

MASTER LAND SERVICES CONTRACT

This Master Land Services Contract (the "Contract") is made and entered into effective this day of _____, 2000, between _____, whose address is _____, ("Company"), and _____, whose address is _____, ("Contractor").

In consideration of the mutual covenants and agreements, and subject to the terms and conditions contained in this Contract, Company and Contractor agree as follows:

ARTICLE I. SERVICES PROVIDED BY CONTRACTOR

- A. Contractor shall provide on a non-exclusive basis such land related services as Company may request from time to time and Contractor agrees to perform such services. Those services shall generally relate to services and duties that are customarily a part of the oil and gas or mineral land function.
- B. The specific services to be provided in connection with any particular project shall be specified in a written Work Order in substantially the form of the attached Exhibit "A" (the "Work Order"). In the event of a conflict between this Contract and any term of the Work Order, the specific terms of the Work Order shall control with respect to the services relating to the relevant project. In all other respects, and in the absence of a Work Order, the terms and provisions of this Contract shall control the relationship between Company and Contractor
- C. All work and services provided by Contractor pursuant to this Contract shall be performed according to the specifications of Company, in a good and workman-like manner, with diligence and in accordance with good industry practices and procedures. Company shall exercise no control over Contractor's (i) employees, servants, agents representatives, or subcontractors, (ii) the employees, servants, agents or representatives of its subcontractors, or (iii) the methods or means employed by Contractor or its subcontractors in the performance of such work or services, Company being solely interested in the attainment of the desired results.
- D. Neither party may assign, or transfer this Contract, or any part thereof, without the advance written consent of the other. Any permitted assignee, transferee, delegatee or sub-contractor that performs any part of the services or other matters contracted for herein shall be bound by all of the terms and covenants of this Contract. Notwithstanding the foregoing, Company expressly agrees that Contractor () may, () may not, utilize or employ sub-brokers in performance of such services under this Contract as Contractor sees fit, which sub-brokers shall for all purposes hereunder be deemed to be subcontractors or employees, as the case may be, of Contractor. Company shall never have any duty or liability to such sub-contractors, including without limitation the obligation to pay to a subcontractor any fees, charges, per diem or expenses incurred in performance of this Contract. Contractor shall at all times be primarily liable to its subcontractors and agrees to defend, indemnify and hold harmless Company in connection herewith. Contractor agrees that it shall at all times be responsible for the performance of this Contract and for the performance of its subcontractors and delegates.

ARTICLE II. RELATIONSHIP OF COMPANY AND CONTRACTOR

- A. This Contract does not create an employer-employee relationship between Company and Contractor. Contractor shall at all times act as an independent contractor in furnishing all services under this Contract.
- B. Contractor, its employees, servants, agents, representatives or subcontractors shall not be entitled to any pension, health insurance, profit sharing or other benefits that Company provides for its employees.
- C. In the event that a services provided by Contractor include the acquisition of oil, gas or mineral leases, minerals, royalties, rights-of-way, seismic permits, options to acquire any of the foregoing, or interests in other real or personal property for the account of Company, Contractor shall act as agent on behalf of Company within the authority and for the purposes specified in the relevant Work Order, but shall have no authority to bind Company in any other manner or for any other purpose, or to enter into any contract or agreement on behalf of Company. Notwithstanding the foregoing, Company shall approve in advance the form of all oil and gas leases, seismic permits, options, and similar agreements to acquire real property interests.
- D. Company shall not be required to pay or withhold from any sums due to Contractor under this Contract any payroll taxes, self-employment taxes, contributions for unemployment insurance, old age and survivor's insurance or annuities, or worker's compensation insurance which are based in whole or in part upon wages, salaries or other compensation paid to Contractor or its employees. Contractor shall be solely liable for the payment of such sums, if any, which may be due in connection with work performed pursuant to this Contract and shall defend, indemnify and hold harmless Company therefrom. Company agrees each year to timely furnish to Contractor a completed Internal Revenue Service Form 1099.
- E. Except as provided in Article IV.C. below, nothing herein contained shall be deemed to prevent either party from engaging in other activities for profit, either in the oil and gas business or otherwise, or, separately or collectively with one or more of the other parties in the future. Except as expressly prohibited in this Contract, the parties recognize Contractor's right to compete and/or to work for others.

