

GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

1. ABANDONMENT

There can be no abandonment to Underwriters of any property.

2. APPRAISAL

If the Assured and Underwriters fail to agree as to the amount of loss each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by Underwriters, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the Assured or Underwriters, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Assured and Underwriters shall each pay his or their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. Underwriters shall not be held to have waived any of their rights by any act relating to appraisal.

3. ASSIGNMENT OF CERTIFICATE

This Certificate shall be void if assigned or transferred without the written consent of Underwriters

4. BANKRUPTCY & INSOLVENCY

In the event of the bankruptcy or insolvency of the Assured or any entity comprising the Assured, the Underwriters shall not be relieved thereby of the payment of any claims recoverable hereunder because of such bankruptcy or insolvency.

5. CANCELLATION

In the event of non-payment of premium or the first installment thereof within thirty (30) days after attachment, or of any additional premium or any other instalment as and when due, Underwriters may cancel this Certificate upon ten (10) days written or telegraphic notice sent to the Assured at his or its address shown herein. Such proportion of the premium, however, as shall have been earned up to the time of cancellation for non-payment of premium shall be payable. In the event of an Occurrence giving rise to a claim recoverable within the terms and conditions of this Certificate occurring prior to any such cancellation for non-payment of premium, then the full minimum and deposit premium of the premium earned in accordance with the Rating Provisions in Clause 9 of the Common Conditions, whichever is greater, shall be considered earned and payable.

This Certificate may be cancelled by the Assured at any time by written notice or by surrender of this Certificate to Underwriters. This Certificate may be also cancelled by Underwriters, with or without the return or tender of the unearned premium, by delivering to the Assured, by telegraph, or by sending by mail to the Assured's address shown herein not less than thirty (30) days prior notice stating when the cancellation shall be effective. Should this Certificate be cancelled by the Assured, the earned premium shall be either the premium earned in accordance with the rating provisions of this Certificate (with Underwriters retaining the Shut-In and/or Plugged and Abandoned Wells) and no minimum premium shall be applied.

Notwithstanding the foregoing, this Certificate may be cancelled by Underwriters in respect of perils of strikers, locked out workers or persons taking part in labor disturbances or riots or civil commotions upon seven (7) days written or telegraphic notice sent to the Assured at the Assured's address shown herein, without return of premium.

6. COLLECTION FROM OTHERS

No loss shall be paid by Underwriters to the extent that the Assured has (have) collected the same from any other party(ies).

7. CONFORMITY TO STATUTE

Terms of this Certificate which are in conflict with the statutes of the State wherein this Certificate is issued are hereby amended to conform to such statutes.

8. DEFENSE

Underwriters shall not be called upon to assume the handling or control of the defense or settlement of any claim made against the Assured but Underwriters shall have the right, but not the duty, to participate with the Assured in the defense and control of any claim which may be recoverable in whole or in part under this Certificate.

Underwriters shall not be called upon to pay any Defense Costs in relation to any claim until after the final resolution of such claim.

Underwriters shall not be liable to pay any Defense Costs unless the prior consent of Underwriters was obtained before those Defense Costs were incurred.

9. DISCOVERY OF RECORDS

It is understood and agreed that:

- a. during the currency of this insurance,
- b. or any time thereafter within the period of the time provided for bringing suit against Underwriters
- c. within the period of time following the bringing of suit against Underwriters until final adjudication of suit including all appeals, if any,

Underwriters shall have the right of inspecting the Assured's records pertaining to all matters of costs and expenditures of whatsoever nature relating to the Wells insured hereunder, such records to be open to a representative of Underwriters at all reasonable times.

10. EXAM UNDER OATH

The Assured, as often as may be reasonably required, shall exhibit to any person designated by Underwriters all that remains of any property herein described, and shall submit, and insofar as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by Underwriters and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by Underwriters or either representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of Underwriters or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of defense which Underwriters might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to Underwriters' liability.

11. EXTENDED EXPIRATION

If this Certificate should expire or be cancelled while an Occurrence giving rise to a loss recoverable under this Certificate is in progress it is understood and agreed that the said loss, subject to all other terms and conditions and Combined Single Limit of Liability of this insurance, will be covered under this Certificate as if the entire loss had occurred prior to the expiration or cancellation.

12. INSURING FORMS

In the event of conflict between a specific provision of this form and any endorsements hereto, and these GENERAL CONDITIONS, the specific provision of the form and/or endorsement shall prevail.

13. LOSS ADJUSTMENT & PAYMENT OF CLAIMS

Loss, if any, under this Insurance (except as otherwise specifically provided) shall be adjusted with and payable to the Assured herein in whom title to, or interest in, the exposure involved in such loss is vested at the time of the loss, or as directed by the Assured.

All adjusted claims shall be paid to the Assured as soon as practicable after acceptance of satisfactory proof of interest and loss of the offices of Underwriters.

14. MISREPRESENTATION AND FRAUD

This entire Certificate shall be void if, whether before or after a loss, the Assured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Assured therein, or in case of any fraud or false swearing by the Assured relating thereto.

15. NOTICE AND PROOF OF LOSS

The Assured shall give to Underwriters through the Coverholder, as soon as practicable notice of any Occurrence which may result in a claim hereunder, stating the time place, cause and circumstances of each Occurrence. The Assured shall also file with Underwriters through the Coverholder, as soon as practicable, a detailed, sworn Proof of Loss and Payment Order. The Assured shall, if requested by the Underwriters, make available to the Underwriters or their representatives all records, agreements, contracts or other documents needed to determine or substantiate a claim.

16. NOTICE OF LOSS

The Assured shall as soon as practicable report in writing to Underwriters through the Cover holder every loss, damage or occurrence which may give rise to a claim under this Certificate and shall also file with Underwriters through the Coverholder, within ninety (90) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

17. OTHER INSURANCE

Where the Assured is (are), irrespective of this Certificate, entitled to reimbursement or indemnity, in whole or in part, by any other insurance in respect of any costs and/or expenses and/or liability for which the Assured would otherwise have been entitled to reimbursement or indemnity by Underwriters under this Certificate, there shall be no contribution or participation as respects such Assured by Underwriters under this Certificate on the basis of excess, contributing, deficiency, concurrent or double insurance or otherwise for such costs and/or expense and/or liabilities, or part thereof, for which the Assured is (are) entitled to reimbursement or indemnity from such other insurance.

