



Proposal GB1015181

Combustors

Prepared for :

P3 Petroleum, LLC

Keith Hubbard
khubbard@p3petro.com
7138763237



Submitted by:

Greg Bach
Senior Regional Sales Manager
Cimarron Energy inc.
307-258-6539
GBach@CimarronEnergy.com

Date Submitted:

10/15/2018

Keith Hubbard
P3 Petroleum, LLC
Reference: Combustors

Cimarron Energy is pleased to offer the following firm proposal for your consideration for the above referenced project. Thank you for considering Cimarron Energy for this project and we look forward to working with you.

Cimarron Energy provides technical support for all of our quality products from our team of experienced engineers and product specialists. In addition, we also offer field services in all major US basins to support Cimarron-sold and leased equipment, as well as customer-owned equipment. Please refer to our field service rate sheet included with this proposal, and feel free to contact your sales representative or service manager for additional information or for a proposal for our field or technical services.

Cimarron Energy is an ISO 9001:2008 compliant company. Cimarron is certified by ASME for providing pressure vessels and boilers.

Please contact me if you have any questions or require additional information.

Greg Bach
Senior Regional Sales Manager
Cimarron Energy
307-258-6539
GBach@CimarronEnergy.com

ITEM 1 - ECD - 24" Combustor 9.2 MCF/D Max

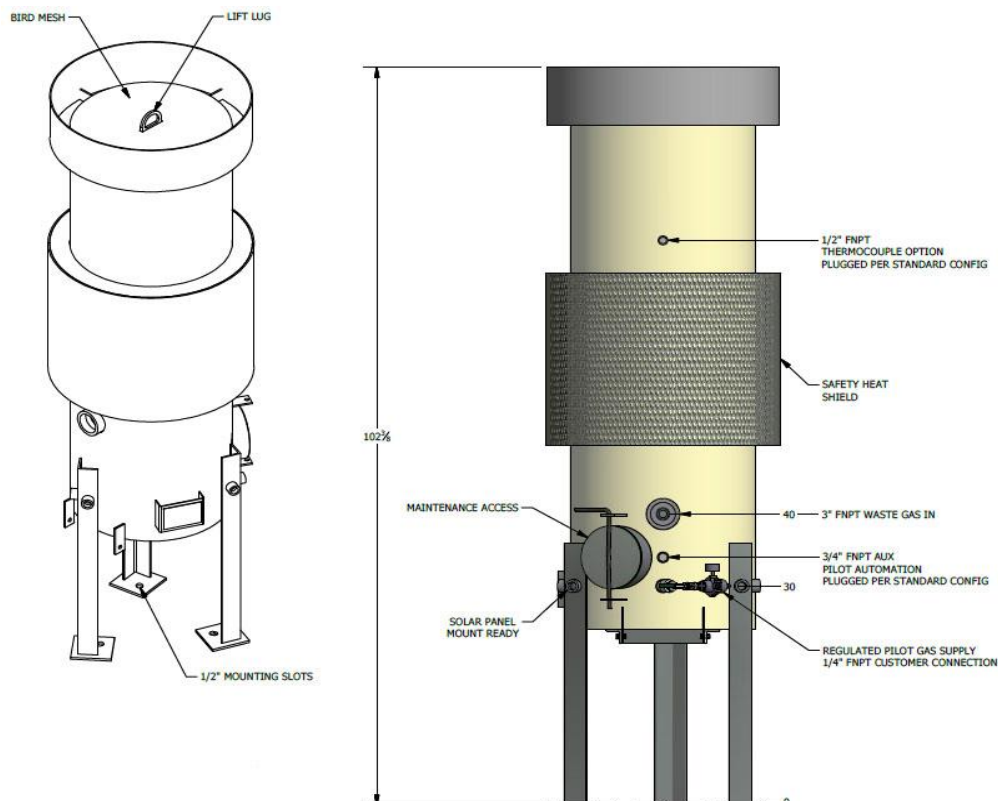
Combustor details

Combustor: p/n 3500100	<ul style="list-style-type: none"> • Dimensions 24"D x 8.5' s/s • Atmospheric MAWP • 0.98 MMBTU/HR
Plumbing: standard	<ul style="list-style-type: none"> • 64 Stainless Steel Jets • 24" Flamecell • 15"L x 16"W Burner
Concrete pad: p/n 114199	<ul style="list-style-type: none"> • 2" Wenco Flame Arrestor • 3" NPT Inlet Connection • Pilot Regulator: 1/4" Fisher 67CR-206
BMS p/n: p/n 1960-153	<ul style="list-style-type: none"> • 36" x 36" x 6" Concrete pad • Paint color: Black • ARC Spark™ BMS Package Includes: CLS I, DIV II NEMA 4X Enclosure (pending), Install Kit (Mounting Hardware, Ignition Hardware), RS-485, Datalogging Standard, no solar package, shipped loose

Item 1 Description	Price Each	Quantity	Total
ECD - 24" Combustor 9.2 MCF/D Max	\$9,165	1	\$9,165
<i>No qualifying discounts</i>			
ARC Spark™ BMS Package	\$2,050	1	\$2,050
Total:	\$11,215	1	\$11,215

Terms/Delivery

Subject to Prior Sale / 3-4 weeks ARO, Ex Works Mfg Facility: Evans, CO, based on availability at time of quote.
Availability will be confirmed after receipt of Purchase Order.
Expediting 1-3 business days - 15% upcharge; 4-10 business days - 5% upcharge
Drawing is for information only. Unit specific drawing available upon request.