ARTICLE III. TERM AND TERMINATION

- A. This Contract shall continue in full force and effect until terminated as herein provided.
- B. Either party may cancel this Contract without cause at any time by giving the other party thirty (30) days written notice.
- C. Any Work Order, and additional or further services provided in connection therewith, may be canceled by Company without cause at any time upon forty eight (48) hours advance notice, which notice shall be promptly confirmed in writing, or by Contractor in the same manner upon ten (10) days advance notice.
- D. Either party may immediately terminate this Contract or cancel any Work Order for good cause, which shall include (i) material breach of the terms hereof, (ii) conduct by one party exposing the

other to potential liability to a third party for tort or contract damages, or (iii) occurrence of either an event or events reasonably beyond the control of the terminating party or the discovery of information not reasonably known at the time of this Contract or commencement of any Work Order, either of which renders continuation commercially unreasonable.

- E. Termination of this Contract or cancellation of any Work Order shall not extinguish or diminish those rights and obligations of either Company or Contractor that may have accrued prior thereto.

ARTICLE IV. CONFIDENTIALITY, NON-DISCLOSURE AND CONFLICT OF INTEREST

- A. Unless otherwise designated by Company, all work-related information, title information, areas of interest, maps, letters, memoranda, and other information provided by Company, and all other materials, plans, and negotiations with third parties concerning the services requested of Contractor under any Work Order are proprietary to Company and shall be held strictly confidential by Contractor, its employees and permitted subcontractors during the period that such Work Order is effective and for twelve (12) months thereafter. Contractor shall take all reasonable steps to identify all such confidential information to its employees and permitted subcontractors, and to ensure that those parties observe the provisions of this paragraph. All maps, reports and other work product produced by Contractor in the performance of this Contract shall be the exclusive property of Company, and shall be delivered to Company at its request within a reasonable time upon completion of services pursuant to the applicable Work Order.
- B. During the period that any Work Order is in effect, and for twelve months (12) thereafter, Contractor shall not negotiate for nor purchase oil, gas or mineral leases, royalties, fee or mineral interests, options for any of the foregoing, or seismic permits, nor perform for third parties any services which are the subject matter of this Contract, in the geographic area covered by the Work Order without Company's written consent.
- C. Contractor and Company agree that no employee of Company has a direct or indirect financial interest in Contractor's business. Company, its employees, directors or officers, may not request and shall not receive from Contractor any commissions, gifts or compensation of any type or value above that normally encountered in usual and customary business practices and exceeding either (i) those permitted under Company policy or (ii) what is permitted by applicable law.

ARTICLE V. MISCELLANEOUS

- A. All funds advanced by Company to Contractor for use on Company's behalf in connection with this Contract (the "Trust funds") shall be held by Contractor as Trustee for the benefit of Company and shall be disbursed by Contractor only in the manner and amounts approved by Company. All Trust funds shall be deposited in a federally insured bank or savings account separate and apart from Contractor's own funds, which account shall clearly be identified on the bank's records as a trust account. Company shall have the right, at any time, to withdraw or demand repayment of all or any part of the Trust funds that have not been previously authorized for disbursement. Upon such demand, Contractor shall immediately pay to Company all of said Trust funds. All earned interest attributable to the Trust funds, if any, shall belong to Company. In the event of Contractor's death or incapacity, all remaining Trust funds shall be returned to Company immediately upon Company's request, and the bank or savings institution

shall be authorized to pay such funds directly to Company upon presentation of an original counterpart of this Contract and evidence of the correct amount of such funds. Upon either

authorized disbursement of all Trust funds, or return to Company of all remaining Trust funds on hand, the trust established by this paragraph shall terminate. Contractor shall account to Company in writing on a monthly basis for all Trust funds. The Trust funds shall never be a part of Contractor's estate.

