

PROPOSED CONTRACT

Project No. TO BE DETERMINED

Contract No. TO BE DETERMINED

HALLIBURTON ENERGY SERVICES, INC.

HES ALVARADO FACILITY, ALVARADO, TEXAS

(Project)

SECTION IV -

(Work)

TBA

(Effective Date)

This CONTRACT, by and between HALLIBURTON ENERGY SERVICES, INC., "OWNER", whose address is 8432 I35W South, Alvarado, Texas 76009, and TO BE DETERMINED, a corporation under the laws of Texas, whose address is TO BE DETERMINED, "CONTRACTOR", is entered into as of the EFFECTIVE DATE stated above.

Vendor Number: Attn.:

Product Code: Tel.:

Requisition No.: Fax.:

Firm Lump Sum Amount: Buyer No.:

WITNESSETH

In consideration of the mutual promises herein contained, OWNER and CONTRACTOR agree, promise, and obligate themselves as follows:

1. CONTRACTOR promises to perform the WORK for the PROJECT in accordance with the Contract Documents.

Contract Number: TBA

2. OWNER promises to pay CONTRACTOR, for full, accurate and timely performance of the WORK in accordance herewith, the Price and other payments, and promises to perform all of the other obligations of OWNER, as set forth in the Contract Documents.

3. The Contract Documents constituting the Contract consist of the following documents, listed in order of precedence in the event of any inconsistency or conflict between any term or condition herein:

. Contract Terms, attachments and Exhibits thereto:

- Exhibit "A" - Contract General Conditions (Form 36128A, HES 5-01)
- Exhibit "A-1" - CCR/CCO Procedures
- Exhibit "B" - Drawings and Specifications
- Exhibit "C" - Contractor Health, Safety and Environmental Requirements
- Exhibit "D" - Contractor Drug Abuse and Alcohol Screening/Search Program
- Exhibit "E"- Certificate of Insurance Sample
- Exhibit "F" - Contractor's Proposal

- Exhibit "G" - Affidavit for Contractor (Form 36084, 10/88)

The foregoing constitute the entire contract, and supersede all prior proposals, negotiations, agreements, awards, letter of intent and written or oral statement, representations or agreements.

4. The EFFECTIVE DATE set forth above is the date as to which all Contract Documents and provisions thereof have reference for purposes of coordination of their meaning

and effect. The price relates to the WORK as described in drawings, specifications and other Contract Documents in their condition on that date. Changes after the EFFECTIVE DATE will be dealt with in accordance with the provisions for changes. Any work commenced and any payments made pursuant to an Award or Letter of Intent prior to the execution hereof shall be deemed to have been done and paid after the EFFECTIVE DATE under the terms of this Contract.

CONTRACTOR OWNER

TO BE DETERMINED HALLIBURTON ENERGY SERVICES,
INC.

By: By:

Title: Title:

Date: Date:

CONTRACT TERMS

CONTRACT NO. TO BE DETERMINED

SECTION IV - FLOW LAB BUILDING

1.0 DEFINITIONS

1.1 PROJECT shall mean the all Work involved in the installation of all civil and concrete installations for the "Section IV - Flow Lab Building" at the HES Alvarado Facility, 8432 I35W South, Alvarado, Texas.

1.2 OWNER shall mean Halliburton Energy Services, Inc.

1.3 CONTRACTOR shall mean TO BE DETERMINED.

1.4 WORK shall mean all requirements, expressed or implied, necessary for the performance required of the Contractor by the Contract Documents.

1.5 PROJECT SITE or similar description shall mean the locations that the WORK is to be performed.

2.0 SCOPE OF WORK

2.1 The Scope of Work includes, but is not limited to, the provision of all engineering, design, management, supervision, labor, consumable materials, construction equipment, construction aids, tools, services, testing devices,

warehousing, supplies, insurance, drinking water, portable toilets, fully furnished and equipped offices (if necessary), communication devices and all other things necessary for the installation of the "Section IV - Flow Lab Building" until acceptance by OWNER and reporting the status of these activities and preparing documentation required during the execution of the WORK as defined specifically in the Drawings, Specifications, detailed scope of work, and other Exhibits attached hereto.

