



# PASON TERMS & CONDITIONS

## For Hardware, Software and Other Services

### PLEASE READ THE FOLLOWING CAREFULLY

### THESE TERMS & CONDITIONS CONTAIN LIMITATIONS OF LIABILITY AND INDEMNITIES

These terms & conditions are the terms upon which Pason (“Pason”, “we”, “our”, or “us”) is prepared to provide services to you, as the company or other entity ordering services from Pason by approving charges through the Pason Billing System, through the Pason Store or pursuant to a written field ticket issued by Pason (such form of order being referred to as a “Work Order”). These terms & conditions together with the Work Order (together, these “Terms”) are a legal agreement between Pason and you. These Terms govern the general supply of any services performed by Pason for you (“Services”). Additional terms that are specific to particular Services (such as specific licenses for software or acceptable use policies for internet services) may also apply and if so, will be provided through the Pason Billing System or the Pason Store and shall apply only to those specific Services.

You acknowledge that Pason may offer certain third-party products and services (“3<sup>rd</sup>-Party Services”) in our capacity as billing agent, subcontractor, distributor or otherwise, and such 3<sup>rd</sup>-Party Services are provided without warranty by Pason, and the warranty for such 3<sup>rd</sup>-Party Services, if any, must be pursued through the respective 3<sup>rd</sup> Party providing such 3<sup>rd</sup>-Party Services in accordance with Section 8.

Please read all of these Terms before indicating acceptance. If you do not accept them, you are not authorized to use any Services. You are bound by these Terms even if you do not read all of them. IF YOU DO NOT AGREE TO THESE TERMS, PLEASE IMMEDIATELY DISCONTINUE YOUR USE OF THE SERVICES AND RETURN ANY PRODUCTS TO US AS DESCRIBED BELOW.

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#### 1. Defined Terms.

- a. “Claims” means all claims, demands, complaints, losses, fines, penalties and liabilities of any kind, including, without limit, all costs and expenses (including legal costs and expenses on a full indemnity basis) related in any way to those, whether incurred through settlement or otherwise;
- b. “Customer” or “you” means the person, company or other entity receiving or ordering Services from Pason under these Terms;
- c. “Customer Group” means the Customer and its parent, affiliate and subsidiary companies, its co-owners, interest holders and joint venturers, and their contractors and subcontractors (other than Pason Group), and each of their agents, representatives, consultants, members, shareholders, directors, officers, managers, employees and invitees;
- d. “Confidential Information” is defined below in Section 177;
- e. “Drilling Data” means any data or information that is measured or collected through or in combination with Pason’s rig-site systems, our computer network and peripherals in such form as is displayed or made available by any of Pason’s products or systems;
- f. “Feedback” is defined below in Section 188;
- g. “Hardware” includes any equipment, products, computers, or other hardware rented or otherwise made available to you by Pason from time to time, including without limit, data acquisition sensors and peripherals combined with Pason’s proprietary electronic drilling recorder system;
- h. “Pason”, “we”, “our”, or “us”) means the subsidiary of Pason Systems Inc. named in the applicable Work Order, be it Pason Systems Corp., an Alberta corporation; Pason Systems USA Corp., a Colorado corporation; Pason Offshore Corp., a Texas corporation; or another subsidiary of Pason Systems Inc. identified in such Work Order;
- i. “Pason DataHub” means Pason’s secure web application for collection, storage, and display of certain Drilling Data and other information;
- j. “Pason Group” means Pason and its parent, affiliate and subsidiary companies, and their contractors and subcontractors (other than 3<sup>rd</sup> Parties where applicable), and each of their agents, representatives, consultants, members, shareholders, directors, officers, managers, employees and invitees;
- k. “Pason Store” means the online point of sale system through which a member of Customer Group may purchase Software applications as a Service from Pason;
- l. “PBS” means the Pason Billing System through which a member of Customer Group may, if issued a username and password by Customer’s administrator, order Services from Pason;
- m. “Rental Period” means the period of time during which Customer Group may use the Services, as defined in Pason’s rate sheet or applicable Work Order, whether hourly, daily, from spud to release, activation to release, or otherwise;
- n. “Service Companies” is defined below in Section 177;
- o. “Services” is defined above and includes your rental or other use of the Hardware and/or Software as a service and any other services offered by Pason or work performed by Pason for Customer Group from time to time, including without limit: product installation and removal, troubleshooting, recommendations, interpretation and all updates thereof;
- p. “Software” includes any firmware, middleware and other software, modules, updates, upgrades, supplements pre-loaded on or in connection with the Hardware, offered as a service, or as otherwise made available to Customer Group by Pason;
- q. “3<sup>rd</sup> Party” means any person or entity which provides 3<sup>rd</sup>-Party Services; and
- r. “3<sup>rd</sup>-Party Services” means any work or services provided by persons or entities that are not Pason, but for which Pason acts as a billing agent, subcontractor, distributor, or otherwise, such services including without limit billing services, data supply services, or support services.