18. OTHER INSURANCE

In the event there is other Insurance which inures to the Assured's benefit covering any of the interests and expenses covered hereunder, this Insurance shall not attach until such other Insurance is exhausted.

19. SALVAGE & RECOVERIES

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Certificate shall be distributed to the parties hereunder as if such salvages, recoveries and payments were recovered or received prior to the said settlement and all necessary adjustments shall be made.

20. RESIDUAL VALUE

In the event of an Occurrence giving rise to a claim recoverable within the terms and conditions of this Certificate, the residual value of any equipment and/or materials used or purchased by the Assured in respect of such Occurrence will inure to the benefit of Underwriters in the adjustment of such claim.

21. RELEVANT SURPLUS LINES LAW & TAX

The Assured's agent assumes responsibility for all state taxes, if any, in all states and shall be responsible for full compliance with relevant surplus lines laws of the several states, including the filing of affidavits and other documents, if any.

22. SEVERABILITY OF INTEREST CLAUSE

The subscribing Underwriters' obligations under this Certificate are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Underwriters are not responsible for the subscriptions of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

23. SUBROGATION

- a. Underwriters shall upon reimbursement hereunder to the Assured of any loss, damage or expense be subrogated to all the Assured's rights of recovery against any other person, firm or corporation who may be legally or contractually liable for such loss, damage or expense so reimbursed by the Underwriters.
- b. It is agreed that the Underwriters may make claim upon and institute legal proceedings against any parties believed responsible for loss, damage or expense reimbursed hereunder in the name of the Assured, and the Assured shall provide Underwriters their full cooperation in pursuing such claim or legal proceedings.
- c. Permission is expressly granted to the Assured to waive Underwriter's rights of subrogation against any individual, firm or corporation who or which in under the contract or otherwise performing work for the Assured or for whom or which the Assured is performing work or rendering services, provided always such waiver is executed in writing prior to any Occurrence giving rise to claims for reimbursement hereunder.
- d. Except as specifically provided or permitted by this Certificate, the Assured shall not waive, release or diminish rights of recovery or subrogation with respect to any claim, which, upon payment thereof by Underwriters, would otherwise belong or accrue to Underwriters, and insofar as and to the extent that any action by the Assured waives, releases or diminishes the rights of recovery or subrogation in respect of such claim, Underwriters shall have no liability under this Certificate.

24. SUIT

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the assured (or Reassured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United State, to remove an action to a United States District Court, or to seek a transfer to a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Mendes and Mount, 750 Seventh Avenue, New Your 10019 and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal. The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured (or Reassured) to give written undertaking to the Assured (or Reassured) that they will enter a general appearance a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by of on behalf of the Assured (Reassured) or any beneficiary hereunder arising out of this certificate of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or true copy thereof.

25. SUIT AGAINST UNDERWRITERS

It is a condition of this insurance that no suit, action or proceeding for the recovery of any claim hereunder shall be maintainable in any court of law or equity unless the same be commenced (a) within two years and one day after the time a cause of action accrues or (b) if by the laws of the state or nation of the address of the Assured shown herein such limitation is invalid, then within the shortest limit of time permitted by the laws of such state or nation.

COMMON CONDITIONS APPLICABLE TO COST OF WELL CONTROL

1. ATTACHMENT & TERMINATION OF COVERAGE

a. Attachment of Coverage:

1. In respect of any Well(s) Insured, coverage shall attach when the Assured acquires an interest in such Well(s) where such acquisition is later than the inception date but prior to the expiry date of this Certificate unless coverage attaches later by operation of any of Paragraphs 1a(2), (3) or (4) below;
2. In respect of any Well(s) insured hereunder spudded in during the period of this Certificate, coverage shall attach at the time of "spudding in";
3. In respect of any Well(s) in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the inception of this insurance, and which would have been insured at inception in the absence of Exclusion 6e of these Common Conditions, coverage shall attach upon final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning where such final termination is later than the inception date but prior to the expiry date of this Certificate.
4. In respect of any other Well(s) insured hereunder, coverage shall attach at inception of this Certificate.

b. Termination of Coverage

1. In respect of any Well(s) insured hereunder, coverage shall terminate on the expiring date of this Certificate or when the Assured ceases to have an interest in such Well(s) whichever shall first occur, unless coverage is terminated sooner by operation of any of Paragraph 1b (2), (3) or (4) below;
2. In respect of any Well(s) which are insured hereunder during drilling only, by virtue of the Assured's electing not to purchase coverage for Producing and/or Shut-In and/or Plugged and Abandoned Wells, coverage shall terminate upon either total and/or complete abandonment or completion of such Wells, which shall include the setting of the "christmas tree", pumping equipment or wellhead equipment or the dismantling or removal of the drilling equipment from the drill site, or the termination of the Assured's responsibility under contract, whichever shall first occur, except that, if removal of the drilling equipment from the drill site occurs first, then the period of time between complete removal of such equipment and the commencement of completion operations shall not exceed thirty (30) days in order for said completion operations to be covered hereunder;
3. In respect of any Well(s) insured hereunder in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the expiry or cancellation of this Certificate, coverage shall terminate upon final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning, or 12 months from the date of expiry of this Certificate whichever shall first occur.
4. In respect of any other Well(s) insured hereunder, coverage shall terminate at the expiry or cancellation of this Certificate or (if plugged and abandoned Wells are not insured hereunder) upon total and/or complete abandonment of the Well(s), whichever shall first occur.

2. CO-VENTURERS

It is understood and agreed that, subject to the provisions of Clause 7 of these Common Conditions, this insurance may insure the interests of co-venturers (defined as co-owners, partners and/or other party(ies) having a financial and insurable interest in the Wells Insured hereunder), all of whom individually and collectively are non-operators (all hereinafter referred to as "Co-Venturers"), and provided the agreement to include such Co-Venturers is executed in writing between and/or among the parties prior to any Occurrence giving rise to claim for reimbursement hereunder.

Such Co-Venturers who comply with the above paragraph shall be deemed to be named as Additional Assureds hereunder only in respect of Wells Insured hereunder and only for the period(s) of time operations in respect of said Wells are insured hereunder as determined by Clause 1 of these Common Conditions.

Any cover granted hereunder to Co-Venturers shall be limited to operations in which a Co-Venturer has a common interest with the Named Assured and shall be subject in all respects to the terms, conditions and rates and Combined Single Limit of Liability specified herein.

If the Named Assured is not the operator of a Well, then this insurance shall not cover the operator without Underwriters' prior approval.

3. DEFINITIONS:

Wherever used in this Section of the Policy:

- A. *"balanced" and "overbalanced" means those methods of "drilling" whereby the intent is that the hydrostatic pressure of the "drilling" fluid column is equal to or exceeds the terrastatic pressure.*
- B. *"Bodily Injury" means physical injury, mental injury, mental anguish, shock, disability, sickness or disease including death resulting therefrom and damages allowed for loss of services, sustained by any person.*
- C. *"circulating system" means the conduit which facilitates the movement of circulation fluid from the suction pit, down the drill pipe and drill collars, out of the drill bit, up the annulus and back to the suction pit, or "well" control appliances.*
- D. *"completion" means those activities performed after the last string of casing has been set and cemented, and testing of the "well" has ceased and shall include but not be limited to the running and setting of subsurface "completion" assemblies, production tubing, downhole packers, subsurface safety valves, tiebacks, the perforation and stimulation of the "well", and the act of setting a Christmas tree and installing pumping equipment on the wellhead for the purpose of "producing" hydrocarbons, sulfur, thermal energy resources or deposits or the activities performed to enable a "well" to be used for Enhanced Recovery or Injection purposes.*
- E. *"crater" means a basin-like opening in the Earth's surface surrounding a "well" caused by the erosive and eruptive action of gas, oil, water, steam or sulfur flowing without restriction.*
- F. *"daywork", where used with respect to "daywork contracts" or "daywork basis" means work performed by a contractor subject to daywork rates, where the contractor is effectively paid on a temporal basis for performing work on behalf of the "operator".*
- G. *"deepening" means the increasing by boring of the total "footage" drilled, measured through the surface of the ground or water bottom to the bottom of the "well".*
- H. The term "defense costs" shall be defined as investigation, adjustment, settlement, litigation and legal expenses, premiums on attachment or appeal bonds, and pre and post judgment interest paid or incurred by or on behalf of the Assured, and shall exclude all expenses for salaried employees, general retainer fees normally paid by the Assured and office expenses of the Assured.
- I. The term "developmental well" shall be defined as a well drilled to exploit a hydrocarbon accumulation discovered by previous drilling. However, underbalanced or producing while drilling wells shall, for the purposes of this insurance, never be considered a developmental well.
- J. *"drilling" means the boring of a hole into the Earth or water bottom.*
- K. *"drilling well" means a "well" during the course of being bored into the Earth or water bottom.*
- L. *"farm in" means an agreement in which the Insured becomes the third party "operator" for well under a "farm out" agreement from another lease owner.*

- M. *"farm out" means an agreement in which the Insured assigns the "drilling", "completion" or operation of such "well" to another "operator" who assumes the total risk for such "well". The Insured may assume an interest in production at some future period in time under the agreement.*
- N. *"fire" means a fire which becomes uncontrollable or breaks out from where it is intended to be.*
- O. *"footage", where used with respect to "footage contracts" or "footage basis" means work performed by a contractor subject to footage rates, where the contractor is paid according to the number of feet of "well" or hole drilled.*
- P. *"kick" means an unintended entry into the "well" of oil, gas, water or "drilling" fluid at a pressure that is greater than that exerted by the "drilling" fluid but which entry can be stopped by the use of the "well" control appliances installed on the casing or by circulating out.*
- Q. *"non-operator" means the party having a working interest ownership in the "well insured", other than the party designated as "operator" of the "well insured"*
- R. The term "occupational disease" shall be defined as any injury, including death, sickness, disease or disability, defined as occupational disease in any workers' compensation, unemployment compensation or disability benefits, laws, statutes, or regulations of any jurisdiction in which the Occupational Disease arose.
- S. The term "occurrence" shall be defined as an unexpected and unintended casualty or series of losses, disasters or casualties arising out of one event which first commences on an identifiable specific date during the Certificate period:
1. as respects windstorm, all tornadoes, cyclones, hurricanes or similar storms and systems of winds of a violent and destructive nature, arising out of the same atmospheric disturbance and occurring within any period of seventy-two (72) consecutive hours commencing during the period of this insurance, shall be considered one event.
 2. Each earthquake shock or volcanic eruption, unless excluded by Paragraph 6c of these Common Conditions, shall constitute one event hereunder, provided that if more than one earthquake shock or volcanic eruption shall occur within any period of seventy-two (72) consecutive hours commencing during the period of this insurance, such earthquake, shocks or volcanic eruptions shall be deemed to be one event within the meaning thereof.
- T. *"operator" means the party, having a working ownership interest in the "well insured", who is responsible, under contract, for the development, production and operation of a "well insured".*
- U. *"plugged and abandoned" means the state of having a cement or similar impermeable material plug or plugs set in the bore of the "well" and which have the object of terminating any flow therefrom, allowing the "well" to be abandoned. The definition includes "well" which are temporarily abandoned in accordance with industry practice.*
- V. *"producing" means the process of the intentional bringing of formation fluids to the surface via the bore of a "well" after "completion" of any such "well".*
- W. *"producing well" means a "well" through the bore of which formation fluids are being intentionally brought to the surface after "completion" of that "well".*
- X. *The term "producing while drilling" shall be defined as those circumstances where a formation containing hydrocarbons is being drilled in such manner that formation fluids are deliberately allowed into the Well and thence removed to the surface, while, at the same time, drilling activities are continued or are intended to be continued.*
- Y. *"property damage" means physical loss of or direct damage to or destruction of tangible property, including the loss of use thereof. It shall include the loss of use of tangible property which has not been physically damaged or destroyed.*
- Z. *"relief well" means a "well" drilled near and directionally into a "well out of control" for the purpose of establishing a "well" brought under control.*
- AA. *"shut-in" or "suspended" means the cessation of a flow from a "well" as a result of the closing of "well" control valves or by the setting of a plug or plugs in the "well" bore.*
- BB. *The term "spudding in" shall be defined as the moment at which the drill bit or tool first breaks the surface of the earth or water bottom at the commencement of drilling operations; however deepening, lengthening or Side Track wells shall be considered "Spud-in" the moment at which the drill bit or tool first enters the well.*

