UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2019

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File No. 001-37917

Mammoth Energy Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware		**32-0498321**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
14201 Caliber Drive, Suite 300 Oklahoma City, Oklahoma	**(405) 608-6007**	**73134**
(Address of principal executive offices)	(Registrant's telephone number, including area code)	(Zip Code)

Title of each class of securities	**Name of each exchange on which registered**	**Ticker Symbol**
Common Stock, par value $0.01 per share	The Nasdaq Global Select Market	TUSK

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2019, there were 44,876,649 shares of common stock, $0.01 par value, outstanding.

MAMMOTH ENERGY SERVICES, INC.

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GLOSSARY OF OIL AND NATURAL GAS AND ELECTRICAL INFRASTRUCTURE TERMS

The following is a glossary of certain oil and natural gas industry terms used in this report:

Acidizing	To pump acid into a wellbore to improve a well's productivity or injectivity.
Blowout	An uncontrolled flow of reservoir fluids into the wellbore, and sometimes catastrophically to the surface. A blowout may consist of salt water, oil, natural gas or a mixture of these. Blowouts can occur in all types of exploration and production operations, not just during drilling operations. If reservoir fluids flow into another formation and do not flow to the surface, the result is called an underground blowout. If the well experiencing a blowout has significant open-hole intervals, it is possible that the well will bridge over (or seal itself with rock fragments from collapsing formations) down-hole and intervention efforts will be averted.
Bottomhole assembly	The lower portion of the drillstring, consisting of (from the bottom up in a vertical well) the bit, bit sub, a mud motor (in certain cases), stabilizers, drill collar, heavy-weight drillpipe, jarring devices (“jars”) and crossovers for various threadforms. The bottomhole assembly must provide force for the bit to break the rock (weight on bit), survive a hostile mechanical environment and provide the driller with directional control of the well. Oftentimes the assembly includes a mud motor, directional drilling and measuring equipment, measurements-while-drilling tools, logging-while-drilling tools and other specialized devices.
Cementing	To prepare and pump cement into place in a wellbore.
Coiled tubing	A long, continuous length of pipe wound on a spool. The pipe is straightened prior to pushing into a wellbore and rewound to coil the pipe back onto the transport and storage spool. Depending on the pipe diameter (1 in. to 4 1/2 in.) and the spool size, coiled tubing can range from 2,000 ft. to 23,000 ft. (610 m to 6,096 m) or greater length.
Completion	A generic term used to describe the assembly of down-hole tubulars and equipment required to enable safe and efficient production from an oil or gas well. The point at which the completion process begins may depend on the type and design of the well.
Directional drilling	The intentional deviation of a wellbore from the path it would naturally take. This is accomplished through the use of whipstocks, bottomhole assembly (BHA) configurations, instruments to measure the path of the wellbore in three-dimensional space, data links to communicate measurements taken down-hole to the surface, mud motors and special BHA components and drill bits, including rotary steerable systems, and drill bits. The directional driller also exploits drilling parameters such as weight on bit and rotary speed to deflect the bit away from the axis of the existing wellbore. In some cases, such as drilling steeply dipping formations or unpredictable deviation in conventional drilling operations, directional-drilling techniques may be employed to ensure that the hole is drilled vertically. While many techniques can accomplish this, the general concept is simple: point the bit in the direction that one wants to drill. The most common way is through the use of a bend near the bit in a down-hole steerable mud motor. The bend points the bit in a direction different from the axis of the wellbore when the entire drillstring is not rotating. By pumping mud through the mud motor, the bit turns while the drillstring does not rotate, allowing the bit to drill in the direction it points. When a particular wellbore direction is achieved, that direction may be maintained by rotating the entire drillstring (including the bent section) so that the bit does not drill in a single direction off the wellbore axis, but instead sweeps around and its net direction coincides with the existing wellbore. Rotary steerable tools allow steering while rotating, usually with higher rates of penetration and ultimately smoother boreholes.
Down-hole	Pertaining to or in the wellbore (as opposed to being on the surface).
Down-hole motor	A drilling motor located in the drill string above the drilling bit powered by the flow of drilling mud. Down-hole motors are used to increase the speed and efficiency of the drill bit or can be used to steer the bit in directional drilling operations. Drilling motors have become very popular because of horizontal and directional drilling applications and the day rates for drilling rigs.
Drilling rig	The machine used to drill a wellbore.
Drillpipe or Drill pipe	Tubular steel conduit fitted with special threaded ends called tool joints. The drillpipe connects the rig surface equipment with the bottomhole assembly and the bit, both to pump drilling fluid to the bit and to be able to raise, lower and rotate the bottomhole assembly and bit.
Drillstring or Drill string	The combination of the drillpipe, the bottomhole assembly and any other tools used to make the drill bit turn at the bottom of the wellbore.
Flowback	The process of allowing fluids to flow from the well following a treatment, either in preparation for a subsequent phase of treatment or in preparation for cleanup and returning the well to production.
Horizontal drilling	A subset of the more general term “directional drilling,” used where the departure of the wellbore from vertical exceeds about 80 degrees. Note that some horizontal wells are designed such that after reaching true 90-degree horizontal, the wellbore may actually start drilling upward. In such cases, the angle past 90 degrees is continued, as in 95 degrees, rather than reporting it as deviation from vertical, which would then be 85 degrees. Because a horizontal well typically penetrates a greater length of the reservoir, it can offer significant production improvement over a vertical well.
Hydraulic fracturing	A stimulation treatment routinely performed on oil and gas wells in low permeability reservoirs. Specially engineered fluids are pumped at high pressure and rate into the reservoir interval to be treated, causing a vertical fracture to open. The wings of the fracture extend away from the wellbore in opposing directions according to the natural stresses within the formation. Proppant, such as grains of sand of a particular size, is mixed with the treatment fluid to keep the fracture open when the treatment is complete. Hydraulic fracturing creates high-conductivity communication with a large area of formation and bypasses any damage that may exist in the near-wellbore area.
Hydrocarbon	A naturally occurring organic compound comprising hydrogen and carbon. Hydrocarbons can be as simple as methane, but many are highly complex molecules, and can occur as gases, liquids or solids. Petroleum is a complex mixture of hydrocarbons. The most common hydrocarbons are natural gas, oil and coal.

