



MASTER SERVICE AGREEMENT

This **MASTER SERVICE AGREEMENT** (which, together with all Exhibits and attachments specifically described herein, is called the "Agreement") is made and entered into this [REDACTED] day of [REDACTED], 20[REDACTED] by and between **DUNE OPERATING COMPANY**, a Delaware corporation, ("Dune"), and [REDACTED], a [REDACTED] Company/Corporation. "Contractor".

1. DEFINITIONS; RULES OF CONSTRUCTION

1.1 As used in this Agreement, the following terms shall have the meanings set out below:

"Contractor Group" means Contractor, Contractor's parent, subsidiaries, and affiliates (including after-acquired companies), contractors and subcontractors, and the respective officers, directors, employees, agents, and invitees of all of the foregoing, or any member thereof.

"Contractor Group's Employees" means all direct, borrowed, special or statutory employees of the Contractor Group.

"Environmental Liabilities" means all liabilities, costs, claims, demands, suits, legal or administrative proceedings, judgments, damages, losses and expenses (including, but not limited to, reasonable, attorneys' fees and other costs of litigation) for damage or harm to the environment (including spill response, environmental pollution and contamination, cleanup costs and fines, penalties, and assessments, or any responsibility to governmental authorities) brought by or on behalf of any party including third parties in connection with or in any way arising out of, or relating to, or incident to the activities contemplated under this Agreement.

"Equipment" means any items of property other than Goods used by Contractor or otherwise necessary for performance and completion of all or any portion of the Work, without regard to location or ownership thereof, and includes all fuel, attachments to or repair parts for any such items.

"Force Majeure" means any event or circumstance beyond the reasonable control of the Party affected which prevents or impedes the due performance of this Agreement, which by the exercise of reasonable diligence, such Party is unable to prevent, including, without limitation, acts of God; acts of war, whether declared or not declared; public disorders, rebellion, riot, civil unrest, or sabotage; acts or attempted acts of terrorism, flood, earthquake, lightning, storms and hurricanes or other natural physical disaster; explosion or fire; expropriation, nationalization, requisition or other interference by any government authority; the enactment or amendment after the effective date of this Agreement of any statute, order, by-law or other rule or regulation having the force of law promulgated by a government body claiming to have jurisdiction over a Party; and national or regional strikes and similar labor disputes.

"Dune Group" means Dune, Dune's parent, subsidiaries, and affiliates (including after-acquired companies), their contractors and subcontractors (other than "Contractor Group" (defined herein), and those persons or entities with whom Dune is associated as Operator or Non-operator, working interest owner, co-lessee, co-owner, partner or joint venturer, and the

respective officers, directors, employees, agents, and invitees of all the foregoing, or any member thereof.

“Goods” means all tangible or mixed property (including specially manufactured or fabricated property) which is movable at the time of identification to this Agreement and which is intended to be sold to Dune by Contractor for use, and or installed by Contractor on, property of Dune as part of the Work, and includes all fuel, attachments to or repair parts for any such items.

“Laws” means all federal, state, tribal, and municipal laws, rules, regulations and executive orders applicable to Dune, Contractor and, or, the Work, and includes environmental laws, as well as those regarding health and safety, drugs, alcohol and firearms, together with, the United States Foreign Corrupt Practices Act (15 U.S.C. §§ 78 dd-1 et seq.), and the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, whether any of the foregoing are now existing or hereafter adopted. “Laws” includes applicable state and federal common law.

“Minor Weather Events” means short term weather events that hamper or temporarily prevent the Work or access to and from the Work area, and include, without limitation, morning or evening fog, thunderstorms, wind or wave activity. A minor weather event is something less than Force Majeure.

“Party” means Dune or Contractor individually.

“Party’s Group” or similar references means either the Dune Group or the Contractor Group as the reference to such Party may require.

“Service” means any assistance, guidance, direction, work, labor, transportation, or other service provided by Contractor or its subcontractors pursuant to this Agreement, and includes services furnished in connection with the sale, lease or repair of Goods or Equipment.

“Work” means all Goods, Equipment, or Services that are requested by Dune orally or by Work Order, *and* that are provided by Contractor during the term of this Agreement.

“Work Order” means either an oral request for Work made to Contractor by Dune *or* a written request for Work signed by Dune.