ITEM 2 - ECD - 30" Combustor 15.0 MCF/D Max

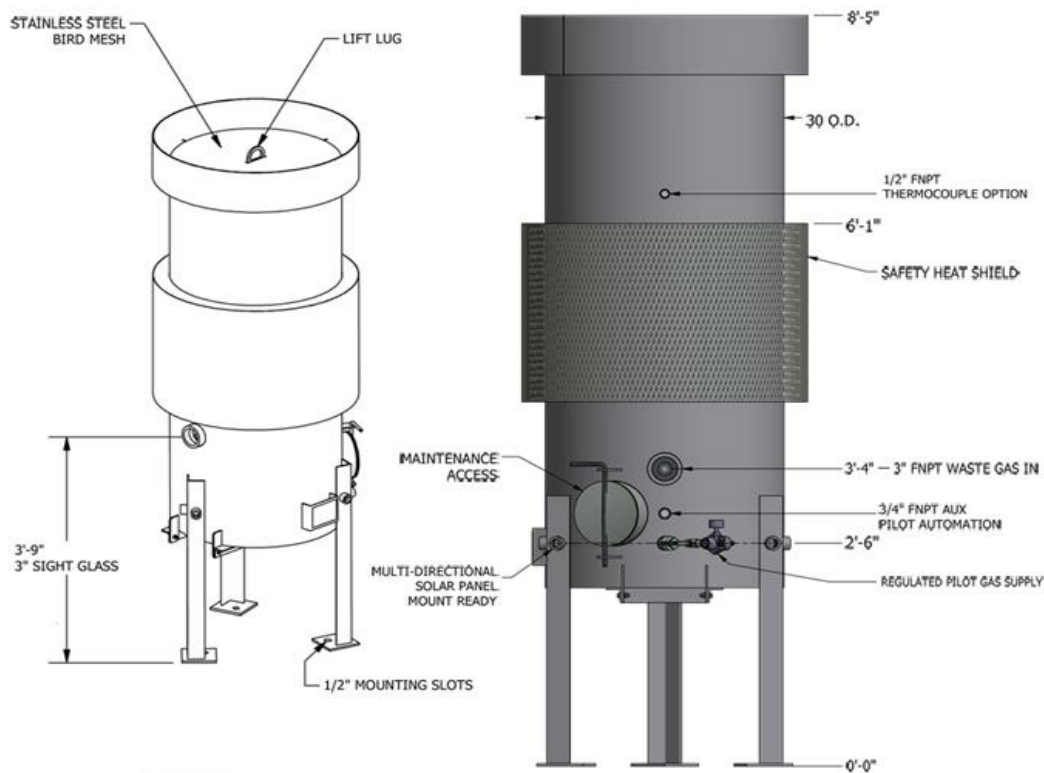
Combustor details

Combustor: p/n ECD30STD	<ul style="list-style-type: none"> • Dimensions 30"D x 8.5' s/s • Atmospheric MAWP • 1.6 MMBTU/HR
Plumbing: standard	<ul style="list-style-type: none"> • 88 Stainless Steel Jets • 30" Flamecell • 19"L x 16" W Burner
Concrete pad: p/n 120450	<ul style="list-style-type: none"> • 2" Wenco Flame Arrestor • 3" NPT Inlet Connection • 1/4" Fisher 67CR-206 Pilot Regulator
BMS p/n: p/n 1960-153	<ul style="list-style-type: none"> • 36" x 36" x 6" Concrete pad • Paint color: Black • ARC Spark™ BMS Package Includes: CLS I, DIV II NEMA 4X Enclosure (pending), Install Kit (Mounting Hardware, Ignition Hardware), RS-485, Datalogging Standard, no solar package, shipped loose

Item 2 Description	Price Each	Quantity	Total
ECD - 30" Combustor 15.0 MCF/D Max	\$11,642	1	\$11,642
<i>No qualifying discounts</i>			
ARC Spark™ BMS Package	\$2,050	1	\$2,050
Total:	\$13,692	1	\$13,692

Terms/Delivery

Subject to Prior Sale / 3-4 weeks ARO, Ex Works Mfg Facility: Evans, CO, based on availability at time of quote.
 Availability will be confirmed after receipt of Purchase Order.
 Expediting 1-3 business days - 15% upcharge; 4-10 business days - 5% upcharge
 Drawing is for information only. Unit specific drawing available upon request.



ITEM 3 - ECD - 48" Combustor 30.0 MCF/D Max

Combustor details

Combustor: p/n 143543	<ul style="list-style-type: none"> • Dimensions 48"D x 12' s/s • Atmospheric MAWP • 2 MMBTU/HR
Plumbing: standard	<ul style="list-style-type: none"> • 210 Stainless Steel Jets • 48" Flamecell • 26" L x 27" W Burner
Concrete pad: p/n 115619	<ul style="list-style-type: none"> • 3" Wenco Flame Arrestor • 3" NPT Inlet Connection • 1/4" Fisher 67CR-206 Pilot Regulator
BMS p/n: p/n 1960-153	<ul style="list-style-type: none"> • 72" x 72" x 6" Concrete pad • Paint color: Black • ARC Spark™ BMS Package Includes: CLS I, DIV II NEMA 4X Enclosure (pending), Install Kit (Mounting Hardware, Ignition Hardware), RS-485, Datalogging Standard, no solar package, shipped loose

Item 3 Description	Price Each	Quantity	Total
ECD - 48" Combustor 30.0 MCF/D Max	\$17,280	1	\$17,280
<i>No qualifying discounts</i>			
ARC Spark™ BMS Package	\$2,050	1	\$2,050
Total:	\$19,330	1	\$19,330

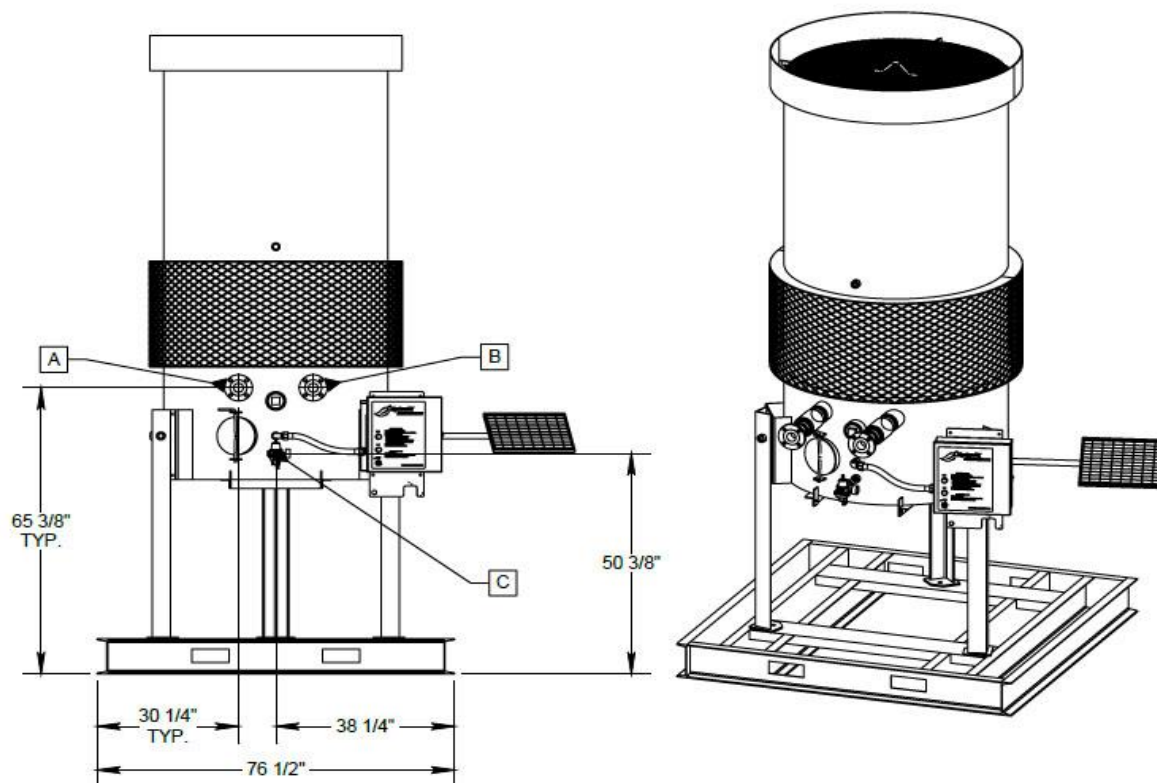
Terms/Delivery

Subject to Prior Sale / 3-4 weeks ARO, Ex Works Mfg Facility: Evans, CO, based on availability at time of quote.

Availability will be confirmed after receipt of Purchase Order.

Expediting 1-3 business days - 15% upcharge; 4-10 business days - 5% upcharge

Drawing is for information only. Unit specific drawing available upon request.