Mesh size	The size of the proppant that is determined by sieving the proppant through screens with uniform openings corresponding to the desired size of the proppant. Each type of proppant comes in various sizes, categorized as mesh sizes, and the various mesh sizes are used in different applications in the oil and natural gas industry. The mesh number system is a measure of the number of equally sized openings per square inch of screen through which the proppant is sieved.
Mud motors	A positive displacement drilling motor that uses hydraulic horsepower of the drilling fluid to drive the drill bit. Mud motors are used extensively in directional drilling operations.
Natural gas liquids	Components of natural gas that are liquid at surface in field facilities or in gas processing plants. Natural gas liquids can be classified according to their vapor pressures as low (condensate), intermediate (natural gasoline) and high (liquefied petroleum gas) vapor pressure.
Nitrogen pumping unit	A high-pressure pump or compressor unit capable of delivering high-purity nitrogen gas for use in oil or gas wells. Two basic types of units are commonly available: a nitrogen converter unit that pumps liquid nitrogen at high pressure through a heat exchanger or converter to deliver high-pressure gas at ambient temperature, and a nitrogen generator unit that compresses and separates air to provide a supply of high pressure nitrogen gas.
Plugging	The process of permanently closing oil and gas wells no longer capable of producing in economic quantities. Plugging work can be performed with a well servicing rig along with wireline and cementing equipment; however, this service is typically provided by companies that specialize in plugging work.
Plug	A down-hole packer assembly used in a well to seal off or isolate a particular formation for testing, acidizing, cementing, etc.; also a type of plug used to seal off a well temporarily while the wellhead is removed.
Pounds per square inch	A unit of pressure. It is the pressure resulting from a one pound force applied to an area of one square inch.
Pressure pumping	Services that include the pumping of liquids under pressure.
Producing formation	An underground rock formation from which oil, natural gas or water is produced. Any porous rock will contain fluids of some sort, and all rocks at considerable distance below the Earth's surface will initially be under pressure, often related to the hydrostatic column of ground waters above the reservoir. To produce, rocks must also have permeability, or the capacity to permit fluids to flow through them.
Proppant	Sized particles mixed with fracturing fluid to hold fractures open after a hydraulic fracturing treatment. In addition to naturally occurring sand grains, man-made or specially engineered proppants, such as resin-coated sand or high-strength ceramic materials like sintered bauxite, may also be used. Proppant materials are carefully sorted for size and sphericity to provide an efficient conduit for production of fluid from the reservoir to the wellbore.
Resource play	Accumulation of hydrocarbons known to exist over a large area.
Shale	A fine-grained, fissile, sedimentary rock formed by consolidation of clay- and silt-sized particles into thin, relatively impermeable layers.
Tight oil	Conventional oil that is found within reservoirs with very low permeability. The oil contained within these reservoir rocks typically will not flow to the wellbore at economic rates without assistance from technologically advanced drilling and completion processes. Commonly, horizontal drilling coupled with multistage fracturing is used to access these difficult to produce reservoirs.
Tight sands	A type of unconventional tight reservoir. Tight reservoirs are those which have low permeability, often quantified as less than 0.1 millidarcies.
Tubulars	A generic term pertaining to any type of oilfield pipe, such as drill pipe, drill collars, pup joints, casing, production tubing and pipeline.
Unconventional resource	A term for the different manner by which resources are exploited as compared to the extraction of conventional resources. In unconventional drilling, the wellbore is generally drilled to specific objectives within narrow parameters, often across long, lateral intervals within narrow horizontal formations offering greater contact area with the producing formation. Typically, the well is then hydraulically fractured at multiple stages to optimize production.
Wellbore	The physical conduit from surface into the hydrocarbon reservoir.
Well stimulation	A treatment performed to restore or enhance the productivity of a well. Stimulation treatments fall into two main groups, hydraulic fracturing treatments and matrix treatments. Fracturing treatments are performed above the fracture pressure of the reservoir formation and create a highly conductive flow path between the reservoir and the wellbore. Matrix treatments are performed below the reservoir fracture pressure and generally are designed to restore the natural permeability of the reservoir following damage to the near wellbore area. Stimulation in shale gas reservoirs typically takes the form of hydraulic fracturing treatments.
Wireline	A general term used to describe well-intervention operations conducted using single-strand or multi-strand wire or cable for intervention in oil or gas wells. Although applied inconsistently, the term commonly is used in association with electric logging and cables incorporating electrical conductors.
Workover	The process of performing major maintenance or remedial treatments on an oil or gas well. In many cases, workover implies the removal and replacement of the production tubing string after the well has been killed and a workover rig has been placed on location. Through-tubing workover operations, using coiled tubing, snubbing or slickline equipment, are routinely conducted to complete treatments or well service activities that avoid a full workover where the tubing is removed. This operation saves considerable time and expense.