1.2 Other terms defined in other Sections of this Agreement shall have the meanings set out in those Sections.

1.3 In this Agreement: (a) "Any" or "any" will be construed as "any and all," and "Including" or "including" will be construed as "including, but not limited to;" (b) Words of any gender will be construed to include any other gender and words in the singular will be construed to include the plural, and *vice versa*, unless the context requires otherwise; (c) Terms not otherwise defined shall have the meanings given them by common usage in the oil and gas exploration and production business or by *Webster's Collegiate Dictionary* in its most recent edition; Headings in this Agreement are used for convenience of the Parties; (d) The rights and obligations of the Parties shall be determined from this Agreement as an entirety and without regard to such headings; and (e) In the event of any conflict between this Agreement, and any Work Orders, documents or other papers attached thereto or incorporated by reference, this Agreement shall control except in instances where Dune and Contractor specifically agree otherwise in a written Work Order or other written document that specifically refers to this Agreement and is signed by both Dune and Contractor.

2. WORK

2.1. It is contemplated that Contractor will, from time to time, be requested by Dune to perform Work for Dune; provided, however, this Agreement does not obligate Dune to order or authorize any Work, nor does it obligate Contractor to accept such order or authorization.

3. TERM

3.1 This Agreement shall become effective upon execution hereof by the Parties and shall continue in force and effect until terminated by either Party.

3.2 Either Party may cancel this Agreement at its option for any reason by giving the other Party thirty (30) days prior written notice. Such cancellation shall not operate to relieve either Party of its respective duties and liabilities arising from or incident to the Work performed, or agreed to be performed, prior to the date of such cancellation. In the event of such cancellation, Dune may by itself or using third parties, take control of the Work for the purpose of completing the same.

3.3 Dune may immediately terminate this Agreement or any Work for cause, which shall include, without limitation, (a) breach by Contractor of the terms of this Agreement, or (b) an act or omission of Contractor exposing any of the Dune Group to potential liability to a third party for damages. If the notice of termination is given orally, such notice shall be promptly confirmed in writing by Dune within 72 hours. In the event of termination pursuant to this paragraph, Dune may exercise all remedies available under Laws, including, without limitation, bringing an action for damages and/or, by itself or using third parties take control of the Work for the purpose of completing the same.

4. CONTRACTOR GROUP'S REPRESENTATIONS AND WARRANTIES

4.1 Contractor Group warrants and represents to Dune as of the date of this Agreement and on each day during the term of this Agreement as follows:

A. Contractor Group is qualified to perform the Work and fully qualified and trained to follow, and will comply with, any and all Laws. All Equipment shall have been thoroughly tested and inspected, shall be safe and free of any defects, shall be adequate for the Work, shall be in good operating condition, and shall be maintained to those standards by Contractor Group.

B. Contractor Group has good and marketable title to the Goods and Equipment used in performing, or comprising portions of, the Work. The Goods, Equipment and Services shall be free from defects in workmanship and material. No portion of the Equipment, Goods or Services infringes on any license, copyright or patent which has been issued or applied for.

5. CONTRACTOR'S STANDARDS OF PERFORMANCE; MATERIALS AND PERSONNEL

5.1 Contractor shall obtain and furnish, at its sole cost and expense, any and all such licenses, approvals, permits, registrations, certificates, or other governmental authorizations as may be required for the Work. In addition, Contractor shall obtain and furnish, at its sole cost and expense, all Equipment, Goods and Services and all other items necessary for performance and completion of the Work, except such items as Dune specifically agrees to furnish in this Agreement or in a Work Order signed by Dune. For all Equipment or Goods furnished by Dune, Contractor shall inspect each item before using same, and notify Dune of any apparent defects therein.

5.2 If Goods are purchased by Contractor from third parties, Contractor shall assign to Dune all warranties and guarantees received by Contractor from the manufacturer or suppliers of the Goods.

5.3 With regard to the scope of the Work, Contractor shall use all reasonable means to protect the equipment owned or used by the Dune Group.

6. PAYMENT OF CONTRACTOR'S COMPENSATION

6.1 Dune shall pay Contractor for the Work, either at its published rate with any applicable discounts accepted by Dune, or at the rate stipulated in the Work Order, so long as the Work complies with this Agreement. Dune shall have the right to withhold any amounts until Contractor shall have furnished proof that all bills for labor and materials have been paid and satisfied. In the event of a lien or privilege filed against property owned or operated by the Dune Group, Contractor shall undertake to promptly remove same and shall defend, indemnify, and hold harmless Dune Group from any and all claims or liabilities arising therefrom. Notwithstanding the foregoing, no lien waiver, lien prohibition or lien indemnities shall apply to situations in which Dune has failed to timely pay Contractor sums properly due under this Agreement and not in dispute.