ITEM 4 - ECD - 60" Combustor 57.6 MCF/D Max

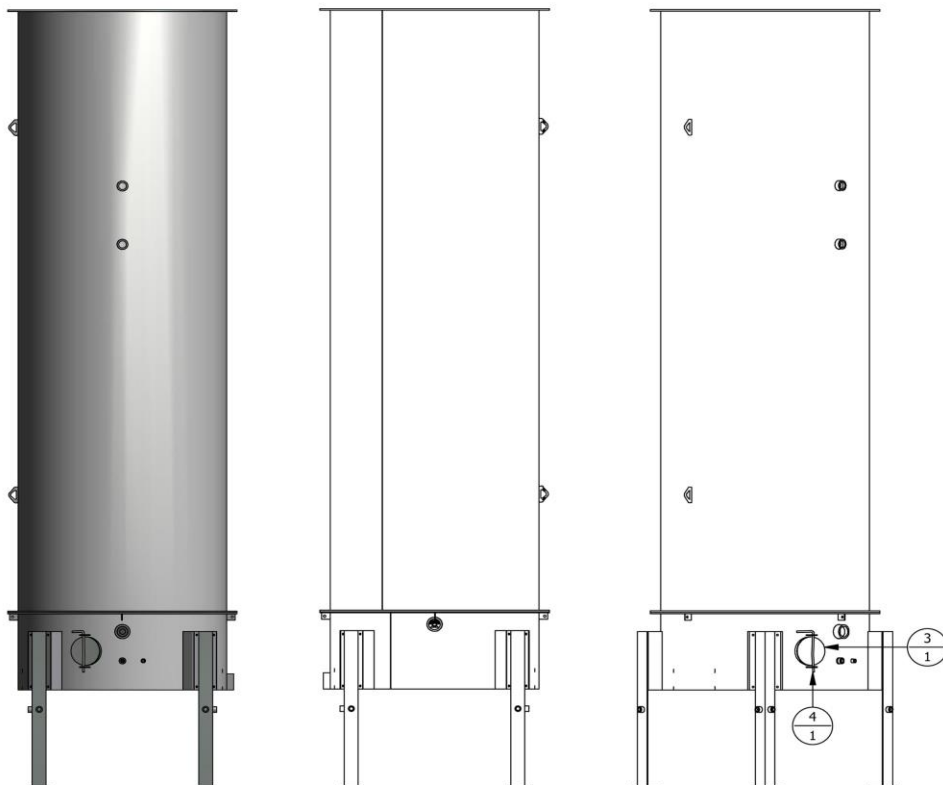
Combustor details

Combustor: p/n ECD60STD	<ul style="list-style-type: none"> • Dimensions 60"D x 13' s/s • Atmospheric MAWP • 6.1 MMBTU/HR
Plumbing: standard	<ul style="list-style-type: none"> • 440 Stainless Steel Jets • 60" Flamecell • 34"L x 41"W Burner
Concrete pad: p/n 119524	<ul style="list-style-type: none"> • 3" Wenco Flame Arrestor • 3" NPT Inlet Connection • 1/4" Fisher 67CR-206 Pilot Regulator
BMS p/n: p/n 1960-153	<ul style="list-style-type: none"> • 96" x 96" x 8" Concrete pad • Paint color: Black • ARC Spark™ BMS Package Includes: CLS I, DIV II NEMA 4X Enclosure (pending), Install Kit (Mounting Hardware, Ignition Hardware), RS-485, Datalogging Standard, no solar package, shipped loose

Item 4 Description	Price Each	Quantity	Total
ECD - 60" Combustor 57.6 MCF/D Max	\$20,952	1	\$20,952
<i>No qualifying discounts</i>			
ARC Spark™ BMS Package	\$2,050	1	\$2,050
Total:	\$23,002	1	\$23,002

Terms/Delivery

Subject to Prior Sale / 3-4 weeks ARO, Ex Works Mfg Facility: Evans, CO, based on availability at time of quote.
 Availability will be confirmed after receipt of Purchase Order.
 Expediting 1-3 business days - 15% upcharge; 4-10 business days - 5% upcharge
 Drawing is for information only. Unit specific drawing available upon request.



ITEM 5 - ECD - 48" High Volume Combustor 109 MCF/D Max

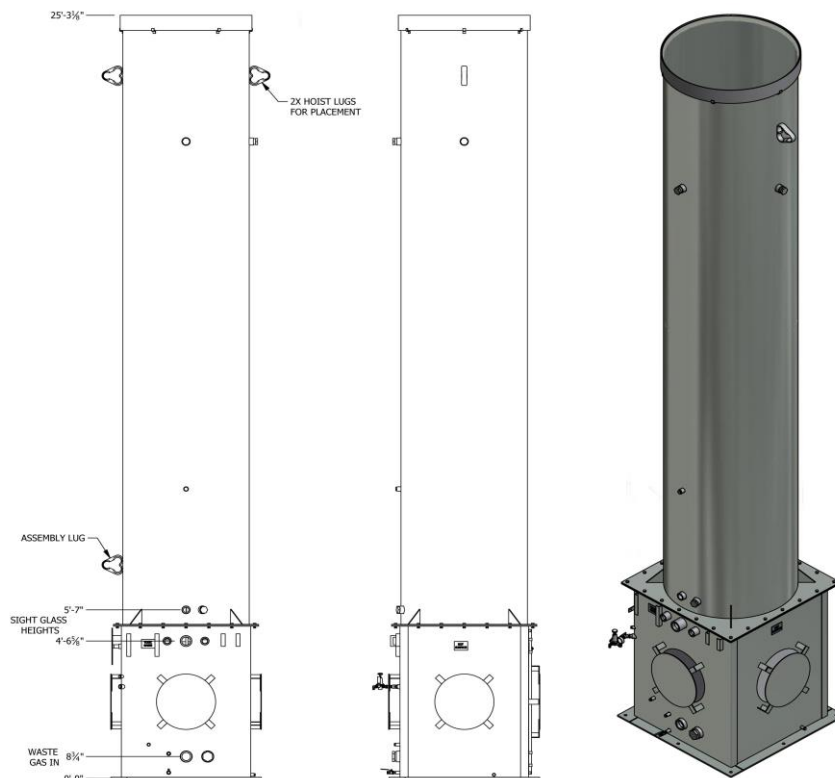
Combustor details

Combustor:	<ul style="list-style-type: none"> Dimensions 48"D x 25' s/s Atmospheric MAWP 11.7 MMBTU/HR 88 Jets
p/n 3501200-P02	
p/n 3500901-P02	
Plumbing:	<ul style="list-style-type: none"> (Qty 4) 24" Flamecell 28"L x 27"W Stainless Steel Burner 2" Wenco Flame Arrestor
n/a	
Concrete pad:	<ul style="list-style-type: none"> Carbon Steel Structure 3" NPT Inlet Connection 1/2" Watts Pilot Regulator
p/n 119524	
BMS p/n:	<ul style="list-style-type: none"> 96" x 96" x 8" Concrete pad Paint color: Covert Green
p/n 1960-153	<ul style="list-style-type: none"> ARC Spark™ BMS Package Includes: CLS I, DIV II NEMA 4X Enclosure (pending), Install Kit (Mounting Hardware, Ignition Hardware), RS-485, Datalogging Standard, no solar package, shipped loose

Item 5 Description	Price Each	Quantity	Total
ECD - 48" High Volume Combustor 109 MCF/D Max	\$23,636	1	\$23,636
No qualifying discounts			
ARC Spark™ BMS Package	\$2,050	1	\$2,050
Total:	\$25,686	1	\$25,686

Terms/Delivery

Subject to Prior Sale / 3-4 weeks ARO, Ex Works Mfg Facility: Evans, CO, based on availability at time of quote.
Availability will be confirmed after receipt of Purchase Order.
Expediting 1-3 business days - 15% upcharge; 4-10 business days - 5% upcharge
Drawing is for information only. Unit specific drawing available upon request.