2.2 Specifically, CONTRACTOR shall perform the WORK detailed in Exhibit "B"
- Drawings and Specifications attached hereto.

2.3 CONTRACTOR promises to perform all Work awarded and accepted hereunder in accordance with this Contract. All contacts, instructions, and/or approvals required for on-site work shall be directed through OWNER'S personnel.

2.4 In performance of the WORK, CONTRACTOR shall be responsible for the following:

2.4.1 Obtaining and maintaining all approvals, licenses and permits in accordance with General Condition 9.5.

2.0 SCOPE OF WORK (cont'd)

2.4.2 All contacts, instructions, and/or approvals required for on-site WORK shall be directed through OWNER.

2.4.3 OWNER reserves the right to approve or disapprove all lower-tier subcontractors proposed by CONTRACTOR to be involved in the services provided herein in accordance with General Condition 9.3.

2.4.4 Clean Up

CONTRACTOR shall clean up work area and equipment daily to the satisfaction of OWNER, ensuring materials and in progress work are properly secured and stowed so as not to present unsafe conditions. CONTRACTOR shall take precautions to prevent careless applications or use of paint, thinners, gunned materials, mortar, adhesive materials, insulating cement, cleaners, oil, cutting oil, and the like which results in foreign and unsightly materials on the ground or on any surface.

CONTRACTOR shall completely clean up, remove, and dispose of all dropped, spilled, over-sprayed, over-brushed or windblown materials from foundations, apparatus, equipment, piping, instrumentation, structures, structural members, supports, handrails, floor plates, floor slabs, grating, stairs, and other like items.

CONTRACTOR shall then restore the said surfaces to the condition required for painting, insulation, fireproofing, or other specified use.

2.4.5 Disposing of all CONTRACTOR'S trash, waste, debris, unwanted surplus materials, containers and the like at disposal areas or into containers on the job site shall be at the direction of OWNER.

2.4.6 CONTRACTOR shall provide all temporary facilities, utilities, and equipment necessary for performance of the WORK except as specifically detailed herein as provided by OWNER.

2.4.7 CONTRACTOR shall ensure that all personnel assigned to this WORK attend all required training prior to starting work on the PROJECT site.

2.5 Contractor's Employees

2.5.1 CONTRACTOR'S work force shall have company name on all equipment, vehicles, hard hats, and field office.

2.0 SCOPE OF WORK (cont'd)

2.5.2 CONTRACTOR is required to provide all the personnel to execute the WORK in accordance with the requirements of this CONTRACT and will control the movement of its personnel and observe all rules and regulations while on the PROJECT SITE. CONTRACTOR shall be responsible for obtaining and maintaining all formalities necessary for its personnel to legally work for the duration of this CONTRACT. CONTRACTOR shall also be responsible for the training of its personnel and in assuring that its personnel have the required trade qualifications to meet with the requirements of this CONTRACT.

2.5.3 CONTRACTOR'S personnel shall submit and cooperate with random security searches of persons, vehicles and/or transportable items by security forces of OWNER while entering, exiting and/or working on the PROJECT site.

2.5.4 CONTRACTOR'S personnel shall not leave the immediate construction areas assigned or deviate from the designated access roads and transportation routes inside the PROJECT as assigned by the OWNER.

2.6 Contractor Equipment

2.6.1 CONTRACTOR shall furnish vehicles and equipment in good and safe mechanical condition. All equipment shall be subject to daily inspection by OWNER'S Representative to determine mechanical condition.

2.6.2 CONTRACTOR shall provide all fuel, oil, state and local vehicle registrations and permits, tires, lubricants, maintenance, and repairs for CONTRACTOR furnished vehicles and equipment.