6.2 Dune shall have the right to withhold payment, or any part thereof, on any invoice presented by Contractor pending reasonable verification of the correctness thereof. Dune shall pay to Contractor the amounts not in dispute in such invoices within thirty (30) days of receipt of such invoices and shall advise Contractor in writing of any discrepancies found in such invoices. Contractor, after receipt, shall make appropriate corrections and resubmit the disputed invoice to Dune.

6.3 Dune shall have the right at all reasonable times for a period of two (2) years from December 31 of the year in which such charges are made, to audit and inspect such books and records (excluding trade secrets, formulas or processes).

6.4 Contractor shall, and shall ensure that its affiliates, subsidiaries, contractors, subcontractors, consultants, agents, and any other person associated with Contractor, keep full and accurate books and records with respect to all Work performed, and all payments and expenditures in connection with this Agreement.

6.5 Dune shall have at all times the right to inspect the Work. Dune's failure to inspect or to discover defective Equipment, Goods or Services shall not relieve or limit Contractor Group's responsibility or liability for the Work. Payment by Dune of amounts due Contractor under this Agreement shall not constitute a waiver or acceptance of defects in the Work.

7. INDEPENDENT CONTRACTOR; INSPECTION BY DUNE

7.1 Contractor is an independent contractor, free of control and supervision by Dune as to the selection of employees, the establishment of their hours of labor, or the means or manner of performing the Work, Dune having contracted herein solely for the result of the Work.

7.2 All personnel and laborers furnished by Contractor are employees or agents of Contractor, and are not employees or agents of Dune. Notwithstanding the foregoing, in all cases where the Contractor Group's Employees are covered by the La. R.S. 23:1021 et seq. or other applicable state workers compensation Laws: all Work is an integral part of and are essential to the ability of Dune to generate Dune's goods, products and services for purposes of La. R.S. 23:1061 (A)(1) or other applicable state worker's compensation Law; Dune is the principal or statutory employer of the Contractor Group's Employees for the purposes of La. R.S. 23:1061

(A)(3) or other applicable state worker's compensation Law; and, irrespective of Dune's status as the statutory employer or special employer (as defined in La. R.S. 23:1021 et seq. or other applicable state worker's compensation Law) of the Contractor Group's Employees, Contractor shall remain primarily responsible for the payment of Louisiana Worker's Compensation benefits to Contractor's and the Contractor Group's Employees, and shall not be entitled to seek contribution for any such payments from Dune.

8. INDEMNITIES

8.1 TO THE MAXIMUM EXTENT PERMITTED BY AND EXCEPT AS PROHIBITED BY APPLICABLE LAWS, AND AS SUPPORTED BY THE INSURANCE REQUIREMENTS HEREIN WHERE REQUIRED BY APPLICABLE LAW:

A. CONTRACTOR AGREES TO DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS DUNE GROUP FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, LOSSES, FINES AND PENALTIES, LIABILITY OR DAMAGES OF EVERY KIND OR CHARACTER, AND INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS ARISING DIRECTLY OR INDIRECTLY OUT OF THE WORK FOR PERSONAL INJURY TO, ILLNESS, DISEASE, OR DEATH OF, OR LOSS OF OR DAMAGE TO PROPERTY OF CONTRACTOR GROUP, INCLUDING WITHOUT LIMITATION, CONTRACTOR GROUP EMPLOYEES WHO ARE DEEMED TO BE DUNE'S STATUTORY EMPLOYEES OR BORROWED EMPLOYEE UNDER LA. R.S. 23:1021 ET SEQ. OR ANY OTHER STATE WORKERS COMPENSATION LAW, AND ARISING OUT OF, EITHER DIRECTLY OR INDIRECTLY, UNSEAWORTHINESS, A PRE-EXISTING CONDITION, THE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE NEGLIGENCE, STRICT LIABILITY OR PRODUCTS LIABILITY, OR ANY OTHER LIABILITY OR CONTRACTUALLY ASSUMED OBLIGATION OR BREACH OF DUTY OR WARRANTY BY DUNE OR THE DUNE GROUP. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO, BOTH DUNE AND CONTRACTOR, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY BY CONTRACTOR TO INDEMNIFY AND PROTECT DUNE GROUP FROM THE CONSEQUENCES OF DUNE GROUP'S OWN NEGLIGENCE, FAULT OR STRICT LIABILITY, WHETHER THAT NEGLIGENCE, FAULT OR STRICT LIABILITY IS THE SOLE, JOINT OR CONCURRING CAUSE OF THE INJURIES OR DEATH OR PROPERTY DAMAGE.