#### 2. Hardware Rental Terms. If you rent Hardware from Pason, the following terms apply:

- a. We shall at all times retain ownership and title of the rental Hardware.
- b. Our Hardware rental products are warranted to be free from defects in materials and workmanship, and warranted to conform to our published technical specifications, which are available upon request. You must report defect claims to us immediately upon discovery to utilize this warranty, and in any event within 48 hours of discovery.
- c. Once Pason rental Hardware is delivered to your well site or other specified location, it leaves our care, custody and control and becomes your responsibility. You will return the Hardware to us in such condition as you receive it, ordinary wear and tear resulting from proper use thereof alone excepted.

d. We may recall (permanently or for maintenance) any portion or all of the rental Hardware upon written notice to you and you must return or make available for retrieval all such Hardware upon receipt of such written notice. If Hardware is being recalled for maintenance, we will supply or install replacement Hardware at no additional cost to you.

**3. Software as a Service Terms.** If you subscribe and pay for access to Software as a service, then additional software license terms may apply. If additional software license terms do not accompany the Software, the following terms apply:

a. In consideration of payment of the applicable fees, and all other amounts properly due and owing to Pason as identified in a Work Order for the associated Software as a service, Pason hereby grants to you a non-exclusive, non-sublicensable, non-assignable, and non-transferable license to use the Software on these terms. You may only use such Software during the applicable Rental Period, unless otherwise expressly permitted in another license granted by Pason.

b. Unless otherwise indicated by Pason in a Work Order or separate license agreement, you are not permitted to make copies or install any Software on devices other than the Hardware. Certain Software, including Pason Mobile Viewer, may be designed for use on devices other than the rental Hardware if so indicated in our published specifications, a Work Order, or a separate software license agreement.

c. For optimal use, you must obtain appropriate software and hardware system capabilities according to system requirements, technical standards and specifications stipulated by Pason from time to time. Additionally, certain Services require high-speed internet connectivity; if you do not purchase Pason's internet services, you will be responsible for obtaining internet connectivity to enable such functionality.

d. If support is provided, Pason's responsibility for support is explicitly limited to the Software and does not include support, troubleshooting or maintenance for the hardware or software of third parties (including 3<sup>rd</sup> Parties), platform vendors or others.

**4. Customer Obligations.** In addition to the specific terms for Hardware rental and Software as a service set forth above and applicable to such Services, the following terms apply to all Services offered or performed by Pason:

a. You shall not remove, alter, disfigure or cover up any numbering, lettering, or insignia displayed upon the Hardware, and shall ensure that the rental Hardware is not subjected to careless, unusually or needlessly rough usage. Normal wear and tear from proper use excepted, you are responsible for any damage to or loss of rental Hardware while it is outside of our care, custody and control. You agree to periodically, and each time you move the rental Hardware to a new well site, inspect the rental Hardware and promptly advise us of any damage you become aware of.

b. You agree that you obtain no right to make unauthorized copies of the Hardware or Software or any part thereof, or to modify, duplicate or reverse-engineer any aspect of them and you shall not translate, decompile, nor create or attempt to create, by reverse engineering or otherwise, the source code from the object code of any Software supplied hereunder, or adapt the Hardware or Software in any way to create a derivative work. You shall not distribute, sell, lease, transfer, assign, trade, rent, lease or lend Hardware or Software or publish, license, sublicense or cross-license the same or frame or distribute screen shots to others.

c. If you or any members of Customer Group provide personal information to us, you agree to obtain all necessary consents in relation to personal information and we agree to comply with applicable privacy and data protection laws. We may transmit such information across international borders and to third parties (including 3<sup>rd</sup> Parties) for secure processing and storage in accordance with these Terms.

d. You agree that Pason Group is entitled to rely on your instructions and representations, and those of your personnel at the rig site, without regard to any share or interest ownership arrangements that you may have with other persons or entities. You hereby represent and warrant that if you are not the sole owner of the well for which Pason will provide Services, or the related Drilling Data, you have rights as the operating entity and/or the duly constituted and authorized agent of any and all owners or operators, to represent and bind the interests of such other persons or entities with respect to these Terms and all decisions made concerning any Services, including but not limited to Drilling Data.