2.6.3 CONTRACTOR shall furnish qualified licensed operators/drivers who are employees of CONTRACTOR, to operate vehicles and equipment in plant in a safe and courteous manner. OWNER reserves the right to request CONTRACTOR to remove from site those operators/drivers who

do not operate in a safe and courteous manner.

2.6.4 CONTRACTOR shall ensure that only the designated truck hauling routes into and out of the PROJECT site are utilized, and that the use thereof is coordinated with OWNER.

2.6.5 OWNER will have the right and option at any time to inspect CONTRACTOR'S vehicles, and any vehicle found not conforming to regulations, unsafe or unfit of the purpose intended, shall be immediately removed from the site.

2.0 SCOPE OF WORK (cont'd)

2.6.6 CONTRACTOR shall provide all safety equipment, training and testing required to comply with OWNER'S safety and substance abuse requirements.

2.7 CONTRACTOR shall warrant that all materials/equipment furnished by CONTRACTOR for incorporation into the WORK shall be new.

2.8 CONTRACTOR shall provide all necessary efforts to insure proper care and protection of materials for the WORK, from time of receipt of materials at the job site through final completion and acceptance of the WORK. This includes all efforts for weather protection, protection from theft and pilferage, and similar activities.

2.9 CONTRACTOR shall correct at no cost to the Project, any deviation determined by OWNER to be a design, fabrication, workmanship and/or installation error originating from failure of CONTRACTOR to comply with the requirements of this Contract in accordance with General Condition 4.0.

2.10 CONTRACTOR shall on occasion, use OWNER'S equipment/resources, if any, it shall be CONTRACTOR'S responsibility to satisfy itself as to the fitness, condition and suitability of OWNER'S equipment/resources. OWNER offers no warranty or insurance coverage of same. Same responsibility applies to Contractor's lower tier Contractors.

2.11 CONTRACTOR acknowledges that the WORK shall not be considered complete

until all documentation to be supplied under the requirements of this CONTRACT is complete and submitted in a format acceptable to OWNER.

3.0 TIME OF PERFORMANCE

3.1 Time is of the essence in the performance of the WORK described herein. The WORK performed under this Contract shall commence upon OWNER notification to CONTRACTOR which is currently scheduled to be on or about March 22nd, 2011 and be complete no later than BIDDER TO PROVIDE SCHEDULE.

3.2 CONTRACTOR agrees to provide the resources detailed herein and shall at all times have adequate number and types of management, supervision, technicians, craftsmen, laborers, construction equipment, construction aids and consumable supplies to complete and maintain the work in accordance with the agreed schedule. CONTRACTOR agrees to provide OWNER with a detailed schedule

for the performance of the WORK and shall revise and update the schedule to reflect the current situation of the WORK.

3.3 During the performance of the WORK, CONTRACTOR shall make whatever adjustments in working hours, manpower, equipment, etc., deemed necessary by OWNER to complete the WORK in accordance with the Project Requirements. CONTRACTOR shall obtain written authorization from OWNER prior to performing WORK at times other than normal Project working hours.

3.4 CONTRACTOR shall immediately advise OWNER, in writing, of any problem involving any anticipated delay which will affect meeting the WORK Schedule Requirements. CONTRACTOR shall include detailed information as to the nature and extent of the impending delay and proposal to redeem the original schedule or minimize the delay.

3.5 CONTRACTOR will be performing the WORK at OWNER's manufacturing facility consisting of office space and manufacturing space. This manufacturing facility will be fully operational during CONTRACTOR's performance of the WORK. CONTRACTOR shall take all precautions necessary not to disrupt OWNER's operations or employee's daily activities. This shall include, but not necessarily be limited to, prevention of excess noise levels, providing dust control, prevention of unscheduled utility outages, etc. CONTRACTOR shall give OWNER a minimum of forty-eight (48) hours notification of any scheduled utility outage or rerouting of OWNER's entrance to or exit from the facility or OWNER's employee work and break areas.

