

## MASTER SERVICE AGREEMENT

This Agreement (“Agreement”) is between **Capital Star Oil & Gas, Inc.** (“Company”), and \_\_\_\_\_ (“Contractor”).

**THE PARTIES HERETO AGREE THAT THIS MASTER SERVICE AGREEMENT SHALL CONTROL AND DICTATE EACH AND EVERY INDIVIDUAL DEALING BETWEEN THE PARTIES HERETO, AND MAY NOT BE MODIFIED BY ANY OTHER CONTRACT LANGUAGE CONTAINED IN ANY OTHER AGREEMENT, WORK ORDER, PURCHASE ORDER, FIELD TICKET, OR SUBSTANTIALLY SIMILAR DOCUMENTATION.**

**THIS AGREEMENT SHALL CONTINUE (SUBJECT TO THE TERMINATION PROVISION CONTAINED IN ARTICLE 15) AND BE RENEWED EACH AND EVERY TIME WORK, SERVICE, OR PRODUCTS OR MATERIAL ARE DEMANDED BY COMPANY, WHETHER REQUESTED VIA A FORMAL WORK ORDER, FAX, E-MAIL, POSTAL DELIVERY, TELEPHONE, OR VERBALLY.**

Company has designated Contractor as a provider of certain services as more fully described in **Exhibit A** attached hereto. From time to time Company may request Contractor to perform Work (as hereinafter defined), and Contractor may agree to perform such Work. Contractor and Company accordingly agree in advance on certain terms and conditions which shall apply to all Work with the understanding that further oral or written requests or agreements will be required with respect to certain details such as the specific Work to be done and the consideration to be paid therefor (“**Work Order**”). All Work performed by Contractor shall be subject to the terms of this Agreement. Accordingly, in consideration of the mutual covenants contained in this Agreement and other consideration received, Contractor and Company hereby agree that if at any time during the term of this Agreement Contractor enters into a Work Order with Company, this Agreement shall automatically become a part of and incorporated into each such Work Order (whether or not such Work Order refers to this Agreement) and all references in this writing to this Agreement incorporate and include the Work Order. As used in this Agreement, the term “**Work**” shall include any goods or services to be supplied or performed by Contractor pursuant to the terms of any Work Order. The term “**including**” shall mean including but not limited to.

### **1. INDEPENDENT CONTRACTOR.**

- a. Contractor is an independent contractor with the sole authority and right to direct, supervise and control the performance of all the details of the Work, subject only to the general right of approval and inspection by Company to achieve the desired results and satisfactory completion of the Work.
- b. In all cases where Contractor’s employees (defined to include Contractor’s direct, borrowed, special or statutory employees) are covered by applicable Worker's Compensation Statute(s), Company and Contractor acknowledge and agree that all Work and operations performed by Contractor and its employees pursuant to this Agreement are an integral part of and are essential to the ability of Company to generate Company’s goods, products or services. Without limiting the foregoing, Company and Contractor agree that Company is and shall be deemed a statutory employer of Contractor’s employees for purposes of said Worker’s Compensation Statute(s), as the same may be amended from time to time.

2. **STANDARD OF PERFORMANCE.** Contractor covenants, represents and warrants that the Work is in Contractor’s usual line of business, and Contractor is capable of performing and shall perform the Work safely and efficiently with due diligence and care in the best and most workmanlike manner with qualified, careful and efficient workers, and first class goods and equipment in strict conformity with the best standard practices. Upon completion of the Work by Contractor, Company shall have the right to rely on the foregoing covenants, representations and

warranties, including warranties as to MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSES and any others implied or otherwise afforded by law. Contractor agrees that any portion of the Work found to be defective or unsuitable by Company shall be removed, replaced, or corrected by Contractor without additional cost or risk to Company, and Contractor agrees to indemnify Company in accordance with the provisions of Article 6 from and against any loss, damage or liability directly or indirectly resulting from any breach of the covenants, representations and warranties contained in this Article 2. Any breach of this provision shall be grounds for immediate termination of this Agreement by Company. Contractor shall perform all Work in such a manner as to cause minimum interference with the operations of Company and of other Contractors on the premises, and shall take, and cause Contractor's and every subcontractor's employees, agents, licensees, and permittees to take all necessary precautions (including those required by Company's safety regulations) to protect the premises and all persons and property thereon from damage and injury. Upon completion of the Work, Contractor shall repair any damage to the premises from its operations and thoroughly clean and police the area involved.

