without cost to the original purchaser or user. Norris will also, in such event, pay the normal well servicing cost directly related to the fishing and rerunning of the rod string, to the point of such failure only. No other consequential cost or damages shall be the liability of Norris. This limited warranty does not cover failures caused by the use of sucker rods, pony rods and couplings beyond the recommended limits or designs published by Norris or resulting from improper handling, transporting, running or pulling, improper joint makeup or other misapplication, accident, alteration, abuse or misuse. Norris will not be responsible or liable in any event for any loss of production, profits, downtime, accidents, or for any other special indirect or consequential damages arising from any cause whatsoever. Any claim by the original purchaser or user under this limited warranty must be submitted in writing to Norris within two (2) years from date of tender of delivery for steel sucker rods, pony rods and couplings to the original purchaser or user. Should a question of defectiveness of any sucker rod, pony rod or coupling arise under this limited warranty, the issue shall be submitted to a qualified independent testing laboratory for opinion.

Norris warrants its mold-on guides for a period of one (1) year from the date of delivery to the original purchaser or user with support of invoice that if our mold-on guides are found defective (defined as the condition causing a downhole failure in the original well for which they were designed or purchased) in material or workmanship, Norris will replace the defective guide(s) without cost to the original purchaser or user. No other consequential cost or damages shall be the liability of Norris. This limited warranty does not cover failures caused by wear deterioration, improper handling, transportation, running or pulling, or other misapplication, accident, alteration, abuse or misuse. Norris will not be responsible or liable in any event for any loss of production, profits, downtime,

accidents, or for any other direct, incidental, special, indirect or consequential damages arising from any cause whatsoever. Any claim by the original purchaser or user under this limited warranty must be submitted in writing to Norris within one (1) year from the date of tender of delivery for mold-on guides to the original purchaser or user. Should a question of defectiveness of any mold-on guide arise under this limited warranty, the issue shall be submitted to a qualified independent testing laboratory for opinion.

Prices, specifications and recommendations published by Norris are subject to change at any time without prior notice. To the extent Norris provides technical information, advice or service concerning Norris' manufactured products, whether with or without charge, such technical assistance shall be advisory only, and Norris shall have no liability for any adverse consequences resulting from any such technical assistance.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MARKETABILITY OR FITNESS, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES, CONTRACTUAL OR OTHERWISE, EITHER TO THE ORIGINAL PURCHASER, THE USER, OR TO ANY OTHER PERSON. SELLER MAKES NO OTHER WARRANTY OF ANY TYPE OR KIND, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(7) WAIVERS AND MODIFICATIONS: This instrument embodies the agreement between SELLER and BUYER. No variation or modification hereof shall be deemed valid unless signed by the parties hereto with the same formalities as this contract. No waiver of any breach by SELLER or BUYER of any terms, conditions or obligations shall be deemed a waiver of subsequent breaches of the same or other nature. If BUYER supplies a general terms and conditions term sheet to SELLER that conflicts with any of the terms stated herein, the terms and conditions stated herein shall be controlling.

(8) ASSIGNABILITY: The terms, conditions and provisions hereof shall extend to and be binding upon the respective parties hereto, their successors and assigns in interest; provided, however, that neither party shall assign this contract nor any interest herein without the prior written consent of the other, except to a successor to either of the parties hereto.

(9) CHOICE OF LAW AND VENUE: This Agreement shall be governed by and interpreted in accordance with the laws of Oklahoma. Any dispute over the enforcement or interpretation of this Agreement may be brought in state or federal court in Oklahoma.

(10) LIMITATION ON LIABILITY: The BUYER'S exclusive remedy for any breach of this agreement, breach of any applicable warranty, or failure or defect in any product shall be either a refund or a replacement of such product. In no event shall SELLER be liable to BUYER for special, indirect, punitive, incidental or consequential damages or contingent liability arising out of this Agreement or the failure or defect in any item sold by SELLER to BUYER including damages allegedly caused by the failure or defect, delay, lost business opportunity, lost production or lost profits. BUYER agrees that SELLER will not be liable to indemnify BUYER for any third party claim for property damage or personal injury.

(11) REPRESENTATIONS: BUYER represents that all credit information and financial statements provided to SELLER are true, correct and accurate to the best of BUYER'S knowledge, information and belief.

(12) REFERENCES: BUYER authorizes SELLER to contact any business or banking references supplied to SELLER, for the purpose of obtaining satisfactory credit information about the BUYER.