3.6 Standard Project working hours shall be 7:00 AM to 4:00 PM, Monday through Friday, or as directed by OWNER. All WORK to be performed on Saturday and Sunday must be approved by OWNER prior to the week-end in question.

4.0 DRAWINGS AND SPECIFICATIONS

4.1 Exhibit "B" attached hereto: Drawings and Specifications.

4.2 CONTRACTOR shall acknowledge receipt of and shall establish files and distribution procedures for all AFC Drawings, Specifications and Attachments that will be issued by OWNER to define the WORK and any changes thereto.

Drawings:

Drawings Revision Description

Specifications: All installations will conform to the latest version of the International Building Codes.

5.0 CONTRACT PRICE

OWNER agrees to pay CONTRACTOR for complete, satisfactory and timely performance of the WORK in strict accordance with the firm unit price set forth below. The value of the work to be performed under this contract document shall be the firm lump sum price of

(Words)

(Figures)

5.1 Change Work Rates

Compensation to CONTRACTOR for changes in the WORK shall be in accordance with the provisions of General Condition No.8. entitled "Changes", or

at the option of OWNER the unit rates contained in a written RFI (Request for Information) shall be used as a basis for compensation/credit for changes approved by OWNER. Reference Change Order Procedures attached hereto as Exhibit "A-1".

5.2 Back Charges

Notwithstanding the provisions of General Condition 4.2, in the event OWNER is required or requested to perform work for CONTRACTOR in support of the WORK, CONTRACTOR shall be charged the rates set forth in a written RFI (Request for Information). Reference Change Order Procedures attached hereto as Exhibit "A-1".

The intent of this provision is not for OWNER to perform the WORK or any portion thereof, rather for administrative purposes to allow OWNER to be reimbursed for any services provided to CONTRACTOR which are originally included in CONTRACTOR'S price.

5.3 Payment and Performance Bonds

The following paragraph supplements General Condition No. 5.3:

OWNER instructs CONTRACTOR to/not to furnish Payment and Performance Bonds at this time.

6.0 PAYMENT

6.1 CONTRACTOR shall make application for payment to OWNER upon successful completion of the WORK as follows:

CONTRACTOR shall invoice in duplicate with all requested supporting documentation and proof of payment of bills shall be submitted for approval by OWNER. Payment shall be made within forty five (45) days after approval by OWNER less 10% of such value as retainage until final completion and acceptance of WORK by OWNER. (Invoices shall specify Contract Number.)

6.2 A copy of OWNER'S "Affidavit for CONTRACTOR" is attached hereto. CONTRACTOR shall execute one (1) copy and submit it with final invoice as evidence of payment of bills incurred by CONTRACTOR in the performance of this contract.

7.0 INSURANCE

CONTRACTOR shall provide its insurance certificate stating the names and addresses of its insurance carriers and certifying that its insurance coverages meet the requirements of General Condition No. 5.2.

This form must be received prior to start of work. Waiver of Subrogation and Additional Insured in favor of OWNER is required. Insurance Certificate must specify Contract Number LATER.

Failure of CONTRACTOR to keep the required insurance policies in full force and effect

during the WORK covered by this Contract and during any extensions, extra or additional work agreed to by CONTRACTOR hereunder shall constitute a breach of this Contract, and OWNER shall have the right, in addition to any other rights, to immediately cancel and terminate this Contract without further cost to OWNER.

8.0 TAXES

8.1 The contract price includes all applicable Texas sales & use taxes. Contractor agrees to pay and/or remit all Texas sales & use tax resulting from "Work" as defined in the Contract or subsequent addendums and/or change orders to the Contract. Contractor's sales/use tax permit number with the Texas Comptroller of Public Accounts is [_____]. Owner will not reimburse Contractor for Contractor's failure to include Texas sales & use taxes in the contract price.