ITEM 6 - ECD - 60" High Volume Combustor 200 MCF/D Max

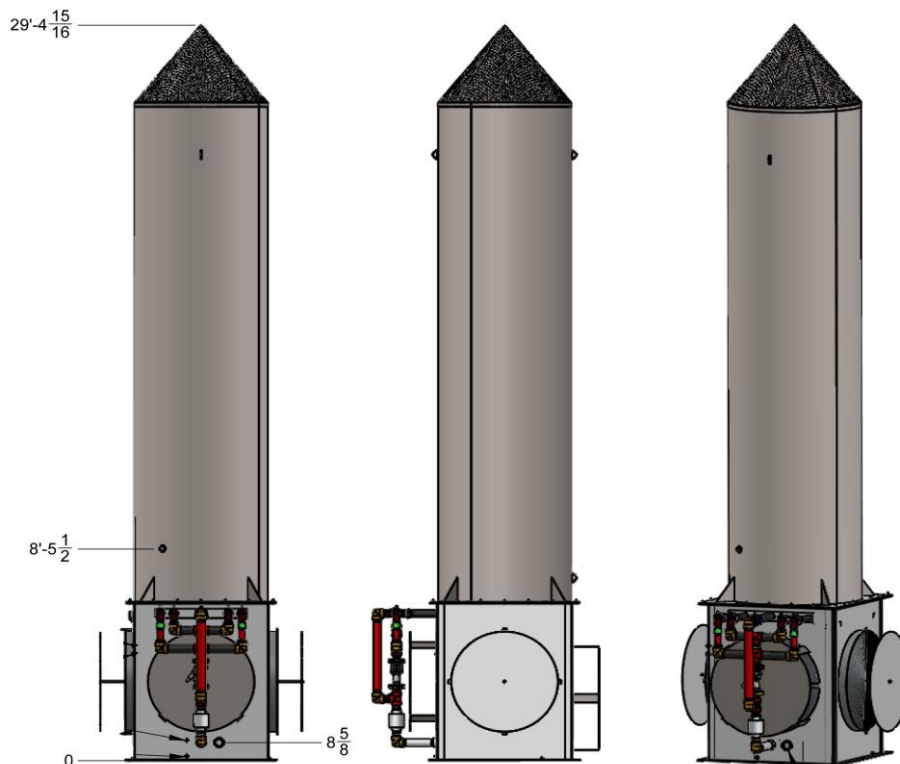
Combustor details

ECD p/n:	• Dimensions 60"D x 29.5' s/s
p/n ECD60HVBASE	• Atmospheric MAWP
p/n 3502102-P02	• 19.2 MMBTU/HR
	• 156 Jets
Plumbing:	• 38" Flamecell (Qty 4)
3501103	• Burner Stainless Steel
	• 4" Wenco Flame Arrestor
Concrete pad:	• Carbon Steel Structure + 60" Stainless Steel bird screen
p/n 146876	• 3" NPT Inlet Connection
	• 1/2" Watts Pilot Regulator
BMS p/n:	• 99" x 99" x 10" Concrete pad w/ anchors
p/n 1960-153	• Paint color: Covert Green
	• ARC Spark™ BMS Package Includes: CLS I,DIV II NEMA 4X Enclosure (pending), Install Kit (Mounting Hardware, Ignition Hardware), RS-485, Datalogging Standard, no solar package, shipped loose
	• EPA certification pending, using same burner design as certified 48" High Volume

Item 6 Description	Price Each	Quantity	Total
ECD - 60" High Volume Combustor 200 MCF/D Max	\$41,979	1	\$41,979
No qualifying discounts			
ARC Spark™ BMS Package	\$2,050	1	\$2,050
Total:	\$44,029	1	\$44,029

Terms/Delivery

Subject to Prior Sale / 6-7 weeks ARO, Ex Works Mfg Facility: Evans, CO, based on availability at time of quote.
Availability will be confirmed after receipt of Purchase Order.
Drawing is for information only. Unit specific drawing available upon request.



ITEM 7 - ECD - 84" High Volume Combustor 500 MCF/D Max

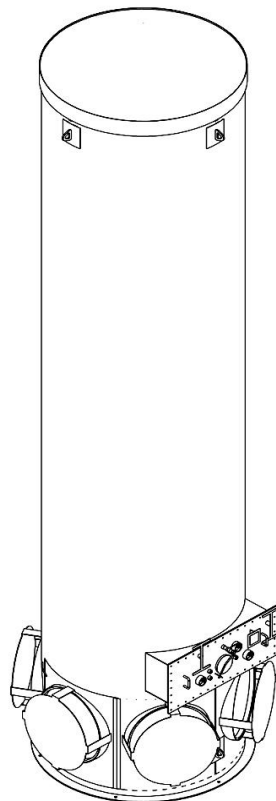
Combustor details

ECD p/n:	<ul style="list-style-type: none"> Dimensions 84"D x 30' s/s
p/n BIG-HURT-AC	<ul style="list-style-type: none"> Atmospheric MAWP 53 MMBTU/HR
Plumbing:	<ul style="list-style-type: none"> 36"x4" Air / Flame cells (Qty 6)
3501103	<ul style="list-style-type: none"> Burner Staged Combustion w/ removable trays 3" Wenco Flame Arrestor (Qty 2) Carbon Steel Structure + 84" Stainless Steel bird screen Unifrax 3" Insulation 2300F
BMS p/n:	<ul style="list-style-type: none"> 3" NPT Inlet Connection (Qty 2)
p/n 1960-153	<ul style="list-style-type: none"> Dual Pilot Flameco Pilot & 1" S.S. Pilot Tube 1/2" Watts Pilot Regulator 144" x 144" x 10" Concrete pad w/ anchors Paint color: Covert Green ARC Spark™ BMS Package Includes: CLS I, DIV II NEMA 4X Enclosure (pending), Install Kit (Mounting Hardware, Ignition Hardware), RS-485, Datalogging Standard, no solar package, shipped loose EPA certification pending, using same burner design as certified 48" High Volume

Item 7 Description	Price Each	Quantity	Total
ECD - 84" High Volume Combustor 500 MCF/D Max	\$83,818	1	\$83,818
<i>No qualifying discounts</i>			
ARC Spark™ BMS Package	\$2,050	1	\$2,050
Total:	\$85,868	1	\$85,868

Terms/Delivery

Subject to Prior Sale / 10-11 weeks ARO, Ex Works Mfg Facility: Evans, CO, based on availability at time of quote.
Availability will be confirmed after receipt of Purchase Order.
Drawing is for information only. Unit specific drawing available upon request.



Accessories		Price Each	Quantity	Total
p/n DRIP2448	24" x 48" - (Liquid capacity 90 gallons)	\$1,800	1	\$1,800
p/n 122356	Safety Float 3" x 6"	\$425	1	\$425
			Total	\$2,225

Transportation (per truck load)	Total
No transportation quoted	\$0

Field Service Startup	Price Each	Quantity	Total
Field startup service per unit (up to 4 hours, portal to portal) - extends warranty 6 additional months	\$500	1	\$500

Overall pricing summary	
Description	Total Price
Combustor units (with BMS and accessories when applicable)	\$139,179
Field startup service (up to 4 hours, portal to portal)	\$500
Total:	\$139,679

Delivery schedule	
Type of equipment	Lead time
Combustor units (with BMS and accessories when applicable)	6 weeks from PO receipt
<i>For orders of up to 4 systems, add 2 weeks for every 4 systems in addition to the first 4</i>	
<i>For orders totalling more than \$100,000 delivery weeks will be from receipt of deposit not PO</i>	

Delivery or Pickup Options

() Customer wishes to have these systems ready for EXW pickup at Cimarron facility based on the delivery schedule specified. Customer will have 2 weeks from notice of readiness to pick up completed systems or storage charges may apply.

() Customer will specify shipping location within 2 weeks from notice of readiness to ship systems. Freight charges will be billed at cost plus 15%.

These delivery options must be indicated here or specified on the purchase order .

Additional Notes: _____

By signing below or confirming in the affirmative to the email in which this document was sent, I accept all pricing, terms and conditions set forth by Cimarron Energy, Inc. as stated in the above proposal.

*Modifications to standard Cimarron Energy, Inc. terms and conditions stated below signature line, otherwise standard terms and conditions attached with this proposal shall apply.

Signature: _____

Print Name: _____

Date: _____

Cimarron Energy Field Service Offerings

Position rates (Regular time)	
Field Technician	\$85 per hour
Burner Management (BMS) Technician	\$90 per hour
Preventative Maintenance Technician	\$90 per hour
Midstream Technician	\$110 per hour
Master Mechanic / Lead	\$110 per hour
Engineer / I&E Tech	\$135 per hour
Travel & Per Diem Rates	
Mileage	\$2.00 / mile
Overnight	\$200.00 / night or Cost + 10% GM, whichever is greater
Truck & Trailer	
½ Ton – ¾ Ton with Tools	\$30 per hour
1 Ton – HD(550) with Tools	\$50 per hour
7500 lb Cargo Trailer	\$15 per hour
14000 lb Bumper Pull	\$30 per hour
18000 lb Goose Neck	\$45 per hour

General Clarifications

Payment: All rates are in U.S. Dollars and are exclusive of applicable taxes.

