



## LETTER OF AGREEMENT

### PROJECT ORIENTED PARAFFIN DEPOSITION CONSORTIA

This Agreement, effective on this date of \_\_\_\_\_, is made and entered into by and between **COMPANY NAME** hereinafter referred to as "PARTICIPANT" whose mailing address is **COMPANY ADDRESS** and The University of Tulsa, a not for profit corporation having a principal place of business at 800 South Tucker Drive, Tulsa, OK 74104-9700 hereinafter referred to as "UNIVERSITY". PARTICIPANTS will include oil and gas companies, and service companies.

UNIVERSITY has a consortium that has been active since April 2000 and is conducting research on "Paraffin Deposition Prediction in Multiphase Flowlines and Wellbores" hereinafter referred to as the "PROJECT." PARTICIPANT desires to participate in the PROJECT and to have access to the results of the PROJECT from UNIVERSITY.

Accordingly, in consideration of the mutual promises exchanged below, PARTICIPANT and UNIVERSITY hereby agree as follows:

#### Article 1 - The PROJECT

- 1.1 UNIVERSITY will perform the PROJECT which will include, but not be limited to, the scope of work defined in the attached Exhibit A-6. The PROJECT scope of work was developed under the assumption that many of the technical tasks are achievable in the time frame specified. Due to the research nature of the project, changes and rescheduling may be required. All changes in the scope of work, timetable and/or budget will require approval of the Project Advisory Board (delineated in Article 1.5).
- 1.2 The period of performance for the current phase of the PROJECT under this Agreement is specified as a period of three years from the commencement date indicated in Article 3.1 unless sooner terminated in accordance with the provisions herein. During the performance of the PROJECT, PARTICIPANT will be allowed to have input to the PROJECT, including monitoring the progress of the technical work, attending meetings with UNIVERSITY and UNIVERSITY'S engineering contractors and consultants, and providing comments and recommendations which will be given due regard and good faith consideration by UNIVERSITY with regard to the technical aspects of the PROJECT.
- 1.3 Two (2) copies of the final report (the "Report") will be provided to PARTICIPANT at the conclusion of each phase of the PROJECT. The

Reports will contain a collection of deliverables for each PROJECT which are listed in Exhibit B-6.

- 1.4 The PROJECT will be performed by UNIVERSITY using mostly graduate students, research associates and faculty, generally in accordance with the schedule contained in Exhibit C-6.
- 1.5 PARTICIPANTS will each appoint a Project Technical Representative to serve on the Project Advisory Board which will be established by UNIVERSITY for the PROJECT. The Project Advisory Board will provide input and make recommendations to UNIVERSITY to enhance the PROJECT; however, responsibility for direction and management of the PROJECT lies with UNIVERSITY.
- 1.6 The PROJECT is a non-profit cooperative industry-university research project in which PARTICIPANTS can contribute funding in a lump-sum or over a period of three years.
- 1.7 UNIVERSITY will hold semi-annual Advisory Board Meetings.

#### Article 2 - Grant

- 2.1 PARTICIPANT and Affiliates will have the non-exclusive, irrevocable world-wide royalty-free rights to:
  - (a) use the report and deliverables, including MODELS, and all data and information contained therein in its business;
  - (b) make copies of the deliverables, and;
  - (c) prepare derivative works based on the deliverables.

Following expiration of the confidentially obligations of this Agreement, PARTICIPANT may freely use, copy, distribute, and disclose the deliverables and all data and information contained therein without restriction, and without accounting to UNIVERSITY or any other party therefore.
- 2.2
  - (a) Each PARTICIPANT will receive MODELS for predicting paraffin deposition in multiphase flow (herein after MODEL) with Source Code and will have the right to transfer the MODEL with Source Code to third parties without accounting to UNIVERSITY or PARTICIPANTS.
  - (b) UNIVERSITY shall take all reasonable action to ensure that any software developed or distributed pursuant to this agreement is free of all viruses.

#### Article 3 - Commencement, Funding and Payment

3.1 Subject to Article 4.2 herein, the Commencement Date for the current phase of the PROJECT shall be April 1, 2019.

3.2 The membership fee for this phase of the PROGRAM is \$65,000 per year. PARTICIPANTS that were not members of the initial phase of the PROJECT will be charged an additional one time information fee of \$130,000 which is waived for companies that agree to join for the full three years of this phase.