3. **PAYMENT; PRICING.** As full consideration for Work performed by Contractor under each Work Order, Company shall pay Contractor as provided in such Work Order. Subject to Contractor's satisfaction of all obligations under this Agreement, payments that become due for Work performed by Contractor shall be paid on or before the last day of the calendar month next succeeding the date of Company's actual receipt of a proper invoice from Contractor with all necessary supporting information, subject to Company's right to withhold any portion of such payment for any portion of such invoice that Company in good faith disputes until such dispute is resolved. No payment of any invoice shall preclude or affect Company's right to protest or dispute any portion of any invoice, and upon notice of such protest, Contractor shall promptly furnish Company with more detailed evidence of the disputed charge or repay or withdraw and deduct such charge from the invoice. Contractor agrees that any sums due to Contractor by Company may be withheld and applied toward payment of any claims or liens against Contractor. **Each Work Order shall, unless otherwise indicated in such Work Order, incorporate the price schedule and applicable price and payment discounts set forth in Exhibit A attached hereto.**
4. **RECORDS.** Contractor shall and shall cause its subcontractors and vendors to: (i) provide all necessary supporting information verifying that no liens, attachments, encumbrances, claims, fees, fines, penalties, assessments, or any other liabilities exist with respect to its or its subcontractors' and/or vendors' performance of the Work, including claims for labor, materials, equipment, supplies, services, or for injuries to persons or property not adequately covered by insurance; (ii) allow no lien or charge to be fixed on any rig, lease, well, land, or other property of Company; (iii) maintain complete, accurate, current, and detailed records of all costs and documentation of equipment, materials, labor and any other items or aspects of Work performed hereunder for not less than two (2) years after final termination of this Agreement, provided however, if Company makes a written claim within such two (2) year period, then Contractor shall retain such records until final resolution of such claim; and (iv) grant to Company, its authorized representatives, and/or any public accounting firm selected by Company, the right, at any reasonable time, to inspect, audit, examine and copy any records or documents of Contractor, its subcontractors and/or vendors, as may be necessary to verify the validity and correctness of the charges reflected on any invoice and to protest or dispute any such charge.
5. **COMPLIANCE WITH LAWS AND SAFETY AND ENVIRONMENTAL POLICIES.** Contractor makes those certifications set forth in Exhibit B attached hereto, and Contractor covenants, represents and warrants that the Work and all related activities carried out by Contractor (including Contractor's employees, subcontractors, vendors and any others who act for Contractor) shall be in strict compliance with all applicable laws, including statutes, regulations, rules, ordinances, orders and codes of governmental entities having jurisdiction, Company's policies as outlined in Exhibit B attached hereto and the provisions contained in the "Compliance Supplement" attached hereto as Exhibit C, all to the extent same are applicable while the Work is being done.
6. **INDEMNITY.**

- a. TO THE FULLEST EXTENT ENFORCEABLE UNDER APPLICABLE LAW AND WHETHER ARISING OUT OF CONTRACT, TORT, BREACH OF WARRANTY (EXPRESS OR IMPLIED), BREACH OF CONTRACT, STRICT LIABILITY, THE NEGLIGENCE OR FAULT OF ANY PERSON, PARTIES, OR ENTITIES, AND/OR ANY CAUSE WHATSOEVER, AND IRRESPECTIVE OF ANY PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT OR WHETHER ANY INDEMNITEE HEREUNDER MAY BE ALLEGED OR PROVEN TO HAVE BEEN NEGLIGENT (WHETHER SUCH NEGLIGENCE BE ACTIVE, PASSIVE, JOINT, CONCURRENT, COMPARATIVE, OR CONTRIBUTING) OR OTHERWISE LEGALLY LIABLE (WITH OR WITHOUT FAULT OR WHETHER STRICTLY LIABLE OR IN BREACH OF ANY WARRANTY): (i) CONTRACTOR SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS COMPANY, ITS AFFILIATES, SUBSIDIARIES, JOINT VENTURERS, CO-OWNERS, CONTRACTORS, SUCCESSORS AND ASSIGNS AND ITS AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND INSURERS (the “**Company Group**”) AGAINST ANY LOSS, LIABILITY OR DAMAGE INCIDENT TO CLAIMS, DEMANDS OR CAUSES OF ACTION OF EVERY KIND AND CHARACTER WHATSOEVER RELATED TO OR ARISING IN CONNECTION WITH BODILY INJURY, ILLNESS, DEATH, DAMAGE TO OR LOSS OF PROPERTY OF CONTRACTOR, CONTRACTOR’S EMPLOYEES, CONTRACTOR’S CONTRACTORS OR THEIR EMPLOYEES, AND CONTRACTOR’S INVITEES ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF (OR THE FAILURE TO PERFORM UNDER) THIS AGREEMENT; AND (ii) COMPANY SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS CONTRACTOR, ITS AFFILIATES, SUBSIDIARIES, JOINT VENTURERS, CO-OWNERS, CONTRACTORS, SUCCESSORS AND ASSIGNS AND ITS AND THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND INSURERS (the “**Contractor Group**”) AGAINST ANY LOSS, LIABILITY OR DAMAGE INCIDENT TO CLAIMS, DEMANDS OR CAUSES OF ACTION OF EVERY KIND AND CHARACTER WHATSOEVER RELATED TO OR ARISING IN CONNECTION WITH BODILY INJURY, ILLNESS, DEATH, DAMAGE TO OR LOSS OF PROPERTY OF COMPANY, COMPANY’S EMPLOYEES, COMPANY’S CONTRACTORS OR THEIR EMPLOYEES, AND COMPANY’S INVITEES ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF (OR THE FAILURE TO PERFORM UNDER) THIS AGREEMENT. **THIS, AND ALL OTHER, INDEMNITY PROVISIONS CONTAINED HEREIN SHALL HAVE NO APPLICATION IN THE EVENT THAT THE EVENT GIVING RISE TO ANY CLAIM, DEMAND, CAUSE OF ACTION, OR LIABILITY ARISES FROM THE SOLE OR GROSS NEGLIGENCE OF THE INDEMNITEE.**
- b. TO THE FULLEST EXTENT ENFORCEABLE UNDER APPLICABLE LAW, CONTRACTOR SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE COMPANY GROUP AGAINST ANY LOSS, LIABILITY OR DAMAGE SUFFERED BY A THIRD PARTY ARISING OUT OF OR RESULTING FROM THE NEGLIGENCE (WHETHER SUCH NEGLIGENCE BE ACTIVE, PASSIVE, SOLE, JOINT, CONCURRENT, COMPARATIVE, CONTRIBUTING OR GROSS), STRICT LIABILITY OR WILLFUL OR WANTON MISCONDUCT OF ANY OF THE CONTRACTOR GROUP, OR CONTRACTOR’S INVITEES.
- c. In support of the mutual indemnity obligations in Article 6.a. above, Contractor agrees, at its own cost, to obtain and maintain, while this Agreement is in force and effect, the insurance policies and coverages set forth in **Exhibit D** attached hereto to this Agreement and to comply with the covenants and conditions set forth therein, and Company agrees to maintain insurance policies for equal amounts and coverages. The insurance policies and coverages obtained and maintained by Contractor pursuant to **Exhibit D** to this Agreement shall support but shall not be in lieu of the indemnity obligations in this Article 6.
- d. Each obligation set forth in this Article 6 shall include reasonable attorneys’ fees, court costs, costs of investigation and other legal costs and expenses of any nature whatsoever associated with the loss, liability or damage against which the indemnitee has been indemnified, and any and all costs and expenses incurred in the enforcement of the indemnity.