**5. Pason DataHub Access.** If you subscribe to or otherwise use the Pason DataHub as part of your rental of Hardware or other use of Services then the Pason DataHub Terms of Use apply to you, in addition to these Terms. Pason DataHub Terms of Use are available at: [pason.com/images/Legal/dh\\_terms\\_of\\_use.pdf](https://www.pason.com/images/Legal/dh_terms_of_use.pdf) and are incorporated by reference herein. We will, upon your prior written request, create additional users groups to allow Service Companies (as hereinafter defined) to access information stored in the Pason DataHub. Such requests can be made to [USDDataHubSupportRequests@pason.com](mailto:USDDataHubSupportRequests@pason.com) or to [CanadianDataHubSupportRequests@pason.com](mailto:CanadianDataHubSupportRequests@pason.com).

**6. Pason Rig Intercom and VoIP.** If you order or otherwise use the Pason Rig Intercom and VoIP product, either as a standalone product or as part of a bundle of Pason rented Hardware or other use of Services, then you agree to be bound by and acknowledge the limitations of 911 Service set forth in the "Limitation of Liability and Disclaimer for Rig Intercom and VoIP Systems", which is set forth in detail at [https://www.pason.com/images/Legal/rig\\_intercom\\_E911Terms\\_and\\_conditions.pdf](https://www.pason.com/images/Legal/rig_intercom_E911Terms_and_conditions.pdf) and are incorporated herein by reference.

**7. Pason Internet Acceptable Use Policy.** If you order, subscribe or otherwise use a Pason internet connection (including but not restricted to a Pason satellite dish), either as a stand alone product or as part of a bundle of Pason Hardware or other use of Services, then you agree to accept, be bound by, and comply with the terms and conditions of the Pason Acceptable Use Policy, which terms and conditions are set forth in detail in the said policy, set forth at

[https://www.pason.com/images/Legal/PASON\\_SYSTEMS\\_INTERNET\\_SERVICES\\_AUP\\_V0\\_2.pdf](https://www.pason.com/images/Legal/PASON_SYSTEMS_INTERNET_SERVICES_AUP_V0_2.pdf) and are incorporated herein by reference.

**8. 3<sup>rd</sup>-Party Services.**

a. Pason may offer and/or make available to you certain 3<sup>rd</sup>-Party Services in Pason's capacity as a billing agent, subcontractor, distributor or otherwise for or on behalf of the 3<sup>rd</sup> Party. Pason makes no representations or warranties with respect to such 3<sup>rd</sup>-Party Services including without limit any warranties of non-infringement or other ownership of the intellectual property of such 3<sup>rd</sup>-Party Services. Inclusion of 3<sup>rd</sup>-Party Services on PBS does not mean, unless expressly stated otherwise, that Pason has conducted independent due diligence or investigation into 3<sup>rd</sup>-Party Services for specific performance levels or otherwise. Your use of 3<sup>rd</sup>-Party Services may be governed by separate terms and conditions with such 3<sup>rd</sup> Parties, but are in any event not Pason's responsibilities.

b. If any 3<sup>rd</sup> Parties require Drilling Data or derivatives thereof in order to perform 3<sup>rd</sup>-Party Services, Pason will make such information available to 3<sup>rd</sup> Parties, provided you have approved such 3<sup>rd</sup>-Party Services in a Work Order.

c. To the extent 3<sup>rd</sup> Party warranties are assignable, we shall assign such warranties to you.

**9. Payment; Taxes and Records.**

a. **Pricing.** The Rental Period for Services shall commence at the corresponding point in time identified on our price list for the associated Service or as otherwise indicated in a Work Order. Billing continues for the duration of the Rental Period at the rate(s) identified on Pason's price list in effect at the time such services are rendered unless otherwise agreed to in a Work Order and you agree to pay to Pason all such fees. Pason may increase its prices not more than once per calendar year, by providing an updated price list to Customer at least 30 days prior to the effective date of such new price list. Subject to the foregoing restriction on Pason's right to increase prices not

more than once per calendar, Pason may at any time publish new price lists containing new products and features at such prices as are determined by Pason.

b. **Payment.** The fees payable for Services will be invoiced by Pason at the end of each calendar month or after all of the Services identified in a Work Order for a particular job are completed. If your payment is not received within 30 days from the date of your receipt of the invoice, you will also pay Pason: (i) interest at the lesser of 26.82% per annum or the maximum amount allowed by law on any delinquent payment and on any other sum due under these Terms from the date when such payment was due until paid, and (ii) expenses of collection or suit to recover all amounts due and owing, including legal fees and expenses on a full indemnity basis.

c. **One-time service charges and changes.** Pason technicians may from time to time add one-time charges for Services (such as installation, demobilization or other services) that are identified and approved by your representative(s) in advance, though they may not be approved at the start of a job. You agree to pay all such service charges and any fees for additional Services approved by your representative(s).

