

THIS AGREEMENT HAS PROVISIONS REQUIRING ONE PARTY TO INDEMNIFY AND TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF THE INDEMNIFIED PARTY

AMENDED AND RESTATED TURNKEY SERVICE AGREEMENT EFFECTIVE DATE: February 8, 2016

This AMENDED AND RESTATED TURNKEY SERVICE AGREEMENT (this “Agreement”), is made and entered into on the above date by and between **BLACK ELK ENERGY OFFSHORE OPERATIONS, LLC**, hereinafter referred to as “Company”, and **MONTCO OILFIELD CONTRACTORS, LLC**, hereinafter referred to as “Contractor” (and together with Company, the “Parties” and each a “Party”). This Agreement supersedes and replaces that certain Service Agreement dated as of January 13, 2016 by and between the Parties.

SECTION 1. WORK TO BE PERFORMED AND COMPENSATION

1.1 Scope of Work

1.1.1 Scope of Work.

- (a) Company has requested, and Contractor has agreed, that Contractor and/or its ~~designees~~ subcontractors perform such work and furnish such services as described in the scope of work attached hereto as **Exhibit “A”** (such work and services, collectively, referred to herein as the “Jobs”, or, ~~if in the singular context, the~~ on an individualized line item basis, as an individual “Job”). Contractor will begin each particular Job at such time as is agreed upon between Contractor and Company and, once having commenced any such Job, Contractor will perform the Job in a good and workmanlike manner, and when the Job is completed, such Job will have been performed to the full and complete satisfaction of Company and in accordance with all applicable Regulations and Laws. It is specifically understood that all Jobs shall be performed subject to all the terms and conditions of this Agreement, and this Agreement shall become effective and operative on the later of (a) approval of this Agreement by entry of a final order by the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”), in the bankruptcy case currently pending, *In re Black Elk Energy Offshore Operations, LLC* (Case No. 15-34287) (the “Bankruptcy Case”), and (b) the Company provides Contractor with notice that sufficient parties with control over P&A Cash Collateral Accounts (as defined below) have agreed that such proceeds may be used for the purposes outlined herein (the “Controlling Parties’ Consent”).
- (b) Company represents and warrants, to the best of its knowledge, that (i) the “working interest” percentages it provided to Contractor and which are reflected in **Exhibit “A”** are true and correct as of the date of this Agreement, (ii) Company’s accounts collateralizing those certain decommissioning, plugging and abandonment obligations and liabilities of Company (as applicable) for the wells, pipelines and platforms/caissons identified on **Exhibit “A”**, ~~and~~ any escrow accounts securing such obligations, and the full penal sum of the applicable surety bonds are capitalized in an amount greater than or equal to the cumulative Turnkey Job Price of all the Jobs as set forth on **Exhibit “A”** and (iii) it shall use its best efforts and take all reasonable steps to obtain the Controlling Parties’ Consent in a timely manner.

1.2 Compensation and Fees

- 1.2.1 Compensation.** Contractor shall bill Company for amounts set forth on **Exhibit "A"** in the "Net Total per Property" column for each Job ("Turnkey Job Price") at such time when and only when the Jobs are completed to the full and complete satisfaction of Company and in accordance with all applicable Regulations and Laws. Contractor shall be entitled to bill Company, and Company hereby agrees to pay, for the Jobs as set forth on **Exhibit "A"** hereto on a "turnkey" basis per Job. "Turnkey" as used herein shall mean that the Turnkey Job Price for each Job shall be firm and fixed regardless of the actual fees, costs and expenses incurred by Contractor in performing each Job (whether such fees, costs and expenses be less than or more than the Turnkey Job Price). For the avoidance of doubt, Company shall be liable to Contractor for the full amounts set forth herein and pursuant to the terms of this Section 1, notwithstanding failure by any of Company's third-party working-interest partners to pay Company or Contractor on account of such partners' working-interest obligations.
- 1.2.2 Incentive Fee.** In addition to the compensation amounts set forth in Section 1.2.1, Company agrees to pay Contractor an incentive fee in the amount of \$1,500,000 (the "Incentive Fee"), which shall be payable from any collateral securing debtor-in-possession financing provided by Contractor's affiliate, as provided by final order entered by the Bankruptcy Court, except from proceeds of chapter 5 causes of action.
- 1.2.3 Timing of Payments.** All amounts owed to Contractor shall be paid in connection with the release of any proceeds of surety bonds securing or any cash collateral collateralizing those certain plugging and abandonment obligations and liabilities of Company and/or its subsidiaries, in connection with the plugging and abandonment of wells, abandonment (and, if governmentally required, removal) of pipelines and decommissioning oil and gas platforms or caissons (the "P&A Obligations"), including, without limitation, any proceeds of surety bonds securing Company's decommissioning liabilities and all cash in ~~Company's~~any accounts which hold cash collateral collateralizing such obligations (collectively, the "P&A Cash Collateral Accounts")~~—, all as further delineated on an individualized Job by Job basis on Exhibit "A."~~ Notwithstanding anything else to the contrary herein, Contractor specifically acknowledges that it will only be paid from collateral associated with an individual Job identified on Exhibit "A" once the applicable obligee for any bond or bonds associated with such individual Job fully terminates or cancels such bond(s) without residual liability as to the specific bonds identified with such line item, provided that any remaining bond collateral that exceeds the amounts due and owing for the related Job shall be held and applied toward payment of other Job(s), including those for which the applicable bond amount is less than the turnkey amount for such Job(s).

1.3 Regulations and Laws

- 1.3.1** All activities and operations to be conducted and performed pursuant to this Agreement will be conducted and performed in accordance with all applicable laws (including environmental laws), statutes, codes, ordinances, orders, judgements, directives, rules or regulations that are promulgated, issued or enacted by any governmental authority having jurisdiction, including, without limitation, the Bureau of Ocean Energy Management ("BOEM") and the Bureau of Safety and Environmental Enforcement ("BSEE"), and under applicable law. (collectively, "Regulations and Laws").

SECTION 2. INDEPENDENT CONTRACTOR

- 2.1** It is expressly understood that Contractor is an independent contractor and that neither Contractor nor any of its designees are servants, agents or employees of Company. As an independent contractor, Contractor agrees to comply with all laws, rules, and regulations, whether federal, state or municipal, which now or in the future may be applicable to all Jobs performed hereunder or in

any manner connected with its performance hereunder. Contractor represents that it is qualified to perform the work requested by Company and that its employees will follow all applicable ~~laws, rules, Regulations~~ and ~~regulations~~ Laws, including without limitation work safety rules, and that all of its equipment is safe, sufficient and free from defects, latent or otherwise. Contractor acknowledges that Company will rely upon these representations. Contractor agrees that it will not knowingly permit any employee of Company to own an interest in Contractor or to derive any economic benefit with respect to any Job performed by Contractor hereunder.

- 2.2** In all cases where Contractor's employees (defined to include contractor's direct, borrowed, special, or statutory employees) are covered by the Louisiana Worker's Compensation Act, La.R.S. 23:1021 et seq., Company and Contractor agree that all Jobs performed by Contractor and its employees pursuant to this Agreement are an integral part of and are essential to the ability of Company to generate Company's goods, products and services for purposes of La.R.S. 23:1061A (1). Company and Contractor agree that Company is the principal or statutory employer of Contractor's employees for the purposes of La.R.S. 23:1061A(3) irrespective of Company's status as the statutory employer or special employer (as defined in La.R.S. 23:1031C) of Contractor's employees, Contractor shall remain primarily responsible for the payment of Louisiana Worker's Compensation benefits to its employees, and shall not be entitled to seek contribution for any such payments from Company.

2.3 Contractor Warranties & Performance Standards

- 2.3.1** Warranties. Contractor warrants that it is qualified and able to perform the Jobs under this Agreement, has obtained, or will seek to obtain all required approvals, permits, certification and licenses necessary to perform such Jobs and will perform the Jobs in a safe, good and workmanlike manner in accordance with the accepted standards of its profession and with good oilfield practice and standards, and in compliance with all applicable Regulations and Laws. Contractor further warrants that for each Job performed under this Agreement, the Job will be completed within one (1) year from the time Contractor obtains permit approval for such Job, and Contractor will diligently pursue obtaining all necessary permit approvals with respect to the Jobs to be performed under this Agreement promptly after approval of this Agreement by entry of a final order by the Bankruptcy Court in the Bankruptcy Case. Additionally, Contractor warrants that upon completion of all Services (as defined in Exhibit "A") with respect to a Lease or ROW, Contractor shall file with BOEM, BSEE or and any other governmental authority having jurisdiction, such forms and/or documentation required by as required by any such governmental entity in order that such governmental entity can confirm that the Services have been properly performed-- and no further P&A Obligations associated with such Lease or ROW is required.

- 2.3.2** Assignable Warranties. For goods supplied by Contractor's subcontractors, vendors, or suppliers, Contractor shall obtain, to the extent reasonably possible, assignable warranties from its subcontractors, vendors, and suppliers. Whatever warranty is obtained, however, shall be assigned to Company.

- 2.3.3** Goods. Contractor warrants that Contractor-manufactured goods, materials or products by Contractor (collectively, "Goods") will be free from all claims, liens or encumbrances, will be free from defects in design, material and workmanship for a period of one (1) year from the date of delivery to Company and will be fit for the use intended, but consumables shall not be warranted beyond their shelf life. Contractor warrants that it will not exclude or modify any express warranties which would otherwise attach to all Goods or waive any remedy available to Company or Contractor.

- 2.3.4** Rental Equipment. Contractor warrants that rental equipment provided will be in good working order and condition, free from defects in design, material and workmanship and fit for the intended use. Title to all rental equipment provided by Contractor shall remain with Contractor, and it shall be Contractor's obligation to remove all rental equipment from the

well or other work site within a reasonable time following completion of the use thereof under this Agreement.

SECTION 3. SITE CONTROL, ACCESS TO SITE, AND HEALTH AND SAFETY RULES

- 3.1** Company may, at its discretion, require that personnel who enter a Company-controlled work site but are not covered by an active [Service Agreement](#) sign the following: (a) Boarding Agreement or (b) Waiver or similar document that contains release, indemnity, insurance, or other provisions that vary from the terms of this Agreement. In such a case, this Agreement shall control.
- 3.2** Only the authorized persons working for Contractor or its subcontractors shall be permitted to enter any work site where Contractor may be working. Contractor shall take such steps as are reasonably necessary to prevent unauthorized persons from entering such work site, including, without limitation, spouses and/or children, friends or acquaintances of authorized persons.
- 3.3** Contractor shall apply its own policies concerning health and safety, including matters related to drugs, alcohol, firearms and terrorism awareness except where Company's policies are stricter. The stricter policy shall then apply. By written notice and without any liability to Contractor, Company may suspend work if Company has a reasonable belief that Contractor or its subcontractors has created a health, safety, environmental, or performance threat.

SECTION 4. SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM (SEMS)

API'S RECOMMENDED PRACTICE 75 (RP75) FOR DEVELOPMENT OF A SAFETY AND ENVIRONMENTAL MANAGEMENT PROGRAM FOR OFFSHORE OPERATIONS AND FACILITIES

In October, 2010, [BOEMRE/BOEM \(or its predecessor agency\)](#) issued a Workplace Safety Rule requiring offshore oil and gas operators to develop and maintain a Safety and Environmental Management System (SEMS). A SEMS is a comprehensive management program for identifying, addressing and managing operational safety hazards and impacts, with the goal of promoting both human safety and environmental protection.

In accordance with 30 CFR 250 Subpart S (SEMS) and API RP 75, the practice is intended to aid in the development of a management program designed to promote safety and environmental protection during the performance of offshore oil and gas operations. By developing a SEMS program, owners and operators will formulate policies and objectives concerning safety hazards and environmental impacts over which they can control. Operators expect contractors to provide safe and reliable equipment, as well as trained employees who are familiar with offshore oil and gas operations.

It is recommended that each Owner/Operator have a safety and environmental management program for their personnel/contractors. The Owner and Operator require that the Compliance and Bridging Agreements are properly documented and will be sent via e-mail for review and execution. If SEMS is not in place, *no Job shall commence unless the SEMS and API RP 75 Bridging Agreement Between Company and Contractor is fully executed and returned to Company, and Contractor's Certificate of Insurance has been received.*

[Upon approval of this Agreement by entry of a final order by the Bankruptcy Court in the Bankruptcy Case, Company and Contractor will have executed such documents and will take all reasonable steps to obtain such governmental approvals of Contractor's SEMS program as may be necessary in order that Contractor can perform all of the operations and activities provided for in this Agreement.](#)

SECTION 5. FORCE MAJEURE

- 5.1 Definition of Force Majeure Event.** “Force Majeure Event” means acts of God, floods, blizzards, ice storms, thaws, named tropical storms, and hurricanes; insurrection, terrorism, revolution, piracy, and war; strikes, lockouts, and labor disputes; federal or state laws; ordinances, standards, rules and regulations of any governmental or public authorities having or asserting jurisdiction over the premises of either or both Parties; inability to procure material, equipment, or necessary labor despite reasonable efforts; or similar causes (except financial) beyond the control of the affected Party and which, through the exercise of diligent effort, such Party cannot overcome.
- 5.2 Excusable Force Majeure Events.** Either Party shall be excused from complying with the terms and conditions of this Agreement if, to the extent, and for as long as, such Party’s compliance is delayed or prevented by a Force Majeure Event. A Force Majeure Event shall not excuse performing duties that are unrelated to the Force Majeure Event, including, without limitation, performing indemnity obligations and discharging financial obligations.
- 5.3 Notice of Force Majeure Events.** If a Party is rendered unable, wholly or in part, by a Force Majeure Event to perform, that Party shall give written notice detailing such Force Majeure Event to the other Party as soon as possible, but no later than seventy-two (72) hours after the commencement of such Force Majeure Event.
- 5.4 Termination for Extended Force Majeure Events.** If a Force Majeure Event continues without interruption for ninety (90) days at any given Job site, either Party may cancel the applicable Job by giving written cancellation notice to the other Party.