## **7. INSURANCE.**

a. Without modifying the indemnity obligations or liabilities of Contractor or its insurer(s) under this Agreement, Contractor shall, at Contractor's cost, obtain and maintain with an insurance company or companies, and comply with and satisfy all covenants and conditions provided for in the applicable policies, the insurance coverage described in **Exhibit D**. Contractor shall, prior to performance of any Work hereunder, and annually thereafter on the anniversary date of this Agreement, and at each renewal or change in coverage or companies, furnish to Company current valid certificates of insurance, or other such evidence of insurance as Company may reasonably request, showing that the required insurance is in full force and effect. Any deductibles under any of Contractor's insurance policies shall be the responsibility of Contractor. Contractor hereby agrees to protect, defend, indemnify and hold harmless Company from and against any loss, liability or damage (including reasonable attorneys' fees and other expenses) directly or indirectly resulting from any breach of the representations, warranties and covenants in this Article 7 by it or any of its affiliates performing Work hereunder.

**8. PATENTS/TRADE SECRETS/PROPRIETARY DATA.** In addition to all other indemnity provisions contained herein, Contractor shall protect, defend, indemnify, and hold harmless Company, its affiliates, subsidiaries, joint venturers and its and their directors, officers, employees, agents and insurers against any loss, liability or damage (including payment of costs described in Article 6(d)) arising in connection with any actual or alleged patent, copyright or trademark infringement, or any wrongful appropriation of trade secrets or proprietary rights or data, or any misuse of Company materials arising out of or resulting from the performance of Contractor (including Contractor's employees, subcontractors, vendors and any others who act for Contractor) under this Agreement.

**9. GOVERNING LAW/CHOICE OF FORUM/CONSENT TO JURISDICTION.**

a. If the Work is performed offshore or on inland waters, notwithstanding the place of execution hereof or the place for performance of any covenant, promise or agreement herein made, this Agreement and the validity hereof, the agreements evidenced hereby, and all matters and issues arising hereunder, shall be construed pursuant to and governed by the General Maritime Laws of the United States. If maritime law is held inapplicable by a court of competent jurisdiction, then subsection b. or c. below shall apply.

b. This Agreement shall, to the fullest extent enforceable under applicable law, be interpreted and enforced exclusively in accordance with the laws of the State of Texas, excluding any conflicts-of-law rules that might refer same to another jurisdiction. Contractor and Company agree that all disputes in any way arising out of or resulting from this Agreement shall be litigated, if at all, exclusively in the state and/or federal courts venued in Harris County, Texas. Contractor and Company accordingly hereby submit to the jurisdiction and venue of such courts for all purposes of the State of Texas.

c. If the Work is performed in Louisiana, then this Agreement shall, to the fullest extent enforceable under applicable law, be interpreted and enforced exclusively in accordance with the laws of the State of Louisiana, excluding any conflicts-of-law rules that might refer same to another jurisdiction. Contractor and Company agree that all disputes in any way arising out of or resulting from this Agreement shall be litigated, if at all, exclusively in the state and/or federal courts venued in Lafayette Parish, Louisiana. Contractor and Company accordingly hereby submit to the jurisdiction and venue of such courts for all purposes of the State of Louisiana.