d. **Fees, Assessments, and Taxes.** You shall pay all taxes, duties, tariffs or charges relating to our supply of the Services to you, other than income taxes on amounts we receive from you which are our responsibility. Our quoted prices do not include sales, use, goods and services or similar taxes, which taxes will be added to the quoted price and identified separately on our invoice(s).

e. **Records.** We will maintain records verifying charges for the Services (other than 3<sup>rd</sup>-Party Services for which we do not provide billing services) and allow you to audit those records for a period of 2 years following the date such charges were incurred. In the event a discrepancy is discovered it will be corrected forthwith without interest. Your audit will be limited to the records necessary to verify the appropriateness of amounts invoiced for the Services and we will exclude confidential information from such records.

**10. Safety.** Pason and Customer will conduct their respective operations safely with all due diligence and in accordance with good oilfield practices. Pason agrees to comply with all of Customer's reasonable safety rules and site-specific policies governing Customer's operations that are provided to Pason prior to commencement of the Services. Pason will maintain abide by its own safety rules and policies at all times.

#### **11. Warranties and Disclaimer.**

a. Pason agrees that all Services carried out by Pason will be performed in a good and workmanlike manner and in accordance with good oilfield practices. Pason will exercise diligence to provide correct information and data to you, and, where internet connectivity is available, securely transmit such information and data to the Pason DataHub. You acknowledge that any information transferred over the internet is at risk of interception or corruption and release us of any liability as a result of any such events. We may transmit information and data, including any personal information supplied to us, into or through the United States and Canada and across other international borders for purposes of processing and storage.

b. As part of the Services, Pason may supply you with information collected from Pason's data acquisition systems, which may be wholly or in part based on third party information and/or user defined settings. While Pason will use diligence to ensure information it supplies to you is accurate, Pason provides its data acquisition systems on a rental basis and our personnel do not remain on site to monitor such systems for accuracy or operating conditions. As such, Pason cannot and does not warrant the accuracy or completeness of such information obtained or communicated through Pason's systems.

c. Pason may provide you with interpretations of Drilling Data or other information. You understand and acknowledge that such interpretations (whether provided by our personnel from time to time or generated automatically through software algorithms) are mere opinions, based upon our judgment and experience. You understand and acknowledge that if you choose to rely upon such interpretations, you do so at your own risk. You also understand and acknowledge that in offering any interpretations, Pason makes no warranty whatsoever with respect to their accuracy or completeness, and shall not be responsible for their use by you or any member of Customer Group.

d. PASON DOES NOT WARRANT OR GUARANTEE THE RESULTS OF USE OF SERVICES. OTHER THAN THOSE EXPRESSLY STATED IN THESE TERMS, PASON EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES, GUARANTEES AND CONDITIONS, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, QUIET ENJOYMENT, NON-INFRINGEMENT OR THOSE ARISING OUT OF A COURSE OF DEALING OR USAGE OF TRADE FOR THE SERVICES, INCLUDING, WITHOUT LIMIT, THE CONDITION OF THE HARDWARE, OR THAT IT WILL MEET THE REQUIREMENTS OF ANY LAWS, RULES, SPECIFICATIONS, OR CONTRACTS WHICH PROVIDE FOR SPECIFIC APPARATUS OR SPECIAL METHODS. OTHER THAN THOSE EXPRESSLY STATED IN THESE TERMS, PASON FURTHER DISCLAIMS ANY AND ALL LIABILITY WHATSOEVER FOR LOSSES, DAMAGES, OR INJURIES TO CUSTOMER GROUP OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE SERVICES OR YOUR USE OR NON-USE OF THE SERVICES.

#### **12. Limitation of Liability.**

a. IN NO EVENT SHALL PASON GROUP OR CUSTOMER GROUP BE LIABLE TO EACH OTHER FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMIT LOST PROFITS, LOST INCOME, LOST ANTICIPATED SALES, LOST OPPORTUNITIES, BUSINESS INTERRUPTION, RIG DOWN TIME, FAILURE TO REALIZE EXPECTED SAVINGS, CLAIMS OF THIRD PARTIES, LOST GOODWILL, LOST DATA, OR OTHER INTANGIBLE LOSSES OR OTHER ECONOMIC LOSS ARISING FROM CUSTOMER GROUP OR OTHER PARTIES' USE OR NON-USE OF THE SERVICES, INCLUDING ANY LOSS, DELAY, OR DAMAGE OF ANY KIND OR CHARACTER RESULTING FROM DEFECTS IN, OR INEFFICIENCY OF, THE SERVICES PROVIDED. THIS EXCLUSION OF LIABILITY APPLIES WHETHER THE LIABILITY IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), LAW, EQUITY, STATUTE OR OTHERWISE.