- CC. The term "side track" shall be defined as an operation involving the use of a portion of an existing well to drill a new well.
- DD. "true vertical depth" means the deepest point below the surface of the ground or water bottom in the lowest "producing" zone, reached by a "well".
- EE. "turnkey well" means a "well" drilled by an independent "drilling" contractor under a contract which provides that the parties agree on a fixed sum of money that will be paid to the "drilling" contractor in return for his furnishing a "drilling" crew, "drilling" equipment and certain specified materials and services, to be due and payable only after the hole is drilled to contract depth; all other services, materials are furnished at the cost of the "well" owners.
- FF. The term "underbalanced" shall be defined as that method of drilling whereby the terrastic pressure is likely to exceed the pressure exerted by the drilling fluid column in the bore of the well.
- GG. The term "well" shall be defined as a hole bored into the earth with the intention of discovering, delineating, injecting, producing from or exploiting and enhancing the recovery of oil and/or gas and/or sulphur and/or water and/or thermal energy resources or deposits, including such conductor, casing, liner and/or tubing as may have been installed therein and such wellhead, christmas tree, blowout preventer or mechanical pressure control equipment as may have been installed immediately above the bore of a Well.
- HH. The term "well(s) insured" shall be defined as oil and/or gas and/or thermal energy Wells and/or geothermal and/or stream and/or sulphur and/or salt water disposal/injection and/or other mineral Wells:
1. while being drilled, deepened, serviced, worked over, completed and/or reconditioned until "completion" or abandonment as set forth in Clause 1 of these Common Conditions:
 2. while "producing",
 3. while "shut-in"; or
 4. while "plugged and abandoned";
- For the account of the Assured and as may be included within the areas and types of Wells Insured as set forth in the Declarations hereto.
- II. The term "well out of control" shall be defined as a Well insured from which and only when there exists an unintended flow of drilling fluid, oil, gas, water, or other substance, either above the surface of the ground or water bottom or emanating from one subsurface depth interval to another subsurface depth interval via the bore of a Well Insured, and
1. Which flow cannot be (a) stopped by use of the equipment on site and/or the blowout preventer, storm chokes or other equipment required by Clauses 5 and 14 of the Common Conditions; or (b) stopped by increasing the weight by volume of drilling fluid or by the use of other conditioning materials in the Well; or
 2. Which flow is declared to be out of control by the appropriate Regulatory Authority.
- Nevertheless, and for the purposes of this insurance, a Well shall not be defined as a Well Out of Control because of the existence of Occurrence of a flow of oil, gas or water or other substance into the Well bore which can be circulated out or bled off through the surface controls.
- JJ. The term "well brought under control" shall be defined as a Well Out of Control at such time that the flow giving rise to a claim hereunder stops, is stopped or can be stopped and drilling, deepening, servicing, workover, completion, reconditioning or other operation(s) taking place in the Well immediately prior to the Occurrence giving rise to a claim hereunder is (are) resumed or can be resumed; or the Well is or can be returned to whatever status that existed immediately prior to the Well becoming a Well Out of Control; or the flow giving rise to a claim hereunder is or can be safely diverted into commercial production; unless the Well continues at that time to be declared a Well Out of Control by the appropriate Regulatory Authority, in which case, for the purpose of this insurance, the Well shall be deemed to be a Well Brought Under Control when such authority ceased to designate the Well(s) as being a Well Out of Control.
- KK. "wellhead assembly" means the equipment used to confine and control flow of fluids or gas from the "well" which equipment is made up of a combination of parts called casing head, tubing head and valves commonly called the christmas tree.
- LL. The term "workover" shall be defined as those operations to rehabilitate, restore, increase production of oil and/or gas and/or thermal energy resources and/or deposits.

4. DELIBERATE WELL FIRING

In the event that a Well Out of Control within the terms and conditions herein, has to be deliberately fired (a) at the Provincial or Federal government's direction; or (b) by the operator due to the fact that governmental personnel are not available, for safety reasons to prevent bodily injury (including employees) and/or property damage to third parties, coverage as afforded hereunder shall not be prejudiced.

5. DUE DILIGENCE

It is condition of this insurance that the Assured shall exercise due care and diligence in the conduct of all operations covered hereunder, utilizing all safety practices and equipment generally considered prudent for such operations, and in the event of any hazardous condition develops with respect to a Well Insured, the Assured shall at their sole expense make all reasonable efforts to prevent the Occurrence of a loss insured hereunder.

SPECIMEN

6. EXCLUSIONS

There shall be no indemnity or liability under this Certificate for:

- a. Any fines, penalties, punitive damages, exemplary damages, or any additional damages resulting from the multiplication of compensatory damages.
- b. Any claims whatsoever arising directly or indirectly from any Occurrence caused, in whole or in part, by any breach of any of the conditions set forth in Clauses 5 and 14 of these Common Conditions;
- c. Any loss, damage or expense caused by or attributable to earthquake or volcanic eruption; or fire, explosion or tidal wave consequent upon earthquake or volcanic eruption.
- d. Loss, damage or expense caused by the infidelity of the Assured or any other person or organization acting for or on the behalf of the Assured;
- e. Loss, damage or expense as respects any Well in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the inception of this insurance, until final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning, unless specifically agreed to by Underwriters;
- f. Loss, damage or expenses resulting from:
 1. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack (a) by any government or sovereign power (de jure or de facto) or by any other authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by any agent of any such government, power, authority or forces;
 2. Any weapon(s) of war employing atomic fission or radioactive force whether in time of peace or war;
 3. Insurrection, rebellion, revolution, civil war, usurped power, or action by governmental authority in hindering, combating or defending against such an Occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of government or public authority, or risks of contraband or illegal transportation or trade;
- g. Any loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