**10. ASSIGNMENT.** Contractor shall not assign this Agreement, any rights or obligations hereunder or any sums of money which may accrue hereunder without the prior written consent of Company. If Contractor assigns all or any of its rights, duties or obligations without the prior written consent of Company, Company may, at its option, terminate this Agreement. Any assignment by Contractor without prior written consent shall be null and void. No assignment or subcontract shall relieve Contractor of its obligations hereunder, and Contractor covenants, represents and warrants that any assignee or subcontractor will assume and agree to perform all obligations hereunder, including the obligations set forth in Articles 6, 7, 9 and 10. Company shall have the right to assign its rights and obligations under this Agreement provided that Company gives Contractor notice thereof.

- 11. SEVERABILITY.** If any provision, or portion thereof, of this Agreement, or the application thereof to any particular circumstance is held or deemed void or invalid, the remaining provisions and portions of this Agreement, and the application of the provision or portion to circumstances other than those as to which it has been held or deemed void or invalid, shall not be affected thereby.
- 12. NO WAIVER.** Any failure of a party to enforce the requirements of any provision of this Agreement shall not constitute a waiver of those rights, nor shall such failure excuse a party from any of its obligations under this Agreement. No benefit or right accruing to a party under this Agreement shall be waived unless contained in a written waiver expressly referring to this Agreement and signed by an authorized representative of the party waiving such benefit or right of at least equal or greater authority as the authorized representative signing this Agreement. The waiver, in one instance, of any term or condition in this Agreement shall not constitute a continuing waiver or a waiver of any other condition or requirement, term or condition, unless specifically so stated.
- 13. CONFIDENTIALITY.** All information obtained by Contractor in the contemplation of or in performance of Work under this Agreement, other than information which is within the public domain, shall be considered confidential and shall not be disclosed by Contractor except to duly authorized representatives of Company or as duly authorized in writing by an authorized representative of Company of at least equal or greater authority as the authorized representative signing this Agreement.
- 14. ACCESS.** Only the authorized personnel of Contractor, Company or proper governmental agencies shall be permitted access to any premises where Work is being performed under this Agreement. Contractor shall take such action reasonable and necessary to prevent unauthorized persons from entering such premises including spouses and children of authorized personnel.
- 15. TERM/TERMINATION.**
- a. The term of this Agreement shall continue in effect until sixty (60) days following delivery of written notice by either party to the other of termination of this Agreement. Upon termination of this Agreement, all rights and obligations that are still executory on both sides shall be discharged, but all rights and obligations based on prior breach or performance and all rights and obligations which are continuing in nature including all rights and obligations in connection with the information, records and audit provisions of Article 4, the indemnity provisions of Article 6, and the confidentiality provisions of Article 13 shall survive until the latter of (i) two (2) years from the date of termination of this Agreement or (ii) such time as all rights and obligations of Company arising in connection with the Work cease with respect to such provision.
  - b. Company may, at any time, in its absolute discretion, by written notice to Contractor, terminate, abandon or suspend any Work Order; provided, however, that Contractor shall retain or be paid by Company that portion of the total payment (if applicable) which is reasonable and in proportion to the Work already performed by Contractor. Upon receipt of such notice, Contractor shall take all action necessary to safely suspend the Work and shall then turn over the Work and premises, as well as any and all drawings, plans, specifications, reports and any other data and documents related to the Work and any equipment, materials, and any other items obtained for or invoiced to Company, to Company and/or its designee. Contractor shall further cooperate with Company and/or its designee to ensure an orderly and expeditious transition and completion of the Work. Contractor shall not be entitled to be paid prospectively for unperformed Work due to such termination, abandonment or suspension nor to any other compensation, damages or loss of anticipated profits or otherwise. Notwithstanding the foregoing, upon Contractor's failure to commence and complete the Work in accordance with the terms and conditions of any applicable Work Order or otherwise comply with the provisions hereof, Company shall have the right, in its absolute discretion, to terminate such Work Order and following such termination Company shall be relieved of any obligations with respect to such Work Order.
- 16. TAXES.** Contractor agrees to pay all taxes, licenses and fees levied or assessed against Contractor in connection with, or incident to, Contractor's performance of this Agreement by any governmental agency for (i) income taxes, (ii) sales taxes, (iii) unemployment compensation insurance, old age benefits, social security, or (iv) any

other taxes upon the amounts paid Contractor, its agents, employees, and representatives. Contractor agrees to require the same agreements from, and to be liable for, any breach of such agreements by any of its subcontractors. Contractor agrees to reimburse Company on demand for all such taxes or governmental charges, local, state or federal, (including interest and penalties) which Company may be required or deems it necessary to pay for the account of Contractor, Contractor's agents, employees, representatives or subcontractors. In such event, Contractor agrees to furnish Company with all information required to enable Company to make the necessary reports and to pay such taxes or charges. At its election, Company is authorized to deduct all sums so paid for such taxes and governmental charges from any amounts payable to Contractor hereunder.