b. IN NO EVENT SHALL PASON BE LIABLE FOR THE COST OF SUBSTITUTED SERVICES CUSTOMER GROUP OBTAINS FROM THIRD PARTIES TO COVER ANY DEFECTIVE SERVICES OR SERVICES OTHERWISE NOT IN COMPLIANCE WITH THESE TERMS.

c. PASON SHALL NOT BE LIABLE FOR ANY 3<sup>RD</sup>-PARTY SERVICES.

d. OTHER THAN LIABILITIES UNDER SECTION 133, PASON'S LIABILITY, REGARDLESS OF HOW SUCH LIABILITY ARISES, IN CONNECTION WITH ITS SUPPLY OF SERVICES SHALL NEVER EXCEED THE PRICE PAID OR PAYABLE BY CUSTOMER FOR THE SERVICES SPECIFICALLY GIVING RISE TO THAT LIABILITY. THIS LIMITATION OF LIABILITY APPLIES REGARDLESS OF WHETHER THE BASIS FOR THE CLAIM IS IN CONTRACT, TORT (NEGLIGENCE AND STRICT LIABILITY) LAW, EQUITY, STATUTE OR OTHERWISE.

**13. Indemnity.** The indemnities contained below shall apply to any Claim, regardless of: (i) the cause, including unseaworthiness, strict liability, inherently dangerous activity, breach of warranty, imperfect materials, defect or failure of equipment, defect, ruin or other condition of premises, including those pre-existing, or (ii) the negligence or other fault, whether sole, joint, concurrent, active, passive or gross, of the indemnified party or its group (Customer Group or Pason Group, as applicable).

**a. Personnel.**

(i) Customer assumes all liability for, and agrees to defend and fully indemnify Pason Group and its insurers from and against, all Claims arising out of or in connection with personal injury, illness or death of any member of Customer Group, and which arise out of or are in connection with the Services, regardless of the cause.

(ii) Pason assumes all liability for, and agrees to defend and fully indemnify Customer Group and its insurers from and against, all Claims arising out of or in connection with personal injury, illness or death of any member of Pason Group, and which arise out of or are in connection with the Services, regardless of the cause.

**b. Property.** Customer assumes all liability for, and agrees to defend and fully indemnify Pason Group and its insurers from and against, all Claims arising out of or in connection with:

(i) loss or damage to the property, equipment, materials, products and rentals of Customer Group, including the cost of repair, replacement or recovery, regardless of the cause; and

(ii) loss or damage to the property, equipment, materials, products and rentals (including Hardware) of Pason Group, including the cost of repair, replacement or recovery, regardless of the cause, provided such loss or damage occurs: (1) while being rented from Pason Group; (2) while in the well bore or otherwise below the rotary table; (3) while in transit or being moved by Customer Group; or (4) while in Customer Group's possession or otherwise outside of Pason's care, custody and control.

**c. Well and Reservoir Conditions.** Customer assumes all liability for, and agrees to defend and fully indemnify Pason Group and its insurers from and against, all Claims arising out of or in connection with: (i) uncontrolled well conditions including fire, cratering, explosion, blowout, wild well or other similar conditions, and all costs to control, re-drill and clean up such conditions; (ii) reservoir or underground damage (including loss of subsurface property) or surface damage arising from subsurface damage; (iii) subsurface trespass; and (iv) damage to property at the well site owned by the Customer Group or any joint-venturers or royalty interest owners arising from any of the foregoing.

**d. Pollution.** Pason's liability for pollution is expressly limited to pollution or contamination occurring above the surface of land or water and originating from the rental Hardware while in Pason's sole care, custody and control. Customer assumes all other liability for, and agrees to defend and fully indemnify Pason Group and its insurers from and against, all Claims arising out of or in connection with pollution, contamination or radiation damage, including containment, clean-up and remediation costs.

**e. Anti-Indemnity Statutes.** If any defense, indemnity or insurance provision contained in these Terms conflicts with, is prohibited by or violates public policy under any law applicable to a particular situation arising from or involving the Services, the parties hereto understand and agree that the conflicting, prohibited, or violating provision will be deemed to be automatically amended to the extent necessary to conform with, not be prohibited by and avoid violating public policy under that applicable law. No other provision of these Terms shall be amended or affected thereby. The parties hereto agree that the exculpatory, indemnification and hold harmless provisions herein shall be modified or altered only insofar as required by a jurisdiction purporting to limit such provisions, it being the intention of the parties hereto to enforce to the fullest extent all terms and conditions herein agreed to.

