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MAY 26 2009

B 10 (Official Form 10) (12/08)

<b>UNITED STATES BANKRUPTCY COURT</b> Southern District of Ohio		<b>PROOF OF CLAIM</b>
Name of Debtor <b>Triad Resources, Inc.</b>		Case Number <b>08-62733</b>
NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 303.		
Name of Creditor (the person or other entity to whom the debtor owes money or property) <b>Baker Hughes Oilfield Operations Inc d/b/a Baker Oil Tools</b>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent <b>Snow Fogel Spence LLP                  2929 Allen Parkway, Suite 4100                  Houston, TX 77019 - Attention Phil F Snow</b>		Court Claim Number (if known) <b>09 MAY 22 2009</b>
Telephone number <b>(713) 335-4800</b>		Filed on <b>MAY 22 2009</b>
Name and address where payment should be sent (if different from above)		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Telephone number		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed      \$ <u>10,109.17</u> *		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.  Specify the priority of the claim
If all or part of your claim is secured, complete item 4 below, however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		
2. Basis for Claim. <u>Good &amp; Services</u> (See instruction #2 on reverse side)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B)
3. Last four digits of any number by which creditor identifies debtor <u>1547</u>		<input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier - 11 U.S.C. §507 (a)(4)
3a. Debtor may have scheduled account as _____ (See instruction #3a on reverse side)		<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5)
4. Secured Claim (See instruction #4 on reverse side) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.		<input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7)
Nature of property or right of setoff <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:		<input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8)
Value of Property \$ _____ Annual Interest Rate _____ %		<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____)
Amount of arrearage and other charges as of time case filed included in secured claim,		Amount entitled to priority \$ _____
If any \$ _____ Basis for perfection _____		*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
Amount of Secured Claim \$ _____ Amount Unsecured \$ _____		
6. Credits The amount of all payments on this claim has been credited for the purpose of making this proof of claim		
7. Documents Attach redacted copies of any documents that support the claim such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side)		
DO NOT SEND ORIGINAL DOCUMENTS ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING		
If the documents are not available, please explain		
Date <u>5/20/09</u>	Signature The person filing this claim must sign it. Sign and print name and title, if any of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney if any.	
<i>Susan J. Hooley</i> <b>AUTHORIZED AGENT</b>		FOR COURT USE ONLY
Triad Resources Inc		
33 00212		

\*Plus interest & attorney's fees. Penalty for presenting fraudulent claim. Fine of up to \$500,000 or imprisonment for up to 5 years or both 18 U.S.C. §§ 152 and 3571

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

**IN RE:**

**TRIAD RESOURCES, INC.,**

**DEBTOR.**

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§  
§  
§  
§

**CASE NO. 08-62733  
CHAPTER 11**

**SUMMARY OF DOCUMENTATION SUPPORTING PROOF OF CLAIM OF  
BAKER HUGHES OILFIELD OPERATIONS, INC.  
d/b/a BAKER OIL TOOLS**

The attached documentation supporting this Proof of Claim includes a copy of invoices supporting Claimant's unsecured claim

Baker Hughes Oilfield Operations, Inc d/b/a Baker Oil Tools ("Baker Hughes") is entitled to recover pre-petition contractual interest and post-petition interest The underlying contracts between Baker Hughes and the Debtor provide for interest at 10% per annum (*see* Standard Terms and Conditions) Baker Hughes reserves the right to amend this Proof of Claim to include such additional amounts as and when incurred related to Baker Hughes' claims against the Debtor

The execution and filing of this Proof of Claim is (a) without waiver or release of any of Baker Hughes' rights, claims, actions, defenses, setoffs or counter-claims against the Debtor or against any other entity or person liable for all or part of the claims or rights of Baker Hughes under applicable law, (b) not a consent by Baker Hughes to the subject matter jurisdiction of the Bankruptcy Court with respect to any proceeding commenced before or after the Petition Date by or against or otherwise involving Baker Hughes or the claims or rights of Baker Hughes set forth herein, (c) without waiver of the right to withdraw the reference with respect to the subject matter of the claims or rights of Baker Hughes set forth herein, any objection or other proceedings commenced with respect thereto or any other proceeding commenced in this bankruptcy case against or otherwise

involving Baker Hughes, (d) without waiver of, without prejudice to, and with full reservation of Baker Hughes' rights to a jury trial or arbitration with respect to the subject matter of the claims or rights of Baker Hughes set forth herein, and (e) not an election of remedy which waives or otherwise affects any other remedy

Baker Hughes expressly reserves all rights including, without limitation, its rights (a) to amend, modify or supplement in any respect this Proof of Claim, including any exhibits, schedule or annex, or to file an amended proof of claim for the purpose of modifying or liquidating the amount of any interest, fees, costs and expenses accrued or incurred subsequent to the Petition Date or any contingent or unliquidated claims or rights of Baker Hughes set forth herein, (b) to file additional proofs of claim, and (c) against third parties. Additional documentation is available upon written request to Phil F. Snow, Snow Fogel Spence, LLP, 2929 Allen Parkway, Suite 4100, Houston, Texas 77019, counsel for Claimant

