

COVENANTS AND AGREEMENTS

A. The Drilling Contractor:

1. Shall furnish all labor, tools and machinery necessary to carry out his part of this contract, and shall prosecute the work under this contract diligently and in good workmanlike manner.
2. Agrees that the Purchaser will not be responsible in case of accident or injury to persons or employees in connection with the drilling operations, and further agrees to carry the necessary insurance to cover such situations.
3. Agrees to save harmless the Purchaser from any and all liens for material and labor supplied by the Drilling Contractor.
4. Agrees to keep a record of the character of all strata passed through in the drilling, of water levels, of casing used, of perforations made (if any), and of the size and location of any and all other materials and equipment installed, and to furnish the Purchaser with a copy of same upon completion.
5. Warrants that the well (wells) shall be serviceably straight, round and aligned, and of full size, so as to allow the installation and operation of pumping equipment designed for a hole of that nominal diameter.
6. Warrants that, unless otherwise specifically stated herein above, all materials and equipment installed shall be new, of standard good quality, and not contain, to his knowledge, any flaws or defects.

B. The Purchaser:

1. Hereby warrants that he has full right and authority to enter into this contract and to authorize the Drilling Contractor to drill upon the above described land.
2. Does hereby grant to the Drilling Contractor, his officers, agents and employees, full right to ingress and egress to and from said above described land for the purpose of performing this contract and doing such acts incidental thereto as may reasonably be necessary in connection with such performance.
3. Will provide, at no charge to the Drilling Contractor, such space at drill site and its proximity, as the Drilling Contractor may desire for pits, dumps, machinery, and the storage of material and equipment which may be required under this contract, and save the Drilling Contractor harmless in the event of accidental damage to crops, buildings, trees, fences, walks or any other property upon or adjacent to such site.
4. Hereby permits the Drilling Contractor to dump all drill cuttings, water and debris taken out of the hole during the progress of the work, around and about the drill site at such places and in such manner as the Drilling Contractor may choose and the Drilling Contractor shall not be called upon to remove the same.
5. Hereby takes full responsibility for selecting the exact site of the drilling and any statements made by the Drilling Contractor are suggestions only and shall not be construed as representations as to where the hole should be drilled. However, the Drilling Contractor shall make such suggestions as he deems pertinent to locations from the sanitation viewpoint, especially with respect to State Health Department rules, regulations or recommendations.
6. Hereby agrees that the Drilling Contractor shall, at any time after ten (10) days of Purchaser's default in payment as hereinabove provided, have the right and permission to go upon the premises without guilt of trespass and reclaim and recover any materials installed by the Drilling Contractor in the hole, including casing. It is specifically agreed that casing and all other material installed in the hole by the Drilling Contractor shall be deemed personal property unattached to the realty until fully paid for as herein provided.

C. It Is Understood and Agreed by Both Parties:

1. That neither can tell exactly what will be found underneath the surface of the earth and that the work of the Drilling Contractor hereunder is subject to those conditions which he may find underneath the surface therefore:

a. The Drilling Contractor does not agree to find or develop water, nor does he represent, warrant or guarantee the quantity, quality, or kind of water, if any, which may be encountered. All operations are at the risk of the Purchaser and failure to strike water shall in no way release the Purchaser from payment of the full contract price.

b. The Drilling Contractor shall drill the hole (holes) with the diameter and casing sizes as specified above as long as such a program remains practicable considering the nature of the material being drilled. When, in the opinion of the Drilling Contractor, it becomes impractical to proceed as speci-

fied, he may proceed with the drilling using that smaller size hole diameter and casing size most practicable to be used, unless the Purchaser deems it impracticable for his purposes and orders the Drilling Contractor to discontinue all drilling operations. The Drilling price shall remain the same as for the specified size, unless otherwise specifically provided.

c. The Drilling Contractor shall not be liable for any damage arising out of any delay or failure to the hazards of drilling, but in the event of unreasonable delay or failure, this contract may be terminated by the Purchaser, upon payment to the Drilling Contractor for all drilling done and materials installed.

2. That the starting date set forth above is an approximate date only, it being agreed that if the drilling equipment necessary for the work herein contemplated is, without fault of the Drilling Contractor, detained on other jobs, then the Drilling Contractor shall not be responsible or liable to the Purchaser for any damages of any nature occasioned by any delay in commencing performance hereunder. In the event the commencement of performance hereunder by the Drilling Contractor is so delayed for a period of thirty (30) days, the Purchaser may, at his option, to be exercised in writing, given to the Drilling Contractor on the day next succeeding the last day of the aforesaid period, terminate this contract and neither party shall in such event be liable to the other for any damages of any nature whatsoever.

3. That if the performance of any of the Drilling Contractor's obligations hereunder is materially hampered, interrupted, delayed, or interfered with by reason of fire, casualty, lockout, strike, labor conditions, unavoidable accident, riot, war (whether declared or undeclared), act of God, or by the enactment of any Municipal, State or Federal Ordinance or Law, or by the issuance of any executive or judicial order or decree, whether Municipal, State or Federal, or by any other legally constituted public authority, or by any other cause beyond the reasonable control of the Drilling Contractor, then during the continuance of any such event, the Drilling Contractor, at his sole option, shall be relieved of the performance of his obligations hereunder.