B. DUNE GROUP AGREES TO DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS CONTRACTOR GROUP FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, LOSSES, FINES AND PENALTIES, LIABILITY OR DAMAGES OF EVERY KIND OR CHARACTER, AND INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS ARISING DIRECTLY OR INDIRECTLY OUT OF THE WORK FOR PERSONAL INJURY TO, ILLNESS, DISEASE, OR DEATH OF, OR LOSS OF OR DAMAGE TO PROPERTY OF DUNE GROUP, INCLUDING WITHOUT LIMITATION, DUNE GROUP EMPLOYEES (WHICH TERM DOES NOT INCLUDE CONTRACTOR GROUP EMPLOYEES WHO ARE DEEMED TO BE DUNE'S STATUTORY EMPLOYEES OR BORROWED EMPLOYEES UNDER LA. R.S. 23:1021 ET SEQ. OR ANY OTHER STATE WORKERS COMPENSATION LAW), AND ARISING OUT OF, EITHER DIRECTLY OR INDIRECTLY, UNSEAWORTHINESS, A PRE-EXISTING CONDITION, THE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE NEGLIGENCE, STRICT LIABILITY OR PRODUCTS LIABILITY, OR ANY OTHER LIABILITY OR

CONTRACTUALLY ASSUMED OBLIGATION OR BREACH OF DUTY OR WARRANTY BY CONTRACTOR OR THE CONTRACTOR GROUP. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO, BOTH DUNE AND CONTRACTOR, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY BY DUNE TO INDEMNIFY AND PROTECT CONTRACTOR GROUP FROM THE CONSEQUENCES OF CONTRACTOR GROUP'S OWN NEGLIGENCE, FAULT OR STRICT LIABILITY, WHETHER THAT NEGLIGENCE, FAULT OR STRICT LIABILITY IS THE SOLE, JOINT OR CONCURRING CAUSE OF THE INJURIES OR DEATH OR PROPERTY DAMAGE.

8.2 EXCEPT AS OTHERWISE PROVIDED FOR HEREIN, (A) CONTRACTOR SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS THE DUNE GROUP FROM AND AGAINST ALL LIABILITIES FOR CLAIMS BY THIRD PARTIES FOR PERSONAL INJURY, DEATH, AND PROPERTY DAMAGE ('LIABILITIES') TO THE EXTENT SUCH LIABILITIES ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENT ACTS OR OMISSIONS OF THE CONTRACTOR GROUP, AND (B) DUNE SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS THE CONTRACTOR GROUP FROM AND AGAINST ALL LIABILITIES FOR CLAIMS BY THIRD PARTIES FOR PERSONAL INJURY, DEATH, AND PROPERTY DAMAGE TO THE EXTENT SUCH LIABILITIES ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENT ACTS OR OMISSIONS OF THE DUNE GROUP.

8.3 Any provision to the contrary contained in this Agreement notwithstanding, neither Party shall be liable to the other for punitive, special, indirect, exemplary, or consequential damages resulting from or arising out of this Agreement including, without limitation, loss of profit, loss of production, loss of use, or business interruptions, regardless of the foreseeability of such losses or costs, however same may be caused. The protection against such liability shall be applicable in any action, whether based in contract, tort, statute or otherwise, and, to the extent permitted by law, any statutory remedies which are inconsistent with this provision are waived by the Parties.

8.4 The mutual indemnity obligations assumed herein shall be supported by liability insurance or qualified self-insurance. Each Party, as indemnitor, has agreed to maintain for the benefit of the other Party's Group as indemnitee insurance or qualified self insurance in amounts that are not less than the amounts set out in Exhibits A and B attached hereto and made part hereof. Such insurance shall support but not limit the indemnity obligations contained in this Agreement except to the extent mandated by Laws.