9.0 OWNER'S RESPONSIBILITIES

OWNER will provide or cause to be provided the following:

9.1 Access to existing general use water and electrical sources.

9.2 Adequate access for loading, unloading of materials and equipment on the PROJECT site.

10.0 REPORTING REQUIREMENTS

10.1 CONTRACTOR shall provide whatever additional work schedules, manpower reports, cost reports, expenditure forecasts, and other planning information that OWNER may deem necessary to monitor the WORK.

11.0 TECHNICAL DOCUMENTATION

11.1 CONTRACTOR shall submit all requested technical documentation in reproducible form to OWNER as part of the Scope of Work. CONTRACTOR will develop one copy of "as built" drawings during course of the project and deliver drawings to OWNER upon completion.

11.2 CONTRACTOR'S performance of its obligations hereunder shall not be deemed complete until OWNER is in receipt, in proper form, of all Technical Data, As-Built Drawings, Maps, Manuals, Reports and other documents to be submitted to OWNER as part of CONTRACTOR'S Scope of Work. Failure of CONTRACTOR to comply with the above data shall not prejudice any other remedies of OWNER.

12.0 COMMUNICATION/CORRESPONDENCE

The following supplements General Condition No. 8.3. All CONTRACTOR communication/correspondence regarding this Contract shall include the OWNER'S Contract Number LATER and WORK Description "Section IV - Flow Lab Building" and shall be submitted as follows:

12.1 Insurance Certificates, Schedules, Affidavits and Subcontract Notifications:

Original to:

Halliburton Energy Services, Inc.

8432 South I-35W

Alvarado, Texas 76009

Attn: John Ritcheske

12.2 Technical Submittals, Material Safety Data Sheets (MSDS) and Reports shall be submitted to:

Original to: Transmittal only:

Halliburton Energy Services Halliburton Energy Services

8432 South I-35W 8432 South I-35W

Alvarado, Texas 76009 Alvarado, Texas 76009

Attn: Michael Wallace Attn: John Ritcheske

Phone: (817) 761-2088 Phone: (972) 418-4188

Cell: (817) 291-0205 Cell: (940) 293-7653

Fax: (817) 783-6089 Fax: (817) 783-6089

12.3 Invoices to:

Halliburton Energy Services

8432 South I-35W

Alvarado, Texas 76009

Attn: Michael Wallace

13.0 CONTRACTOR'S REPRESENTATIVE

CONTRACTOR shall maintain, full time for the duration of the WORK at the Project, qualified and capable supervisor who shall be in attendance of the WORK at all times.

CONTRACTOR'S personnel shall be authorized to act on behalf of CONTRACTOR and

any instructions given to him will be considered as having been given to the CONTRACTOR.

CONTRACTOR shall have in effect a safety plan and shall designate a full-time safety representative. The safety representative shall be responsible for initiating the safety plan and ensuring that the provisions therein are implemented and adhered to.

This representative shall be a person who is experienced, qualified and capable of implementing an aggressive Health and Safety Program.

14.0 MATERIAL SAFETY DATA SHEETS (MSDS's)

Material Safety Data Sheets are anticipated to be required, CONTRACTOR agrees to comply fully with General Condition Article No 1.9.

15.0 QUALITY

It is the policy of OWNER to execute projects and deliver services and products in conformance to the requirements agreed upon with Clients. Anticipating, clearly understanding and conforming to these agreed upon requirements is quality.

Subcontractors are expected to adopt a standard of performance that demands

conformance to the agreed upon requirements. This standard includes: 1) clearly

understanding the requirements, 2) providing required documentation and technical

submittals at the time specified, 3) delivering ordered quantities or performing services at

the time specified, 4) satisfying warranty obligations, 5) responding in a timely way to

questions and 6) having a system in place to assure that products or services meet the

mutually agreed-upon requirements. In order to satisfy the above mentioned standard,

OWNER and the CONTRACTOR mutually agree to create an atmosphere to improve

communications, understand needs and requirements, exchange ideas and information

and cooperate in the solution of problems.

16.0 SAFETY

16.1 CONTRACTOR'S employees and SUBCONTRACTORS are required to attend a site specific safety orientation at the HES Alvarado Facility and comply with all

Project safety rules and attachments incorporated herein as Exhibit "C".