SECTION 6. DEFAULT.

- 6.1 Notice of Default and Opportunity to Cure.** If either Party fails to perform its obligations or otherwise violates ~~the material~~ terms or conditions of this Agreement with respect to any Job(s) and such default continues for a period of ~~seventy~~ thirty (30) days after receipt of a written notice describing the default, then the non-defaulting Party may terminate, at its option, (a) this Agreement ~~with respect to, or (b)~~ the particular Job(s) only under which the default(s) arose. A Party may terminate immediately for fraud, intentional misconduct, gross negligence, or other actions so substantial that it impairs the Job, and, in such case, the opportunity to cure shall not apply.
- 6.2 Company Termination for Contractor’s Uncured Default.** If Company terminates all or part of Job because of Contractor’s uncured default, Company may procure goods and/or services reasonably required to complete the Job, and Contractor shall be liable to Company for the reasonably incurred costs for such similar items in excess of the Job price shown on **Exhibit “A”**. Company may require Contractor to transfer title and deliver to Company any completed services or purchased goods which have been delivered. In addition, Contractor may retrieve any rented items after Company has procured replacements. Contractor shall continue performance to the extent not terminated.
- 6.3 Contractor Termination for Company’s Uncured Default.** If Contractor terminates all or part of a Job because of Company’s uncured default, Contractor shall receive (a) the ~~scheduled fees on account of Jobs~~ Turnkey Job Price for such terminated Job, whether completed or partially completed, ~~in accordance with the amounts listed on Exhibit “A”, (b) the Incentive Fee and (c) other reasonable and necessary amounts directly associated with the termination of the services, such as demobilization, or out-of-pocket costs associated with the cancellation or termination of any orders to purchase services or goods and (b) the Incentive Fee, prorated based upon the ratio of the value of the Turnkey Job Price of the terminated Job to the total aggregate Turnkey Job Prices.~~
- 6.4 Liquidated Damages for Contractor’s Default.** If at any time Contractor defaults in its performance of any Job or under this Agreement and Company secures similar services or equipment to complete the Job under this Agreement by either its own personnel or a third party, it

is expressly understood and agreed that Contractor's full financial obligation to Company for completion of the Job (including all out of pocket expenses incurred by Company) shall not exceed the greater of (a) the ~~total projected costs and expenses~~ Turnkey Job Price for such Job ~~as described in Exhibit "A" and~~ or (b) the total price and cost that Company would have paid and incurred for the Job had Contractor not defaulted and instead properly completed such Job. Nothing in this Section 6.4 shall affect or limit Contractor's liability for damage to any property or injury to any person.

SECTION 7. BODILY INJURY, PERSONAL INJURY, ILLNESS, AND DEATH.

7.1 "Personal Claims/Losses" means all claims and/or losses of all kinds and descriptions concerning bodily injury, personal injury, illness, and death, included are all claims and/or losses for the above regardless of how such claims and/or losses may be characterized, including, without limitation, damages of all kinds and descriptions, liabilities of all kinds and descriptions, losses of all kinds and descriptions, demands of all kinds and descriptions, liens, privileges and other encumbrances of all kinds and descriptions, causes of action of any kind or description (including actions in rem or in personam, at law, in equity or in admiralty), obligations of any kind or description, costs of any kind or description, judgments of any kind or description, interest of any kind or description, and awards of any kind or description, whether created by law, contract, tort, voluntary settlement, arbitration, mediation or otherwise, including all such claims that might be brought by (or the losses suffered by) spouses, heirs, survivors or legal representatives, successors, and assigns. This definition applies to the following two subsections.

7.2 **Definitions of "Company Group" and "Contractor Group"**. Company, its subsidiaries, affiliated and related companies, and its and their working interest owners, co-lessees, co-owners, predecessors in title, contractors and subcontractors (except for Contractor), and the agents, directors, officers, and employees or any one or more of the foregoing named or described parties are hereinafter all individually and collectively referred to as "Company Group". Contractor, its subsidiaries, affiliated and related companies, and its subcontractors and the agents, directors, officers, and employees of any one or more of the foregoing named or described parties are hereinafter all individually and collectively referred to as "Contractor Group". "Third Parties" include any person or entity other than a member of Company Group or Contractor Group.

7.3 **Contractor Indemnifies Company Group for Personal Injury Losses Suffered by Contractor Group.**

For all Personal Claims/Losses arising out of or connected with the Jobs, Contractor agrees to be responsible for and indemnify Company Group against all such Personal Claims/Losses suffered by any member(s) of Contractor Group even if the sole, joint, comparative, or concurrent negligence, fault (including breach of contract, warranty or statute) or strict liability of any members of Company Group or the unseaworthiness of any vessel caused, in whole or part, such Personal Claim/Loss.

7.4 **Company Indemnifies Contractor Group for Personal Injury Losses Suffered by Company Group.**

For all Personal Claims/Losses arising out of or connected with the WorkJobs, Company agrees to be responsible for and indemnify Contractor Group against all such Personal Claims/Losses suffered by any member(s) of Company Group even if the sole, joint, comparative, or concurrent negligence, fault (including breach of contract, warranty or statute) or strict liability of any members of Contractor Group or the unseaworthiness of any vessel caused, in whole or part, such Personal Claim/Loss.

7.5 **Definition of Claim, Claims, Loss, and Losses Related to Property Matters.**

"Property Claims/Losses" means all claims and/or losses of all kinds and descriptions concerning property damage, including total or partial loss, temporary or permanent loss of use. Included are

all claims and/or losses for the above regardless of how such claims and/or losses may be characterized, including, without limitation, damages of all kinds and descriptions, liabilities of all kinds and descriptions, losses of all kinds and descriptions, demands of all kinds and descriptions, liens, privileges and other encumbrances of all kinds and descriptions, causes of action of any kind or description (including actions in rem or in personam, at law, in equity or in admiralty), obligations of any kind or description, costs of any kind or description, judgments of any kind or description, interest of any kind or description, and awards of any kind or description, whether created by law, tort, voluntary settlement, arbitration, mediation or otherwise, including all such claims that might be brought by (or the losses suffered by) spouses, heirs, survivors or legal representatives, successors, and assigns.