However, if a "fire" arises directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination, any loss or damage arising directly from that "fire" shall (subject to the provisions of this Certificate) be covered EXCLUDING, however, all loss or damage caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that "fire".
- h. Loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
 1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 3. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

7. PARTIAL INTEREST

The Combined Single Limit of Liability over Sections 1A, 1B, and 1C hereof, the Assured's Retention(s), and the rates expressed herein are for a 100% interest. In the event that the interest of the Assured in any one Well insured hereunder does not amount to 100%, then said Combined Single Limit of Liability over Sections 1A, 1B and 1C hereof, the Assured's Retention(s), and the rate(s) applicable to that Well, shall be reduced proportionately and shall apply in the same proportion as total interest of the Assured in said Well insured hereunder bears to 100%. In the event of an Occurrence giving rise to a claim(s) recoverable hereunder, Underwriters shall in no event be liable under Sections 1A, 1B, and 1C hereof for a greater percentage interest in any such claim than that Assured's percentage interest in the Well with respect to which, and at the time that, such Occurrence took place.

Is it further understood and agreed that in the event the Assured becomes legally liable for an amount greater than his proportionate ownership interest, Underwriters hereon agree to provide coverage for the Assured to the extent that the legal liability increases the Assured's working interest percentage liability. Even in the event that the Assured becomes legally liable for a greater percentage than his ownership interest, the partial interest portion of this condition shall still apply to the combination of the Assured's working interest percentage ownership and the additional percentage(s) for which the Assured becomes legally liable.

8. RATING AREAS

- Area 1 Land areas in the United States of America and Canada, excluding:
Alabama, Alaska, Arizona, Colorado, Florida, Louisiana, Mississippi, Montana, New Mexico, Texas Railroad Commission Districts 1 through 4 inclusive, Utah, Wyoming; North of 60° North Latitude, South of 24° North Latitude, West of 140° West Longitude, and East of 52° West Longitude; and Texas Railroad Commission Districts 5 through 10 inclusive and Oklahoma, but only as respects those Wells deeper than 10,000 feet.
- Area 2 (Land) All land areas worldwide, excluding:
- a. Area 1 as defined above; and
 - b. North of the Arctic Circle and South of the Antarctic Circle.
- Area 2 (Wet) Inland waters of the United States of America and Canada, Lake Maracaibo and territorial waters of the United States of America adjacent to the Continent of North America of water depths less than 10 feet at mean low tide excluding:
- a. North of the Arctic Circle and South of the Antarctic Circle; and
 - b. Alaska.
- Area 3 The Gulf of Mexico, Venezuelan waters and the Gulf of Paria, excluding Area 2 (Wet) as defined above.
- Area 4 Waters worldwide, excluding:
- a. Areas 2 (Wet) and
 - b. Area 3 as defined above; and
 - c. North of the Arctic Circle and South of the Antarctic Circle.
- Area 5 North of the Arctic Circle and South of the Antarctic Circle.

9. RATING PROVISIONS

a. Rates – per Declarations

1. Drilling Rates, if any, apply for the period (a) during which any Well is being drilled and/or deepened and /or completed, and (b) during the remaining period of this Certificate, if any, during which (i) such Well, if any, is in its subsequent Producing and/or Shut-In and/or Plugged and Abandoned condition and (ii) the Assured is purchasing coverage hereunder for its other Producing and/or Shut-In and/or Plugged and Abandoned Wells, if any;
2. Workover Rates, if any, cover for the period during which any Well is being serviced and/or worked over and/or reconditioned; and;
3. Producing and/or Shut-In and/or Plugged and Abandoned Rates, if any, are annual but shall not apply to Producing and/or Shut-In and/or Plugged and Abandoned Wells, if any, for which premiums at Drilling Rates under Paragraph 2a(1) of these Common Conditions has been paid under this Certificate;

b. It is understood and agreed that the rate per foot shall be applied to the total footage drilled, measured through the hole from the surface of the ground or water bottom to the bottom of the Well.

c. Premium applicable to deepening of Wells and multiple completions shall be charged at 100% of the applicable drilling rate per foot and such rate shall apply to the final completed depth of the Well measured through the hole from the surface of the ground or water bottom to the bottom of the Well.

10. RECOVERY & SALVAGE

Any salvage or other recovery, including recovery through subrogation proceedings, after expenses incurred are deducted shall accrue entirely to the benefit of the Underwriters until the sum paid by the Underwriters has been recovered.

11. RELIEF WELLS

Relief Wells drilled for the purpose of controlling a Well Out of Control, shall be held covered in respect of costs, liabilities and expenses as set forth herein provided always that full details are given to Underwriters and all special conditions and/or warranties are compiled with and also subject to any additional premium required by Underwriters.

12. REPORTING CLAUSE

This Certificate is issued in consideration of a minimum deposit premium of USD (See Declarations) and the Assured shall report to Coverholder for transmittal to Underwriter within thirty (30) days after the end of the first six (6) month period of this Certificate and within thirty (30) days of expiry of this Certificate the status of all Wells insured hereunder during the preceding reporting period and further agree to pay premium at the rates provided herein. Premiums accruing from reports as required herein are due and payable as the reports are made.

It is further understood and agreed that the Assured will exercise reasonable care in maintaining records and fulfilling reporting requirements in this Certificate, but an unintentional error or omission in such records or reports will not invalidate or limit coverage under this Certificate.

13. SCHEDULE

A Schedule of Producing and/or Shut-In and/or Plugged and Abandoned Well(s) at risk at inception is attached hereto, or on file with Underwriters.

14. WARRANTIES

- a. It is warranted that where the Assured is the operator or joint operator on any Well Insured being drilled, deepened, serviced, worked over, completed and/or reconditioned, a blowout preventer(s) of standard make will, when in accordance with all regulations, requirements and normal and customary practices in the industry, be set on surface casing or on the wellhead and installed and tested in accordance with usual practices for the area.

When the Assured is a non-operator on any insured Well, he will endeavor to see that the operator complies with the conditions set out in Paragraph 14b.