8.5 If any insurance requirements or the indemnities voluntarily assumed in this Agreement exceed the maximum limits or conflict with any Laws as determined by a court of competent jurisdiction, said insurance requirements or indemnities shall be deemed automatically amended, effective *ab initio*, to conform to, and be binding and enforceable, to the maximum extent permitted by such Laws.

9. INSURANCE

9.1 At all times during the term of this Agreement, Contractor shall procure and continuously maintain in full force and effect, at its sole cost and expense, with deductibles for its sole account, the insurance coverages and in the minimum amounts set forth on Exhibit A attached hereto and made a part hereof, with solvent and reliable insurance companies licensed to do business in the State of Texas and otherwise acceptable to Dune. Contractor shall furnish

Dune Certificates of Insurance with the immediately prior to commencement of the Work. Commencement of Work or any payment for Work without a properly completed Certificate of Insurance having been delivered to Dune shall not constitute a waiver of any rights of Dune hereunder.

9.2 All insurance policies (except for Worker's Compensation Insurance) of Contractor and its subcontractors, shall: name the Dune Group as additional insured; provide for waivers of subrogation by itself and its underwriters against the Dune Group; be primary in respect to any other Dune Group coverage, but only to the extent of Contractor's express assumption of obligations under this Agreement; and provide for thirty (30) days prior written notice before cancellation or a material change in coverage. Upon receipt of such notice, Dune shall have the right to promptly terminate this Agreement for cause. All insurance coverage required of Contractor or its subcontractors shall be the responsibility of Contractor. Unless otherwise specifically provided to the contrary in the Work Order, that portion of any loss not covered by Contractor's insurance solely by reason of a deductible shall be for the sole account of Contractor.

9.3 Failure by Contractor to obtain and maintain such coverage shall constitute a breach of this Agreement, and Contractor shall be solely responsible for any loss suffered as a result of such deficiency in coverage. Contractor shall require its subcontractors to maintain adequate insurance, and shall furnish Dune, upon Dune's express written request, with evidence thereof.

9.4 At all times during the term of this Agreement, Dune shall procure and continuously maintain in full force and effect, at its sole cost and expense, with deductibles for its sole account, the insurance coverages and in the minimum amounts set forth in Exhibit B attached hereto and made a part hereof, with solvent and reliable insurance companies licensed to do business in the State of Texas. Upon written request from Contractor, Dune shall furnish Contractor with copies of the policies of such insurance.

9.5 All insurance policies (except for Worker's Compensation Insurance and Operator's Insurance) of Dune shall: name the Contractor Group as additional insured; provide for waivers of subrogation by itself and its underwriters against the Contractor Group; be primary in respect to any other Contractor Group coverage, but only to the extent of Dune's express assumption of obligations under this Agreement; and provide for thirty (30) days prior written notice before cancellation or a material change in coverage. All insurance coverage required of Dune shall be the responsibility of Dune. Unless otherwise specifically provided to the contrary in the Work Order, that portion of any loss not covered by Dune's insurance solely by reason of a deductible shall be for the sole account of Dune.

9.6 The designation of minimum limits for insurance policies in this Agreement shall not, in any way, serve to limit the liabilities and obligations of either Party under any provision of this Agreement.

10. TITLE AND RISK OF LOSS

Except as may be specifically agreed in a written Work Order, rental agreement or charter agreement specifically referring to this Agreement and signed by Dune and Contractor, Contractor shall at all times have title to the Work and risk of loss until the written acceptance of the Work by Dune.

11. REPORTS OF INCIDENTS

11.1 Immediately upon occurrence, Contractor shall provide in writing to Dune notice and details of any accidents or occurrences resulting in injuries to persons or property or pollution

arising in any way arising out of or related to the Work whether done by Contractor or any subcontractor of Contractor.

11.2 Each Party shall notify the other Party in writing immediately of any claim, demand, or suit that may be presented to or served upon it arising out of or as a result of Work, affording the other Party full opportunity to assume the defense of such claim, demand, or suit and to protect itself under the indemnity obligations in this Agreement.

11.3 When requested, Contractor shall furnish Dune a copy of reports made by Contractor to any governmental agency having jurisdiction over such accidents and occurrences.

12. FORCE MAJEURE; MINOR WEATHER EVENTS

12.1 Neither Dune nor Contractor shall be liable to the other for any delays in or failure of performance of the terms of this Agreement, if and to the extent such delay or failure is attributable to Force Majeure.