Regular Time: Monday through Friday excluding U.S. holidays; between the hours of 7:00 AM to 4:00 PM.

Overtime Time: Work in excess of eight (8) hours per day and Saturday. Rates are 1.5x regular time rates.

Premium Time: Sunday and U.S. Holidays. Rates are 2.0x regular time rates.

Standby Time: Charged at applicable rate. Includes waiting on transportation, parts or materials, and delays by customer.

Travel Time: Charged at the applicable service rate or actual cost + 10% GM.

After Hours Call-Out: A minimum of four (4) hours will be charged at the applicable service rate.

Mileage & Hot Shot: A fee of \$2.00 per mile will be charged for the use of Cimarron Energy' service trucks. A fee of \$2.25 per mile will be charged for the use of Cimarron Energy' F-550 service trucks. Freight and hot shot services will be invoiced at cost plus 15% when applicable.

Environmental: Customer is responsible for proper disposal of all waste generated at the site. If requested, Cimarron will administer proper disposal of waste generated in accordance with applicable regulations at actual cost + 30% GM.

Freight & Transport: Freight charges for parts or equipment and other third-party services provided by Cimarron will be invoiced at cost + 10% GM Services.

Parts and Materials: Invoiced at the greater of replacement cost + 30% GM or Cimarron's list price unless otherwise quoted .

Third Party Services: Invoiced at actual cost + 20% GM.

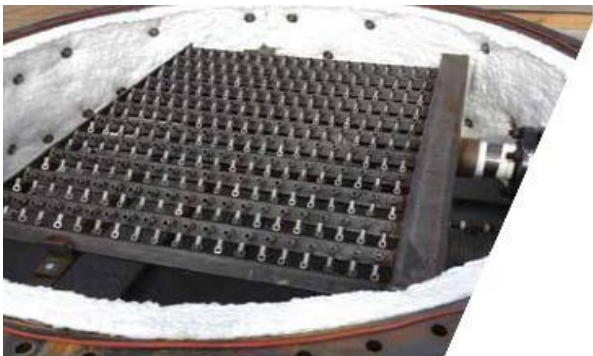
Rate Validity: Rates are subject to change without notice.

EPA CERTIFIED**ENCLOSED COMBUSTORS**

Cimarron's enclosed combustion units provide a clean, safe, and efficient solution for eliminating tank vapors and ensuring regulatory compliance. Their performance has been proven to exceed the US EPA's strict requirements with a greater than 99% destruction rate. Designed for both low and high volume applications, the enclosed flares are easy to install and require little ongoing maintenance. Ignition systems include automation capability and data logging features. Standard models have flame cells ranging from 24" to 60", with capacity of 2,000 to 75,000 SCFD. The larger high volume units contain four 24" flame cells and can accommodate up to 200,000 SCFD. ECDs typically operate at pressures of 1 to 12 oz/in².

DESIGN FEATURES AND OPTIONS

- Five Models Manufacturer Performance Tested as per NSPS OOOO §60.5413(d)
- Demonstrated VOC Destruction Efficiency >99%
- Eliminates the requirement for in-field testing to demonstrate continuous compliance.
- Solar powered BMS and data logging functions
- Cimarron actuator package for low flow and flameout shutdown
- Drip tank for free liquid removal
- Blowcase skids and modular package options available
- User friendly and easy to install



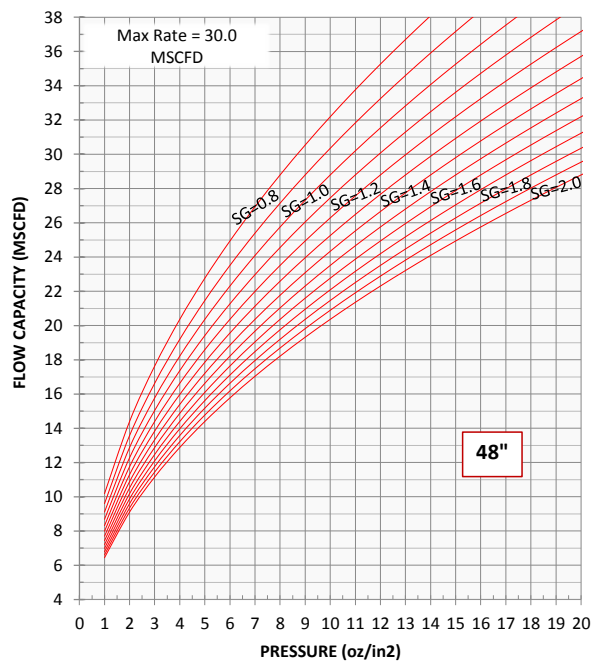
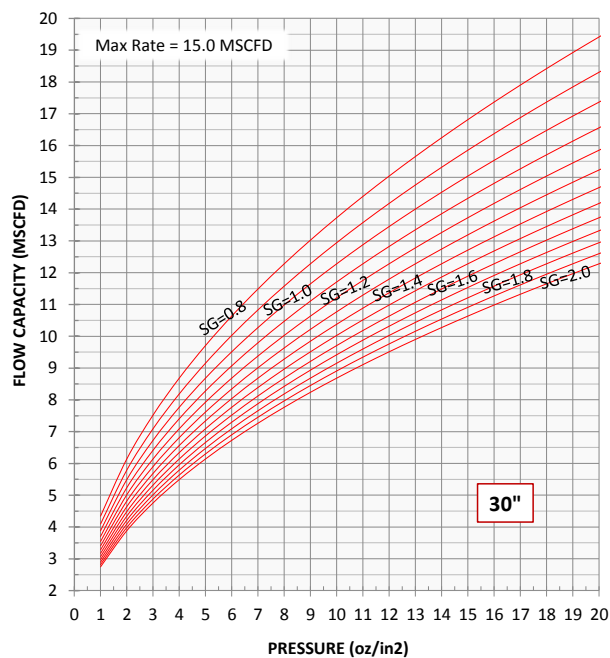
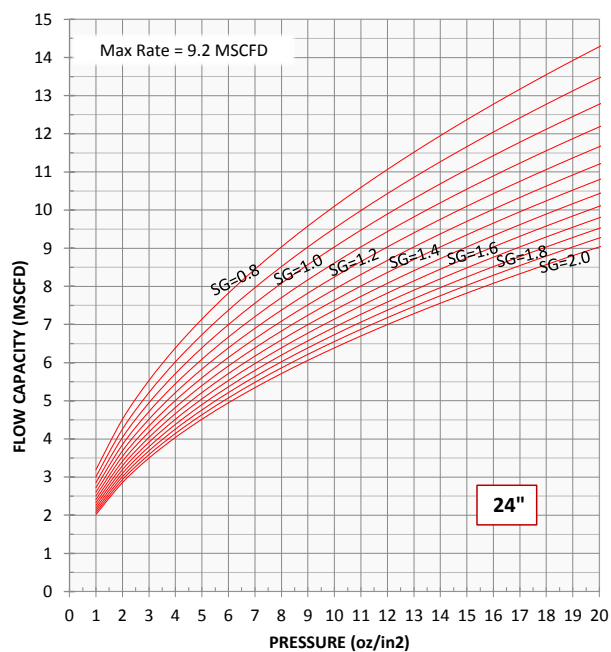
All five models were approved by the EPA in December 2014 as "Manufacturer Tested" under Quad O guidelines.