- b. It is further warranted that the Assured will use every reasonable endeavor to ensure that they and/or their contractors comply with all regulations and requirements in respect of fitting storm chokes and other equipment to minimize damage or pollution, and that all equipment (including drilling and/or workover rigs) will be manned by properly certified personnel where required by regulatory authorities.
- c. It is further warranted that in the event of a Well becoming a Well Out of Control or other escape or flow of drilling fluid, oil, gas, or water, the Assured will use every endeavor to establish it as a Well Brought Under Control.

SECTION 1A



WELL OUT OF CONTROL

COVERAGE

Underwriters agree subject to the Combined Single Limit of Liability, terms and conditions of this Certificate, to reimburse the Assured for expenses incurred:

- (a) in regaining or attempting to regain control of a Well Out of Control including any other Well which gets out of control as a direct result of a Well Out of Control; and
- (b) in extinguishing or attempting to extinguish (1) fire above the surface of the ground or water bottom from a Well Out of Control or any other Well(s) which are burning as a direct result of a Well Out of Control or (2) fire above the surface of the ground or water bottom which may endanger the Well(s) Assured.

In any circumstances, Underwriters' liability for expenses incurred in regaining or attempting to regain control of Well(s) Out of Control shall cease when it becomes a Well Brought Under Control.

EXPENSES

Expenses recoverable hereunder shall include costs of materials and supplies required, the services of individuals or firms specialized in controlling Well(s) Out of Control and directional drilling and similar operations necessary to regain control of the Well(s) Out of Control, including costs and expense incurred at the direction of regulatory authorities to regain control of the Well(s) Out of Control, and other expenses included within Clause 1 of this Section 1A.

TERMINATION OF EXPENSES

In any circumstances, Underwriters' liability for expenses incurred in regaining or attempting to regain control of a Well(s) Out of Control shall cease when it becomes a Well Brought Under Control.

EXCLUSIONS

There shall be no indemnity or liability under this Section for:

- a. any loss of or damage to any drilling or production equipment;
- b. any loss of or damage to any Well or Wells, or hole or holes;
- c. any loss, damage or expense caused by or arising out of delay (including delayed and/or deferred production) and/or loss of use and/or loss of or damage to production (including that due to loss of reservoir pressure) and/or loss of or damage to any reservoir or reservoir pressure.

SECTION 1B

REDRILLING/EXTRA EXPENSE

COVERAGE:

Underwriters agree, subject to the Combined Single limit of Liability, terms and conditions of this Certificate to reimburse the Assured for actual costs and expense incurred to restore or redrill a Well insured or any part thereof, which has been lost or otherwise damaged as a result of an Occurrence giving rise to a claim which would be recoverable under Section 1A of this Certificate if the Assured's Retention applicable to Section 1A were nil, subject to the following conditions:

- a. Underwriters shall in no event be liable for any improvements or betterments to the Well.
- b. There shall be no coverage under this Section 1B for restoration or redrilling of any Well whose flow can be safely diverted into production, including by completing through drill stem left in the Well Insured, or which can be complete through a relief Well(s) drilled for the purpose of controlling a Well Out of Control.
- c. In no event shall Underwriters be liable for costs and expenses incurred (a) with respect to drilling Wells, to drill below the depth reached when the Well because a Well Out of Control and (b) with respect to producing or shut-in Wells, to drill below the geologic zone or zones from which said Well(s) Insured was (were) producing or capable of producing.
- d. In any circumstances, Underwriters' liability under this Section 1B for costs and expenses shall cease (1) if actual restoration or redrilling has not commenced within 730 days after the date of the Occurrence giving rise to coverage under this Section 1B; and (2) in any event when the depths set forth in Paragraph 1c of this Section 1B have been reached and the Well restored to a condition comparable to that existing prior to the Occurrence giving rise to the claim, or so far as possible utilizing generally available equipment and technology.

EXCLUSIONS:

There shall be no indemnity or liability under this Section for:

- a. any loss of or damage to any drilling or production equipment;
- b. any loss, damage or expense caused by or arising out of delay (including delayed and/or deferred production) and/or loss of use and/or loss of or damage to production (including that due to loss of reservoir pressure) and/or loss of or damage to any reservoir or reservoir pressure;
- c. costs and/or expenses incurred to restore or redrill any relief Well, or any part thereof;
- d. any claim recoverable under this Section solely by reason of the addition or attachment to Section 1A of this Certificate of the Making Wells Safe Section;
- e. redrilling and/or restoration or for in-hole equipment in respect of any Well that was plugged and abandoned prior to loss or damage covered under Section 1A hereof and that remained plugged and abandoned at the time of such loss or damage.

SECTION 1C

SEEPAGE AND POLLUTION AND CONTAMINATION

1. INSURING AGREEMENTS

Underwriters, subject to the Combined Single Limit of Liability, terms and conditions of this Certificate, agree to indemnify the Assured for:

- a. All sums including defense costs which the Assured shall by law or under the terms of any oil and/or gas and/or thermal energy lease and/or license be legally liable to pay for the costs of remedial measures and/or as damages for bodily injury (fatal or nonfatal) and/or loss of, damage to or loss of use of property caused by or alleged to have been caused directly by seepage, pollution or contamination arising from Wells Insured;
- b. The cost of, or of any attempt at, removing, nullifying or cleaning up seeping, polluting or contaminating substances emanating from Wells Insured herein, including the cost of containing and/or diverting the substances and/or preventing the substances reaching the shore;

provided always that such seepage, pollution or contamination manifests itself above the surface of the ground or water bottom and results from both:

1. An Occurrence during the period of this insurance (including any continuation thereof provided for by Clause 17 of the Common Conditions) for which notice has been given by the Assured to Underwriters within 180 days from the date of the Occurrence and
2. A Well Out of Control giving rise to a claim which would be recoverable under Section 1A of this Certificate if the Assured's retention applicable to Section 1A were nil.

COST AND APPEALS CLAUSE:

In the event of any claim and/or series of claims arising out of one Occurrence where the Assured's final gross claim is likely to exceed the retention of the Assured, no costs shall be incurred on behalf of Underwriters without the consent of Underwriters, and if such consent is given, Underwriters shall consider such costs as part of the final claim hereunder. No settlement of losses by agreement shall be effected by the Assured without the consent of Underwriters where the Assured's final gross claim will exceed the retention of the Assured.