7.6 Except as specifically provided for otherwise in Section 7.9 for all Property Claims/Losses arising out of or connected with the WorkJobs, Contractor agrees to be responsible for and indemnify Company Group against all such Property Claims/Losses suffered by any member(s) of Contractor Group even if the sole, joint, comparative, or concurrent negligence, fault (including breach of contract, warranty or statute) or strict liability of any member(s) of Company Group or the unseaworthiness of any vessel caused, in whole or in part, such Property Claim/Loss.

7.7 Except as specifically provided for otherwise in Section 7.9 for all Property Claims/Losses arising out of or connected with the WorkJobs, Company agrees to be responsible for and indemnify Contractor Group against all such Property Claim/Losses suffered by any member(s) of Company Group even if the sole, joint, comparative, or concurrent negligence, fault (including breach of contract, warranty or statute) or strict liability of any member(s) of Contractor Group or the unseaworthiness of any vessel caused, in whole or in part, such Property Claim/Loss.

7.8 Additional definitions and provisions. The terms “Claims/Losses” and “Claim/Loss” include Personal Claims/Losses and Property Claims/Losses. The phrase “Be Responsible For And Indemnify” means that specified Party shall assume responsibility for the specified claims/losses and acts/omissions and shall protect, indemnify, defend and hold harmless the specified Party, person or group from and against the specified claim/losses and acts/omissions. **EXPRESS NEGLIGENCE RULE: BOTH PARTIES AGREE THAT WITH RESPECT TO THIS SECTION 7, THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE, WHICH IS A REQUIREMENT THAT AN AGREEMENT EXPRESSLY STATES, IN A CONSPICUOUS MANNER TO AFFORD FAIR AND ADEQUATE NOTICE, THAT IT HAS PROVISIONS REQUIRING ONE PARTY TO INDEMNIFY AND TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF THE INDEMNIFIED PARTY.**

7.9 Indemnification; Special Situations.

7.9.1 Company Responsibility for Contractor Equipment During Marine Transportation. Company agrees to repair, replace or adequately compensate any member(s) of Contractor Group for any of its equipment which is lost or damaged during marine transportation upon Company’s vessels or Company’s chartered vessels at any time after commencement of loading at the landing, until unloaded at the lands **except where such loss or damage during marine transportation or caused by the negligence, fault or strict liability of any member(s) of Contractor Group.** Company’s responsibility for such loss of or damage to such equipment shall apply even if the loss or damage is due to the joint, comparative, or concurrent negligence, fault or strict liability of any member(s) of Contractor Group or the unseaworthiness of any vessel. In discharging its obligation under this section, Company shall receive credit for any proceeds due from any insurance arranged by any member of Contractor Group.

7.9.2 “Adequately Compensate” Defined. As used in this Agreement with respect to equipment or other physical property, the term “adequately compensate” for equipment or other physical property means payment of a sum of money equal to the actual sound value of such equipment or other physical property. If the Parties cannot agree on repair or

replacement and cannot agree on the amount required to “adequately compensate” Contractor for the equipment or other physical property, then the matter shall be submitted to arbitration as set forth in this Agreement; provided, however, the arbitrators shall be three qualified appraisers, one appointed by Contractor, one appointed by Company, and one appointed by the agreement of the Party appointed appraisers. The three appraisers shall determine actual sound value and then discard the high and low appraisals, and shall enter an award based on the remaining appraisal.

- 7.9.3** Company Operations and Property Below The Rotary Table. Contractor Group shall not be liable for, and Company agrees to protect, defend, indemnify, and hold harmless Contractor Group from and against, any and all Property Claims/Losses resulting from (a) radioactivity where the release is caused, in whole or in part, by conditions or events below the rotary table from such radiation, (b) reservoir or underground damage, including without limitation loss of oil, gas, other mineral substances, water, and the well bore, and (c) subsurface trespass or any action in the nature thereof, unless Contractor’s services relate to or involve the subsurface direction of a well, even if the Property Claims/Losses are contributed to or caused by the sole, joint, comparative, or concurrent negligence, fault or strict liability of any member(s) of Contractor Group or the unseaworthiness of any vessel.
- 7.9.4** Company Operations To Control A Wild Well, Blowout, or Uncontrolled Flow. Contractor Group shall not be liable for, and Company agrees to protect, defend, indemnify, and hold harmless Contractor Group from and against, any and all Property Claims/Losses resulting from the performance of services to control a wild well, blowout, or any other uncontrolled flow, including, without limitation the costs of controlling such a well, even if the Property Claims/Losses are contributed to or caused by the sole, joint, comparative or concurrent negligence, fault or strict liability of any member(s) of Contractor Group or the unseaworthiness of any vessel.
- 7.9.5** Contractor’s Indemnity of Company for Third Parties. Contractor agrees to release, protect, defend, indemnify and hold harmless Company Group from any and all Claims (including, without limitation, the cost of control and cleanup) of Third Parties to the extent caused or contributed to by the sole joint, comparative, or concurrent negligence, fault or strict liability of any member(s) of Contractor Group.
- 7.9.6** Company’s Indemnity of Contractor. Company agrees to release, protect, defend, indemnify, and hold harmless Contractor Group from any and all Claims/Losses (including, without limitation, the cost of control and cleanup) of Third Parties to the extent caused or contributed to by the sole joint, comparative, or concurrent negligence, fault or strict liability of any member(s) of Company Group.
- 7.9.7** Contractor Responsibility for Hazardous Materials and Hazardous Waste. Contractor shall, at its sole expense and risk, transport and dispose of (except as otherwise mutually agreed) any spent or used chemicals or other hazardous waste or materials supplied by any member(s) of Contractor Group and used by any member(s) of Contractor Group or which has passed through the well head or below the level of the rotary table, whichever is applicable, including, without limitation, material returns from the well. Company Group shall not be liable for and Contractor agrees to release, protect, defend, indemnify, and hold harmless Company Group from any and all Claims/Losses (including, without limitation, cost of control and cleanup), incurred by any member(s) of Company Group under any statute, regulation, or otherwise arising from Contractor Group’s failure to properly transport and/or dispose of such hazardous waste or materials even if such is contributed to or caused by the sole, joint, comparative, or concurrent negligence, fault or strict liability of any member(s) of Company Group or the unseaworthiness of any vessel.