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Baker Oil Tools  
 Route 6 Box 558T Sun Valley Road  
 CLARKSBURG WV 26301  
 USA  
 304-624-7621

Bill-to Address  
 TRIAD RESOURCES  
 RT 36  
 VALLEY FORK WV 25283

Ship-to Address  
 SIMMONS  
 CALHOUN  
 ARNOLDSBURG WV 25234

General Information  
 Customer Number 20021547  
 Terms of payment 30 Days Net  
 PO No VERBAL KURT  
 LOCKHART  
 PO Date 07/07/2008  
 Order Number/Date 2223227 /  
 2008/09/26  
 Field Ticket Ref No 39015

BHI Well Ref No 60879099	Name SIMMONS	No. 10
Block	Field	
Rig	Lease	
County CALHOUN	State/Country WV USA	

Item	Description	P O Item	Quantity	Unit Price	Amount
000010	H012595400				
*	Sale Price		6 EA	513 75 USD	3,082 50 USD
	SALE OF BLADE BLOCK FOR CASING SCRAPER				
000020	H161050002				
*	Lost or Damaged Sale Price		1 EA	5,628 45 USD	5 628 45 USD
	SALE OF 4 1/2 OD CASING SCRAPER - LOST IN HOLE				
	Serial Numbers ZYL00226				
000030	H161050002				
*	Rental - First 5 Days		1 EA	826 00 USD	826 00 USD
	SCRAPER-CASING 4 500 IN OD				
	Total Sales				3 082 50 USD
	Total Lost in Hole				5,628 45 USD
	Total Rental				826 00 USD
	Total Charges				9,536 95 USD
	WV State Tax 6 000%				572 22 USD
	Final Amount				10,109 17 USD

Items with [\*] indicate tax has been applied

Remit To Baker Hughes Business Support Services, PO Box 200415, Houston, TX 77216-0415  
 Wire Transfer to JP Morgan Chase Bank ABA # 021000021 Swift Code CHASUS33 A/C 00100002022  
 ACH Payments JP Morgan Chase Bank, ABA 113000609 A/C 00100151217

**"NOTICE THE TERMS AND CONDITIONS ATTACHED HEREWITH CONTAIN RELEASE INDEMNITY AND ARBITRATION PROVISIONS"**  
 To the extent this order is not subject to a written contractual agreement the goods and services to be supplied under this order will be made strictly in accordance with the terms attached with this form. The purchaser is required to be aware of those terms particularly any release indemnity or arbitration provisions

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**SALES AND SERVICE TICKET**

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Date: 08 / 26 / 2008

SST #:

39815

**Baker Oil Tools**

<b>Baker Oil Tools</b> Route 6 Box 558T Sun Valley Road Clatsburg, West Virginia 26301-0583 1 304-624 7621	<b>Sold-To Address</b> TRIAD RESOURCES 40049784 RT 36 VALLEY FORK WEST VIRGINIA 26283	<b>General Information</b> Customer # -90 PO / A/E S VERBAL Project Code Ship Via. PREVIOUS JOB Customer Ref #
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<b>Well Information</b> <i>608-19099</i>				<b>Contact Information</b>
<b>Lease</b>		<b>State</b>	WV	<b>Customer Contact:</b> MR KURT LOCKHART
<b>Field/Block</b>		<b>County</b>	87 - ROANE	<b>Sales Rep:</b> JOHN LAMP
<b>Well Name/Number</b>	SIMMONS 10	<b>Closest City</b>	ARNOLDSBURG	<b>Ops Coordinator:</b> JOHN LAMP
<b>Well Type</b>	WORKOVER	<b>Zip</b>	2634	<b>Service Rep:</b> RENTAL

Qty	Material	Serial	Description	Unit Price	Extended Price
1	H161068002 Z82 - RENT-1ST DAY	ZYL00226	SCRAPER-CASING 4 500 IN OD - DATE(S) USED 07-Jul-08	826.00 USD	826.00 USD
1	H161068002 Z88 - SALE	ZYL00226	SCRAPER-CASING 4 500 IN OD SALE LOST IN HOLE - DATE(S) USED 07-Jul-08	5,628.45 USD	5,628.45 USD
6	H012586408 Z08 - SALE		10-S BLADE BLOCK FOR ROTO VERT CASING SCRAPER - DATE(S) USED 07-Jul-08	513.75 USD	3,082.50 USD

Created By John Lamp Created Date 2007-08-21 11:35:34 000000-04 00

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**SALES AND SERVICE TICKET**

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Date 09/22/2008

SST #:


39815

Baker Oil Tools

**SUMMARY AND ACCEPTANCE**

Total Sales	8 710 95 USD
Total Service/Rental	629 80 USD
<b>SST Total</b>	<b>9.536 95 USD</b>