In the event that the Assured elects not to appeal against a judgment in excess of the retention of the Assured, Underwriters may elect to conduct such appeal at their own cost and expense, and shall be liable for the taxable cost and interest incidental thereto, but in no event shall the liability of Underwriters exceed the Combined Single Limit of Liability over Section 1 of this Certificate.

EXCLUSIONS:

There shall be no indemnity or liability under this Section for:

- a. any loss of or damage to any drilling or production equipment at the site of any Well Insured herein;
- b. any claim arising directly or indirectly from seeping, polluting or contaminating substances beneath the surface of the ground or any water bottom; or
- c. any claim arising directly or indirectly out of seepage, pollution or contamination which:
 1. is deliberate from the standpoint of the Assured or any other person or organization acting for or on behalf of the Assured; or
 2. results directly from any condition which is in violation of or non-compliance with any governmental rule, regulation or law applicable thereto; or
- d. bodily injury
 1. arising out of Occupational Disease
 2. to any employee, including leased or borrowed employees
- e. any workers' compensation, unemployment compensation or disability laws, statutes, or regulations.

SECTION 2

CARE CUSTODY AND CONTROL

1. In consideration of payment of an additional premium (Included) and subject to its Declarations and General Conditions, this Certificate covers the Assured's legal or contractual liability as oil lease operator(s) (or Co-Venturer(s) where applicable) for physical loss or damage to, or expenses of salvage of, oilfield equipment, including but not limited to drill pipe, drill collars, subs, drill bits and core barrels, leased or rented by the Assured or in its care, custody and control at the site of any Well Insured under Section 1A of this Certificate.
2. Underwriters' liability in respect of claims under this Section is limited to \$(see Declarations) in respect of One Hundred Percent (100%) interest, any one Occurrence, which shall be separate from and in addition to the Combined Single Limit of Liability set forth in the Declarations.
3. Underwriters' Limit of Liability specified in Clause 2 of this Section shall be excess of the Assureds Retention of \$(see Declarations) in respect of One Hundred Percent (100%) interest, any one Occurrence which shall be separate from and in addition to the Assureds Retention(s) set forth in the Declarations.
4. In the event that in-hole salvage expenses or fishing costs are incurred in respect of equipment for which the Insured has assumed responsibility and which is lost or damaged as a result of a peril insured against in this Section, the maximum amount recoverable for such salvage expenses or fishing costs shall be Twenty Five Percent (25%) of the value of the lost or damaged equipment in the hole at the time of loss and which is the object of salvage or fishing efforts, always subject to the overall limit of liability specified for this Section (see Declarations).
5. Notwithstanding anything contained herein to the contrary, Underwriters shall not be liable for claims in respect of loss of or damage to:
 - a. equipment owned by the Assured or in which the Assured has a financial interest;
 - b. drilling or Work over rigs or any component thereof;
 - c. diamond bits and/or diamond bit core barrels;
 - d. mud, chemicals, cement, the Well or casing installed therein;
 - e. in-hole equipment whilst in the hole, unless the Assureds liability has resulted from physical loss or damage to such equipment as a result of (1) an Occurrence giving rise to a claim which would be recoverable under Section 1A of this Certificate if the Assureds Retention applicable to Section 1A were Nil, or (2) fire, windstorm or total loss of drilling or Work over rig.
6. This extension shall not cover or contribute to any loss, damage or expense caused by or resulting from the delay; loss of use; wear; tear, gradual deterioration; mysterious disappearance; inventory shortage(s); explosion rupture or bursting of engines, pumps, electrical injury or disturbance to electrical appliances or wiring resulting from artificial or natural cause (unless fire ensures, and then from loss or damage by fire only); latent defect; faulty design; mechanical failure or breakdown of equipment leased or rented by the Assured or in the Assured's care, custody and control.
7. Underwriters shall not be liable for loss of or damage to equipment beyond the actual sound value of such equipment at the time of loss, ascertained with proper deductions for depreciation, wear, tear and obsolescence. As respects leased or rented equipment, Underwriters shall not be liable for any sum greater than that assumed by the Assured under the terms of the rental or lease agreement less any trade or volume discount allowed by the leasing or rental company, nor shall Underwriters' liability exceed what it would cost to repair or replace any equipment involved in any loss recoverable hereunder with other equipment of like kind and quality.

8. This Section shall not afford coverage with respect to any drilling operation performed for the Assured, or for the account of the Assured by another operator, upon which a written contract with the drilling contractor has not been executed in advance of commencing drilling operations, or within Forty Eight (48) hours thereafter, incorporating all the provisions and conditions to be effective as respects such drilling operations. Further, this Section shall not extend to any oral agreements prior to, subsequent to or simultaneously with the execution of the written contract on such operations, and this Section shall not extend to any subsequent written agreement or rider to the original contract, other than to deepen any Well below the specified total depth of the original contract, affecting the assumption of liability by the Well owner for the contractor's equipment.

Underwriters shall have no liability for loss of or damage to equipment if the drilling contract is negotiated on a turnkey or completed Well basis.

SPECIMEN

ENDORSEMENT No. 1

EXTENDED REDRILL

Effective from inception and in consideration of premium charged, it is hereby understood and agreed that in respect of Wells Insured Section hereunder, 1B of this Certificate is endorsed to cover reimbursement to the Assured for actual costs and expenses incurred to restore or redrill a Well Insured, or any part thereof, which has been lost or otherwise damaged as a direct result of physical loss of or damage to the drilling and/or workover and/or production equipment and/or platform by lightning; fire, explosion or implosion above the surface of the ground or water bottom; collision with land, sea or air conveyance or vehicle; windstorm; collapse of derrick or mast; flood; strikes; riots; civil commotions or malicious damage; and where covered under Section 1A, earthquake, volcanic eruption or tidal wave; and in respect of offshore Wells only, collision or impact of anchors, chains, trawl boards or fishing nets.

All other terms and conditions remain unchanged.