12.2 Delays due to Force Majeure shall not be deemed to be a breach of or failure to perform under this Agreement, so long as (a) prompt, written notice of the existence of such occurrences shall be given by the affected Party to the other Party, stating the particulars of such Force Majeure and the obligations thereby affected, and (b) the affected Party shall use all reasonable dispatch to remedy the same (except to settle strikes or similar labor disputes) and to resume performance as soon as reasonably possible after removal of the circumstances of Force Majeure.

12.3 In the instance of Minor Weather Events, the Parties shall allocate the responsibility for any resulting downtime if and to the extent specifically agreed and set forth in the Work Order.

13. CONFIDENTIAL INFORMATION

13.1 All data, plans, drawings, designs and specifications supplied by Dune, or originating in the course of the Work, are and shall be the exclusive property of Dune, and shall be strictly confidential.

13.2 Any proprietary information obtained by Contractor during performance of the Work (including without limitation, technical and non-technical information, well data and results, patent, copyright, trade secret, and proprietary techniques, sketches, drawings, models, inventions, know-how, processes, apparatus, equipment, and business strategies and plans) shall remain the property of Dune, and any information derived therefrom, or otherwise communicated to Contractor shall be regarded by Contractor as confidential, and shall not, without the prior written consent of Dune, be disclosed to any third party; nor, shall Contractor make any use thereof for Contractor's benefit.

13.3 Contractor shall not disclose any information regarding the relationship of the Parties or the Work without the prior written consent of Dune, or as required by governmental authority; nor shall Contractor use the name or trademark of Dune in any release, advertisement or publication without the prior written consent of Dune.

14. MISCELLANEOUS

14.1 All notices, invoices and communications required or permitted to be given hereunder shall be in writing and shall be delivered personally, or sent by bonded overnight courier, or mailed by certified or registered United States Mail with all postage fully prepaid, or sent by facsimile transmission (so long as such facsimile transmission is followed by written confirmation), addressed to the appropriate Party at the address for such Party shown below or at

such other address as such Party shall have theretofore designated by written notice delivered to the Party giving such notice:

If to Dune:

DUNE Operating Company

Two Shell Plaza - Suite 2450

777 Walker Street

Houston, Texas 77002

Attn: Mr. Hal L. Bettis, Chief Operating Officer

Main Ph # 713-229-6300

Fax: 713-229-6388

If to Contractor: The address designated in the Work Order, or if no such address is designated:

Attn: _____

Main ph # _____

Fax #: _____

Any notice given in accordance with this Section shall be deemed to have been given when delivered to the addressee in person, or by courier, or transmitted by facsimile transmission during normal business hours, or upon actual receipt by the addressee after such notice has either been delivered to an overnight courier or deposited in the United States Mail, as the case may be. The parties hereto may change the address and facsimile numbers to which such communications are to be addressed by giving written notice to the other parties in the manner provided in this Section.

14.2 Contractor shall not assign or sublet this Agreement without the prior written consent of Dune. Contractor shall not enter into any subcontract for all or any part of the Work without the prior written consent of Dune. Any assignment or subcontract permitted by Dune shall not relieve Contractor of any of its obligations hereunder. Subject to the foregoing, this Agreement shall be binding upon the heirs and assigns of the Parties.

14.3 No benefit or right accruing to Dune or Contractor under this Agreement shall be deemed to be waived unless the waiver is in writing, expressly refers to this Agreement, and is signed by a duly authorized officer of Dune or Contractor. A waiver in any one or more instance shall not constitute a continuing waiver unless so specifically stated in such written waiver and shall not constitute a waiver of any other part of this Agreement other than the part specifically referred to in such written waiver.

14.4 This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any prior or contemporaneous agreements, understandings or representations relating thereto. No amendment or modification of this Agreement shall be valid unless it is in writing, expressly refers to this Agreement, and is signed by a duly authorized officer of Dune and Contractor.

14.5 THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES. TO THE EXTENT APPLICABLE, THIS AGREEMENT SHALL BE GOVERNED BY THE GENERAL MARITIME LAW OF THE UNITED STATES OF AMERICA, WITHOUT REGARD TO IS CONFLICTS OF LAWS PRINCIPLES. THE VENUE OF ANY LAW SUIT ARISING HEREUNDER SHALL BE HARRIS COUNTY, TEXAS UNLESS OTHERWISE REQUIRED BY LAW.

