

**DEVON CANADA CORPORATION ("DCC"), DEVON CANADA ("DC") AND DEVON NEC CORPORATION ("DNC") (DCC,**

**DC and DNC shall hereinafter be collectively referred to as "Devon") PURCHASE ORDER FOR THE PROVISION OF GOODS AND/OR SERVICES (the "Contract")**

## 1. Acceptance

Unless a Master Agreement is in place between Devon and Vendor, Vendor's signature on the last page of this Contract or commencement of performance of this Contract by Vendor shall constitute acceptance of the terms herein by Vendor and the terms herein shall prevail over the terms of any document put forward by Vendor. Additionally, unless a Master Agreement is in place between Devon and Vendor, this Contract constitutes the sole contract between Vendor and Devon, and Devon engages Vendor to provide those goods and/or services (the "Work") as set out in the applicable purchase order and Vendor agrees to perform the Work in accordance with the terms and conditions stated in this Contract.

## 2. Title, Risk and Delivery

Subject to the applicability of clause 12, title and risk of loss to all goods contracted for by Devon pursuant to this Contract shall pass to Devon upon all of the following occurring: delivery of such goods; completion of any related services; and inspections and approval of same by Devon. Vendor shall ensure that all goods, as soon as identifiable as being for the Work are set apart, if not located on Devon's worksite, and are clearly and visibly marked, individually or in sets, as being the property of Devon and their destination being Devon's worksite. Devon may designate a specific carrier to ship the goods to the shipping destination specified in the Contract. If Devon does not specify a specific carrier, Vendor may choose a fully licensed carrier at market rates and Vendor agrees to ensure the carrier obtains and maintains insurance in accordance with government transportation regulations. If Vendor does not ensure carrier has adequate insurance, then Vendor is liable for any loss of or destruction of the goods during shipment. Vendor is responsible for, and at its sole cost will promptly repair, restore, or replace all goods suffering loss, damage, or destruction occurring before Vendor completes delivery of the goods and transfers title to Devon. Vendor agrees to comply with a prearranged, specific delivery schedule without any delay. Vendor will immediately report delays in shipment to Devon as they become known. Devon reserves the right to cancel this Contract if Vendor cannot comply with the delivery date(s) indicated on this Contract. If delivery dates are not specified on this Contract, Vendor will ship via the least expensive route that meets the delivery deadlines. Devon may, from time to time, with reasonable notice to Vendor, suspend shipping schedules specified in the Contract or otherwise. If Vendor receives notice that shipping schedules are suspended, Vendor will give reasonable notice to Vendor's shipper or carrier. Vendor will separately identify the cost of the delivery on its invoice by separate line item.

## 3. Taxes

a) Except for the Goods and Services Tax ("GST"), and any applicable Provincial Sales Tax ("PST") the rates stated herein are inclusive of all taxes, fees, duties or charges imposed by any governmental authority upon or resulting from the Work. If, by reason of Vendor's failure to pay any such taxes, fees, duties or charges imposed by any governmental authority upon or resulting from the Work, Devon is obligated by virtue of legislation to make such payments on behalf of Vendor, then Vendor shall reimburse Devon for such tax, fee, duty or charge. Devon shall have the right to withhold any payments that are authorized to be withheld by any laws or regulations.

b) If the work or any part thereof is performed on a reimbursable basis, Contractor shall not seek reimbursement by Devon of any value added, sales and use, goods and services, or any similar taxes charged directly or indirectly to Contractor or any subcontractor, and no such taxes shall be subjected to remuneration by Devon. Applicable taxes with respect to all Goods or Services, and other parts of the Work used by members of Contractor in, or incidental to, performance of the Work shall be paid by Contractor either to the pertinent subcontractors or directly to the appropriate taxing governmental authorities.

## 4. Invoices

Vendor shall prepare all invoices. Unless otherwise indicated, the price includes packaging, transportation to destination specified and all applicable duties and taxes. Canadian Vendor's GST Registration No. must be shown on all invoices. Payment of invoices will be made within thirty (30) days from the date the invoice is received.

## 5. Independent Vendor

Vendor shall be an independent vendor with respect to the Work and Devon shall have no direction or control of Vendor or his employees, agents and subcontractors except with respect to the Work to be performed hereunder. Vendor shall not hold out that Vendor is Devon's agent or representative unless authorized by a separate document signed by Devon.

