

General Terms and Conditions of Sale

1. TERMS OF SALE. No order is binding on Norris until accepted by Norris in writing. Norris' acceptance of Buyer's purchase order is expressly made conditional on Buyer's assent to these terms. These terms supersede any preprinted general terms and conditions appearing in Buyer's general terms and conditions, all prior proposals, negotiations and communications, oral or written, between the parties with respect to the same. These terms may not be modified by any course of dealing or performance or usage of trade between the parties. These terms may be amended only by written document signed by an authorized representative of each party. Norris' agents shall have no authority to bind Norris.

2. PRICES.

2.1 Due to the extreme cost fluctuations in the metals market, Norris' pricing is subject to change until its acceptance of Buyer's purchase order. Norris will notify Buyer of any price changes so that the purchase order can be revised. Receipt of a purchase order does not constitute Norris' acceptance of the purchase order or bind Norris to supply any goods to Buyer.

2.2 In order to lock in steel pricing, Norris requires Buyer's release to procure materials at time of order acceptance by Norris. Said release may be accompanied by a corresponding progress payment due and payable at time of order acceptance. Should Buyer not release Norris to procure material, increases in material cost will be to Buyer's account. Any changes by Buyer after the release to procure this material which results in additional costs incurred will be to Buyer's account and may cause changes in shipping schedules.

2.3 Progress payments may also be required for credit approval.

2.4 Unless stated in writing, Buyer is responsible for any costs associated with freight and overseas packaging.

3. TAXES AND DUTIES. Buyer is responsible for payment of any and all taxes (including VAT), duties or tariffs imposed by any nation, federal, state, local or other jurisdiction or taxing authority in connection with or related to the parties' contract. If Buyer has a valid tax exemption certificate that would be applicable to the parties' contract, it shall be Buyer's responsibility to provide a copy of that certificate to Seller in advance of any purchases.

4. DELIVERY.

4.1 All shipping dates and schedules are approximate and are quoted based on actual and timely receipt of raw materials in conformity with the specifications. Unless otherwise agreed, for all goods whose ultimate destination will be the United States, delivery terms are "F.O.B. stocking point" Unless otherwise agreed, for all goods whose destination is outside of the United States, delivery terms are "ExWorks" per Incoterms.

4.2 Norris may make partial shipments. Each shipment will be considered a separate and independent transaction, and may be invoiced separately. Norris may withhold production and partial shipments of goods if Buyer has failed to timely pay any invoice. Buyer shall pay all freight charges for delivery of the goods. Norris may charge Buyer a reasonable amount for any storage of the goods due to Buyer's change in the delivery or shipment date and invoice Buyer accordingly.

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5. WARRANTIES.

5.1 Warranty for Steel Sucker Rods. Norris warrants its steel sucker rods, pony rods, and couplings for a period of two (2) years to the original purchaser or user with support of invoice that if any sucker rod, pony rod or coupling is found defective (defined as the condition causing a downhole failure in the original well for which they were designed or purchased) in material or workmanship, Norris will replace the same sucker rod, pony rod, or coupling without cost to the original purchaser or user. Norris will also, in such event, pay the normal well servicing cost directly related to the fishing and rerunning of the rod string, to the point of such failure only. For complete details see the Norris Limited Warranty available at http://www.norrisrods.com/download_warranty.asp.

5.2 Warranty for Mold-on Rod Guides. Norris warrants its mold-on rod guides for a period of one (1) year to the original purchaser or user with support of invoice that if any mold-on rod guide is found defective (defined as a condition causing a downhole failure in the original well for which they were designed or purchased) in material or workmanship, Norris will replace the same mold-on rod guide(s) without cost to the original purchaser or user. For complete details see the Norris Limited Warranty available at http://www.norrisrods.com/download_warranty.asp.

5.3 Warranty for O'Bannon Well Servicing Tools. Norris warrants its well servicing tools for a period of one (1) year to the original purchaser or user with support of invoice that if any well servicing tool is found defective in material or workmanship, Norris will replace the same well servicing tool without cost to the original purchaser or user. For complete details see the O'Bannon Limited Warranty available at http://www.norrisrods.com/download_warranty.asp.

5.4 To the extent Norris provides technical information, advice or service concerning Norris' goods, whether with or without charge, such technical assistance shall be advisory only, and Norris shall have no liability for any adverse consequences resulting from any such technical assistance.

5.5 This limited warranty does not cover any failure caused by the use of warranted goods beyond the recommended limits or designs published by Norris or resulting from improper storage, transportation, handling, makeup or breakout, running or pulling, operating or environmental conditions, wear, deterioration or any other misapplication, alteration, abuse, misuse or accident.

5.6 Any claim by the original purchaser or user under this limited warranty must be submitted, with support of original purchase invoice, in writing to Norris within the applicable warranty period commencing from the date of delivery to the original purchaser or user.

5.7 Should a question of defectiveness of product arise under this limited warranty, the issue shall be submitted to a qualified independent testing laboratory for opinion.