7.9.8 Company Responsibility for Hazardous Materials and Hazardous Waste. With respect to the materials Contractor is not responsible for under the previous paragraph, Company shall, at its sole expense and risk, transport and dispose of (except as otherwise mutually agreed) any spent or used chemicals or their empty packages, drums, or containers or other hazardous waste or materials even if such materials have resulted from or were incident to the performance by any member(s) of Contractor Group of this Agreement; provided, however, no provision of this Agreement shall relieve a transporter of hazardous waste of its obligation to safely transport the hazardous waste to its agreed upon destination. Contractor Group shall not be liable for and Company agrees to release, protect, defend, indemnify, and hold harmless Contractor Group from any and all Claims (including, without limitation, cost of control and cleanup), incurred by any member(s) of Contractor Group under any statute, regulation, or otherwise, arising from Company's failure to properly transport and/or dispose of such hazardous waste or materials even if such is contributed to or caused by the sole, joint, comparative, or concurrent negligence of any member(s) of Contractor Group or the unseaworthiness of any vessel.

7.9.9 Definition of Hazardous Materials and Hazardous Waste. As used in the previous two sections, the reference to Hazardous Materials and/or Hazardous Waste, whether in upper or lower case, refers to the following:

- (a) any chemical, material or substance at any time defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous waste", "acutely hazardous waste", "radioactive waste", "biohazardous waste", "pollutant", "toxic pollutant", "contaminant", "restricted hazardous waste", "infectious waste", "toxic substances", or any other term or expression intended to define, list, or classify substances by reason of properties harmful to health, safety, or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "TCLP toxicity" or "EPA toxicity" or words of similar import under any applicable environmental laws);
- (b) any oil, petroleum, petroleum fraction, or petroleum derived substance;
- (c) any drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources;
- (d) any flammable substances or explosives;
- (e) any radioactive materials;
- (f) any asbestos-containing materials;
- (g) urea formaldehyde foam insulation;
- (h) electrical equipment which contains any oil or dielectric fluid containing polychlorinated biphenyls;
- (i) pesticides; and
- (j) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or which may or could pose a hazard to the health and safety of the owners, occupants, or any persons in the vicinity of any work site or to the indoor or outdoor environment.

- 7.9.10 Radioactive Sources; Nuclear Regulatory Commission Regulations.** In the event a logging tool containing a radioactive source or a radioactive source utilized in any other manner by any member(s) of Contractor Group becomes lost or lodged in a well, Company agrees to be responsible for all risk and costs associated with meeting all requirements of 10 C.F.R. Section 39.15(a) of the Nuclear Regulatory Commission regulations concerning retrieval and, if necessary, abandonment of lost or lodged sources and to permit Contractor to monitor the recovery and abandonment efforts.
- 7.9.11 Contractor Employment Related Claims.** Contractor shall hold harmless, defend, and indemnify Company Group from any Claim/Loss for employment discrimination, medical, compensation, or other benefits owed to employees of Contractor Group as a result of the direct employment relationship of such individuals with Contractor Group, even if such individuals are determined to be the borrowed or statutory employees of any member(s) of Company Group.
- 7.9.12 Company Employment Related Claims.** Company shall hold harmless, defend, and indemnify Contractor Group from any Claim/Loss for employment discrimination, medical compensation, or other benefits owed to employees of Company Group as a result of the direct employment relationship of such individuals.
- 7.10 Contractual Indemnity.** Without limiting the general indemnity obligations which either Company or Contractor has specifically assumed herein, it is expressly understood and agreed that at no time shall (a) any member of Contractor Group ever be obligated to assume any contractual indemnity obligation(s) which Company has assumed toward any person, entity or corporation (regardless whether by written contract, oral agreement or otherwise) who is not specifically identified in the definition of Company Group and (b) any member of Company Group ever be obligated to assume any contractual indemnity obligation(s) which contractor has assumed toward any person, entity or corporation (regardless whether by written contract, oral agreement or otherwise) who is not specifically identified in the definition of Contractor Group.

SECTION 8. INDEMNIFICATION; SAVINGS CLAUSES.

- 8.1 General.** The indemnities in this Agreement shall only be effective to the maximum extent permitted by the applicable law. If any law is enacted in any jurisdiction that limits in any way the extent of which indemnification may be provided to an indemnitee and such law is applicable to this Agreement, then this Agreement shall automatically be amended to provide that the indemnification provided hereunder shall extend only to the maximum extent permitted by the applicable law, but shall extend to such maximum extent.
- 8.2 Texas.** In the event that this Agreement is interpreted under the laws of the State of Texas for a particular occurrence, then for the purposes of Title 6, Chapter 127 of the Texas Civil Practice and Remedies Code, commonly known as the Texas Oilfield Anti-Indemnity Act, the indemnity and insurance provisions of this Agreement applicable to property damage and the indemnity and insurance provisions applicable to personal injury, bodily injury, and death shall be deemed separate for interpretation, enforcement, and other purposes. All indemnities in this Agreement shall only be effective to the maximum extent permitted by the applicable law. If the laws of the State of Texas govern this Agreement, then Contractor and Company incorporate Title 6, Chapter 127 of the Texas Civil Practice and Remedies Code, and agree to the limits of that statute.
- 8.3 Louisiana.** In the event that this Agreement is subject to the laws of the State of Louisiana for a particular occurrence, then for the purposes of La. R.S. 9:2780, commonly known as the Louisiana Oilfield Indemnity Act and La. R.S. 9:2780.1, for purposes of the indemnity and insurance provisions of this Agreement, Company and Contractor agree that, with respect to all work performed for Company by Contractor under this Agreement in or offshore the State of Louisiana, if any, each of them (Company and Contractor) shall pay to the other party's insurers the premium required for extending their comprehensive general liability and excess policies such ~~insurers~~ that

Company Group shall be an additional insured under Contractor's policies and Contractor Group shall be an additional insured under Company's policies, waiving subrogation against the other group, and with the understanding that these policies shall provide primary coverage only for the claims in which one party has agreed to hold harmless and/or indemnify the other. No other insurance clause may be invoked by either insurer. All such insurance shall be governed by Louisiana law. Company and Contractor shall arrange to have one another billed for the full amount of the premium required by the other's insurer. Each party warrants that such premium amounts constitute the full cost of extending insurance coverage to the other (group) under this Agreement. Each party further agrees to send a copy of these extensions of coverage to the other, but failure to do so will not affect the obligation to procure or the validity of the extension of coverage. Failure of either party to pay the applicable Marcel premium shall have no bearing on the remainder of the contract terms.

SECTION 9. INDEMNITY NOT ALTERED BY THIRD PARTY OBLIGATIONS.

- 9.1** All indemnities in this Agreement shall apply even though an insurer or other person, or entity is required to pay for any Claim/Loss or to make a contribution to such Claim/Loss. Even though insurance may be arranged or other persons or entities may have certain liabilities or obligations, each Party remains responsible for its indemnity and other obligations under this Agreement, even if such insurer or such other person, for any reason, does not pay.

SECTION 10. DEFENSE AND PARTICIPATION.

- 10.1 Contractor's Agreement.** Contractor agrees to defend Company Group against all suits or other actions brought upon any and all Claims/Losses covered by Contractor's respective indemnity obligations under this Agreement, but any member of Company Group shall have the right, at its or their option, to participate at its or their own expense in the defense of any such suits or other actions without releasing Contractor from any indemnity obligation hereunder.
- 10.2 Company's Agreement.** Company agrees to defend Contractor Group against all suits or other actions brought upon any and all Claims covered by Company's respective indemnity obligations under this Agreement, but any member of Contractor Group shall have the right, at its or their option, to participate at its or their own expense in the defense of any such suits or other actions without releasing Company from any indemnity obligation hereunder.

SECTION 11. LIMITATION ON DAMAGES.

- 11.1 Contractor's Limitation.** Contractor agrees that Contractor shall be responsible for and specifically agrees to release, defend, indemnify, and hold harmless Company from any and all liability for consequential, speculative, indirect, punitive, or exemplary damages or lost profits suffered by any member(s) of Contractor Group, even if such are contributed to or caused by the sole, joint, comparative, or concurrent negligence of any member(s) of Company Group.
- 11.2 Company's Limitation.** Company agrees that Company will be responsible for and specifically agrees to release, defend, indemnify, and hold harmless Contractor from any and all liability for consequential, speculative, indirect, punitive, or exemplary damages or lost profits suffered by any member(s) of Company Group, even if such are contributed to or caused by the sole, joint, comparative, or concurrent negligence of any member(s) of Contractor Group.
- 11.3 Claims By Third Parties.** If either Party is required by this Agreement to indemnify the other Party with respect to a claim by a Third Party and the claim by such Third Party includes consequential, speculative, indirect, punitive, or exemplary damages or lost profits, this Section 11 may not be used by the indemnifying Party to deny payment of a claim that is otherwise due and owing to the indemnified Party.
- 11.4 Shipowner's Limitation of Liability Act.** This Agreement shall be deemed the Parties' personal contract, and the Parties waive all benefits of the Shipowner's Limitation of Liability Act or any other

similar laws as to the other Party only. Neither the Parties nor their underwriters shall be entitled to claim the benefits of such limitation of liability statute in respect of claims asserted by either Party under this Agreement. The purpose of this Section is to secure for the Parties the benefits of their contractual agreement so that they shall be able to enforce all indemnity obligations and insurance coverage to the maximum extent permitted by law. Nothing in this Section is intended to prevent a Party or its underwriters from asserting all applicable limitation of liability defenses for claims by persons other than the Parties or between the Parties under other agreements.

SECTION 12. INSURANCE

- 12.1 Coverage.** Contractor and Company each agrees to procure and maintain, at its sole expense, with solvent insurers reasonably satisfactory to each of the Parties hereto, policies of insurance in the minimum amounts outlined in **Exhibit "B"**. In addition, to the extent that either party provides either vessels or aircraft in connection with the performance of work or services under this Agreement, that Party shall procure and maintain, at its sole expense, with solvent insurers, policies of insurance in the minimum amounts outlined in **Exhibit "C"**. It is expressly understood and agreed that the insurance provisions of this Agreement, including the minimum required limits of **Exhibits "B" and "C"**, are intended to assure that certain minimum standards of insurance protection are afforded by Contractor and Company and that the specifications herein of any amount or amounts shall be construed to support but not in any way to limit the liabilities and indemnity obligations of Contractor and Company. Coverage under all insurance required to be carried will be primary insurance for indemnity owed by the insured party and exclusive of any other existing valid and collectible insurance of the indemnitee(s). Contractor and Company shall each insure that the insurance policies they procure shall provide that no "other insurance" clause may be invoked by any insurer. The policies will name Company Group (as herein defined), or Contractor Group (as herein defined) whichever is appropriate, as additional insureds to the extent of the contractual liability assumed under this Agreement and waive subrogation against Company Group and its Insurers or Contractor Group and its Insurers, whichever is appropriate.
- 12.2** Contractor and Company agree that the additional insured status and waivers of subrogation which each obtains for the other shall not protect or offer coverage to either Company Group or Contractor Group for the indemnity obligations or liabilities specifically allocated to Company Group or Contractor Group in this Agreement or for liabilities not addressed herein and that the insurance coverage which each obtains for the other does not prime, supersede or take precedence over the indemnity obligations which each owes to the other.
- 12.3** Contractor and Company shall each furnish certificates of insurance ("Certificate(s)") evidencing that proper insurance has been secured. Such Certificates shall be signed by authorized representatives of each insurer as additional evidence that all coverages, extensions, and limits have been obtained as required. Any Certificate issued in support of Company's or Contractor's obligations under this Agreement shall state that written notification of modification, cancellation or non-renewal of the policies shall be provided to Company or Contractor in accordance with the terms and conditions of the policies. No Job shall be commenced unless the Certificates have been furnished to Company. Until such time as Company receives the appropriate Certificate, Company may withhold payment to Contractor for any Job performed prior to the date on which Contractor should have furnished to Company a Certificate in compliance.
- 12.4** If operations are performed in Texas or under Texas law, both parties agree that in order to be in compliance with the Texas Anti-Indemnity Act regarding indemnification mutually assumed for the other pParty's sole or concurrent negligence, each pParty agrees to carry supporting insurance in equal amounts of the types and in the minimum amounts as specified in the insurance requirements listed in **Exhibits "B" and "C"** hereunder; and each pParty agrees that the maximum amount of such supporting insurance carried in equal amounts shall be the lower of the maximum amount carried by either pParty as long as such amount is in excess of the minimum amount specified.