**DO NOT PAY FROM THIS COPY YOU WILL BE INVOICED**

<b>SIGNED FOR. BAKER OIL TOOLS</b>	I certify that the above materials or services have been received on the terms and conditions set forth on the reverse side hereof, which the undersigned has read and understood, that the basis of charges is correctly stated and that I am authorized to sign this memorandum as agent of owner or contract
	2007-09-24T11 35 34 0000000-04 00
<b>REPRESENTATIVE</b>	<b>AGENT OF OWNER OR CONTRACTOR / DATE</b>
<b>CHARGES ARE SUBJECT TO CORRECTION BY OUR INVOICING DEPARTMENT IN ACCORDANCE WITH LATEST PRICE SCHEDULES AND THE ADDITION OF APPLICABLE STATE AND LOCAL SALESUSE TAX IF NOT LISTED ABOVE</b>	

Created By John Lamp Created Date 2007-09-24T11:35:34 0000000-04 00



## TERMS AND CONDITIONS

Worldwide

Orders for rental equipment ("Equipment"), services ("Services"), and the supply or sale of products or equipment ("Products") to be provided by BAKER HUGHES INCORPORATED or its operating divisions, or its direct or indirect wholly-owned subsidiaries (in each case as applicable referred to herein as "BHI") to its customers (each a "CUSTOMER") are subject to acceptance by BHI, and any orders so accepted will be governed by the terms and conditions stated herein and any additional terms proposed or agreed to in writing by an authorized representative of BHI (these terms and conditions and any such additional terms collectively referred to herein as the Agreement). Any additions to or modifications of these terms and conditions, or any terms and conditions contained in CUSTOMER's order inconsistent herewith, shall not bind BHI unless accepted in writing by an authorized representative of BHI.

### 1 PAYMENT TERMS

Unless alternate payment terms are specified or approved by the BHI Credit Department, all charges, including applicable packing and transportation costs, billed by BHI are payable within thirty (30) days of the date of invoice. At BHI's option, interest may be charged at the rate of ten percent (10%) per annum unless such rate contravenes local law in which case the interest charged will be the maximum allowed by law. Operating, production or well conditions which prevent satisfactory operation of Equipment, Services or Products do not relieve CUSTOMER of its payment responsibility.

### 2 CANCELLATION

Products, Orders for Products which are subject to cancellation after acceptance by BHI will be subject to a restocking charge of at least twenty-five percent (25%) plus any actual packing and transportation costs. Products specially built or manufactured to CUSTOMER specifications, or orders for substantial quantities manufactured specially for CUSTOMER, may only be canceled subject to either (i) payment of a cancellation fee by CUSTOMER, or (ii) a return credit against future purchases, to be determined solely by BHI. Credit for unused Products will be issued for the quantity returned at the original purchase price, less restocking or cancellation charges, provided the returned Products are in reasonable condition. No credit will be given for shipping charges incurred by CUSTOMER. In no event will credit be allowed for Products returned without prior written authorization by BHI.

**Equipment/Services.** In the event CUSTOMER cancels an order for Services or Equipment, CUSTOMER shall be liable for all costs incurred by BHI in the mobilization/demobilization related thereto, and any other reasonable costs incurred by BHI incident to such cancellation. In addition, a restocking charge of at least twenty five percent (25%) of the original order may be applied at BHI's sole discretion.

### 3 THIRD-PARTY CHARGES TAXES

CUSTOMER shall pay all third-party charges, in compliance with BHI's current price list, and any sales, use, rental or other taxes that may be applicable to transactions hereunder. CUSTOMER shall pay all applicable customs, excise, import and other duties unless otherwise agreed to in writing by an authorized representative of BHI. CUSTOMER shall provide necessary import licenses and extensions thereof.

### 4 RISK OF LOSS AND TITLE

For Product sales within the United States of America, title and risk of loss shall pass to CUSTOMER as soon as the Products depart BHI's point of origin. For Product sales outside the United States of America, unless otherwise agreed to in writing between BHI and CUSTOMER, INCOTERM "CPT" shall apply with the following exception. TITLE AND RISK OF LOSS REMAIN WITH BHI UNTIL THE PRODUCTS REACH THE PORT OF ENTRY.

### 5 LIABILITIES, RELEASES AND INDEMNIFICATION

A. In this Agreement, "Claims" shall mean all claims, demands, causes of action, liabilities, damages, judgments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees and costs of litigation) of any kind or character arising out of, or related to, the performance of or subject matter of this Agreement (including, without limitation, real or personal property loss, damage or destruction, personal or bodily injury, illness, sickness, disease or death, loss of services or wages, or loss of consortium or society).

B. BHI shall release, indemnify defend and hold CUSTOMER, its parent, subsidiary and affiliated or related companies, and the officers, directors, employees, consultants and agents of all of the foregoing (referred to in this Agreement as "CUSTOMER INDEMNITEES") harmless from and against any and all Claims asserted by or in favor of any member of BHI INDEMNITEES (as defined in paragraph C below) or BHI INDEMNITEES' subcontractors at any tier or their employees, agents, or invitees.

C. CUSTOMER shall release, indemnify defend and hold BHI, its parent, subsidiary and affiliated or related companies, and the officers, directors, employees, consultants and agents of all of the foregoing (referred to in this Agreement as "BHI INDEMNITEES") harmless from and against any and all Claims asserted by or in favor of any member of CUSTOMER INDEMNITEES or CUSTOMER INDEMNITEES' contractors at any tier (except BHI INDEMNITEES or BHI INDEMNITEES' subcontractors) or their employees, agents or invitees.

D. Notwithstanding paragraph B above, should any of BHI INDEMNITEES' or BHI INDEMNITEES' subcontractors instruments, equipment or tools ("Tools") become lost or damaged in the well when performing or attempting to perform the Services hereunder it is understood that CUSTOMER shall make every effort to recover the lost or damaged Tools.

CUSTOMER shall assume the entire responsibility for such fishing operations in the recovery or attempted recovery of any such lost or damaged Tools. None of BHI's employees are authorized to do anything whatsoever nor shall any of BHI's employees be required by CUSTOMER to do

anything, other than consult in an advisory capacity with CUSTOMER in connection with such fishing operations.

Should CUSTOMER fail to recover such Tools lost in the well or should such Tools become damaged in the well or damaged during recovery CUSTOMER shall reimburse BHI the replacement value of such lost Tools or for the cost of repairing any Tools so damaged.

Further all risks associated with loss of or damage to property of BHI INDEMNITEES or BHI INDEMNITEES' subcontractors while in the custody and control of CUSTOMER or during transportation arranged by or controlled by CUSTOMER, shall be borne by CUSTOMER.

E. Notwithstanding anything contained in this Agreement to the contrary CUSTOMER, to the maximum extent permitted under applicable law shall release, indemnify defend and hold BHI INDEMNITEES and BHI INDEMNITEES' subcontractors harmless from and against any and all Claims asserted by or in favor of any person or party including BHI INDEMNITEES' CUSTOMER INDEMNITEES or any other person or party resulting from (i) loss of or damage to any well or hole (including but not limited to the costs of re-drill), (ii) blowout, fire, explosion, cratering or any uncontrolled well condition (including but not limited to the costs to control a wild well and the removal of debris), (iii) damage to any reservoir geological formation or underground strata or the loss of oil, water or gas therefrom, (iv) the use of BHI INDEMNITEES' or BHI INDEMNITEES' subcontractors' radioactive tools or any contamination resulting therefrom (including but not limited to retrieval or containment and clean up), (v) pollution or contamination of any kind (other than surface spillage of fuels, lubricants, rig sewage or garbage, to the extent attributable to the negligence of BHI INDEMNITEES) including but not limited to the cost of control, removal and clean-up, or (vi) damage to, or escape of any substance from, any pipeline, vessel or storage facility.

F. Neither party shall be liable to the other for any indirect, special punitive, exemplary or consequential damages or losses (whether foreseeable or not at the date of this Agreement), including without limitation damages for lost production, lost revenue, lost product, lost profit, lost business or lost business opportunities.

G. In the event this Agreement is subject to the indemnity or release limitations in Chapter 127 of the Texas Civil Practices and Remedies Code (or any successor statute), and so long as such limitations are in force, each party covenants and agrees to support the mutual indemnity and release obligations contained in paragraphs B and C above by carrying equal amounts of insurance (or qualified self-insurance) in an amount not less than U.S. \$5,000,000.00.

H. THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN PARAGRAPHS B. THROUGH F OF THIS ARTICLE 5 SHALL APPLY TO ANY CLAIM(S), LOSSES OR DAMAGES WITHOUT REGARD TO THE CAUSE(S) THEREOF INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION OR THE NEGLIGENCE OR OTHER LEGAL FAULT OR RESPONSIBILITY OF ANY PERSON (INCLUDING THE INDEMNIFIED OR RELEASED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT ACTIVE OR PASSIVE.

I. REDRESS UNDER THE INDEMNITY PROVISIONS SET FORTH IN THIS ARTICLE 5 SHALL BE THE EXCLUSIVE REMEDY(IES) AVAILABLE TO THE PARTIES HERETO FOR THE MATTERS, CLAIMS, DAMAGES AND LOSSES COVERED BY SUCH PROVISIONS.

### 6 DIRECTIONAL DRILLING

CUSTOMER shall release, defend, indemnify and hold BHI INDEMNITEES harmless from and against any Claims arising out of or related to, subsurface trespass arising out of directional drilling operations or other operations performed by BHI or its employees, CUSTOMER or its employees, or other contractors or their employees. CUSTOMER shall furnish BHI with a well location plan (certified by CUSTOMER as correct) setting out the surface location of the well, the lease, license, or property boundary lines, and the bottom hole location of CUSTOMER's directionally drilled well. If in the course of drilling the well, it becomes evident to BHI that the certified plan is in error BHI shall as soon notify CUSTOMER of the error and CUSTOMER shall be responsible to regulate all directional drilling factors so that CUSTOMER's well bottom hole location will be situated on CUSTOMER's property license, or leasehold at total depth of the well being drilled.

### 7 CUSTOMER WARRANTY/BINDING AUTHORITY

If CUSTOMER is not the sole owner of the mineral interests, the well or the field, CUSTOMER's request for Services, Equipment or Products shall constitute CUSTOMER's warranty that CUSTOMER is the duly constituted agent of each and every owner and has full authority to represent the interests of the same with respect to all decisions taken throughout the provision of any Services, Equipment or Products hereunder.

CUSTOMER will defend, release, indemnify and hold BHI INDEMNITEES harmless from and against all Claims resulting from the allegation by any person that CUSTOMER has misrepresented or lacked sufficient authority to represent such person as warranted by CUSTOMER in this Article.

**8 ACCESS TO WELL AND STORAGE**

With respect to onshore and offshore operations, CUSTOMER shall provide at its expense adequate means of transportation required for Equipment, Products and BHI personnel to gain access to or return from a well site, and shall obtain at CUSTOMER'S sole cost and expense all permits, licenses or other authorization required for BHI to enter upon work areas for the purposes contemplated. When necessary to repair roads or bridges, or to provide transportation to move Equipment, Products or BHI personnel, such shall be arranged and paid for by CUSTOMER.

CUSTOMER shall provide safe transportation and proper storage space at the well site, meeting all applicable safety and security requirements and consistent with good industry practices, for the Equipment and Products, including without limitation, all explosive and radioactive materials

**9 RADIOACTIVE SOURCES**

Radioactive sources which may be used in BHI'S Services are potentially dangerous. CUSTOMER agrees to comply with all applicable governmental regulations governing the use and handling of radioactive sources. In the event a radioactive source becomes stuck in a well CUSTOMER, at CUSTOMER'S sole risk and expense will (i) use special precautions to prevent damaging the source during recovery operations, or (ii) if the source cannot be recovered, isolate the radioactive material by cementing it in place or by other means consistent with applicable regulations

**10 WARRANTY**

**A. Services.** BHI warrants that the Services to be provided by BHI pursuant to this Agreement shall conform to the material aspects of the specifications set forth in the relevant scope of work document agreed to in writing by BHI and CUSTOMER. In the event that the Services fail to conform with such specifications, BHI shall re-perform that part of the non-conforming Services, provided BHI is notified thereof by CUSTOMER prior to BHI'S departure from the work site.

**B. Equipment.** BHI warrants that the Equipment will be of the types specified by CUSTOMER and will be in good operating condition. Liability for loss or damage to Equipment is set forth in Article 5

**C. Products. (EXCLUDING DRILL BITS, ELECTRIC SUBMERSIBLE PUMPS AND ASSOCIATED CABLE AND SURFACE EQUIPMENT, SPECIALTY CHEMICAL PRODUCTS AND SPECIALTY PRODUCTS)** BHI warrants that the Products to be provided by BHI pursuant to this Agreement shall conform to BHI'S published specifications or the specifications agreed to in writing by BHI and CUSTOMER. If any of the Products fail to conform with such specifications upon inspection by BHI, BHI, at its option, shall repair or replace the non-conforming Products with the type originally furnished or issue credit to the CUSTOMER, provided BHI is notified thereof in writing within thirty (30) days after delivery of the particular Products

**D. Drill Bits.** BHI warrants that the drill bits to be provided by BHI pursuant to this Agreement shall conform to BHI'S published specifications. If any of the drill bits fail to conform to such specifications upon inspection by BHI, BHI, at its option, shall repair or replace the non-conforming drill bits with the type originally furnished or issue credit to the CUSTOMER, provided BHI is notified thereof in writing within ninety (90) days from the date of shipment.

**E. Electric Submersible Pumps and Associated Cable and Surface Equipment.** BHI warrants that the electrical submersible pumps and associated cable and surface equipment to be provided by BHI pursuant to this Agreement shall conform to BHI'S published specifications. If any of the electric submersible pumps or associated cable or surface equipment fail to conform with such specifications upon inspection by BHI, BHI, at its option, shall repair or replace the non-conforming electric submersible pumps or associated cable or surface equipment with the type originally furnished, provided BHI is notified thereof in writing within the earlier of twelve (12) months from the date of installation or eighteen (18) months from the date of shipment. Warranty claims by CUSTOMER must be submitted to BHI within sixty (60) days after the later of the pulling date or failure date of the electric submersible pumps or associated cable or surface equipment.

**F. Specialty Chemical Products.** BHI warrants that the specialty chemical products to be provided by BHI pursuant to this Agreement shall, upon its departure from BHI'S point of origin, conform to the published physical and chemical specifications established by BHI for each such product. If any of the specialty chemical products fail to conform to such specifications, BHI, at its option, shall replace the non-conforming specialty chemical products with the type originally furnished or issue credit to the CUSTOMER, provided BHI is notified thereof in writing within thirty (30) days after the specialty chemical products depart BHI'S point of origin.

**G. Specialty Products.** In the event BHI is to provide Products to CUSTOMER based upon CUSTOMER'S specific request that BHI develop, manufacture, test or put to use Products that are intended to satisfy a unique need identified by CUSTOMER and are not "standard" Products of BHI ("Specialty Products"), CUSTOMER hereby recognizes and agrees that the Specialty Products being provided do not, necessarily have or contain the same or similar characteristics as BHI'S "standard" Products, including, but not limited to, a historical performance against which future performance can be measured. In developing, manufacturing, testing and putting to use any Specialty Products, BHI will be relying upon information and specifications provided by CUSTOMER relating to the unique needs to CUSTOMER. As such, BHI shall have no responsibility for the design, manufacture or engineering of any such Specialty Products, even though BHI may have participated in the development and manufacture of the Specialty Products, or for any CUSTOMER-furnished materials, information and specifications. If any of the Specialty Products fail to meet the specifications provided by CUSTOMER upon inspection by BHI, BHI shall, at its option, repair or replace the non-conforming Specialty Products with (i) the type originally furnished to CUSTOMER, or (ii) substituted Products having BHI'S "standard" specifications and qualifications.

BHI'S warranty obligations hereunder shall not apply if the non-conformity was caused by (i) CUSTOMER'S failure to properly store or maintain the Products or Equipment, (ii) abnormal well conditions, abrasive materials, corrosion due to aggressive fluids or incorrect specifications provided by CUSTOMER, (iii) unauthorized alteration or repair of the Products or Equipment by CUSTOMER, (iv) the Products or Equipment are lost or damaged while on CUSTOMER'S site due to CUSTOMER'S or any third party's negligence, vandalism or force majeure (including, but not limited to, lightning), or (v) use or handling of the Products or Equipment by CUSTOMER in a manner inconsistent with BHI'S recommendations. Further BHI'S warranty obligations under this Article 10 shall terminate if (i) CUSTOMER fails to perform its obligations under this or any other Agreement between the parties, or (ii) CUSTOMER fails to pay any charges due BHI

All non-conforming Products shall be delivered to the service facility designated by BHI. All transportation charges related to the repair or replacement of non-conforming Products shall be borne by CUSTOMER. Any parts for which BHI provides replacement under this warranty shall become the property of BHI. With regard

9 to materials or equipment furnished by third party vendors and/or suppliers, BHI'S liability therefor shall be limited to the assignment of such third party vendor's or supplier's warranty to CUSTOMER, to the extent such warranties are assignable.

Interpretations, research, analysis, recommendations, advice or interpretational data ("interpretations and/or Recommendations") furnished by BHI hereunder are opinions based upon inferences from measurements, empirical relationships and assumptions, and industry practices, which inferences, assumptions and practices are not infallible, and with respect to which professional geologists, engineers, drilling consultants, and analysts may differ. Accordingly BHI does not warrant the accuracy, correctness, or completeness of any such Interpretations and/or Recommendations, or that CUSTOMER'S reliance or any third party's reliance on such Interpretations and/or Recommendations will accomplish any particular results. CUSTOMER assumes full responsibility for the use of such Interpretations and/or Recommendations and for all decisions based thereon (including without limitation decisions based on any oil and gas evaluations, production forecasts and reserve estimates, furnished by BHI to CUSTOMER hereunder), and CUSTOMER hereby agrees to release, defend and indemnify BHI from any Claims arising out of the use of such Interpretations and/or Recommendations.

BHI will endeavor to transmit data to CUSTOMER as accurately and securely as practicable in accordance with current industry practice. Notwithstanding the foregoing, BHI does not warrant the accuracy of data transmitted by electronic processes and will not be responsible to CUSTOMER for accidental or intentional interception of such data by others

THIS ARTICLE 10 SETS FORTH CUSTOMER'S SOLE REMEDY AND BHI'S ONLY OBLIGATION WITH REGARD TO NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS. EXCEPT AS IS OTHERWISE EXPRESSLY PROVIDED PURSUANT TO THE PROVISIONS OF THIS ARTICLE 10, BHI MAKES NO WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING ANY SERVICES PERFORMED OR EQUIPMENT OR PRODUCTS SUPPLIED BY BHI HEREUNDER.

**11 LOST-IN-HOLE COVERAGE**

In some locations, lost-in-hole coverage is available for some Equipment. Such coverage must be purchased by CUSTOMER prior to the Equipment leaving BHI'S point of origin for the coverage to take effect. BHI reserves the right not to offer coverage at its sole discretion

**12 INSURANCE**

Upon written request, each party shall furnish to the other party certificates of insurance evidencing the fact that adequate insurance to support such party's obligations hereunder has been secured. To the extent of each party's release and indemnity obligations hereunder each party agrees that all such insurance policies shall (i) be primary to the other party's insurance, (ii) include the other party's parent, subsidiary and affiliated or related companies, and its and their respective officers, directors, employees, consultants and agents as additional insured, and (iii) be endorsed to waive subrogation against the other party's parent, subsidiary and affiliated or related companies, and its and their respective officers, directors, employees, consultants and agents

**13 CHANGE OF DESIGN**

BHI expressly reserves the right to change or modify the design and construction of any of its Products without obligation to furnish or install such changes or modifications on Products previously or subsequently sold