## 6. Labour, Price and Materials

Vendor shall furnish at its own expense and cost any and all necessary labour, machinery, equipment, tools, transportation, permits, materials and whatever else is necessary in the performance and completion of the Work other than such labour or materials Devon specifically agrees to furnish. Devon will not pay invoices at a higher price than shown on this Contract. Any change must be on a written change order signed by an authorized representative of Devon. If no price is shown on the Contract, Vendor must notify Devon representative who issued the Contract. Vendor agrees not to perform any Work until Devon accepts an agreed upon price in writing.

## 7. Worksite

Vendor, or Devon approved subcontractor as applicable, shall participate in any general and worksite specific orientation that may be offered, carefully examine all worksites and surrounding areas and all particulars relating to the Work, make all investigations necessary for a full understanding of all difficulties and hazards which may be encountered in the performance of the Work and ensure all identified difficulties and hazards are suitably addressed prior to commencement of the Work. For further certainty, Devon shall accept no responsibility for the failure of Vendor, or Devon approved subcontractor as applicable, to gain a full understanding of any difficulties and hazards and shall not be liable for any increase in consideration to Vendor for Vendor's or Devon approved subcontractor's, as applicable, failure to reasonably anticipate difficulties and hazards that may be encountered.

## 8. Performance

Vendor shall ensure the Work is performed with due diligence, in a competent, and professional manner in accordance with generally accepted industry standards and hereby represents and warrants that it is duly qualified to perform the Work. Vendor shall ensure that all equipment used in the performance of the Work is maintained in a neat, clean and mechanically safe condition and shall take all reasonable precautions in the performance of the Work to protect the health and safety of employees, approved subcontractors and members of the public and to minimize danger from all hazards to life and property. Vendor shall abide by all laws, rules and regulations prescribed by any government or body having jurisdiction over the Work and shall access Devon's policies and standards at <http://www.devonenergy.com/CanadaCodeofConduct>, which vendor shall review and adhere at all times.

## 9. Warranty

a) Vendor warrants for twenty-four (24) months from the date of completion of the Contract that all goods provided under this Contract will be in accordance with the designs or specifications, free from defects, liens, encumbrances, and claims, be of good and merchantable quality, and fit and suitable for Devon's purposes.

b) Vendor warrants that services related to the goods supplied under this Contract and performed by Vendor will be performed with due diligence, in a good and workmanlike manner, using skilled, competent and experienced workers and supervisors, and in accordance with good industry practices. Any services found incomplete, inferior, inappropriate, or not in compliance with agreed specifications will be corrected by Vendor and re-performed to Devon's reasonable acceptance without additional cost or risk to Devon for one (1) year after the first performance of the services subsequently found to be unacceptable.

c) Devon will accept goods only after (1) they are delivered to the proper location and (2) such goods have been inspected by Devon and are found to be compliant with this Contract and in proper working order. Inspection, test, acceptance, or use of the goods by Devon does not affect Vendor's obligations under this warranty and this warranty will survive inspection, test, acceptance, and use.

d) Vendor agrees to promptly replace or correct defects of any goods or services not conforming to the foregoing warranty without expense to Devon when notified of such non-conformity by Devon. Vendor will, at Vendor's option (1) repair or replace non-conforming goods; (2) correct any deficiency in quantity; or (3) refund any payments made by Devon for non-conforming or deficient goods or services. Any repaired, replaced, or corrected goods or services will have the same warranty as that of the original goods or services.

e) In the event Vendor fails to correct defects in goods shipped, replace non-conforming goods promptly, or perform related services in a manner acceptable to Devon, Devon may, after reasonable notice to Vendor, make such correction at Vendor's expense.

f) Goods not accepted or delivered in error or in excess of the quantity ordered will be held for Vendor's instruction at Vendor's risk and, if Vendor so instructs, will be returned to Vendor at Vendor's expense. Devon has the right at any time to reject or revoke acceptance of goods that fail in any respect to conform to the requirements of this Contract. In the event that Devon has already paid for any goods rejected in accordance with this clause, Vendor will immediately refund the amount paid for such rejected goods to Devon.

#### 10. Indemnity

a) If Vendor breaches a material term of this Contract, fails to provide the requested goods and/or perform the requested services, or if Vendor or its officers, employees, agents or subcontractors commit an act of negligence or other wrongful act or error or omission, Vendor agrees to and shall: (i) indemnify Devon from all losses, costs, damages and expenses whatsoever (whether statutory, contractual, equitable or tortious) which Devon may suffer, sustain, pay or incur; and (ii) shall be liable for all legal proceedings or losses of any nature whatsoever, which may be brought against, suffered, sustained, paid or incurred by Devon and its affiliates and its or their directors, officers, employees, contractors or agents. Notwithstanding the foregoing, the Vendor shall not be responsible for any losses, costs, damages and expenses suffered by Devon and its affiliates and its or their directors, officers, employees, contractors or agents to the extent such losses, costs, damages are caused by the negligence of Devon, its employees, agents or subcontractors.

b) Neither Vendor nor Devon shall be liable in an action initiated by one against the other for indirect or consequential damages resulting from or arising out of this Contract.