- 12.5** In the event of the insolvency, bankruptcy, or failure of any insurance company subscribing to any insurance policy or in the event any insurer subscribing to any insurance policy fails, for any reason, to pay any claim (or any portion thereof) submitted by either Party hereto pursuant to such insurance or in the event Contractor or Company fails to procure and/or maintain any required insurance, then Contractor or Company, respectively, shall be deemed to be self-insured to the fullest extent of deviation from the requirements listed in Exhibits "B" and "C". **MOREOVER, SUCH PARTY SHALL RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER PARTY AS TO ALL CLAIMS FOR WHICH INSURANCE SHOULD HAVE BEEN PROVIDED, OR WHICH SHOULD HAVE BEEN PAID, IN WHOLE OR IN PART, INCLUDING DEFENSE COSTS, REASONABLE ATTORNEYS' FEES, AND ALL EXPENSES WHATSOEVER. IN ADDITION, THE EXISTENCE OR NON-EXISTENCE OF INSURANCE FOR ANY CLAIM ASSERTED AGAINST EITHER PARTY SHALL NOT BE DEEMED TO LIMIT THE OTHER PARTY'S LIABILITY FOR SUCH CLAIM.**

SECTION 13. PAYMENT OF BILLS; LIENS

- 13.1** Contractor shall timely pay any and all amounts owing to its subcontractors pursuant to any subcontractor agreement so that no lien by Contractor's subcontractors shall ever be permitted to attach to any property of Company Group, whether real or personal, and Contractor hereby agrees to defend and indemnify Company Group for any and all such claims and liens by Contractor's subcontractors which in any way arise out of or are related to any subcontractor agreement or any subcontractor-furnished service or material related thereto. During the twenty-four (24) month period following the date of invoice for any work, service or furnishing of material pursuant to a subcontractor agreement, Company shall have the right to audit the books, accounts, payrolls, and records maintained by Contractor containing information pertinent to such work.
- 13.2** **Conduct of Audit.** Any representative or representatives authorized by Company may inspect and audit any and all records of Contractor pertaining to the goods and services provided under this Agreement within reasonable notice. Such inspection and audit shall be conducted at Contractor's offices during normal business hours. Company shall not have the right to examine or audit Contractor's trade secrets, proprietary information, confidential data, non-reimbursable costs, profit margins, or projects done on a "turnkey" and/or "lump sum" basis when Contractor assumes all risks. Contractor will make a good faith effort to include a similar audit provision in its subcontracts. Contractor shall promptly reimburse Company for any overpayments discovered in the audit, and Contractor hereby waives any statute of limitations or laches concerning the same.

SECTION 14. TERM AND TERMINATION

- 14.1** This Agreement will continue in full force and effect until Contractor ~~may perform such Jobs as the Parties have mutually agreed on~~ performs the Jobs or until the Parties mutually agree to terminate this Agreement, or either Party elects to terminate this Agreement as expressly provided for elsewhere in this Agreement.

SECTION 15. CONFLICT

- 15.1** The terms, conditions, and requirements of this Agreement shall prevail in the event of a conflict with the terms, conditions or requirements of any work orders, purchase orders, or agreements, oral or written, entered into between the ~~p~~PParties through their duly authorized representatives.

SECTION 16. NOTICES

- 16.1** Except as otherwise specifically provided herein, all notices, reports, bills, invoices, and other correspondence required or made necessary by the terms of this Agreement, shall be determined to have been properly served if and when sent by mail, hand delivery, courier or confirmed facsimile within the time required to the addresses hereinafter listed:

Company: Black Elk Energy Offshore Operations, LLC.

3100 South Gessner, Suite 210
Houston, TX 77063
Attn: Jeff Jones
Telephone: (832) 379-2300
jjones@bhpllc.com

with a copy to:

Baker & Hostetler
200 S. Orange Avenue
Suite 2300
Orlando, FL 32801
Attn: Elizabeth A. Green, Esq.

with a copy to:

Argonaut Insurance Company
PO Box 469011
San Antonio, TX 78246
Attn: Kjel Brothen
kbrothen@argosurety.com

Contractor:

Montco Oilfield Contractors, LLC
842 W. Sam Houston Pkwy, Suite 500
Houston, TX 77024
Attn: Carroll Price
Title: President
Telephone: (281) 822-7157
E-Mail: carroll.price@montco.com

with a copy to:

DLA Piper LLP (US)
1717 Main Street, Suite 4600
Dallas, TX 75201
Attn: Vincent Slusher, Esq.

with a copy to:

Argonaut Insurance Company
PO Box 469011
San Antonio, TX 78246
Attn: Kjel Brothen
kbrothen@argosurety.com

SECTION 17. EQUAL EMPLOYMENT OPPORTUNITY AND DRUG TESTING

- 17.1 Company is, or may from time to time be, a Federal Contractor subject to compliance with various laws, executive orders and regulations regarding equal employment opportunity and drug testing. Unless Contractor is exempt from compliance, the equal opportunity clause set out in Title 41 of the Code of Federal Regulations is incorporated herein by reference to the extent applicable and made a part of this Agreement. Contractor specifically agrees that the provisions of 49 C.F.R. § 199.21, including drug testing, education, and training, will be complied with and carried out by Contractor. Contractor shall cause all of Contractor's subcontractors of every tier to likewise comply with and carry out the provisions of 49 C.F.R. § 199.21. Company may request from Contractor access to

properties and records and/or certification of compliance with any such Federal regulations, which Contractor hereby agrees to provide.

- 17.2 Company has adopted or may hereafter adopt a drug testing program for its own employees in compliance with 49 C.F.R. Part 199. If requested by an authorized agent of Company, Contractor hereby consents to a drug screen urinalysis of Contractor's employees, and Contractor hereby agrees that any employee that refuses to consent to a drug screen or who tests positive, will be immediately removed from the operations site. Contractor shall cause all of Contractor's subcontractors of every tier to likewise consent to random drug screens and to the immediate removal of any employee of subcontractor who refuses any such drug screen or who tests positive. This consent provision does not replace Contractor's obligation under Subsection 9.1 to have its own drug testing program that complies with 49 C.F.R. Part 199.

SECTION 18. ASSIGNMENT

- 18.1 Contractor may not assign or sublet this Agreement, or any part hereof, without the written consent of Company, which shall not be unreasonably withheld. Any assignment or subletting permitted by Company shall not relieve Contractor of its obligations hereunder.

SECTION 19. WAIVER

- 19.1 No benefit or right accruing to Company or Contractor under this Agreement (or any amendment or addendum thereto) shall be deemed to be waived unless the waiver is reduced to writing, expressly refers to this Agreement, and is signed by a duly authorized representative of Company and Contractor. A waiver in any one or more instance shall not constitute a continuing waiver unless specifically so stated in such a written waiver signed by a duly authorized representative of Company and Contractor.

SECTION 20. APPLICABLE LAW

- 20.1 This Agreement shall be governed by and interpreted in accordance with General Maritime Law, but if General Maritime Law is not applicable, then the laws of the State of Texas shall govern (exclusive of any principles of conflicts of laws which would direct application of the substantive laws of another jurisdiction). In the event of a dispute over the meaning or application of this Agreement, it shall be construed fairly and reasonably and neither more strongly for or against either Company or Contractor.