**17. NOTICES.** All notices shall be sent to each party at the address hereinbelow, which address may be changed, from time to time, by either party giving written notice to the other.

Company - CAPITAL STAR OIL & GAS, INC.  
4400 Post Oak Parkway, Suite 2360  
Houston, TX 77027

Contractor - \_\_\_\_\_  
Address - \_\_\_\_\_

**18. AMENDMENTS/CONFLICTS.** No amendment or other modification of this Agreement shall have any effect unless contained in a written amendment expressly referring to this Agreement and signed by authorized representatives of the parties hereto with at least equal or greater authority as that of the authorized representative signing this Agreement. Any terms or conditions of any Work Order, including any related written contracts, delivery tickets or other documents, inconsistent with the terms and conditions of this Agreement shall be null and void, notwithstanding any provision therein, and the terms and conditions of this Agreement shall prevail.

**19. EXHIBITS/ENTIRE AGREEMENT.** All exhibits referred to within and attached to this Agreement are hereby incorporated as though set forth in full where referred to. With respect to the subject matter hereof, this Agreement (including all exhibits and the contemplated Work Order) constitutes the entire agreement between Contractor and Company and supersedes all prior oral and written negotiations, drafts, representations, promises, inducements, understandings and agreements.

**20. HEADINGS/PRESUMPTION.** The underlined headings of the respective paragraphs hereof are inserted for identification and convenience only and are not to be construed as defining, restricting, limiting or extending the meaning, purpose, or effect of any of the provisions of such paragraphs. The language of this Agreement shall not be interpreted, construed or enforced in favor of or against either Company or Contractor, but shall be interpreted, construed and enforced as if the language were mutually drafted by both parties.

**21. LIMITATION OF DAMAGES/LEGAL COSTS.** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFIT AND LOSS OF USE. If the parties litigate any dispute in any way arising out of or resulting from this Agreement, the prevailing party will receive, in addition to such party's other legal rights, remedies and/or obligations as provided by law under this Agreement, its reasonable attorney's fees, court costs, costs of investigation, other legal costs and expenses of any nature whatsoever associated with such dispute, and interest (both pre- and post-judgment) at the highest rate permitted by law.

**22. NO ELECTION OF REMEDIES.** The exercise of any rights under this Agreement by either Company or Contractor shall not be deemed to be an election of remedies but shall be in addition to such party's other legal rights, remedies and/or obligations as provided by law under this Agreement.

23. **CURRENCY.** As used in this Agreement, “Dollars” and “\$” shall mean the lawful currency of the United States of America.

24. **USE OF AFFILIATES.** Company and Contractor agree that one or more of Company’s affiliates may from time to time request Work hereunder. In such event, such affiliate shall be deemed to be Company with respect to such Work and shall assume the rights and obligations of Company hereunder with respect thereto. As used in this Agreement the term “affiliate” with respect to any person shall mean any other person directly or indirectly controlling, controlled by or under common control with such person whether through ownership, by contract or otherwise, where “control” means the power to direct the management or policies of a person, provided that any person with direct or indirect ownership of 50% or more of the voting power for the election of directors or other governing body of a legal entity or 50% or more of the economic interest of any other person will be deemed to be control such legal entity or other person.

25. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and with respect to any Work performed hereunder.

26. **FORCE MAJEURE.** If any party is delayed or rendered unable, wholly or in part, by Force Majeure to perform its obligations under this Agreement, other than to make payment of money due hereunder, it is agreed that such party shall have give written notice (including all relevant particulars of) of such event of Force Majeure to the other party as soon as reasonably possible and upon giving of such notice such failure to perform, but only to the extent that such failure is caused by or resulting from such event of Force Majeure, shall not constitute a default or breach or give rise to any claim for damages hereunder; provided, however, that the performance required hereunder by such party suffering such event of Force Majeure shall be resumed with all dispatch as soon as the event of Force Majeure delaying or preventing performance has been removed. The party suffering such event of Force Majeure shall use its commercially reasonable efforts to remedy the same as soon as possible. The term “Force Majeure,” as used in this Agreement, shall mean any events or occurrences that are not within the reasonable control of the party claiming suspension and which, by the exercise of due diligence, such party could not have prevented or is unable to overcome; provided, however, that neither economic hardship nor improper maintenance shall constitute Force Majeure.

Effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013 (the “Effective Date”).

**Company:**

**Contractor:**

**CAPITAL STAR OIL & GAS, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Tom Wygant

Printed Name: \_\_\_\_\_

Title: Vice President

Title: \_\_\_\_\_

Address: 4400 Post Oak Parkway, STE 2360  
Houston, Texas 77027

Address: \_\_\_\_\_

Contractor’s Tax I.D. No.: \_\_\_\_\_

**WORK ORDER**

This Work Order is attached to and made a part of a MASTER SERVICE AGREEMENT (“**Agreement**”) dated \_\_\_\_\_, 2013, between **CAPITAL STAR OIL & GAS, INC.** (“**Company**”) and \_\_\_\_\_ (“**Contractor**”).