**14. Well Site Location and Access.**

a. We will generally be supplying Services to your well site or other designated location. Our Services are designed to operate under conditions normally encountered at a well site. As permitted, our personnel will make a customary observation of the location to identify and familiarize themselves with any obvious and typical hazards. You agree to advise Pason Group personnel of any unusually hazardous or extraordinary conditions so they may take the necessary precautions and adjustments, and conduct further investigations as necessary. We are relying on your superior knowledge of the well site and your directions and requirements to safely perform the Services.

b. You will arrange and pay for the construction of and use of road and access ways, and the use of all modes of transportation for our personnel to access a well site that is inaccessible by normal roadways.

c. We shall have the right at any time to enter your well site or other premises occupied by the Hardware and shall be given free access thereto and afforded necessary facilities for the purpose of inspection or removal if such Hardware is not then being rented.

d. You shall give us immediate notice in the event that any of the Hardware is levied upon or is about to become liable or is threatened with seizure or attachment, and you shall indemnify us against all Claims caused by such action.

**15. Remedies and Liens.** All remedies contained in these Terms are cumulative, and may be exercised concurrently or separately.

a. If you discover or believe that Pason has failed to perform its Services set out in a Work Order in any material aspect, you must notify us immediately upon discovery, and in any event within 48 hours of discovery, providing details of such failure. Our sole obligation and your exclusive remedy for claims of our non-performance of Services, defects or other breach of our warranty provided the circumstances or reasons for such material non-performance were within our sole control, are expressly limited to, at our option: (i) repair or replacement of the rental Hardware, (ii) re-performance of such Services that we materially failed to perform, where possible, or (iii) refund or credit of an equitable portion of the fees.

b. If you default in the payment of any fees or in making any other payment hereunder when due, or you default in the performance of any other covenant herein and such default shall continue for 5 days after written notice hereof to you by Pason, Pason shall have the right to exercise any one or more of the following remedies: (i) to sue for and recover all fees, and other payments, then accrued or thereafter accruing, with respect to all of the Services; (ii) to take possession of any or all items of the Hardware without demand, notice, or legal process, wherever they may be located. You hereby waive any and all damages occasioned by such taking of possession; (iii) to suspend your access to the Pason DataHub and any Software; (iv) to terminate one or more Work Orders; and (v) to pursue any other remedy at law or in equity.

c. If either Party: (i) applies for or consents to the appointment of a receiver, trustee, or liquidator under bankruptcy laws (including, without limit, a petition for reorganization, arrangement, or extension) or under any other insolvency law or law providing for the relief of debtors; or (ii) becomes subject to an order for receivership, trusteeship, liquidation or other form of insolvency or restructuring, and such order is not overturned within 14 calendar days, if and to the extent permitted by applicable law, the other party may immediately terminate any or all applicable Work Orders. If Pason is exercising its right to termination under this Section 155, Pason may take possession of any or all of the Hardware without demand, notice, or legal process, wherever they may be located.

d. Pason shall be entitled to register a lien against Customer Group's interest in any parcel of land for which Services have been provided by Pason Group under these Terms to the extent that there are any amounts owing for Services in respect of that land, and the period within which Pason may file a lien shall commence on the last day on which Pason has performed Services under these Terms, provided that no lien shall be claimed in respect of a single well site under these Terms more than 2 years after the Services were performed on such well site.

**16. Term and Termination.**

a. **Term.** Except as otherwise stated in a Work Order, these Terms may be terminated upon 30 days written notice by either Party. In the event of termination by Pason, Customer may elect to have Pason continue to provide any Services commenced prior to the effective date of such termination through to their completion, on these Terms. Pason reserves the right, in accordance with Section 155, to cease

providing Services and terminate Customer's use of the Services at any time if Pason reasonably believes that you are in material violation of these Terms. Upon termination, you will cease all use of and access to the Services.

b. **Effect of Termination.** If you wish to terminate any Services prior to any agreed-upon end date, then you must return the Pason Hardware forthwith or provide Pason sufficient notice for Pason to retrieve any rental Hardware (charges may apply for demobilization). You acknowledge that any termination of Services will not discharge you of any of your liabilities incurred prior to termination including your obligation to pay for charges and fees owed for Services performed prior to termination. All obligations which expressly or by their nature survive termination of this Agreement shall continue in full force and effect.