5.8 NORRIS' WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES, CONTRACTUAL OR OTHERWISE, EITHER TO THE ORIGINAL PURCHASER OR USER OR TO ANY OTHER PERSON, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH ARE HEREBY EXPRESSLY DISCLAIMED AND WAIVED. BUYER'S REMEDY FOR BREACH OF WARRANTY CONSTITUTES SELLER'S SOLE AND EXCLUSIVE WARRANTY FOR DEFECTIVE GOODS AND FOR PATENT INFRINGEMENT AND CONSTITUTE BUYER'S SOLE REMEDY FOR DEFECTIVE GOODS AND FOR PATENT INFRINGEMENT.

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6. PROPRIETARY INFORMATION. All drawings, data, inventories, procedures, quotations and other technical information, if any, supplied by Norris shall remain the property of Norris and shall be held in confidence by Buyer. Buyer shall not reproduce, use or disclose such information to others without Norris' written consent.

7. SUSPENSION AND TERMINATION. Buyer's purchase order once accepted may not be terminated or suspended by Buyer without prior approval of and arrangement with Norris. In the event of any termination "for Buyer's convenience," Buyer agrees to pay for all work performed to the date of termination, for all costs which can not be avoided as a result of the termination (such as third party cancellation charges) and a cancellation fee equal to 20% of the cancelled portion of the purchase price.

8. LIMITED LIABILITY AND DAMAGES. Under no circumstances shall Norris be liable for any consequential, incidental, special, punitive or exemplary damages as defined by the law governing the parties' contract, nor for any loss of anticipated profits, loss of revenue, loss of production, loss of business opportunity, downtime, loss of use of equipment or any installation, system or facility into which Norris' goods may be located. Notwithstanding any other provision of the parties' contract to the contrary, Norris' total cumulative liability arising out of or in relation to the design, manufacture, sale and servicing of the goods furnished pursuant to the parties' contract, including liability for default, indemnity, rework, re-performance, or replacement, under any cause of action, whether in tort, contract or otherwise at law, shall not exceed a cumulative sum of the purchase price paid by Buyer regardless of cause and whether any such liability arises by reason of negligence or breach of duty (whether statutory or otherwise) on the part of the Norris, its affiliated companies and subcontractors, and its and their officers, directors, employees and agents, and Buyer will hold all such entities and persons harmless from and against any and all such liability in excess of this amount.

9. FORCE MAJEURE. Any failure of performance by either Norris or Buyer shall not constitute default hereunder or give rise to any claim for damages or otherwise, if, and to the extent caused by, an act, event or occurrence beyond the reasonable control of, and not resulting from the fault of the party claiming the protection of this section (an event of "Force Majeure") including, but not limited to: unusually severe weather conditions, fires, flood, earthquakes, quarantine, blockade, labor disputes, strikes, governmental authority, war, sabotage, explosions, epidemics, lightning, injunctions, insurrection, civil strife, or any other similar events. Upon the occurrence of any event of Force Majeure, the affected party shall (a) within four (4) business days advise the other party of such event and (b) diligently pursue all reasonable efforts to minimize the effect of any such event of Force Majeure on the production of the goods or the payment for the goods, as the case may be, and to restore such party's liability to perform hereunder. To the extent that any event of Force Majeure actually delays Norris' ability to perform hereunder, Norris shall be entitled to an equitable adjustment to the schedule and the price.

10. TESTING. Any testing of the goods by Buyer shall be at Buyer's expense and shall be made when the goods are new, clean and undamaged and shall be made within three months of the date of delivery. A report of any such test detailing the test procedure and disclosing all results shall be furnished to Norris at Buyer's expense. All workmanship, material and goods requirements shall be deemed to have been met in the absence of a contrary report within three months of delivery.

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11. EXPORT CONTROL - FOR NON-DOMESTIC SHIPMENTS. Any sale made under the parties' contract shall at all times be in strict conformity with all relevant export control laws and regulations. Buyer will not make any disposition by way of trans-shipment, re-export, diversion or otherwise of the goods, except as such laws and regulations may expressly permit (with Buyer bearing full responsibility for obtaining any required export licenses or other permits), and no such disposition or transfer will be made other than to the ultimate country of destination specified in the parties' contract. Buyer will furnish, upon request, proof that the goods have been entered, and will remain in, the specified destination country. Buyer hereby agrees to indemnify, defend and hold harmless Norris and its employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by Buyer or its agents of this section.

12. GOVERNING LAW. The rights, obligations and remedies of Buyer and Norris, the interpretation of the parties' contract and the sale of goods shall be governed by Oklahoma law, without regard to any principles of conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the parties' contract.

13. ARBITRATION. Any dispute arising under or in connection with the parties' contract or the sale of goods shall be settled by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The dispute shall be resolved by one neutral arbitrator who shall have no affiliation with either Buyer or Norris and shall be selected by the American Arbitration Association office in Dallas, Texas. The arbitration proceedings shall be held in Tulsa, Oklahoma. Nothing in this section will prevent Norris at any time from seeking any equitable, injunctive and/or similar relief in any court.