#### 11. Force Majeure

If Devon is unable to accept goods and/or services because of any unforeseeable cause beyond Vendor's control, except lack of funds, then performance of this Contract may be partially or wholly suspended at Devon's sole option during the continuance of such causes and the time for performance shall be correspondingly extended. Devon reserves the right in such event to cancel this Contract, but in such event, Devon shall pay to Vendor all actual direct costs and expenses incurred by Vendor with respect to this Contract prior to date of cancellation. Vendor shall be excused from delivery of goods and/or provision of services by reason of any unforeseeable cause beyond its control, but only for the duration of such cause. In such event Devon, but not Vendor, may cancel this Contract.

#### 12. Leased Equipment

a) If any goods are specified as being leased (the "Leased Equipment"), such Leased Equipment shall be leased by Vendor to Devon upon the terms and conditions set forth in this clause 12. Vendor shall deliver the Leased Equipment to the worksite(s) as directed by Devon and shall be responsible for and shall pay all costs of same.

b) Vendor shall retain full title to, ownership of and all property and rights to and in the Leased Equipment. No right, title or interest in or to the Leased Equipment shall pass to Devon other than, conditional upon Devon's compliance with and fulfillment of the terms and conditions of this Contract, the right to quietly possess and use the Leased Equipment during the lease period. Devon shall not sell, offer for sale, assign, mortgage, pledge, encumber, sublet, part with possession of, or otherwise deal with the Leased Equipment or any part thereof, or with the benefit of this Contract, without the prior consent of Vendor.

c) Vendor shall maintain and operate the Leased Equipment and shall perform all repairs due to (i) the failure of the Leased Equipment, or (ii) the negligence of Vendor. Such maintaining, operating and repairing shall be at the sole cost of Vendor.

#### 13. Insurance

a) Vendor shall carry insurance at Vendor's expense as hereinafter set forth. If the Vendor fails to maintain the insurance set forth below, Devon, acting in its sole discretion, shall have the right to terminate or suspend this Contract immediately.

b) Vendor shall comply with the requirements of all employment insurance and workers compensation legislation for the province in which the Work is being performed and, without limiting its obligations herein, shall obtain and continuously carry during the term of this Contract, including any guarantee period, at its own expense and cost, the following insurance with limits not less than those shown below:

- (i) Automobile Liability Insurance covering all motor vehicles, snow craft and all terrain vehicles, owned or non-owned, operated and/or licensed by Vendor with a minimum inclusive bodily injury and property damage limit of Two Million (\$2,000,000) Dollars per occurrence.
- (ii) Comprehensive General Liability Insurance with an inclusive bodily injury, death and property damage limit of Two Million (\$2,000,000) Dollars per occurrence and shall include but not be limited to Employer's, Employer's Contingent Liability, Contractual Liability, Products and, if applicable, Completed Operations Liability and Sudden and Accidental Pollution Liability.
- (iii) If applicable, Aircraft Liability Insurance covering all aircraft owned or non-owned, operated or licensed by the Vendor and used in the performance of its services to Devon with an inclusive bodily injury, death and property damage limit of Five Million (\$5,000,000) Dollars per occurrence, if used in the operations conducted for Devon.
- (iv) Any other insurance applicable to the Work performed or required by Devon.

c) The Insurance listed above shall be provided in accordance with the following terms and conditions:

- (i) Such policies shall all name Devon as an additional insured, and Vendor shall provide thirty (30) days written notice to Devon prior to any material changes or cancellation of any such policy or policies.
- (ii) Vendor shall require that each of its Devon authorized subcontractors provide comparable insurance to that set forth in this clause.
- (iii) Policies of insurance shall provide by endorsement or otherwise that insurer waives its right to subrogation as against Devon and its affiliates.
- (iv) Such insurance policies required herein shall be primary to any other insurance coverage carried by the parties.

d) Vendor shall provide evidence of the insurance in the form of a Certificate of Insurances.