14.6 If any provision of this Agreement is held to be partially or completely unenforceable, this Agreement shall be deemed to be amended to the extent necessary to partially or completely modify such provision or portion to make it enforceable, or if necessary, this Agreement shall be deemed to be amended to delete the unenforceable provisions or portion.

EXECUTED and **EFFECTIVE** on the day provided hereinabove.

DUNE OPERATING COMPANY

By: _____
Hal L. Bettis, Chief Operating Officer

Company
Name: _____

Signed By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBITS:

- Exhibit A Contractor's Insurance Requirements
- Exhibit B Dune's Insurance Requirements

EXHIBIT A

INSURANCE COVERAGE TO BE PROVIDED BY CONTRACTOR

- a. Worker's Compensation Insurance (including occupational diseases) - as may be required by state and federal law, and/or the foreign or domestic jurisdiction in which the work is performed. If the Work is to be performed in Texas and/or Louisiana coverage shall be maintained in the amounts set out below:
 - i. Louisiana: As required by statute
 - ii. Texas: Not less than \$1,000,000.00

If the performance of the work requires the use of watercraft or is performed over water Contractor shall provide the appropriate maritime endorsements such as coverage for liability (including cure and maintenance if applicable) under the Death on the High Seas Act, U.S. Longshoremen & Harborworkers' Compensation Act, Marine Employers Liability, Jones Act, Outer Continental Shelf Lands Act and state law incorporated thereby. A claim "*in rem*" shall be treated as a claim against the employer.

- b. Employer's Liability Insurance - covering injury or death which may be outside the scope of the Worker's Compensation statute of the state in which the Work is performed or outside the scope of similar federal statutes, if applicable, and maritime endorsements such as coverage for liability (including cure and maintenance if applicable) under the Death on the High Seas Act, U.S. Longshoremen & Harborworkers' Compensation Act, Maritime Employers Liability, Jones Act, Outer Continental Shelf Lands Act and state law incorporated thereby, where appropriate, with the following minimum coverage:
 - i. Bodily Injury by Accident: \$1,000,000.00 each accident, each employee.
 - ii. Bodily Injury by Disease: \$1,000,000.00 each employee.
- c. Automobile Liability - covering all owned, non-owned and hired vehicles, for operations conducted by Contractor in all jurisdictions, both foreign and domestic.
 - i. Limits: \$1,000,000.00 combined single limit, per occurrence for bodily injury, sickness or death of any one person and property damage.
- d. Comprehensive General Liability – with minimum limits set out below, including products/completed operations liability, bodily injury, sickness and property damage in any one accident or occurrence, including contractual liability and insuring the release, indemnity and assumption of liability agreements contained in the Agreement and/or the Work Order. Such coverage is to include, but not be limited to, premises, XCU, products, completed operations, *in rem* liability and seepage and pollution.
 - i. Limits: \$1,000,000.00.
- e. Aircraft Liability – **if the performance of this Agreement requires Contractor to furnish the use of a hired, owned and/or non-owned aircraft Contractor shall carry or require the subcontractors of the aircraft to carry Aircraft hull "All Risk" insurance on the market value of the aircraft.** Aircraft Liability Insurance shall carry the coverage amounts set out below:

- i. Limits:
 - 1. \$10,000,000.00 combined single limit, any one accident or occurrence; and
 - 2. \$5,000,000.00 medical payments.
- f. Watercraft Liability Insurance - **if the performance of this Contract requires Contractor or one of its subcontractors to provide watercraft, Contractor shall carry or require the subcontractors, operators, or charterers of the watercraft to carry:**
 - i. Hull and Machinery Insurance (including collision liability) - on London Standard Drilling Barge Form with American Institute Hull Clauses (June 2, 1977), including removal of wreck/debris when compulsory by law, ordinance, regulation or contract in an amount not less than the market value of the watercraft.
 - ii. Protection and Indemnity Insurance – with a 4/4th Running Down Clause including crew and pollution liability in an amount not less than the market value of the watercraft or \$1,000,000 whichever is greater; and if the watercraft engages in towing operations:
 - 1. Tower's Insurance - covering owned, non-owned, and hired watercraft.
- g. Excess Liability Insurance – to lie in excess of the coverages set out above and below in the following amounts.
 - i. Limits:
 - 1. Combined excess of limits of primary insurances as scheduled in items I (b) through (f), above
 - 2. Marine Operations: \$5,000,000.00 any one accident or occurrence, and in the aggregate separately for products liability and completed operations liability
 - 3. All Other Operations: \$5,000,000.00 each loss and in the annual aggregate separately for products liability
 - 4. Completed Operations Liability: Only excess of primary insurances as scheduled.
 - 5. Drilling and Workover Operations Liability: \$5,000,000.00 any one accident or occurrence, and in the aggregate separately for products liability and completed operations liability.