**TYPE OF WORK/ JOB:** \_\_\_\_\_

**WELL NAME:** \_\_\_\_\_

**LOCATION:** \_\_\_\_\_

**JOB DESCRIPTION:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ESTIMATED DATE AND TIME TO COMMENCE:** \_\_\_\_\_

**ESTIMATED DURATION OF JOB:** \_\_\_\_\_

**ESTIMATED TOTAL COST:** \_\_\_\_\_

The Work under this Work Order shall be performed in accordance with the terms of the Agreement and, to the extent that such Work is requested by an affiliate of Company, such affiliate shall be deemed to be Company with respect to such Work and shall assume the rights and obligations of Company hereunder with respect thereto.

**Company:**

**Contractor:**

**CAPITAL STAR OIL & GAS, INC.**

By: \_\_\_\_\_  
Name: Tom Wygant  
Title: Vice President

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date of Issue: \_\_\_\_\_

Date of Issue: \_\_\_\_\_

Contractor Tax I.D. No.: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_



## **EXHIBIT A**

This **Exhibit A** is attached to and made a part of that certain a MASTER SERVICE AGREEMENT (“**Agreement**”) dated \_\_\_\_\_, 2013, between CAPITAL STAR OIL & GAS, INC. (“**Company**”) and \_\_\_\_\_ (“**Contractor**”).

### **SERVICES**

Insert Description.

### **PRICING**

Unless otherwise indicated in a Work Order signed by each of Company and Contractor, the pricing applicable to each Work Order shall be as set forth in the Price List attached hereto as modified and initialed (the “**Price List**”) and shall be subject to any price discounts listed below.

**End of Exhibit A**

## **EXHIBIT B**

This **Exhibit B** is attached to and made a part of that certain MASTER SERVICE AGREEMENT (“**Agreement**”) dated \_\_\_\_\_, 2013, between **CAPITAL STAR OIL & GAS, INC.** (“**Company**”) and \_\_\_\_\_ (“**Contractor**”).

### **SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION POLICY**

Company is committed to safety, health and environmental protection for its employees, customers, local communities and others who may be affected by its varied operations.

The Contractor certifies that it will:

- To the fullest extent practicable conduct its operations in a manner that protects the safety and health of its and Company’s employees and the public, avoids adverse impact on the environment and mitigates unavoidable impact of its operations on the environment.
- Advise and train its supervisors in safety, health and environmental requirements and hold each accountable for compliance as it relates to his/her area of responsibility.
- Provide its employees with adequate training and education in safety and environmental matters and hold each employee accountable for compliance in performing his/her assigned tasks.
- Comply with all applicable safety, health and environmental laws and regulations.
- Provide technical and legal support to those responsible for compliance.
- Encourage timely and effective communication between employees and their supervisors regarding safety, health and environmental issues.
- Encourage its employees to communicate their concerns to management about any unresolved safety, health and environmental risks they might have identified.
- Conduct safety and environmental reviews of Contractor’s operations in order to evaluate its compliance with all applicable safety, health and environmental laws and regulations.
- Provide a copy of this certification to the Contractor’s sub-contractors and notify them that they and their subcontractors will be expected to perform all work for the Company in accordance with this certification.

### **DRUG/ALCOHOL POLICY**

The Company has in place a DRUG/ALCOHOL POLICY, and in connection therewith, Contractor certifies as follows:

- Contractor will inform its employees who perform services under any MASTER SERVICE AGREEMENT with the Company of the Company’s objective to maintain a safe work environment and that the Company has a policy forbidding the use or possession of prohibited drugs, or having traceable amounts of prohibited drugs in the employees’ system or being under the influence of alcohol while on Company’s premises.
- Contractor has in force a drug policy which requires periodic tests of employees for prohibited drugs and grants Company the right to audit enforcement of such policy.

- Contractor will not allow any employee of Contractor to perform services for the Company under any MASTER SERVICE AGREEMENT if such employee has violated the Contractor's prohibited drug policy.
- If Contractor's employees are working on Company's facilities, which are regulated by the Department of Transportation regulations governing the prohibition of drugs (49 CFR Part 195 [pipelines]), (49 CFR 391 [motor carriers]), that the Contractor and such employees are currently in compliance with said Department of Transportation regulations.
- Contractor will require each of its subcontractors who work on Company premises to certify to the foregoing.

## **GIFTS**

- The Company does not seek to do business through the improper use of business courtesies or other inducements. Business relationships should be built on quality products and services at competitive prices.
- Offering, giving, soliciting, or receiving any form of bribe is strictly prohibited. The acceptance of cash (or cash equivalent) is never permitted.
- Gifts or entertainment may be given or received if they:
  - are nominal in value (\$100.00 per annum maximum) and would not be viewed as a bribe or payoff;
  - are legal and ethical;
  - would not prove to be embarrassing if publicly known; and
  - are acceptable practices under the circumstances.
- Acceptance of free lodging for vacation travel and recreational trips (hunting, fishing, golf, etc.) can be an acceptable business practice subject to all of the conditions listed above and provided that:
  - prior approval of an employee's supervisor and an accountable Company officer is received;
  - the acceptance will not impose any obligation (monetary or otherwise) on the employee or the Company; and
  - the business purpose is considered normal and prudent within the industry and is a practice used by the Company to maintain or develop business relationships with others.