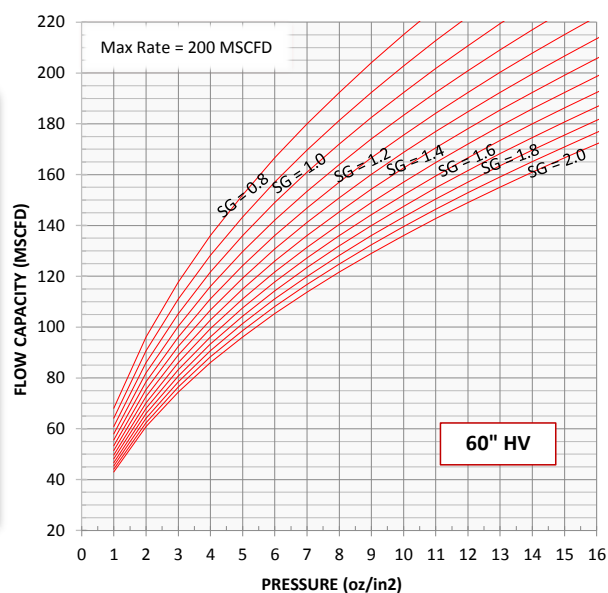
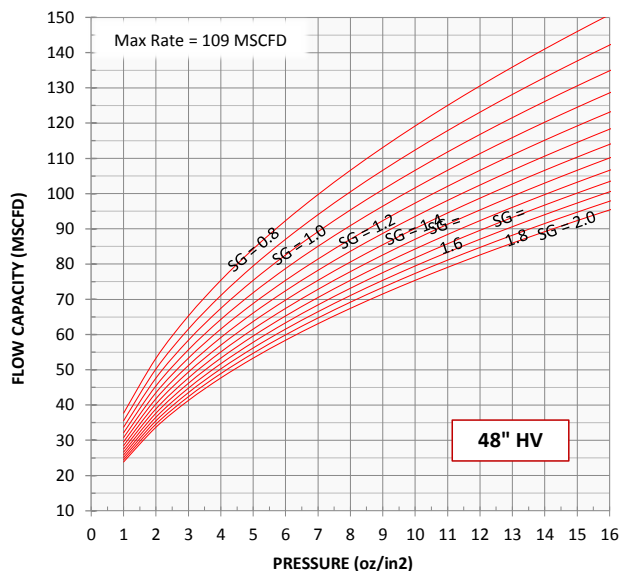
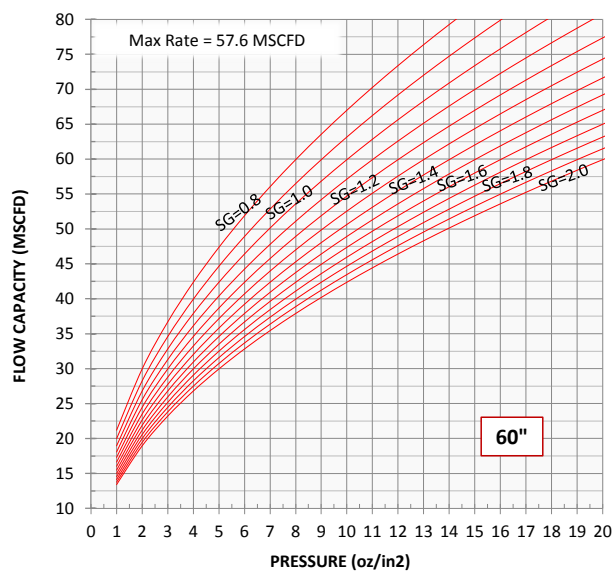




ENCLOSED COMBUSTORS

Capacity Based on Vapor Density and Pressure





Vessel Data	24"	30"	48"	60"	48" HV	60" HV
Dimensions	24"D x 8.5' s/s	30"D x 8.5' s/s	48"D x 12' s/s	60"D x 13' s/s	48"D x 25' s/s	60"D x 25' s/s
MAWP	Atmospheric	Atmospheric	Atmospheric	Atmospheric	Atmospheric	Atmospheric
MMBTU/HR	.98 MMBTU/HR	1.6 MMBTU/HR	3.2 MMBTU/HR	6.1 MMBTU/HR	11.7 MMBTU/HR	19.2 MMBTU/HR
Jets	64 Stainless Steel Jets	88 Stainless Steel Jets	210 Stainless Steel Jets	440 Stainless Steel Jets	88 Stainless Steel Jets	156 stainless Steel Jets
Flamecell	24"	30"	48"	60"	Qty (4) x 24"	Qty (4) x 48"
Burner	15"L x 16"W	19"L x 16"W	26"L x 27"W	34"L x 41"W	28"L x 27"W	40"L x 40"W
Flame Arrestor	2" Wenco	2" Wenco	3" Wenco	3" Wenco	2" Wenco	3" Wenco
Concrete Pad	36" x 36" x 6"	36" x 36" x 6"	72" x 72" x 6"	96" x 96" x 8"	96"x96"x8" w/ anchors	96"x96"x8" w/ anchors
Inlet Connection	3" NPT	3" NPT	3" NPT	3" NPT	3" NPT	3" NPT
Pilot Regulator	¼" Fisher 67CR-206	¼" Fisher 67CR-206	¼" Fisher 67CR-206	¼" Fisher 67CR-206	½" Watts	½" Watts

BURNER MANAGEMENT AND IGNITION



The Cimarron ARControl™ is a fully scalable Burner Management System that adapts to your well site. The price also scales with the functionality, so you only pay for the features you need. At its most basic, the ARControl™ can monitor and ignite a pilot flame on separators, treaters, burners, or combustors for added site safety. If the pilot goes out for any reason, the system can notify you through Modbus or alarm. On the other end of the scale, the ARControl™ can also be combined with control valves, pressure sensors and thermocouples for a complete burner management solution. The Cimarron ARControl™ also has the ability to monitor and control up to 16 burner systems from a single control box.



Key Features

- The ARControl™ is designed for use with flares, combustors, indirect line heaters, treaters, reboilers, and other natural gas fired equipment commonly used in the oil and gas production segment
- Fully automated direct spark ignition
- Control of both pilot and main burners
- Customer PLC compatibility with Modbus RTU over RS-485 communication protocol (standard)
- On-board data logging and time stamping with event logging of up to two years with 4 megabyte of internal storage
- 12/24 VDC compatible
- I/O for temperature, pressure and valve control

Specifications

- Class 1, Division 2, Groups ABCD, Pending
- NEMA 4X Polycarbonate Enclosure
- -40°F to 140°F (-40°C to 60°C)
- RS-485 ports with Modbus RTU
- 4-20mA input (4-20mA output available)
- Large 4x20 OLED display
- Multi-function tactile keypad
- Dimensions: 10" x 12" x 6"
- Outputs: (2) latch valves or up to (4) solenoid valve outputs; (1) general purpose digital output; (1) alarm output; (1) flexible auxiliary I/O
- Inputs: (3) thermocouple inputs; (4) general purpose digital inputs; (1) pressure transducer input

Accessories

Cimarron provides other accessories that may be needed to operate fired equipment. These can be ordered with the ARControl™ or at your convenience.