EXHIBIT B

INSURANCE COVERAGE TO BE PROVIDED BY DUNE

a. Worker's Compensation Insurance (including occupational diseases) - as may be required by state and federal law, and/or the foreign or domestic jurisdiction in which the work is performed. If the Work is to be performed in Texas and/or Louisiana coverage shall be maintained in the amounts set out below:

- i. Louisiana: As required by statute
- ii. Texas: Not less than \$1,000,000.00

If the performance of the work requires the use of watercraft or is performed over water Contractor shall provide the appropriate maritime endorsements such as coverage for liability (including cure and maintenance if applicable) under the Death on the High Seas Act, U.S. Longshoremen & Harborworkers' Compensation Act, Marine Employers Liability, Jones Act, Outer Continental Shelf Lands Act and state law incorporated thereby. A claim "*in rem*" shall be treated as a claim against the employer.

b. Employer's Liability Insurance - covering injury or death which may be outside the scope of the Worker's Compensation statute of the state in which the Work is performed or outside the scope of similar federal statutes, if applicable, and maritime endorsements such as coverage for liability (including cure and maintenance if applicable) under the Death on the High Seas Act, U.S. Longshoremen & Harborworkers' Compensation Act, Jones Act, Outer Continental Shelf Lands Act and state law incorporated thereby, where appropriate, with the following minimum coverage:

- i. Bodily Injury by Accident: \$1,000,000.00 each accident, each employee.
- ii. Bodily Injury by Disease: \$1,000,000.00 each employee.

c. Automobile Liability - covering all owned, non-owned and hired vehicles, for operations conducted by Contractor in all jurisdictions, both foreign and domestic.

- i. Limits: \$1,000,000.00 combined single limit, per occurrence for bodily injury, sickness or death of any one person and property damage.

d. Comprehensive General Liability – with minimum limits set out below. including products/completed operations liability, bodily injury, sickness and property damage in any one accident or occurrence, including contractual liability and insuring the release, indemnity and assumption of liability agreements contained in the Agreement and, or the Work Order. Such coverage is to include, but not be limited to, premises, XCU, products, completed operations, *in rem* liability and seepage and pollution.

- i. Limits: \$1,000,000.00.

e. Aircraft Liability covering any operations requiring the use of aircraft or helicopters provided by Dune, including coverage for public liability, passenger liability and property damage and covering all hired and/or non-owned aircraft chartered by Dune and used in Dune's operations.

- i. Limits: (a) \$10,000,000.00 combined single limit, any one accident or occurrence; and (b) \$5,000,000.00 medical payments.

- f. All Risk Physical Damage and/or All Risk Cargo as appropriate, in an amount sufficient to protect against loss and/or damage of the Dune Group's owned and/or hired property, cargo and equipment, including such property, cargo or equipment as may be on board the platform or lift boat, with coverage to include loss/damage during use, loading, unloading and while in transit. Dune shall also carry and maintain, on its platform, pipeline and facilities, All Risks Physical Damage insurance in an amount sufficient to cover the agreed value of such property.
- g. Excess Liability covering underlying liabilities arising out of operations worldwide.
 - i. Limits: \$5,000,000.00 over and above the combined excess limits of primary insurances as scheduled in items II (b) through (f), above.
 - ii. Drilling and Workover Operations Liability: \$5,000,000.00 any one accident or occurrence, and in the aggregate separately for products liability and completed operations liability.
- h. Either Operator's Extra Expense or Energy Exploration and Development coverage Insurance to cover well control, re-drilling, seepage, pollution, contamination and clean-up and related occurrences, with a minimum limit of \$5,000,000.00 for pollution and well control, any one occurrence, such coverage to be endorsed to specifically include coverage for the Work.