3.3 Unless PARTICIPANT agrees to an accelerated annual payment schedule, payment will be made according to the following schedule:

A. Upon execution this Agreement, UNIVERSITY will invoice PARTICIPANT for any annual fees due at the time of the Agreement (current PROJECT year and any past PROJECT years of the current phase)

B. UNIVERSITY will invoice for the next PROJECT year on February 1<sup>st</sup>.

If PARTICIPANT agrees to an accelerated annual payment schedule, upon execution of this Agreement, UNIVERSITY shall invoice for the full three year fee cost of \$195,000.

Payment will be due within thirty (30) days of receipt of invoice.

UNIVERSITY will reference the title of this Agreement on each invoice and will mail or email the invoice to:

PARTICIPANT \_\_\_\_\_  
Attn: Name \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

3.4 The payment from PARTICIPANT to UNIVERSITY determined according to Items 3.2 and 3.3 above, will be deemed to include sales, use, excise, or other similar tax which may be due as a result of the transfer of the results to PARTICIPANT or otherwise as a result of this Agreement. UNIVERSITY will separately list all such taxes on the invoice submitted to PARTICIPANT. As a not for profit corporation, UNIVERSITY is exempt from most taxes.

3.5 UNIVERSITY shall recruit and execute agreements similar to this Agreement with additional PARTICIPANTS of the PROJECT. Fees resulting from such agreements may be used to provide funding, to replace the funding of a PARTICIPANT which has terminated its agreement or to enhance the

PROJECT. All PARTICIPANTS shall have the same right to report, licenses and other PROJECT materials, except as otherwise provided for herein.

PARTICIPANT and each additional PARTICIPANT shall be provided with a list of all PARTICIPANTS.

#### Article 4 - Termination

4.1 This Agreement may be terminated by either party under the following conditions:

(a) PARTICIPANT may terminate this Agreement by giving UNIVERSITY at least sixty (60) days advance written notice. In the event of such termination, PARTICIPANT agrees to forfeit its rights to receive any future reports on the progress of the PROJECT, licenses to computer programs and/or other copyrighted, patented or patentable materials produced by the PROJECT after the termination date, and the unspent portion of any funds invested in the PROJECT. In the event of such termination, PARTICIPANT shall have no further obligations to UNIVERSITY except to make any payments which may have become due under Article 3 above prior to termination.

(b) UNIVERSITY may terminate this Agreement by giving thirty (30) days written notice to PARTICIPANT in the event that PARTICIPANT fails to make any payment in accordance with the schedule in Paragraph 3 above. PARTICIPANT agrees to forfeit its rights to PROJECT materials and licenses in accordance with Article 2 above, provided that within an additional sixty (60) day period PARTICIPANT may make such payment, in which case termination is not effected; provided, further, that no PARTICIPANT may delay payment by use of this provision more than once without advance written permission from UNIVERSITY and for good reason.

4.2 This phase is contingent upon UNIVERSITY obtaining membership funding that adequately supports the PROJECT, as described in Exhibit E-6. Should this not occur, UNIVERSITY shall either terminate this Agreement and return all uncommitted funds to PARTICIPANTS after as provided for herein or seek approval within 30 days of all committed PARTICIPANTS to increase fee to cover costs.

#### Article 5 - Warranty and Liability

5.1 UNIVERSITY will not be liable to PARTICIPANT or any of its Affiliates for any damages to any well, platform, drilling equipment, or other property, or for injury to any person as a result of any use by PARTICIPANT or its Affiliates of the data and information contained in the deliverables.

5.2 To the extent permitted by law, UNIVERSITY agrees to and hereby indemnifies and saves PARTICIPANTS harmless from and against any and all claims of any kind, including but not limited to liability for injury to persons or damage to property, to the extent such claims arise from strict liability, negligent acts or omissions or intentional tortious conduct of UNIVERSITY, its employees, agents or assignees in the performance of the Work done under this Agreement including any and all expenses, costs, attorneys' fees, settlements, judgments or awards incurred by PARTICIPANTS in the defense of any such claims or lawsuit.

5.3 UNIVERSITY represents that it is insured and that such insurance and other insurance that may be carried by UNIVERSITY shall be sufficient for any and all liabilities and risks associated with the proposed Work and shall cover all UNIVERSITY'S operations during the performance of this Agreement.