#### 17. Confidentiality

a. Customer acknowledges that real-time and historical Drilling Data is displayed and is readily available from Pason's Hardware located at the rig-site. Customer further acknowledges that Pason has no control over who accesses the rig-site and therefore Customer agrees that Pason has no obligations of confidentiality regarding access to such Drilling Data.

b. Provided an internet connection is available at the rig-site, Pason shall archive certain Drilling Data and certain other data provided by Customer in the Pason DataHub.

c. Pason will implement and maintain strict safeguards designed to protect the confidentiality of information archived in the Pason DataHub and any other information that you provided to us and clearly label or designate as confidential ("**Confidential Information**"). Confidential Information shall not include any information that is or enters into the public domain without our breach of the confidentiality obligations, is already known to or independently developed by Pason, or is disclosed to Pason by a third party who has the right to do so. Subject to Section 177(d), we will only use Confidential Information to perform Services and enable 3<sup>rd</sup>-Party Services to be performed, if you have ordered such 3<sup>rd</sup>-Party Services. If we receive a subpoena or other legal demand from a court or other proper legal authority requiring disclosure or release of information archived in the Pason DataHub relating to you, we will promptly notify you, unless prohibited by law. After notifying you we may comply with such subpoena or order within the directed timelines, subject to your challenging same.

d. Pason may publish or otherwise provide to other users Drilling Data in summary or statistical form provided that prior to any such disclosure Pason shall remove all company names, latitude and longitude information, legal survey descriptions and any other information which could reasonably relate the Drilling Data to any specific customer or well location, as well as removing any names of individuals, addresses, phone numbers, email addresses and any other personally identifiable information.

e. Notwithstanding any of the foregoing, Customer and Pason acknowledge and agree that certain other entities providing services to Customer Group ("**Service Companies**") may desire Drilling Data directly from Pason's rig-site systems or remotely from the Pason DataHub in order to more effectively perform their operations. Pason will provide interfaces for such Service Companies to connect to Pason's rig-site systems (access to which is within your sole control) but, subject to Section 8(b), will only allow Service Companies to access the Pason DataHub or otherwise receive Drilling Data in Pason's possession outside of the rig-site after receiving express instructions from you or the well operator (as applicable).

#### 18. Intellectual Property.

a. All right, title, and interest (including applicable patent rights) in and to the Software or Hardware, or any modifications or derivative works thereof (even if created by you), and any media on which the Software is provided, vest and remain with Pason and/or our licensors. You will maintain any proprietary notices which may appear. All inventions, discoveries, improvements, software, copyright, know-how or other intellectual property in and to the Services (including the methods by which Pason collects, cleans, processes, validates, calculates, visualizes, interprets, reports and otherwise processes Drilling Data), whether or not protected by patent or copyright, created during or after delivery of the Services, are and will remain the sole and absolute property of Pason and/or its licensors.

b. All right, title and interest in the Drilling Data shall vest with Customer (or well operator as applicable) effective upon the delivery to Customer or grant of access to Customer of such Drilling Data. Customer hereby grants to Pason a worldwide, irrevocable, transferable, royalty-free and fully paid-up, right and license to use the Drilling Data, and any ideas, concepts, know-how, techniques and general lessons learned by Pason in connection with Pason's performance of the Services to improve Pason's products and services and to develop and offer new products and services, including the right to reproduce, perform, display and create derivative works of, and otherwise use, the Drilling Data for such purposes. Customer represents and warrants that it owns or has sufficient rights in the Drilling Data to grant the foregoing license.

c. Your feedback on Pason's Services is welcomed and encouraged, though is entirely voluntary. Customer hereby agrees, however, that if Customer Group elects to provide suggestions, ideas, proposals, concepts or other feedback to Pason (whether written, verbal or in any other format or manner) in connection the Services ("**Feedback**"), you acknowledge and agree that Pason has no obligation (whether of confidentiality, compensation or otherwise) with respect to such Feedback and Pason will be free to use and exploit Feedback in any manner without restriction or obligation of any kind. You acknowledge and agree that all Feedback will be the sole and exclusive property of Pason and hereby irrevocably transfer and assign to Pason all of Customer Groups right, title, and interest in and to all Feedback, including all intellectual property rights therein. At Pason's request and expense, you will execute or cause to be executed and delivered such documents and take such further acts as Pason may reasonably request to assist Pason to acquire, perfect and maintain its intellectual property rights and other legal protections for Feedback.

d. If a third party alleges that Pason's Services infringe any patent, copyright, trade-mark, or industrial design registered in Canada or the United States at the start of the Rental Period, your sole remedy shall be to receive, at our option and expense: (i) the right to continue to use the Services; (ii) modified Services rendered non-infringing; (iii) functional equivalent, non-infringing replacement Services; or (iv) refund of an equitable portion of fees paid for such Services. Pason will not be liable for infringement that arises: (1) out of your use of Pason's Hardware, Software or other Services in combination with products or services not provided by Pason where infringement would not have occurred but for such combination, (2) where Pason's Hardware, Software or other Services have been specifically modified, designed and/or manufactured to meet your specifications; (3) out of unauthorized additions or modifications to Pason's Hardware, Software or other Services where infringement would not have occurred but for such additions or modifications, or (4) where your use of Pason's Hardware, Software or other Services are not in accordance with Pason's published specifications or instructions.