16.2 CONTRACTOR shall develop, implement, instruct and maintain an aggressive

health and safety program in performance of the WORK. Exhibit "C" shall set

forth the minimum requirements which must be part of the CONTRACTOR'S Health and Safety Program in order to be consistent with that of OWNER.

The

safety duties shall be mandated to the CONTRACTOR'S site supervisor or supervisor's designated representative.

16.3 OSHA and the Federal Register are the basis for all OWNER'S safety standards.
Strict adherence to the requirements of the OSHA regulations and information contained in the Federal Register and the OWNER'S safety rules and regulations, which are attached, will be required of any and all CONTRACTOR'S engaged by OWNER. CONTRACTOR shall conform to changes in the Project Safety Regulations during the performance of its WORK on the Project.

16.4 CONTRACTOR shall be responsible for the safety and industrial hygiene of its employees while engaged in the WORK and shall be responsible for communicating to its employees that adherence to proper safety and health procedures is a condition of employment during the performance of the WORK and that infraction of safety and health rules constitutes grounds for termination.

16.5 All CONTRACTOR'S personnel that are assigned to the Project shall be drug free and CONTRACTOR certifies that it maintains a drug free workplace policy.

CONTRACTOR shall be responsible for providing, upon request of OWNER, all documentation to evidence compliance with this requirement.

16.6 An OWNER'S Safety Supervisor or Inspector assigned to the Project is available for clarifications and assistance whenever required or requested. The same person will monitor CONTRACTOR'S compliance to all safety rules. Decisions made by

the Safety Supervisor or Inspector as he may be designated, will be final and binding on the CONTRACTOR.

17.0 POLLUTION CONTROL

During the performance of the WORK under this CONTRACT, the responsibilities and liabilities of OWNER and CONTRACTOR for control and removal of pollution or contamination shall be as defined herein.

17.1 CONTRACTOR shall exercise all reasonable diligence to conduct its operations in a manner that will prevent pollution and CONTRACTOR shall comply with all applicable laws, ordinances, rules, and regulations in lease or contract provisions regarding pollution. CONTRACTOR shall not permit trash, waste, contaminated water or other pollutants to be discharged or escape from CONTRACTOR'S equipment into any contiguous areas. CONTRACTOR will take reasonable measures to instruct its personnel in such matters to prevent such pollution and will clean up any pollution caused by it in the course of operations for OWNER. It is not intended hereby to limit or conflict with responsibilities of OWNER and CONTRACTOR as further defined herein.

17.2 CONTRACTOR shall assume all responsibility for, including control and

removal of, and indemnify and hold OWNER harmless against and from loss, cost or damage arising from pollution or contamination caused by CONTRACTOR'S negligence.

17.3 Without relieving CONTRACTOR of any of his obligations above provided, it is agreed that OWNER may take part to any degree it deems necessary in the control and removal of any pollution or contamination which is the responsibility of CONTRACTOR under the foregoing provisions; and CONTRACTOR shall reimburse OWNER for the cost thereof, subject to any limitation above provided, upon the receipt of billing from OWNER.

18.0 CONFLICTING REQUIREMENTS

18.1 If either party provides forms, tickets, purchase orders or the like for its own internal purposes or for use in facilitating the work being performed under this

Contract, the parties agree that only the terms and conditions of this Contract apply and that any term contained in any such form, ticket, purchase order or the like submitted by one party to the other party which is in conflict with or in addition to this Contract shall be void.

18.2 CONTRACTOR'S forms (including, but not limited to field tickets, delivery tickets, service order tickets, daily time sheets, invoices, etc.) may be used for the sake of convenience, but any terms and conditions which appear on CONTRACTOR'S forms are superseded by the terms and conditions of this Contract.