UNIVERSITY shall not allow any subcontractor to commence any part of the Work until it shall obtain and maintain for the period of performance of the subcontract, Worker's Compensation and/or all other necessary social insurance and Comprehensive General Liability insurance, and if applicable, Professional Liability Insurance, covering all the subcontractor's operations under this Contract, in the minimum amount of Two Million Dollars (\$2,000,000.00).

All policies of insurance obtained pursuant to this Agreement shall provide that such insurance shall not be changed or canceled until thirty (30) days prior written notice has been given to PARTICIPANTS.

#### Article 6 - Miscellaneous

6.1 UNIVERSITY will not use the name of PARTICIPANT in any advertising or publication relating to the subject matter of this Agreement without PARTICIPANT'S prior written consent.

6.2 The validity and interpretation of this Agreement will be governed by the laws of the state of Oklahoma. The parties agree that venue is proper in a court of competent jurisdiction in Tulsa County, Oklahoma.

6.3 The term "Affiliate" as used herein with respect to PARTICIPANT will mean and include PARTICIPANT and any other company at least fifty percent (50%) of whose stock having the right to vote for or appoint is now or hereafter owned or controlled, directly or indirectly, by PARTICIPANT or any other company which owns or controls directly or indirectly at least fifty percent (50%) of the stock of PARTICIPANT.

6.4 This Agreement sets forth the entire understanding between the parties, and supersedes, cancels, and merges all prior representations, understandings, covenants, or agreements, whether oral or written, with respect to the subject matter hereof. No change, alteration, or modification to this Agreement will

be effective unless it is in writing and signed by the authorized representative of both parties.

- 6.5 In the event of any conflict between the foregoing terms and conditions and attached Exhibits A, B, C, D, and E the foregoing terms and conditions will be deemed to be controlling.
- 6.6 The parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement by mediation in accordance with the Center for Public Resources MODEL Procedure for Mediation of Business Disputes and as such procedural document may be amended from time to time.
- 6.7 The following legal notice shall be affixed to each technical report, and at a minimum on the diskette label, on the first screen of any such Computer Program and on any copies of the Source Code furnished or disseminated by UNIVERSITY to PARTICIPANTS hereunder and to any report resulting from this agreement:

#### LEGAL NOTICE

This report was prepared by ('UNIVERSITY') as an account of work sponsored by PARTICIPANTS. Neither UNIVERSITY, PARTICIPANTS, their Affiliates, members, nor any person acting on behalf of either:

- (a) Makes any warranty or representation, express or implied with respect to the accuracy, completeness, or usefulness of the information contained in this program or report, or that the use of any information, apparatus, method or process disclosed in this report may not infringe privately-owned rights, or
- (b) Assumes any liability with respect to the use of, or for any and all damages resulting from the use of, any information, apparatus, method or process disclosed in this report.
- 6.8 The parties agree that rights or obligations under this Agreement may not be assigned by PARTICIPANT, except to Affiliates, without prior written consent from UNIVERSITY.
- 6.9 The parties separately represent that they comply to the extent applicable with all applicable federal and state laws prohibiting discrimination against any member of a class protected against discrimination under such laws. Each party further represents and warrants that it is in compliance with the Americans with Disabilities Act to the extent applicable.
- 6.10 The parties agree that UNIVERSITY shall hold title to all patents, copyrights and trademarks resulting from this Agreement. A royalty-free, non-exclusive, worldwide, irrevocable patent license will be granted by UNIVERSITY to

PARTICIPANTS, their subsidiaries and affiliates, including the right to make, use and sell inventions covered by such patents.

- 6.11 The failure of either party to exercise its rights arising from a breach of this Agreement shall not be deemed a waiver of such rights.
- 6.12 UNIVERSITY warrants that the report and deliverables as identified in Exhibit B-6 will conform to the work descriptions set forth in Exhibit A-6 and that it has the unqualified rights to perform the PROGRAM and to extend to PARTICIPANTS the rights set forth herein. The foregoing includes a warranty that any exercise of such rights will not infringe any third party copyrights or trade secrets. All other warranties are disclaimed by UNIVERSITY. Except as expressly warranted herein, UNIVERSITY will not be liable to PARTICIPANT for any damages arising from any exercise of the rights granted herein.
- 6.13 UNIVERSITY represents to PARTICIPANTS that UNIVERSITY is the exclusive owner of all rights to the report and deliverables, including models, and all data and information contained therein; and UNIVERSITY has full and sufficient right and authority to grant the rights and licenses granted in the Agreement.