- B. Company shall have the right at any time within two (2) years after making any payment hereunder to audit any and all records, books and invoices related thereto. This right survives the termination of this Agreement. Company's failure to timely exercise its audit rights shall in no event constitute a waiver of any of Company's rights under this Contract, or otherwise.
- C. Contractor agrees to pay all claims for labor, material, services and supplies necessary to accomplish the work or service to be performed by Contractor, and Contractor agrees to allow no lien or charge to be fixed upon any lease or other property of Company.
- D. Unless otherwise agreed, Contractor shall invoice Company no less often than monthly, nor more frequently than biweekly for fees and expenses incurred in accordance with the terms of this Contract. Company shall pay contractor's invoices within twenty (20) days of receipt of invoice by Company. Contractor's invoices which are not paid timely as provided herein shall bear interest monthly at the rate of 1 ½%, or the highest rate permitted by law, whichever is lower, until paid.
- E. Contractor shall be solely responsible for all its own insurance and shall at all times maintain such types and amounts of insurance, including without limitation, automobile, general liability and worker's compensation insurance, as may be reasonably required by Company. Contractor shall furnish to Company proof of required insurance upon request.
- F. Contractor and Company each agree to defend, indemnify and hold harmless the other from any claims, losses, damages, attorneys fees, court costs, or reasonable expenses of litigation, arising out of the indemnifying party's performance or non-performance of services, duties or obligations in connection with this contract. This indemnity provision is limited to the extent necessary to comply with any applicable state or federal law, and this provision is deemed to be amended to comply therewith. The limit of the indemnity provided herein shall not exceed the maximum lawful amount permitted by the laws of the applicable jurisdiction.
- G. This Contract shall be governed by the laws of the State of _____, without reference to conflict of law rules or principles. All services provided pursuant to this Contract shall be performed in accordance with applicable laws, rules and regulations.
- H. This Contract, and any related Work Order, constitutes the entire agreement of the parties. If any part of this Contract shall be unenforceable for any reason, the remaining parts of the Contract shall nevertheless be binding upon and inure to the benefit of the parties.
- I. The failure of either Company or Contractor to exercise any of its rights under this Contract shall not constitute a waiver of such rights with respect to any future occurrence or breach of this Contract.
- J. All notices required or permitted in connection with this Contract shall be delivered in the manner provided herein to the parties' address above. Notices required to be in writing may be delivered by U.S. first class mail, properly addressed and with all postage paid, by courier, or by

facsimile transmission. Unless otherwise specified herein, all notices shall be effective when received. Any party may change their address for notices in writing to the other party.

- K. Contractor agrees that all of its services provided hereunder for the account of Company shall be conducted ethically in accordance with the Standards of Practice published by the American Association of Professional Landmen.

ARTICLE VI. EXECUTION

This Contract may be executed in any number of counterparts or duplicate originals, but shall not be binding upon any party hereto unless and until executed and accepted by all parties. When properly executed and accepted, this Contract shall be binding upon and inure to the benefit of Contractor and Company, their respective heirs, successors and assigns.

COMPANY

CONTRACTOR

By: _____

By: _____

(Printed name)

(Printed name)

(Capacity)

(Capacity)

Telephone:

Telephone:

Fax:

Fax:

WORK ORDER

Master Land Services Contract No.: _____

Date: _____

COMPANY: _____

CONTRACTOR: _____

Geographic Area where work is to be performed (if applicable):

State: _____

County: _____

Plat Attached, and/or **Description as follows:**

**GENERAL DESCRIPTION OF SERVICES TO BE PERFORMED, SPECIAL INSTRUCTIONS
and LIMITATIONS on AUTHORITY:**

FEES CHARGEABLE BY CONTRACTOR: