



HydroGeologic Services, Inc.
 Box 94716
 Albuquerque, NM 87199-4716
 NM License No. WD-1472
 Phone (505) 856-6498 Fax (505) 856-6498

**Revised
 DRAFT**

CONTRACT No.

TO: Balleau Groundwater

DATE: 06/04/2012

HGS JOB #: A1183

ATTN.: Casey Cook

Bill To: Cypress Inc.

Project: Zorro Ranch 8" Production Well

Location: Zorro Ranch
 Stanley, NM

TERMS: Net 30

Item	Description	Qty	UOM	Unit Price	Net Amount
001	Mob/Demob/clean up	1	EA	5,500.00	5,500.00
002	Install Surface Casing min 40'	1	EA	5,500.00	5,500.00
003	Drill min. 12 3/4" hole	800	FT	39.00	31,200.00
004	F/I 8" ID Blank PVC casing	400	FT	24.00	9,600.00
005	F/I 8" ID PVC Screen	400	FT	24.00	9,600.00
006	F/I Pitless Adapter	1	EA	6,695.00	6,695.00
007	F/I Formation Stabilizer	1	EA	13,950.00	13,950.00
008	F/I Annular Seals and Backfill	1	EA	4,675.00	4,675.00
009	Well Development	16	HR	400.00	6,400.00
010	Well Testing	24	HR	210.00	5,040.00
011	Wellhead Seal and Protection	1	EA	815.00	815.00
012	Stand-by Time	8	HR	250.00	2,000.00
013	F/I Permanent Pump and Controls	1	EA	21,246.00	21,246.00

**F/I = Furnish and Install*

Unit Cost: 122,221.00
Unit Tax: Not Inc.
Total: 122,221.00

Contract by:
 HydroGeologic Services, Inc.

Contract by:

Signed: _____
 Bill W. Whaley, Vice President

Signed: _____
 Name/Title

Date: _____

Date: _____

General Terms and Conditions

Time for acceptance of agreement: This agreement and general terms must be signed and returned to the contractor within 15 days of the date or contract will be deemed null and void. The Agreement consists of both the contract and these general terms and conditions.

Payment: Deposit is required upon submission of this agreement. All progress payments shall be due within 10 days from invoice date. Final payment shall be upon substantial completion and submittal of the final invoice. Any amount not paid when due shall bear interest from the due date until paid in full at 18%, or the maximum amount allowed by law.

Change orders: Any extra work which is requested or required due to the condition of the building or building code changes shall be performed only after a written change order, "Addendum", is signed by the customer upon a contractor's change order form, and delivered to contractor accompanied by full payment for the change order if applicable. A change order may increase or decrease the price, provided for more or less time to complete work, for more or less materials or labor and other clauses.

HGS warrants that all work shall be done in good and workman like manner according to standard practices and that the well shall be serviceably straight, round and within general accepted tolerances. HGS makes no other representations or warranties other than as set forth in writing in this contract. There is no implied warranty of fitness or merchantability.

It is understood and agreed that HGS does not guarantee that water will be found and that HGS does not guarantee, warranty or make representation as to the quality, volume and potability of water found. Failure to strike water shall in no way release the purchaser from payment obligation under this agreement.

If HGS commences work under this agreement and discovers undisclosed hidden or latent site conditions which were not disclosed to HGS or readily apparent prior to commencement and which make it impractical or impossible for HGS to fulfill the terms and conditions of this agreement, this agreement shall become null and void and purchaser shall be responsible for a minimum payment of \$3500.00 set up fee. This clause does not prohibit the parties to this agreement from entering into an amendment of this agreement which incorporates the additional expenses necessary to perform the work with the existing undisclosed, hidden or latent site conditions impossible.

HGS shall not be liable for loss, inability to perform, damage or delay, from fire, government regulation or order, strikes, riot or civil commotion, injunction, failure of transportation or energy source, or for any other cause beyond its control. HGS shall not be liable for lost profits or consequential damages from any cause whatsoever.

Purchaser agrees to hold harmless and indemnify HGS from any liability or damages assessed against HGS resulting from any complaints, claims or actions filed by third parties against HGS for work performed by HGS pursuant to this agreement. Purchaser also agrees to indemnify and reimburse HGS for any costs and attorney's fees expended by HGS in defending any complaints, claims, or actions filed by third parties against HGS for work performed pursuant to this agreement.

Purchaser is responsible for determining the location of the well and underground utilities incidental thereto. HGS will not be held liable for damage to any lines or other properties located underground that were not disclosed to HGS prior to the beginning of the procedure. Purchaser agrees to provide HGS with a drawing showing the location of such lines or other properties prior to commencement of any work by HGS.

The parties agree to execute any further document and do all acts necessary or appropriate to complete this transaction. No amendment, supplement, modification or waiver of the agreement shall be binding unless executed in writing by the parties to be bound thereby.

If any provision of this agreement is determined by a court to be invalid or unenforceable, such determination shall not affect any of the other provisions, each of which shall be construed and enforced as if such invalid or unenforceable provision were not contained herein.

This agreement shall be covered by and construed and enforced in accordance with the laws of the state of New Mexico.

Acceptance of the contract constitutes agreement to these general terms and conditions