- Cimarron inline pilot assembly and cabling
- Flameco pilot assembly and cabling
- Replacement parts kit
- Power package 1: 5W solar panel and battery backup
- Power package 2: 20W solar panel and battery backup
- Customized fuel train packages
- AC/DC power converters
- Additional I/O cable added using DIN rail mounted expansion modules
- 4-20mA output module
- Supply gas scrubber, 10" x 19"



CIMARRON SHALL SUPPLY EQUIPMENT, AND ANY RELATED SERVICES, TO CUSTOMER ONLY IN ACCORDANCE WITH THESE TERMS AND CONDITIONS. THESE TERMS AND CONDITIONS SHALL BECOME EFFECTIVE AT THE EARLIER OF: (I) CIMARRON PROVIDING A QUOTE OR PROPOSAL TO CUSTOMER CONTAINING A QUOTATION NUMBER; (II) CUSTOMER SUBMITTING A PURCHASE ORDER FOR GOODS, OR (III) CUSTOMER ACCEPTING CIMARRON'S QUOTE OR PROPOSAL. ANY PURPOSED ACCEPTANCE UNDER TERMS THAT VARY FROM, CONFLICT WITH, OR MODIFY THESE TERMS AND CONDITIONS SHALL NOT BE EFFECTIVE. CIMARRON RECOGNIZES THAT CUSTOMER MAY, FOR OPERATING CONVENIENCE, DESIRE TO UTILIZE ITS OWN FORMS IN CONNECTION WITH AN ORDER, AND IN SUCH CASE, ANY TERMS, CONDITION OR PROVISION IN SUCH FORM THAT MODIFIES, CONFLICTS WITH OR IS ADDED TO THESE TERMS AND CONDITIONS SHALL BE DEEMED WAIVED BY CUSTOMER UNLESS SPECIFICALLY AGREED TO IN WRITING BY AN OFFICER OF CIMARRON. NOTWITHSTANDING THE ABOVE, IF CIMARRON AND CUSTOMER HAVE PREVIOUSLY ENTERED INTO A MASTER AGREEMENT, SUCH MASTER AGREEMENT WILL BE READ IN CONJUNCTION WITH THESE TERMS AND CONDITIONS; THE MASTER AGREEMENT TERMS SHALL TAKE PRECEDENCE IN ANY CONFLICT WITH, OR VARIANCE FROM, THESE TERMS AND CONDITIONS.

1) Payment Terms: Payments of Invoices are due no later than 30 days from the date of invoice. **If payment is due on the occurrence of any milestone, including the completion of any percentage of the work to be performed, and such occurrence is delayed by Customer through no fault of Cimarron, such payments shall be due when the milestone or the completion of the portion of the work would have occurred had such delay not intervened.** Progress payments will apply to any Buyer's purchase(s) where the unit(s) total exceeds \$100,000.00. Payment percentages shall be as follows: (i) 50% is due upon order acceptance and (ii) the final 50% prior to shipment. Cimarron will invoice Customer upon completion of work to original specifications; if Change Order received after completion, charges for Change Order will be invoiced separately. If Customer will not accept delivery upon Notice of Readiness, which is a communication from Cimarron that the equipment is ready for possession, Cimarron may bill and hold. Customer shall provide any specific billing instructions to Cimarron no later than 15 days prior to invoicing without exception. Should Customer require Cimarron to submit field tickets or sales invoices for approval prior to invoicing, Customer shall approve or deny within three (3) business days of presentation, or the same shall be deemed approved. Any disputes to Cimarron's invoice shall be made in writing within ten (10) days of receipt. Disputes do not affect payment terms for non-disputed amount, and payment of disputed amount shall be due no later than five (5) business days upon resolution. Payment shall be in U.S. Dollars without offset, back charge, retention or withholding. Interest from the invoice due date until payment, at eighteen percent per annum (or such lesser amount as is the maximum legal rate) will be charged by Cimarron on invoices past-due. Customer shall remain liable for all fees per the applicable Purchase or Service Agreement plus interest and any collection fees, attorney fees, or court costs incurred by Cimarron in connection with Customer's account.

2) Taxes: Prices do not include sales taxes, use taxes, value-added taxes, excise taxes, tariffs, duties, and import fees ("Taxes"). To the extent that the above items ("Equipment") are to be charged Taxes, these amounts will be added to the invoice, unless Customer provides Cimarron with a tax-exempt certificate or other sufficient documentation at least two days in advance of invoicing.

1) Expiration/Price Adjustments: The proposal of which these terms and conditions are a part will expire if not accepted within 30 days after its date. Pricing is subject to adjustment due to changes in material cost; in this case, a 30-day notice will be issued prior for any price adjustment to a customer order along with a new quotation.

2) Shipment: Unless otherwise noted the Equipment pricing and terms of sale are Ex Works Equipment Location, on or about the specified shipment date. Delivery to the carrier shall constitute delivery to the Customer for all purposes. Customer shall pay all costs of insurance and freight. Freight pricing is quoted based on current rates and is subject to change in freight cost to Cimarron; in this case, a 15-day notice will be issued prior to any price adjustment along with a new quotation issued to customer. The shipment date specified is based on anticipated shop loading at the time of this proposal and is subject to confirmation at the time this proposal is accepted by Customer. In the event that all or any part of the Equipment will be shipped out of the continental limits of the United States of America by Cimarron, (i) all fees and expenses relating to the export shipment, (ii) taxes, tariffs, fees and expenses relating to importation into the country of destination, and (iii) all necessary applications, licenses, authorizations and documentation shall be the sole responsibility of Customer. Cimarron shall prepare consular documents according to the Customer's instructions but shall have no liability resulting from any incorrect information furnished by the Customer.

3) Title and Risk of Loss: Title to and risk of loss for damage to goods shall pass to Customer upon Notice of Readiness (which shall mean a communication from Cimarron to Customer that the Equipment is ready for possession).

4) Change Orders: Customer shall be entitled to make such changes in the specifications of the Equipment as shall be agreed between Cimarron and Customer. Each proposed change shall be submitted to Cimarron. Within a reasonable time after submission, Cimarron will advise Customer of any change in the specified price and shipment date by an appropriate change order. Cimarron shall be entitled to proceed with its performance under the original specifications of this proposal until such change order is acknowledged in writing. A minimum charge of \$1,000.00 per change ordered issued shall apply.

5) Cancellation: If Customer sends written notice to cancel an order, said notice will be effective 10 days from receipt of the notice. Customer will be responsible for the total cost of the products produced during the 10-day period. There will be an additional cancellation charge of 50% of the unfilled order value or actual costs to date, whichever is greater.

6) Delays: The shipment date and price specified in this proposal are subject to adjustment for any delay resulting from: (i) Customer's failure to place its order for Equipment within thirty (30) days after this proposal; (ii) Customer's failure to supply Cimarron with any Customer supplied components, data, shipping instructions, approved drawings or change orders as required; (iii) any changes in the specifications made at Customer's requests; or (iv) Customer's convenience. In the event of any such delay, the shipment date will be automatically extended for a period equal to the duration of the delay. Customer shall pay Cimarron any additional costs incurred by Cimarron because of the delay and a reasonable rate for storage of the Equipment during such delay.

7) Third Party Equipment: If any products sold to Customer by Cimarron include units or materials obtained by Cimarron from any third party, these units or materials are sold to Customer AS IS. Cimarron has no responsibility or liability whatsoever for such products, parts, or materials, but Cimarron will pass any third-party manufacturer warranty to Customer if applicable. It shall be the Customer's responsibility to make claims directly with a third party on such components or materials.

8) Assistance to Customer: At Customer's request, Cimarron may make Cimarron employees or contractors available to Customer to train Customer to operate Products or Equipment supplied by Cimarron, or to perform other actions as agreed in writing between Customer and Cimarron. Rates for such training and/or Services by Cimarron employees or contractors shall be agreed to by the parties in writing. If Cimarron provides training and/or



Services, it is only on the following conditions: (i) Cimarron employees shall be under the sole supervision of Customer while on Customer's site; (ii) Customer shall supply all necessary equipment and supplies for the proper performance of the training or Services performed by Cimarron's employees; and (iii) Cimarron shall have no liability whatsoever to Customer for the Cimarron employees during any time that they are under Customer's supervision. The indemnity provisions of Section 9 shall apply in such circumstances.