#### 14. Termination

Devon can terminate the Contract at any time, and upon termination, Devon will be relieved of all further obligations under the Contract except for the payment for Work completed up to the time of termination plus reasonable costs incurred by Vendor directly resulting from termination. Notwithstanding the foregoing, and without prejudice to any other remedies Devon may have in law or in equity nothing herein will prevent Devon from setting off any amount owed to Vendor against any loss, damages, liability, costs, or monies owed by Vendor to Devon.

**15. Confidential Information**

Vendor covenants and agrees that it shall not at any time during or after the termination of Vendor's engagement by Devon, reveal, divulge, or otherwise make known to any person or use for its own account, any confidential information, unless such confidential information becomes part of the public domain through no breach of this Contract by Vendor. "Confidential Information" means all information, including but not limited to, materials, data, reports, pricing information, customer contacts, emails and letters (regardless of format) received or acquired by Vendor during the course of, or incidental to, the performance of Vendor's Work and which in any way concerns or is related to the property, business, undertakings or affairs of Devon, its affiliates, or its successors, with the exception only of information which is public or becomes public information through no action of Vendor and information which is received or acquired from another entity lawfully in possession of the information and under no obligation to keep the information confidential.

**16. Property**

Any and all inventions, developments and improvements upon or to the property of Devon that Vendor may conceive of in the performance of any service pursuant to this Contract, and any entitlement to service marks, trade names, trademarks, or patents (whether domestic or foreign) arising and related to such inventions, developments and improvements, shall be the sole and exclusive property of Devon.

**17. Waiver**

No previous waiver or course of dealing shall affect Devon's rights to strict performance of other or future obligations.

**18. Subcontracting and Assignment**

Vendor may not subcontract or assign any of its rights or obligations under this Contract without the written consent of Devon, which consent may be unreasonably withheld.

**19. Applicable Law**

This Contract shall be interpreted and construed in accordance with the laws of Alberta, Canada, and the parties hereby attorn to the exclusive jurisdiction of the courts in Alberta and the applicable courts of appeal.

**20. Audit**

Devon shall have the right, upon reasonable notice, to audit the books, accounts and records of Vendor relating to the Work, in addition to the right to audit the books, accounts and records relating to the provision of any gifts or gratuities furnished by Vendor to any employees, agents or other contractors of Devon. This audit right shall extend from the date hereof until twenty-four (24) months following the date of final payment by Devon to Vendor for the Work.

**21. Time**

Time shall be of the essence of this Contract.

**22. Ownership of Documents, Drawings and Specifications**

Vendor agrees that all drawings, field notes, specifications, software, and any other documents and materials, whether written, audio, video, or otherwise, developed by Vendor in connection with this Contract ("Documents") are Devon's property. However, that information developed by Vendor prior to the commencement of performance of this Contract will remain Vendor's property. Vendor will provide the original and all copies of the Documents to Devon when provision of all goods or related services ordered under this Contract is completed or earlier upon Devon's written request. Vendor agrees to assign, and will require its employees, suppliers, and subcontractors to assign, the copyrights for all such Documents to Devon.

**23. Right to Inspect**

Any inspection, acceptance or testing of the goods by Devon, or failure to inspect or test, shall not relieve Vendor of its obligations, representations or warranties hereunder. Upon reasonable notice and during regular business hours Devon, or its authorized representative, shall have full access to where the Goods are being manufactured or prepared for shipment, including but not limited to the Vendor's place of business or the Vendor's subcontractor's place of business, and the right but not the obligation to inspect and test all materials being incorporated therein.

**24. Entire Agreement**

This Contract constitutes the entire agreement between Devon and Vendor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings, or other agreements, expressed, implied, or statutory, between such parties other than expressly set forth in this Contract. Neither this Contract nor any of the terms hereof may be amended, supplemented, waived, or modified, orally or otherwise, except by written instrument signed by Devon and Vendor. If any one or more provisions of this Contract are determined to be invalid or unenforceable, all other provisions will nevertheless, remain in full force and effect.

**25. Severance**

If any part of this Contract is held by a court of competent jurisdiction to be invalid or unenforceable, then such ruling shall in no way affect the validity or enforceability of the balance of the Contract, it being the intent of the parties that the invalid or unenforceable portions are severable.

**26. Survivorship**

Upon termination of this Contract, neither party shall be relieved of its respective obligations and liabilities arising hereunder prior to termination, and clauses 3, 5, 9, 10, 14, 15, 16, 19, 20 and 22 shall survive termination, suspension or expiry of this Contract.

**CONTRACT ACKNOWLEDGEMENT**

IN WITNESS WHEREOF, Vendor has accepted Devon's Terms and Conditions herein.

Vendor NAME

(Signature)

(Date)

(Print Signatory Name and Title)