The following is a glossary of certain electrical infrastructure industry terms used in this report:

Distribution	The distribution of electricity from the transmission system to individual customers.
Substation	A part of an electrical transmission and distribution system that transforms voltage from high to low, or the reverse.
Transmission	The movement of electrical energy from a generating site, such as a power plant, to an electric substation.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this report that express a belief, expectation, or intention, or that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. In particular, the factors discussed in this report and detailed under Part II, Item 1A. Risk Factors in this report and our Annual Report on Form 10–K for the year ended December 31, 2018 could affect our actual results and cause our actual results to differ materially from expectations, estimates or assumptions expressed, forecasted or implied in such forward-looking statements.

Forward-looking statements may include statements about our:

- business strategy;
- pending or future acquisitions and future capital expenditures;
- ability to obtain permits and governmental approvals;
- technology;
- financial strategy;
- future operating results; and
- plans, objectives, expectations and intentions.

All of these types of statements, other than statements of historical fact included in this quarterly report, are forward-looking statements. These forward-looking statements may be found in the “Business,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and other sections of this quarterly report. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “would,” “expect,” “plan,” “project,” “budget,” “intend,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “pursue,” “target,” “seek,” “objective,” “continue,” “will be,” “will benefit,” or “will continue,” the negative of such terms or other comparable terminology.

The forward-looking statements contained in this report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, which are difficult to predict and many of which are beyond our control. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, our management’s assumptions about future events may prove to be inaccurate. Our management cautions all readers that the forward-looking statements contained in this report are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to many factors including those described in Part II, Item 1A. Risk Factors in this report and our Annual Report on Form 10–K for the year ended December 31, 2018 and Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report. All forward-looking statements speak only as of the date of this report. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MAMMOTH ENERGY SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

ASSETS	March 31, 2019	December 31, 2018
	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents	$ 21,343	$ 67,625
Accounts receivable, net	404,389	337,460
Receivables from related parties	45,032	11,164
Inventories	18,913	21,302
Prepaid expenses	8,913	11,317
Other current assets	706	688
Total current assets	499,296	449,556
Property, plant and equipment, net	428,280	436,699
Sand reserves	71,496	71,708
Operating lease right-of-use assets	56,234	—
Intangible assets, net - customer relationships	1,637	1,711
Intangible assets, net - trade names	5,835	6,045
Goodwill	101,245	101,245
Other non-current assets	6,484	6,127
Total assets	$ 1,170,507	$ 1,073,091
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 67,542	$ 68,843
Payables to related parties	609	370
Accrued expenses and other current liabilities	55,258	59,652
Current operating lease liability	17,533	—
Income taxes payable	60,272	104,958
Total current liabilities	201,214	233,823
Long-term debt	82,037	—
Deferred income tax liabilities	63,923	79,309
Long-term operating lease liability	38,572	—
Asset retirement obligation	3,056	3,164
Other liabilities	3,285	2,743
Total liabilities	392,087	319,039
COMMITMENTS AND CONTINGENCIES (Note 19)		
EQUITY		
Equity:		
Common stock, $0.01 par value, 200,000,000 shares authorized, 44,876,649 issued and outstanding at March 31, 2019 and December 31, 2018	449	449
Additional paid in capital	532,208	530,919
Retained earnings	249,488	226,765
Accumulated other comprehensive loss	(3,725)	(4,081)
Total equity	778,420	754,052
Total liabilities and equity	$ 1,170,507	$ 1,073,091

The accompanying notes are an integral part of these condensed consolidated financial statements.