ENDORSEMENT NO. 2

MAKING WELLS SAFE

Effective from inception and in consideration of the premium charged, it is understood and agreed that in respect of Wells Insured hereunder, Section 1A of this Certificate is endorsed to indemnify the Assured for expenses incurred in Making Wells Safe when a Well is not a Well Out of Control but the equipment and/or structure above the surface of the ground or water bottom and/or the equipment and/or structure under construction has been physically lost and/or physically damaged by fire, lightning, explosion or implosion above the surface of the ground or water bottom, collision with land, sea, or air conveyance or vehicle; windstorm, collapse of derrick or mast; collision or impact of anchors, chains, trawl boards or fishing nets; flood, strikes, riots, civil commotions or malicious damage but only when, in accordance with all regulations, requirement and normal and customary practices in the industry, it is necessary to re-enter the original Well(s) in order to continue operations or restore production from or plug and abandon such Well(s);

Underwriters' liability for costs and expenses incurred by reason of this endorsement shall cease at the time that

1. operations or production can be safely resumed, or
2. the Well is or can be safely plugged and abandoned, whichever shall first occur.

All other terms and conditions remain unchanged.

ENDORSEMENT No. 3
EVACUATION EXPENSES

In respect of Wells Insured hereunder and in consideration of payment of an additional premium of USD Nil, and subject to all terms and conditions and exclusions stated therein and the Combined Single Limit of Liability applicable thereto, Section 1C of this Certificate is endorsed to cover reimbursement to the Assured for reasonable costs and/or expenses which the Assured incurs in the evacuation of people (other than the Assured's employees or those of contractors or subcontractors of the Assured), animals and/or property (other than the Assured's property or that of contractors or subcontractors of the Assured), but only where and to the extent that the evacuation has taken place by order of any local, state or federal governmental or regulatory authority or public emergency service, and only following a Well Out of Control, fire, or the imminent threat thereof, which has resulted, or would result, in a claim recoverable under Section 1A if the Assured's retention applicable thereto were nil.

Costs and expenses, if covered hereunder by the terms and conditions set forth above, shall include but not be limited to all reasonable costs of transportation, costs of storage, keeping or lodging and/or maintaining evacuated people, animals and/or property.

EXCLUSION:

There shall be no indemnity or liability under this endorsement for loss of use of evacuated property and loss of earnings or any other income by any evacuated persons.

All other terms and conditions remain unchanged.

ENDORSEMENT No. 4

REMOVAL OF WRECK

Subject to the combined single limit of liability applicable hereto, Section 1 of this certificate is extended to afford coverage for the removal of wreckage and/or debris of property of the assured, owned, leased in whole or part, provided such removal is required by a legal or contractual obligation of the Assured and resulting from a loss covered by Section 1.

However, it is agreed that from any such claim shall be deducted the value of any property salvaged or recovered inuring finally and irrevocably to the benefit of the Assured. At the option of the Assured, the expenses may be payable only after all covered losses are paid.

There shall be no coverage afforded by this endorsement for physical loss or damage to any property. There shall be no coverage afforded by this Endorsement for Pollution and clean-up.

All other terms and conditions remain unchanged.

ENDORSEMENT No. 5

TURNKEY WELLS

If the Assured has a Well drilled for them on a Turnkey basis, the following rate adjustments shall apply:

1. If completion operations are performed, and not included in the Turnkey contract, the rates shall be 50% of the applicable drilling rates.
2. If completion operations are not performed, the rates shall be 20% of the applicable drilling rates.
3. If at any point during the Turnkey drilling operation the Well reverts to a "daywork" or "footage" basis, the rate shall be 100% of the applicable drilling rates.
4. If the Well is deepened past the Turnkey depth on a "daywork" or "footage" basis the rate shall be 100% of the applicable drilling rates.
5. If completion operations are performed and included in the Turnkey contract, the rate shall be 20% of the applicable drilling rates.

For the purpose of this endorsement, a Turnkey Well shall be defined as a well in which the drilling contractor assumes all liability of the Insured, as expressed in this insurance, to the turnkey depth as defined by the Turnkey contract.

All other terms and conditions remain unchanged.

ENDORSEMENT No. 6

AREAS

Effective from inception and in consideration of the premium charged, it is hereby understood and agreed that Common Conditions 8. Rating Areas I and II (Land) is amended to read as follows:

“All Land wells less than 10,000’ are rated Area 1”

All other terms and conditions remain unchanged.

SPECIMEN

ENDORSEMENT No. 7

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of person, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relation to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

All other terms and conditions remain unchanged.

ENDORSEMENT No. 8

INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

1. In no case shall this insurance cover loss damage, liability or expense directly or indirectly caused by or contributed to, by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
 - 1.2 The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

ENDORSEMENT No. 9
MICRO ORGANISM EXCLUSION

This certificate shall not apply to:

- (i) any claim for liability, loss, damage, cost or expense;
- (ii) any duty to defend a claim

directly or indirectly caused by, arising out of, contributed to by, in connection with, or resulting from exposure to algae, archae, bacteria, fungi, lichen, plasmids, protozoa, any virus or similar organism or any actual, or alleged, disease or bodily injury involving the presence, existence, detection, removal, elimination or avoidance of such organisms or exposure to them.

All other terms and conditions remain unchanged.

SPECIMEN

ENDORSEMENT No. 10

INFORMATION TECHNOLOGY HAZARDS (RISK) EXCLUSION CLAUSE

This Certificate shall not apply to losses arising, directly, or indirectly, out of;

(i) loss of, alteration of, or damage to;

or

(ii) a reduction in the functionality, availability or operation of

a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the policyholder or not, are excluded hereon unless arising out of one or more of the following perils:

fire, lightning, explosion aircraft or vehicle impact, falling object, windstorm, hail, tornado, cyclone, hurricane, volcano, tsunami, flood, freeze, or weight of snow.

All other terms and conditions remain unchanged.

ENDORSEMENT No. 11

**INSTITUTE CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS AND CYBER ATTACK
EXCLUSION CLAUSE**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 any chemical, biological, bio-chemical or electromagnetic weapon
 - 1.2 the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, computer virus or process or any other electronic system.

All other terms and conditions remain unchanged.