## **FIREARMS**

Firearms or weapons, except those in possession of federal, state and local law enforcement officials, will not be allowed on property owned or leased by the Company. This policy also is in effect in any vehicles leased, owned or rented by the Company. With approval of the Company security director, security guards may be allowed to carry firearms.

**End of Exhibit B**

**EXHIBIT C**  
**COMPLIANCE SUPPLEMENT**

This **Exhibit C** is attached to and made a part of that certain MASTER SERVICE AGREEMENT (“**Agreement**”) dated \_\_\_\_\_, 2013, between **CAPITAL STAR OIL & GAS, INC.** (“**Company**”) and \_\_\_\_\_ (“**Contractor**”).

Contractor will further comply with the following:

**NON-DISCRIMINATION AND CERTIFICATION OF NON—SEGREGATED FACILITIES**

**1. THE EQUAL OPPORTUNITY CLAUSE (if this contract exceeds or will exceed \$10,000).**

During the performance of this contract, Contractor agrees to be bound by the following provisions as contained in Section 202 of Executive Order No. 11246, as amended, to wit:

- 1.1 Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated equally during employment without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to the following: employment, upgrading demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- 1.2 Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 1.3 Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contractor understanding a notice to be provided by the agency contracting officer advising the labor union or worker’s representatives of Contractor’s commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 1.4 Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 1.5 Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 1.6 In the event of Contractor’s noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized by Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or otherwise provided by law.

1.7 Contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance; provided, however, that in the event Contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

**2. CERTIFICATION OF NONSEGREGATED FACILITIES (if this contract exceeds or will exceed \$10,000)**

Contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term “**segregated facilities**” means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of such subcontractors exceeding \$10,000 which are not exempt from the provisions of Equal Opportunity Clause; that he will retain such certifications in his files; and that he will forward notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods): **NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES.** A Certification of Nonsegregated Facilities as required by the May 21, 1968 order on Elimination of Segregated Facilities, by the Secretary of Labor (33 Fed. Reg. 7804, May 28, 1968), must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semi-annually, or annually).

(NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.)

**3. EMPLOYER INFORMATION REPORT EEO-1**

Contractor further agrees and certifies that if the value of any contract or purchase order is \$50,000 or more and Contractor has 50 or more employees Contractor will file a complete and accurate report on Standard Form 100 (EEO-1) with the Joint Reporting Committee at the appropriate address per the current instructions within thirty (30) days of the contract award and otherwise comply with and file such other compliance reports as may be required under Executive Order No. 11246, as amended, and Rules and Regulations adopted thereunder.

**4. WRITTEN AFFIRMATIVE ACTION PROGRAM**

Contractor further agrees and certifies that if the value of any contract or purchase order is \$50,000 or more and Contractor has 50 or more employees Contractor will develop a written affirmative action compliance program for each of its establishments as required by Title 41, Code of Federal Regulations, Section 60-1.40 and Section 60.2.

**5. VETERANS EMPLOYMENT CLAUSE (if this contract is for \$10,000 or more)**

Contractor agrees to abide by and comply with the provisions of the Affirmative Action Clause, Section 60-250.4 of 41 C.F.R. unless exempted as therein provided and which provisions are incorporated herein by reference to the same extent as though set forth herein in full.

**6. EXECUTIVE ORDER NO. 11758 EMPLOYMENT OF HANDICAPPED**

Contractor agrees that it will abide by and comply with the provisions of the Affirmative Action Clause, Section 60-741.4 of 41 C.F.R. (41 Fed. Reg. 16150, April 16, 1976), Affirmative Action for Handicapped Workers, which provisions are incorporated herein by reference to the same extent as though set forth herein in full.

**7. EXECUTIVE ORDER NO. 11625 MINORITY BUSINESS ENTERPRISE**

Contractor agrees that it will abide by and comply with the provisions of the minority business enterprise requirements of Executive Order 11625, which provisions are incorporated herein by reference to the same extent as though set forth herein in full.

**8. Contractor further agrees to comply with all applicable provisions of the Fair Labor Standards Act, the Occupational Health and Safety Act, and the Immigration Reform and Control Act of 1986.**

**End of Exhibit C**

**EXHIBIT D**  
**CONTRACTOR INSURANCE REQUIREMENTS**

This **Exhibit D** is attached to and made a part of that certain MASTER SERVICE AGREEMENT (“**Agreement**”) dated \_\_\_\_\_, 2013, between **CAPITAL STAR OIL & GAS, INC.** (“**Company**”) and \_\_\_\_\_ (“**Contractor**”).