SECTION 21. JURISDICTION

- 21.1 Any legal action or proceeding arising out of this Agreement shall be brought in the Bankruptcy Court, and if the Bankruptcy Court does not have (or abstains from) jurisdiction, in the courts of the State of Texas sitting in Harris County and of the United States District Court of the Southern District of Texas, and, by execution and delivery of this Agreement, each party hereby accepts for itself and (to the extent permitted by law) in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each party hereby irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions.

SECTION 22. FUTURE AMENDMENTS

- 22.1 For the purpose of the application of the Texas Anti-Indemnity Act, Company and Contractor agree to negotiate in good faith to amend these terms from time to time to reflect statutory modifications and/or precedential rulings of Texas or federal courts. The Parties hereto agree that any amendments, modifications or alterations to this Agreement may only be made in writing to become effective.

SECTION 23. CORPORATE GUARANTEE

23.1 Montco Offshore, Inc. joins in the execution of this Agreement to guarantee the (i) performance by Contractor of all of its obligations under and pursuant to this Agreement and (ii) liabilities and responsibilities of Contractor under and pursuant to this Agreement.

[Remainder of Page Intentionally Left Blank]

The Parties hereto have caused this Agreement to be executed by their duly authorized representatives, in duplicate originals, as of the day and year first above written.

BLACK ELK ENERGY OFFSHORE OPERATIONS, LLC	MONTCO OILFIELD CONTRACTORS, LLC
Name: Jeffrey A. Jones	Name: Carroll Price
Signature:	Signature:
Title: Chief Restructuring Officer	Title: President
Date: 2/8/2016	Date: 2/8/2016

MONTCO OFFSHORE, INC.
Name: Lee A. Orgeron
Signature:
Title: President and Chief Executive Officer
Date:

EXHIBIT A**JOBS**

1. Each individual Job requiring an individual payment upon release or cancelation of surety bonds is separately identified by a Line Item number below.
2. ~~1.~~ With respect to each of the federal offshore leases (collectively, the “Leases”, and each individually a “Lease”) and each of the federal offshore rights-of-way (collectively, the “ROWS”, and each individually a “ROW”) that are identified below, either by reference to the Lease or ROW serial number, to the area and block, or, with respect to pipelines, to the segment number, the scope of work for each Lease or ROW will include the wells, platforms, caissons and/or pipelines situated thereon, whether or not specified below for each Lease or ROW (the “Jobs”).
3. ~~2.~~ The services to be performed by Contractor pursuant to the Agreement with respect to the Jobs shall comprise (a) with respect to wells, such activities and operations necessary to permanently plug and abandon each well, unless otherwise specified; (b) with respect to each platform or caisson, such activities and operations necessary to dismantle, decommission, abandon and remove (together with all personal property affixed thereto or located thereon); (c) with respect to each pipeline, such activities and operations necessary to abandon the pipeline or, if and only to the extent required by governmental authority, remove same; and (d) with respect to each Lease and ROW, perform such site clearance and restoration operations and activities as may be necessary whether or not specified below (collectively, the “Services”).
4. ~~3.~~ The Services will be conducted for each Lease or ROW unless a Service, by express terms below, is excluded or limited, and the failure to specifically reference a Service for a particular Job will not serve to eliminate such Service from the Agreement.
- ~~4.~~ ~~All operations and activities conducted by Contractor under and pursuant to the Agreement with respect to the Leases and ROWs will be performed in accordance with the terms and provisions of the applicable federal offshore leases or rights-of-way, regulations, orders and directives of governmental authorities having jurisdiction (including, without limitation, the Bureau of Ocean Energy Management (“BOEM”) and the Bureau of Safety and Environmental Enforcement (“BSEE”), and under applicable law.~~
- ~~5.~~ ~~Upon Contractor's completion of all Services with respect to a Lease or ROW, Contractor shall file with BOEM, BSEE or other governmental authority having jurisdiction, such forms and/or documentation required by such governmental entity in order that such governmental entity can confirm that the Services have been properly performed.~~

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EXHIBIT B**INSURANCE**

Contractor and Company shall procure at their own expense and maintain with respect to and for the duration of this Agreement the insurance policies described below (except as otherwise indicated) with reliable insurers reasonably satisfactory to both Contractor and Company and with policy limits not less than those indicated.

Each party shall name the other Party as additional insured on all insurance policies (except Workers' Compensation) covering exposures for which one Party has agreed to indemnify the other Party. These policies shall provide primary coverage only for claims in which one party has agreed to hold harmless and/or to indemnify the other. No "other insurance" clause may be invoked by any insurer. This coverage shall apply whether or not the indemnification is valid. Each Party shall have its insurer waive its right of subrogation against the other Party on all insurance carried.

- 1.1. Workers' Compensation insurance in accordance with the laws of the State, Province or Territory in which the work is performed and Employer's Liability insurance with the minimum limits of \$1,000,000.
- 1.2. Comprehensive (or Commercial) General Liability, including coverage for "Action Over" claims, Products and Completed Operations, and contractual obligations specifically assumed by Company or Contractor in this agreement. The minimum limit shall be \$1,000,000 combined single limit per occurrence for Bodily Injury and Property Damage. The policy shall cover "In Rem" if operations over water.
- 1.3. Automobile Liability insurance covering owned, non-owned and hired automotive equipment with minimum limits of \$1,000,000 combined single limit for Bodily Injury and Property Damage.
- 1.4. Wherever necessary for proper coverage, Workers' Compensation & Employer's Liability coverages shall include U.S. Longshoreman and Harbor Workers Act coverage including extension to the outer continental shelf, and Maritime Operations coverage including admiralty benefits, Jones Act coverage, Death on the High Seas Act coverage, Maritime Employer's Liability including wages, maintenance and transportation, and coverage for Master and Crews.
- 1.5. Excess (or Umbrella) Liability of not less than \$5,000,000.

EXHIBIT C

INSURANCE

Contractor and Company shall procure at their own expense and maintain with respect to and for the duration of this Agreement the insurance policies described below (except as otherwise indicated) with reliable insurers and with policy limits not less than those indicated.

- 1.1.** If any water-borne vessels are employed in the operations hereunder, the Party retaining the vessels shall carry or require owners of such vessels to carry Protection and Indemnity Insurance with minimum limits of \$10,000,000 and Charterers Legal Liability and Towers Liability in the same limits wherever necessary for proper coverage.
- 1.2.** If any aircraft are employed in the operations hereunder, the Party retaining the aircraft shall carry or require owners of such aircraft to carry Bodily Injury and Property Damage Liability, including Passenger Liability, of not less than \$10,000,000 Single Limit. Such insurance shall cover owned and non-owned aircraft, including rotary wing aircraft.

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Padding cell	

Statistics:	
	Count
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Moved to	6
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Format changed	0
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