

AMENDMENT NO. 3
CONTRACT NO. 455-20-1031K FOR
WELL PLUGGING & RELATED SERVICES
BETWEEN
THE RAILROAD COMMISSION OF TEXAS AND
QUAIL WELL SERVICE, INC.

THIS AMENDMENT NO. 3 to Contract No. 455-20-1031K (“Contract”) is entered into by and between the State of Texas, acting through the Railroad Commission of Texas (“RRC”), located at 1701 N. Congress Ave., Austin, Texas and Quail Well Service, Inc. (“Contractor”), located at 110 Caddo Dr. Abilene, Texas 79602 (individually, “Party”; collectively, “Parties”).

WHEREAS, SECTION 7.06. of the Contract provides the Parties may amend the Contract through written agreement; and

WHEREAS, on August 30, 2021, the Parties executed **Amendment No. 1** to the Contract to modify section **2.01. Contract Award.**, subparagraph (a.) to exercise renewal option one (1) of three (3) to continue the Contract through August 31, 2022, and to modify section **3.01. CONTRACT LIMIT, FEES AND EXPENSES.** changing the not-to-exceed amount of the Contract from TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$2,750,000.00) to FOUR MILLION NINE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$4,900,000.00), as approved by RRC Commissioners on August 24, 2021.

WHEREAS, on August 19, 2022, the Parties executed **Amendment No. 2** to the Contract to modify section **2.01. CONTRACT AWARD.**, subparagraph (a.) to exercise renewal option two (2) of three (3) to continue the Contract through August 31, 2023, and to modify section **3.01. CONTRACT LIMIT, FEES AND EXPENSES.**, changing the not-to-exceed amount of the Contract from FOUR MILLION NINE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$4,900,000.00) to SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$6,800,000.00), as approved by RRC Commissioners on June 28, 2022.

WHEREAS, the Parties desire to further amend the Contract terms to their mutual benefit to reflect changed circumstances.

NOW, THEREFORE, the Parties agree to amend the Contract as follows:

- I. **SECTION 3.01. CONTRACT LIMIT AND FEES AND EXPENSES.**, is deleted in its entirety and replaced with the following:

“**CONTRACT LIMIT, FEES AND EXPENSES.** The total amount of fees to be paid by RRC to Contractor under the Contract through the Contract Term shall not exceed EIGHT MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$8,875,000.00), the total of which includes the current NTE amount of SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$6,800,000.00), as approved by the RRC Commissioners on June 28, 2022, plus the addition of TWO MILLION SEVENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$2,075,000.00), as approved by the RRC Commissioners on June 28, 2022.”

- II. **PART IV FUNDING.** is modified in part to add a new section titled **4.02. CONDITIONS OF FEDERAL FUNDING.**, and in this section is written the following:

“Appendix A (“Additional Terms and Conditions for Work Involving Federal Grant Funds”) is incorporated by reference into this Contract to comply with the terms of RRC’s Infrastructure Investment and Jobs Act grant for the plugging of orphan wells along with Attachment A (“Disclosure of Lobbying Activities Form”), Attachment B (“Mandatory Contract Clauses (29 CFR § 5.5)”) and Attachment C (“Department of Labor Wage Determinations”).”

Except as expressly amended above, all provisions of the Contract, as amended, remain in full force and effect. In the event of a conflict among provisions of the Contract, the order of precedence shall be: this Amendment No. 3; then Amendment No. 2; then Amendment No.1; and then the original Contract in accordance with section **1.03. ORDER OF PRECEDENCE.**, therein.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Amendment No.3 to the Contract to be effective as of the date of the last Party's signature hereto. By signatures below, each signatory represents and warrants that they have the authority to amend the Contract on behalf of the respective Party.

RAILROAD COMMISSION OF TEXAS

DocuSigned by:

Wei Wang
Wei Wang, 01444...

Executive Director

Date of Execution: 10/6/2022

QUAIL WELL SERVICE, INC.

DocuSigned by:

John Stearns
John Stearns, 472...

President

Date of Execution: 10/6/2022

RRC use only below this line.

Division Director: DS

Asst. Executive Director: RC

Director of Operations: TL

Office of General Counsel: DS