#### 19. Miscellaneous.

a. **Entire Agreement and Conflicts.** These Terms, together with any Pason additional terms in respect of specific items of Service, constitute the entire agreement between Pason and you relating to the Services, and supersede any prior understandings or agreements (whether oral or written), claims, representations, and understandings regarding such subject matter and these Terms may not be amended or modified except in writing or by your acceptance of updated terms through PBS. In the event of a conflict between these terms and conditions, and any additional terms in respect of specific Services selected in a Work Order, the conflict shall be resolved with priority to the Work Order, then to these terms and conditions.

b. **Independent Contractor Relationships.** Neither party is an agent, fiduciary, trustee, or employee of the other; Pason is an independent contractor of you at all times and neither Pason nor any of Pason's employees will be considered your employee.

- c. **Third Party Rights.** Except as expressly provided in Section 8, nothing expressed in or implied from these Terms are intended or will be construed to give to any person other than the parties hereto any legal or equitable right, remedy, or claim under or in respect to these Terms. Claims for indemnity under these Terms by a member of the indemnified party group (Customer Group or Pason Group, as applicable) shall be brought by Customer or Pason on behalf of such indemnified party group member. These Terms and all of the representations, warranties, covenants, conditions, and provisions hereof are intended to be and are for the sole and exclusive benefit of Pason and Customer.
- d. **Force Majeure.** Other than for the payment of fees, neither party shall be liable for any causes beyond their control, including delay in or non-performance of their obligations because of weather, fire, acts of God, labour disputes, civil unrest, and government regulation.
- e. **Assignment.** You may not assign, convey, subcontract or delegate your rights, duties or obligations hereunder without the prior written consent of Pason, not to be unreasonably withheld. Pason may assign this agreement in the course of a reorganization, merger or acquisition on notice to you. For purposes of the foregoing, a change of control is not deemed to be an assignment and a merger or acquisition refers to any merger or acquisition in which Pason participates, regardless of whether it is the surviving or disappearing entity or whether it is acquired by or acquiring another entity.
- f. **Compliance with Laws.** Pason and Customer respectively agree to comply with all laws, statutes, codes, rules and regulations, which are now or may become applicable to operations covered by these Terms or arising out of the performance thereof.
- g. **Severability.** If for any reason a court of competent jurisdiction finds any provision of these Terms to be invalid, illegal or unenforceable in any respect or in any circumstance, in whole or in part, the validity, legality or enforceability of such provision in any other respect or circumstance will not in any way be affected or impaired thereby and the parties hereto will endeavour to replace the invalid, illegal or unenforceable provision with a similar provision and the validity, legality and enforceability of the remaining provisions of these Terms will not in any way be affected or impaired thereby.
- h. **Waiver.** Neither party hereto will be considered to have waived any of its rights or remedies described in these Terms unless the waiver is in writing and signed. No delay or omission by a party hereto in exercising its rights or remedies will impair or be construed as a waiver. Any single or partial exercise of a right or remedy will not preclude further exercise of any other right or remedy. Failure to enforce the strict performance of any provision of these Terms will not constitute a waiver of any right to subsequently enforce such provision or any other provisions of these Terms.
- i. **Choice of Laws.** Without regard to any conflict of law rules that would impose the laws of another jurisdiction and without regard to the UN Convention on Contracts for the International Sale of Goods, these Terms shall be governed by and construed in accordance with the laws of the State of Texas if the Services are performed in the United States, or, if the Services are performed elsewhere, the laws of the Province of Alberta.
- j. **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (i) THESE TERMS OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (ii) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.
- k. **Dispute Resolution.** Any controversy or claim arising out of or relating to these Terms, or the breach thereof, that is not settled by reasonable efforts, in which the total amount claimed by either Party exceeds one million Canadian dollars shall be determined by confidential and binding arbitration in accordance with the International Arbitration Rules of the International Centre for Dispute Resolution (a division of the American Arbitration Association). The place of arbitration shall be Calgary, Alberta, Canada. The language of the arbitration shall be English and the proceedings shall be confidential. Any judgment from arbitration conducted in accordance with the foregoing will be final, not subject to appeal and may be entered as a judgment by a court of competent jurisdiction for purposes of enforcement.
- l. **Language.** It is the express will of the parties hereto that this agreement and all related documents are drawn up in English.

Last updated: October 5, 2016.