Without modifying the indemnity obligations and liabilities of Contractor, or its insurers, Contractor shall at all times during the term of this Agreement further comply with the following:

1. Contractor shall carry insurance of the types and in the minimum amounts as set forth below provided that all insurance obtained shall (a) be of an “occurrence” type policy and not a “claims made” type; (b) contain endorsements requiring thirty (30) days notice to Company prior to any cancellation or material modification by any insurer or underwriter of any such policy or policies; (c) name Company Group (as defined in the Agreement) **AS ADDITIONAL INSURED TO THE EXTENT OF CONTRACTOR’S LIABILITIES AND INDEMNITIES UNDER THE AGREEMENT, WHICH INCLUDES INDEMNITIES WITHOUT REGARD TO CAUSE OR CAUSES THEREOF INCLUDING WITHOUT LIMITATION NEGLIGENCE AS PROVIDED IN ARTICLE 6 OF THE AGREEMENT**, except as to the Workers Compensation Insurance as set forth below; (d) be primary to and without contribution from any insurance policies or self-insurance maintained by Company; (e) **WAIVE ALL RIGHTS OF SUBROGATION AGAINST THE PARTIES NAMED IN (c) ABOVE**; and (f) be without recourse against such parties for payment of premium. Contractor, on behalf of itself and its employees, agents, officers, directors, servants, subcontractors and related entities, expressly acknowledges the hazardous nature of working around and in oil and gas operations, and further assumes all risk inherent in working in such environment.
2. Contractor agrees to protect its employees, agents, officers, directors, servants and subcontractors and subcontractor’s employees by carrying statutory Workers’ Compensation Insurance with other states coverage clause and Alternate Employer Endorsement in compliance with the applicable workers’ compensation or similar laws, as amended from time to time, applicable for the state or states where the work contemplated hereby is to be performed, and Employer’s Liability Insurance with a limit of not less than:

Bodily Injury by accident:	\$1,000,000 each accident
Bodily Injury by disease:	\$1,000,000 policy limit
Bodily Injury by disease:	\$1,000,000 each employee

If any work or services to be performed hereunder is on, over, incidental to, or otherwise pertains to state, federal or international waters, coverage will be endorsed to provide (i) protection for liabilities under the United States Longshoremen’s and Harbor (USL&H) Workers’ Compensation Act and the Jones Act (including Outer Continental Shelf Lands Act) and Maritime Liability (including transportation wages, maintenance and cure), (ii) that a claim *In Rem* shall be treated as a claim *In Personam* against the employer, and (iii) the following Borrowed Servant endorsement:

It is agreed that a claim against Company, its parent, subsidiaries and affiliated companies, and their owners, co-owners, and joint venturers, if any, and their respective Underwriters by an employee of the Contractor based on the doctrine of “Borrowed Servant” shall as respects this insurance be treated as a claim arising under this policy against the Contractor hereunder; and Company additional insureds and their respective Underwriters, shall receive benefit of this insurance with respect to such claim.

3. Contractor further agrees to carry Commercial General Liability Insurance including Products and Completed Operations, Broad Form Property Damage, Blanket Contractual Liability Coverage, **TO INSURE THE INDEMNITY AND LIABILITY PROVISIONS OF THIS AGREEMENT**, underground resources and equipment

coverage, blowout and cratering coverage, saline substances contamination coverage, and seepage and pollution coverage. Coverages will be purchased with combined single limits of liability of not less than:

General Aggregate:	\$2,000,000
Each Occurrence:	\$1,000,000
Personal Injury:	\$1,000,000
Products/Completed Operations:	\$1,000,000
Fire Damage:	\$50,000
Medical Payments:	\$5,000 each person

If applicable, such insurance shall also include an *In Rem* endorsement, deletion of watercraft (for vessels not covered by Protection and Indemnity Insurance) exclusions, and deletion of any language limiting coverage to liability “as owner.”

4. Contractor agrees to carry Business Automobile Liability Insurance for owned, hired and non-owned vehicles, including trailers and attached or related equipment, with minimum limits of One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage as to each accident or occurrence. Coverage will include contractual liability. Contractor will be responsible for physical damage to any vehicles and related equipment and can insure this exposure but with a waiver of subrogation in favor of Company.
5. Contractor further agrees to carry Excess (Umbrella) Liability Insurance providing coverage of One Million Dollars (\$1,000,000) in excess of that provided in policies described above.
8. Contractor further agrees to carry Physical Damage Insurance covering loss of or damage to Contractor’s equipment and machinery including but not limited to drilling rigs, used in the performance of work set forth in this Contract, including loss or damage during loading, unloading, and while in transit. Such coverage shall be on an all-risk basis to the full value of the equipment with any and all deductibles to be assumed by, for the account of, and at Contractor’s sole risk.
9. If Contractor elects to self-insure for any of the above liabilities, it may self-insure only if it shall first qualify as a self-insurer under applicable state and/or federal laws and regulations and obtain Company consent to such as to any one or more of the risks as to which coverage is required herein; evidence of such consent must be in writing and approved by authorized officer of the Company.

**End of Exhibit D**