**14 PATENTS**

BHI warrants that the use or sale of Equipment or Products hereunder will not infringe patents of others by reason of the use or sale of such Equipment or Products per se, and hereby agrees to hold CUSTOMER harmless against judgment for infringement of any such patent, provided that CUSTOMER shall promptly notify BHI in writing upon receipt of any claim for infringement, or upon the filing of any such suit for infringement, whichever first occurs, and shall afford BHI full opportunity at BHI'S option and expense, to answer such claim or threat of suit, assume the control of the defense of such suit, and settle or compromise same in any way BHI sees fit. BHI does not warrant that such Equipment or Products (a) will not infringe any such patent when not of BHI'S manufacture, or specially made, in whole or in part, to the CUSTOMER'S design specifications; or (b) if used or sold in combination with other materials or apparatus or used in the process of processes, will not, as a result of such combination or use, infringe any such patent, and BHI shall not be liable and does not indemnify CUSTOMER for damages or losses of any nature whatsoever resulting from actual or alleged patent infringement arising pursuant to (a) and (b) above. THIS PARAGRAPH STATES THE ENTIRE RESPONSIBILITY OF BHI CONCERNING PATENT INFRINGEMENT

**15 CONFIDENTIALITY**

Each party shall maintain all data and information obtained from the other party in strict confidence, subject only to disclosure required by law or legal process. In the event that BHI owns copyrights to patents to, or has filed patent applications on, any technology related to the Services, Products or Equipment furnished by BHI hereunder and if BHI makes any improvements on such technology then such improvements shall not fall within the confidentiality obligations included herein, and BHI shall own all such improvements, including drawings, specifications, calculations and other documents

The design, construction, application and operation of BHI'S Services, Equipment and Products embody proprietary and confidential information. CUSTOMER shall maintain this information in strict confidence and shall not disclose it to others, subject only to disclosure required by law or legal process

**16 LIENS, ATTACHMENTS AND ENCUMBRANCES**

Should CUSTOMER commit a material breach of any terms and conditions of this Agreement, become bankrupt, insolvent, go into receivership or should any creditor or other person attach or levy Customer's property or equipment, BHI shall immediately have the right, without notice and without liability for trespass or damages, to retake and remove any of its Products or Equipment wherever it may be found. CUSTOMER shall release, defend, indemnify and hold BHI indemnities harmless from any and all liens and encumbrances against Products or Equipment furnished hereunder and shall return same promptly to BHI free of any liens or encumbrances

**17 FORCE MAJEURE**

If either party is unable by reason of Force Majeure to carry out any of its obligations under this Agreement, other than obligations to pay money then on such party giving notice and particulars in writing to the other party within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. Force Majeure shall include acts of God, laws and regulations, government action, war, civil disturbances, strikes and labor problems, delays of vendors or carriers, lightning, fire, flood, washout, storm, breakage or accident to equipment or machinery, shortage of raw materials, and any other causes that are not reasonably within the control of the party so affected

**18 INDEPENDENT CONTRACTOR**



It is expressly understood that BHI is an independent contractor and that neither BHI nor its principals, partners, employees or subcontractors are servants, agents or employees of CUSTOMER.

In all cases where BHI's employees (defined to include BHI's and its subcontractors' direct, borrowed, special or statutory employees) are covered by the Louisiana Workers' Compensation Act, La. R.S. 23:102 et seq. BHI and CUSTOMER agree that all Services, Products and Equipment provided by BHI and BHI's employees pursuant to this Agreement are an integral part of and are essential to the ability of CUSTOMER to generate CUSTOMER's goods, products, and services for the purposes of La. R.S. 23:106 (A) (1). Furthermore, BHI and CUSTOMER agree that CUSTOMER is the statutory employer of BHI's employees for purposes of La. R.S. 23:1061 (A) (3).

**19 LAWS, RULES AND REGULATIONS**

BHI and CUSTOMER agree to be subject to all laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the Services, Equipment or Products to be provided by BHI or that may otherwise be applicable to BHI's or CUSTOMER's performance under this Agreement.

**20 GOVERNING LAW**

NOTWITHSTANDING ARTICLE 19

A. Except for Services, Equipment or Products provided, or to be provided, by BHI in North or South America (the "AMERICAS"), THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH ENGLISH LAW EXCLUDING CONFLICTS OF LAW AND CHOICE OF LAW PRINCIPLES

B. For Services, Equipment or Products provided, or to be provided, by BHI in the AMERICAS THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF OKLAHOMA, EXCLUDING CONFLICTS OF LAW AND CHOICE OF LAW PRINCIPLES

**21 MEDIATION/ARBITRATION**

A. Except for a dispute, controversy or claim (a "Dispute") arising out of this Agreement from Services, Equipment or Products provided, or to be provided, by BHI in the AMERICAS the parties will attempt to resolve any Dispute between them which results from this Agreement in a spirit of cooperation. Accordingly the parties agree to engage in good faith negotiations to reach a rapid and equitable solution. If the parties are unable to resolve a dispute through direct negotiations, they will use the services of a mediator. The rules of the Centre for Dispute Resolution (CEDR) will apply to the mediation. Each party will bear its own expenses and an equal share of the costs of the mediators and the body administering the mediation. If the negotiation or mediation fails to reach an equitable solution to the Dispute within 45 days after the request by either party to submit the Dispute to negotiation or mediation, then the Dispute shall be referred to and finally resolved by the English Courts which shall have exclusive jurisdiction. Notwithstanding the provisions of this paragraph, the parties accept that they may take proceedings for injunctive or similar relief in the courts of any jurisdiction to restrain or prevent any breach of this Agreement.