9) Indemnification:

A. CUSTOMER AGREES TO PROTECT, INDEMNIFY, HOLD HARMLESS AND DEFEND CIMARRON FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, JUDGMENTS, LOSSES, LIABILITIES AND DAMAGES TO REAL OR PERSONAL PROPERTY, OR INJURY TO OR DEATH OF CUSTOMER, ITS EMPLOYEES, AGENTS AND INVITEES AND ITS COWORKERS, PARTNERS, CO-VENTURERS, CONTRACTORS AND SUBCONTRACTORS (OTHER THAN CIMARRON) OR THIRD PARTIES AT CUSTOMER'S LOCATION ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, (I) OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT, (II) THE FAILURE TO COMPLY WITH ANY PROVISIONS OF THIS AGREEMENT, OR (III) THE USE OF PRODUCTS OR EQUIPMENT UNDER THIS AGREEMENT, REGARDLESS OF CAUSE OR FAULT, INCLUDING THE SOLE, CONCURRENT OR CONTRIBUTING FAULT OR NEGLIGENCE OF CIMARRON.

B. LIABILITY FOR ENVIRONMENTAL MATTERS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CIMARRON HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS (INCLUDING WITHOUT LIMITATION, COSTS TO RESPOND TO, CONTAIN, ASSESS, CLEAN-UP, REMOVE, REMEDIATE AND DISPOSE OF ANY POLLUTION) RESULTING FROM ANY HAZARDOUS SUBSTANCE, HAZARDOUS MATERIAL, OIL AND CONSTITUENTS THEREOF, HAZARDOUS WASTE, OR CONTAMINATION OF ANY KIND, OR FOR DAMAGE TO OR OTHER HARM TO THE ENVIRONMENT OR FOR DAMAGE TO OR LOSS OF OTHER NATURAL RESOURCES, ARISING FROM POLLUTION AND/OR CONTAMINATION EMANATING FROM CUSTOMER'S PROPERTY, WHICH ARISES OUT OF OR IS INCIDENTAL TO CUSTOMER'S OPERATION OF EQUIPMENT PURCHASED FROM CIMARRON, BUT EXCLUDING SURFACE SPILLAGE OF FUELS OR CHEMICALS DIRECTLY EMANATING FROM THE EQUIPMENT DUE TO A DEFECT IF SUCH EQUIPMENT WAS OPERATED UNDER NORMAL RANGE AND SPECIFICATIONS.

C. LIABILITY FOR UNDERGROUND PROPERTY MATTERS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CIMARRON HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS RELATED TO ANY INJURY TO, DESTRUCTION OF, OR LOSS OF OR IMPAIRMENT OF, ANY PROPERTY RIGHT IN OR TO THE OIL, GAS, OR OTHER MINERAL SUBSTANCE OR WATER, OR TO ANY LOSS OR DAMAGE TO ANY FORMATION, STRATA OR RESERVOIR BENEATH THE SURFACE OF THE SITE GROUND OR SEABED.

10) Consequential Damages: Notwithstanding any other provision of the Agreement, in no event shall Cimarron be responsible or liable to Customer for loss of profits or special, indirect, incidental or consequential damages arising out of, attributable to or based on the Agreement.

11) Assignment: Customer may not assign this agreement without Cimarron's permission, which shall not be unreasonably withheld. Cimarron may assign or create a security interest in its interest and/or rights in connection with financing in the ordinary course of its business operations. In the event of any permitted assignment of this Agreement by either Party, the designated assignee shall assume, in writing, the rights and obligations of the

assigning Party under this Agreement; provided that the assigning Party shall not be released from any of its liabilities or obligations arising under this Agreement prior to such assignment.

12) Waiver: Any waiver by either party of a breach of any provision of the Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of the Agreement. The failure of a party to insist upon strict adherence to any terms of the Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of the Agreement.

13) Force Majeure: Cimarron shall not be liable for any failure or delays which are due, occasioned or caused by reason of acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemies, wars and warlike action, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, acute and unusual labor or material or equipment shortages, or any other causes not within the control of the party claiming a suspension. In the event of such delay, the date of delivery shall be extended for a length of time equal to the period of such delay.

14) Intellectual Property Rights of Cimarron: Under no circumstances shall the purchase or use of any Product hereunder transfer ownership of any intellectual property rights from Cimarron to Customer, regardless of whether Cimarron has designed, configured, engineered or manufactured any Product or delivered any Service specifically to Customer's specifications. Customer expressly acknowledges that any design, engineering, technical work, or other intellectual property of any kind developed by Cimarron in connection with meeting any Order from Customer or supplying any Product, Equipment or Service to Customer shall constitute Cimarron's proprietary data and shall be solely Cimarron's intellectual property, and Customer shall have no ownership or license rights with respect to any such intellectual property except as may be agreed by Cimarron in writing.

15) Confidentiality: All data, designs, specifications, and other information, revealed or disclosed in any form or matter to Customer by Cimarron, including but not limited to any detail or feature of any Product or part thereof, supplied to, or produced or created by, Cimarron in connection with the provision of Equipment or Services to Customer hereunder (collectively defined as "Information") will be held in strict confidence by Customer; provided however that this confidentiality obligations shall not apply to any Information given freely by Cimarron to prospective customers without a signed Agreement in place. All such non-public Information will be treated and protected by Customer as strictly confidential and will not be disclosed to any third party without the prior written consent of Cimarron and may be disclosed within Customer's organization only on a need to know basis. Customer acknowledges that Cimarron's confidential Information has proprietary value to Cimarron that devices, in part, from the fact that such confidential Information is confidential and therefore not available to Customer's competitors. The foregoing obligations shall not apply to any Information that (i) is publicly known or becomes publicly known through no fault of or disclosure by Customer; (ii) is given to Customer by someone other than Cimarron as a matter of right and without restriction of disclosure; (iii) was known to the Customer prior to the acceptance of These Terms and Conditions; or, (iv) is legally compelled to be disclosed.

16) Governing Law: This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without giving effect to any choice of law or conflict provision or rule (whether of such State or any other jurisdiction) that would cause the laws of any other jurisdiction to be applied.



17) Limited Statute of Limitations: TO THE EXTENT PERMITTED BY LAW, THE STATUTE OF LIMITATIONS FOR ANY BREACH OF CONTRACT RELATIVE TO THE SALE OF ANY PRODUCT OR THE DELIVERY OF ANY SERVICES HEREUNDER SHALL BE ONE YEAR FROM THE DATE THE CAUSE OF ACTION ACCRUES.

18) Equipment Warranty: Subject to the limitations contained here and subject to the operation of the Equipment in strict compliance with (i) the operating conditions provided in the quotation and (ii) operated in compliance and serviced within Cimarron's operating and maintenance instructions, Cimarron warrants new equipment of its manufacture to be free from defects in materials and workmanship for a period of twelve (12) months from date of Equipment installation or eighteen (18) months from date of Cimarron's transmittal of notice of readiness for shipment to Customer, whichever period expires first. Cimarron warrants used or remanufactured equipment for six months from first use. Cimarron does not warrant and expressly disclaims any warranty claims relating to components not manufactured by the Cimarron. All components not manufactured by Cimarron will carry the original manufacturer's warranty if applicable. Cimarron's obligation under this warranty provision is limited to the repair or replacement, Ex Works place of manufacture of any parts or workmanship that prove to be defective upon inspection by the Cimarron. Customer is responsible for costs related to the Cimarron gaining access to and inspecting claimed defects, making Equipment available for repair, removing, packing or transporting parts, field services and travel costs, or the Equipment all of which shall be the sole responsibility of the Customer. This warranty provision will become void if the Equipment that has been repaired, altered or modified by any non-authorized repair or service. Warranty is also void if the Equipment has been subjected to misuse, neglect or operated outside of published operating parameters. The above warranty shall constitute Customer's exclusive remedy with respect to the design, manufacture, fitness, performance, or use of any Equipment provided by Seller pursuant to the Agreement. Cimarron makes NO, AND DISCLAIMS ANY AND ALL OTHER, REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE.

19) Service Warranty: Cimarron warrants that any Service provided hereunder shall be in conformance with the specifications set forth in the relevant scope of work document agreed to in writing by Cimarron and Customer. If the Services do not so confirm, Customer's sole remedy shall be for Cimarron to re-perform that part of the non-conforming Services, if Cimarron is notified by Customer.