#### Article 7 – Assurances of Compliance

- 7.1 UNIVERSITY will keep accurate books, records, and other documentation in accordance with generally accepted accounting practice to support all charges made hereunder and to verify that any fees received pursuant to Article 3 have been properly handled. For two years following completion of the PROJECT, University will preserve such books, records, and other documentation and will permit representatives of PARTICIPANT to inspect them during usual business hours and to make excerpts therefrom for the purpose of auditing and verifying such charges and fee handling.
- 7.2 UNIVERSITY shall establish and maintain such business standards, procedures, and controls as are necessary to avoid any real or apparently impropriety in connection with the Project or any adverse impact on the interests of PARTICIPANT or any of its affiliates. At the request of PARTICIPANT, University shall review with limitation those related to the activities of University's employees and agents with their relations with PARTICIPANT'S employees, agents, and representatives, and with third parties.
- 7.3 While performing the PROJECT, University's employees, agents, and subcontractors will not be under the influence of alcohol, any unprescribed controlled substances, or any misused legitimate prescription drugs. University shall ensure that all of its employees, agents, and subcontractors who may be asked to perform services under the Project are aware of and will comply with the provisions of this Paragraph.
- 7.4 If the UNIVERSITY does subcontract any portion of the PROJECT, UNIVERSITY will enter into a written subcontract with each subcontractor. Each subcontractor will

secure for PARTICIPANTS rights to the results of the subcontracted work which are at least equivalent to those set forth in Article 2 of this Agreement.

## Article 8 – Confidentiality

- 8.1 Except as otherwise permitted under this Agreement, PARTICIPANT will hold all data and information contained in the deliverables in confidence for a period of one year upon completion of each deliverable. This obligation of confidence will not apply, however, to data and information which:
- (a) is or becomes part of the public domain through no fault of the PARTICIPANT;
  - (b) is in the possession of PARTICIPANT or in the possession of any of its Affiliates prior to its receipt under this Agreement, and was not acquired by PARTICIPANT or such Affiliate from a third party who is under an obligation of confidence to UNIVERSITY with respect thereto;
  - (c) is hereafter received by PARTICIPANT or an Affiliate from a third party who is not under obligation of confidence to UNIVERSITY with respect thereto;
  - (d) is hereafter developed by PARTICIPANT or an Affiliate as a result of activities carried out independently of, and without access to, the data and information acquired under this Agreement.
- 8.2 PARTICIPANT may disclose the data and information contained in the deliverables and provide copies of the deliverables to its Affiliates which have agreed to abide by the confidentiality obligations of this Agreement. PARTICIPANT and its Affiliates may disclose the data and information to their contractors and consultants which agree in writing to abide by the confidentiality obligations of this Agreement and to use the data and information only on behalf of PARTICIPANT and its Affiliates. PARTICIPANT and its Affiliates may also disclose the data and information to third party operators and members of joint ventures in which PARTICIPANT or its Affiliates have an ownership interest or a production sharing Agreement, provided such third parties agree in writing to abide by the confidentiality obligations of this agreement and to use the data and information only in conjunction with the joint efforts. In addition, the UNIVERSITY, PARTICIPANT and its Affiliates shall disclose the data and information to government authorities as required by law.
- 8.3 UNIVERSITY may only disclose the data and information contained in the deliverables for publication/technology transfer initiatives during the period of confidentiality provided they receive a two-thirds majority approval from the Project Advisory Board. Record shall be kept of such vote and maintained with other records related to the Project Advisory Board.



In consideration of the foregoing terms and conditions, PARTICIPANT and UNIVERSITY have executed this agreement in duplicate originals which shall be of equal dignity and are to be effective the date first written above.

By signature hereon, I represent that I am authorized to sign for PARTICIPANT.

PARTICIPANT

By \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

UNIVERSITY

By \_\_\_\_\_ Date \_\_\_\_\_

Debbie Newton

Title Director of Research and  
Sponsored Programs \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

Brenton McLaury

Title Intereim Vice Provost for  
Research \_\_\_\_\_