Any Dispute arising out of or in connection with this Agreement from Services, Equipment or Products provided, or to be provided, by BHI in the AMERICAS shall be referred to and determined by binding arbitration, as the sole and exclusive remedy of the parties as to the Dispute, conducted in accordance with the American Arbitration Association ("AAA") arbitration rules for commercial disputes, as in effect on the date hereof (the "Rules"), which are deemed to be incorporated by reference, and the Federal Arbitration Act (Title 9 of the United States Code), except that in the event of any conflict between those Rules and the arbitration provisions set forth below the provisions set forth below shall govern and control. The arbitral tribunal (the "Tribunal") shall use the substantive laws of Oklahoma, excluding conflicts laws and choice of law principles, in construing and interpreting this Agreement, and direct the Tribunal to respect the parties' selection of the law governing the interpretation of this Agreement. The Tribunal shall be composed of three arbitrators, with each party appointing one arbitrator and the two arbitrators so appointed appointing the third arbitrator who shall act as Chairman of the Tribunal. Should any arbitrator fail to be appointed, as aforesaid, then such arbitrator shall be appointed by the AAA in accordance with the Rules. Should a vacancy in the Tribunal arise because any arbitrator dies, resigns, refuses to act, or becomes incapable of performing his functions, the vacancy shall be filled by the method by which that arbitrator was originally appointed. The language of the arbitration, the submission of all writings, the decision of the Tribunal, and the reasons supporting such decision, shall be in English. The arbitration shall be in Houston, Texas, and the proceedings shall be conducted and concluded as soon as reasonably practicable, based upon the schedule established by the Tribunal but in any event the decision of the Tribunal shall be rendered within one hundred twenty (120) days following the selection of the Chairman of the Tribunal. Any decision of the Tribunal shall be made by the majority of the arbitrators comprising the Tribunal. No award shall be made for punitive, special, exemplary indirect or consequential damages or losses, including loss of profits or loss of business opportunity. Any monetary award shall be made in US Dollars, free of any tax or other deduction. The decision of the Tribunal pursuant hereto shall be final and binding upon the parties and shall be enforceable in accordance with The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958). It is the desire of the parties that any Dispute be resolved quickly and at the lowest possible cost, and the Tribunal shall act in a manner consistent with those intentions, including limiting discovery to only that which is absolutely necessary to enable the Tribunal to render a fair decision which reflects the parties' intent set forth in this Agreement.

**22 ASSIGNMENT**

BHI shall have the right to assign this Agreement to any of its subsidiaries, affiliated or related companies without the consent of CUSTOMER.

**23 GENERAL**

Failure of CUSTOMER or BHI to enforce any of the terms and conditions of this Agreement shall not prevent a subsequent enforcement of such terms and conditions or be deemed a waiver of any subsequent breach. Should any provision of this Agreement, or a portion thereof, be unenforceable or in conflict with governing country, state, province, or local laws, then the validity of the remaining provisions, and portions thereof, shall not be affected by such unenforceability or conflict, and this Agreement shall be construed as if such provisions, or portion thereof, were not contained herein. This Agreement contains all representations of the parties and supercedes all prior oral or written agreements or representations. CUSTOMER acknowledges that it has not relied on any representations other than those contained in this Agreement. This Agreement shall not be varied, supplemented, qualified, or interpreted by any prior course of dealing between the parties or by any usage of trade and may only be amended by an agreement executed by both parties.

# Southern District of Ohio Claims Register

2 08-bk-62733 Triad Resources, Inc

**Judge:** C Kathryn Preston      **Chapter:** 11

**Office:** Columbus

**Last Date to file claims:** 05/25/2009

**Trustee:**

**Last Date to file (Govt):**

<i>Creditor</i> (12431498) Baker Hughes Oilfield Operations Inc Snow Fogel Spence LLP 2929 Allen Parkway Suite 4100 Houston TX 77019	<b>Claim No 212</b> <i>Original Filed</i> <i>Date</i> 05/22/2009 <i>Original Entered</i> <i>Date</i> 05/26/2009	<i>Status</i> <i>Filed by</i> CR <i>Entered by</i> 2kab, <i>Modified</i>
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Unknown claimed \$10109 17

**Total      claimed \$10109 17**

History

Details    212-1 05/22/2009 Claim #212 filed by Baker Hughes Oilfield Operations Inc, total amount claimed \$10109 17 (2kab)

Description

Remarks

## Claims Register Summary