

CONDITIONS OF PURCHASE

SELLER SHALL SELL AND BUYER SHALL PURCHASE THE GOODS ("Goods") DESCRIBED IN THIS PURCHASE ORDER ("Order") UNDER THE TERMS AND CONDITIONS SET FORTH ON THE FACE SHEET AND THOSE SET FORTH BELOW:

1. CHOICE OF LAW AND INTERPRETATION

The terms and conditions of this Order shall be governed by and interpreted in accordance with the laws of the United States of America and the State of Texas. All claims and disputes arising under or relating to this Agreement are to be settled by binding arbitration in the state of Texas or another location mutually agreeable to the parties. An award of arbitration may be confirmed in a court of competent jurisdiction.

2. NATURE OF AGREEMENT

This Order shall be considered accepted upon Buyer's receipt of the Face Sheet signed by Seller. However, commencement of performance by Seller based on this Order, if known to Buyer, shall also constitute acceptance of this Order without reservation, whether or not Seller has signed and returned the Face Sheet. Any additions, limitations, or other modifications to this Order set forth in Seller's quotation, acceptance or otherwise shall be of no force or effect unless written into the Face Sheet or unless they represent improved terms to the Buyer; provided however, that if Seller did not submit a quotation, Seller shall include all price and delivery terms on the Face Sheet.

Any technical data specifications, standards, drawings designs and the like attached to, referenced in, or later incorporated into this Order (Buyer's Data") form a part of this Order.

This Order contains all the terms and conditions applicable to this purchase and it supersedes any prior correspondence, proposals or agreements written or oral, not set forth in this Order. No waiver of a right by either party shall be effective unless made expressly and in writing by the waiving party. This Order shall not be assigned by Seller without Buyer's prior written consent.

3. CHANGES

At any time, Buyer may make a change within the general scope of this Order by written notice. Seller shall proceed with this Order as changed. Changes may include changes in the technical aspects of the Goods, method of shipment or packing, inspection standards and place of delivery. If a change affects the purchase price or delivery date, Buyer and Seller shall mutually agree upon an equitable adjustment in the same. The change, and any such adjustments, shall be set forth in a written Change Order issued by Buyer and signed by Seller.

4. WARRANTY

Seller warrants that :

(a) Upon delivery to Buyer, Seller shall convey clear title to the Goods free of any lien, encumbrance or security interest.

(b) The Goods shall conform to Buyer's Data if any, shall be of high quality and workmanship within generally recognized industry standards, and shall be fit for the purpose or use for which they are bought to the extent such purpose or use is known or reasonably should be known to Seller.

If at any time prior to or within twelve (12) months (or such longer period as may be specified in Seller's quotation referred to in the Face Sheet) following receipt of the Goods, the Goods are found not to conform to any of the foregoing warranties, Buyer shall have the right to reject some or all of the Goods and cancel all or a portion of this Order without further obligation to Seller. All costs incurred by Buyer as a result of such rejection shall be for the account of Seller.

Alternatively, Buyer may require Seller (at Seller's option) to repair or replace non-conforming Goods at Seller's cost. Should Seller fail to so repair or replace non-conforming Goods, Buyer may repair or replace such Goods either itself or through others and charge the cost thereof to Seller. The foregoing rights of Buyer are not exclusive and shall not limit Buyer's right to avail itself of any other remedy provided by law or equity.

5. PROTECTION AGAINST CERTAIN LOSSES

Seller shall not be liable to Buyer for loss of profits, crude oil or products derived therefrom due to any cause whatsoever.

6. INSPECTION

Buyer shall have the right to inspect the Goods, test or witness Seller's tests of the Goods and otherwise review Seller's performance. Buyer shall exercise such right at reasonable times and in a manner that does not unreasonably interfere with Seller's operations. Buyer's exercise of such right (including any approval of Seller's drawings), or waiver of the same, shall not relieve Seller of any of its obligations under this Order.

7. PACKING AND MARKING

Unless otherwise instructed the Goods shall be packed in accordance with the best shipping practice and marked as indicated in the instructions on the Face Sheet of this Order. Packing and marking costs shall be for Seller's account. If the Goods are not so packed and marked and must be repackaged or remarked, the cost shall be borne by Seller.

8. TITLE AND RISK OF LOSS

Risk of loss and title to the Goods shall pass to Buyer when the Goods are delivered at the Delivery Point.

9. CANCELLATION FOR CAUSE

If Seller commits any substantial breach of this Order, or Seller becomes bankrupt, insolvent, or unable to meet its financial obligations, Buyer may cancel this Order without liability to Seller, and without prejudice to Buyer's right to claim damages or to pursue any other remedy provided by law.

10. FORCE MAJEURE

"Force majeure" shall mean any act, event, cause or occurrence which is not within the reasonable control of Buyer, Seller or any of Seller's suppliers and which renders either party unable to perform its obligations.

If a party is unable to perform any of its obligations as a result of force majeure, performance of such obligations shall be excused during the period of force majeure. Such party shall immediately give written notice to the other party of the date of inception of the force majeure condition and the extent to which it will affect performance.

After thirty (30) cumulative days of force majeure affecting Seller's performance, Buyer may cancel this Order in whole or in part. Buyer shall have no liability to Seller for costs or damages arising out of such cancellation. Alternatively, Buyer and Seller may execute a Change Order reflecting a mutually agreeable adjustment in the delivery date.

11. INSURANCE

Seller shall cause the Goods to be insured at Seller's account with cover effective until delivery to the Delivery Point.

12. LAWS, REGULATIONS AND TAXES

Seller warrants that the Goods are manufactured and sold in accordance with applicable laws and regulations, and Seller agrees to defend, indemnify and hold harmless Buyer and its affiliated and related companies from any penalties imposed as a result of violation of the same. Seller warrants that the purchase price is inclusive of all import tariffs and taxes if any, which are levied on import orders.

13. PROTECTION AGAINST INFRINGEMENT

Seller warrants that the Goods do not infringe any patent rights, copyrights, trademarks or trade secrets owned or controlled by any third party, either in the country of manufacture or use. Seller agrees to defend, indemnify and hold harmless Buyer and its affiliated and related companies against any and all liability, loss or expense arising out of a patent, copyright, trademark infringement or trade secret misappropriation claim relating to the Goods.

I have read and I accept the terms and conditions as stated above for Purchases placed by JEFFERSON.

Signed: _____

Authorized Signature for : _____
(Company Name and Address)