18.3 Either party's personnel may, if requested to do so, sign forms containing information required by either party, and related to the WORK requested by any authorization hereunder. However, the parties hereby specifically agree that any such signature shall not constitute agreement to or acceptance of any additional or conflicting terms, conditions or provisions contained on any such forms, and the parties agree that any such terms, conditions or provisions shall, as between CONTRACTOR and OWNER, be void.

19.0 ACCEPTANCE OF WORK

19.1 CONTRACTOR shall initiate Provisional Acceptance of the WORK by submitting written application to OWNER advising that the WORK and the associated deliverable documentation is considered complete by CONTRACTOR. OWNER shall review CONTRACTOR'S application and determine if the WORK is indeed in compliance with all the requirements of the CONTRACT. If the WORK is not considered to be complete, OWNER shall advise in writing those areas or items not considered to be complete in accordance with the CONTRACT within 14 days of having received CONTRACTORS application. CONTRACTOR shall undertake and finish the WORK considered incomplete by

OWNER and when completed submit a further application to OWNER advising that the WORK and associated deliverable documentation is complete. OWNER shall review CONTRACTOR'S application and respond accordingly within 14 days of receipt.

Provisional Acceptance of the WORK shall be on the date that the WORK, deliverables, and documentation are accepted by OWNER. From that date forward, OWNER shall take over care custody and control of the WORK and warranty obligations of the CONTRACTOR commence.

19.2 Final Acceptance of the Work will be twelve months from the completion of the Project or eighteen months after Provisional Acceptance, whichever occurs first.

20.0 DISPUTE RESOLUTION

20.1 In the event of any claim or dispute between the parties arising under or relating to this AGREEMENT, as an exclusive substitute for initiating any action in law or

equity in any court, the parties agree that the following dispute resolution procedure shall be complied with:

20.2 If any claim or dispute of any nature arises between the parties, both parties first shall exert all reasonable and necessary efforts, amicably and in good faith, to resolve such dispute promptly and with finality, by direct negotiation between each party's project managers or supervisors on that operation. Any settlement agreement shall be placed in writing.

20.3 Should such efforts fail to settle such dispute, then one party shall send to the other a notice in writing, and the receiving party shall have 10 (ten) business days

to submit a written response. The notice and response shall include (a) a statement of each party's position and a summary of facts supporting that position, with documentation, and (b) the name and title of the company executive or manager, and that of one other accompanying person, who will represent that party in negotiations.

20.4 Within 30 (thirty) business days after delivery of the written response, the representatives from each side shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exert their best efforts to resolve the dispute with finality. All reasonable requests for information

made by either party to the other shall be honored. Any settlement agreement shall be placed in writing.

20.5 Should negotiations between the representatives not be successful after 30 (thirty)

business days, the dispute shall then be submitted to mediation administered by the American Arbitration Association in Houston, Texas.

20.6 Should mediation efforts not be successful within 30 (thirty) days, then the parties agree to submit their dispute to non-binding arbitration, in Houston, Texas, or any other mutually agreed location in accordance with the applicable rules, regulations, and procedures of the American Arbitration Association. The entire arbitration proceeding shall be completed within 60 (sixty) days from either the date of the original Notice of Demand to Arbitrate from one party to the other or the date of the last mediation conference or proceeding, whichever occurred earlier.

20.7 The arbitration panel shall be composed of one arbitrator appointed by each of the parties to the claim or dispute, and another independent arbitrator appointed by the American Arbitration Association.

20.8 Each of the parties shall pay one-half of the costs and expenses of the administration of dispute resolution process, including but not limited to any mediation and arbitration. Each party shall bear all of its own expenses in the dispute resolution process.

20.9 Any award which may be rendered by the arbitrators or the arbitration panel shall not in any way jeopardize, prevent or preclude either party's right to file any suit related to the matter which was the subject of any such arbitration in a court of competent jurisdiction.

20.10 Unless otherwise mutually agreed by the parties, each party shall continue to perform its obligations under this Agreement pending resolution of any claim or dispute under this Article.

20.11 This Agreement shall be governed by and construed under the laws of the State of Texas.