MAMMOTH ENERGY SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

	Three Months Ended March 31,	
	2019	**2018**
REVENUE	**(in thousands, except per share amounts)**	
Services revenue	$ 193,101	$ 408,659
Services revenue - related parties	44,073	49,088
Product revenue	12,309	25,040
Product revenue - related parties	12,655	11,462
Total revenue	262,138	494,249
COST AND EXPENSES		
Services cost of revenue (exclusive of depreciation, depletion, amortization and accretion of $25,682 and $24,575 respectively, for the three months ended March 31, 2019 and 2018)	158,106	290,979
Services cost of revenue - related parties (exclusive of depreciation, depletion, amortization and accretion of $0 and $0, respectively, for the three months ended March 31, 2019 and 2018)	713	1,792
Product cost of revenue (exclusive of depreciation, depletion, amortization and accretion of $2,871 and $2,314, respectively, for the three months ended March 31, 2019 and 2018)	30,251	33,330
Selling, general and administrative (Note 12)	16,902	38,082
Selling, general and administrative - related parties (Note 12)	434	429
Depreciation, depletion, amortization and accretion	28,576	26,908
Total cost and expenses	234,982	391,520
Operating income	27,156	102,729
OTHER INCOME (EXPENSE)		
Interest expense, net	(523)	(1,237)
Other, net	24,557	(28)
Total other income (expense)	24,034	(1,265)
Income before income taxes	51,190	101,464
Provision for income taxes	22,857	45,918
Net income	$ 28,333	$ 55,546
OTHER COMPREHENSIVE INCOME		
Foreign currency translation adjustment, net of tax of ($90) and $186, respectively, for the three months ended March 31, 2019 and 2018	356	(461)
Comprehensive income	$ 28,689	$ 55,085
Net income per share (basic) (Note 15)	$ 0.63	$ 1.24
Net income per share (diluted) (Note 15)	$ 0.63	$ 1.24
Weighted average number of shares outstanding (basic) (Note 15)	44,929	44,650
Weighted average number of shares outstanding (diluted) (Note 15)	45,063	44,884
Dividends declared per share	$ 0.125	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

MAMMOTH ENERGY SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)

	Common Stock		Retained	Additional Paid-In	Accumulated Other Comprehensive	
	Shares	Amount	Earnings	Capital	Loss	Total
			(in thousands)			
Balance at December 31, 2018	44,877	$ 449	$ 226,765	$ 530,919	$ (4,081)	$ 754,052
Stock based compensation	—	—	—	1,289	—	1,289
Net income	—	—	28,333	—	—	28,333
Cash dividends paid ($0.125 per share)	—	—	(5,610)	—	—	(5,610)
Other comprehensive income	—	—	—	—	356	356
Balance at March 31, 2019	44,877	$ 449	$ 249,488	$ 532,208	$ (3,725)	$ 778,420
Balance at December 31, 2017	44,589	$ 446	$ 2,001	$ 508,010	$ (2,661)	$ 507,796
Stock based compensation	125	1	—	1,255	—	1,256
Net income	—	—	55,546	—	—	55,546
Other comprehensive loss	—	—	—	—	(461)	(461)
Balance at March 31, 2018	44,714	$ 447	$ 57,547	$ 509,265	$ (3,122)	$ 564,137

The accompanying notes are an integral part of these condensed consolidated financial statements.

MAMMOTH ENERGY SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Three Months Ended March 31,	
	2019	2018
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 28,333	$ 55,546
Adjustments to reconcile net income to cash provided by operating activities:		
Stock based compensation	1,289	1,256
Depreciation, depletion, accretion and amortization	28,576	26,908
Amortization of coil tubing strings	535	565
Amortization of debt origination costs	82	100
Bad debt expense	4	25,527
Loss (gain) on disposal of property and equipment	94	(184)
Deferred income taxes	(15,476)	(12,117)
Other	41	—
Changes in assets and liabilities, net of acquisitions of businesses:		
Accounts receivable, net	(67,093)	(25,722)
Receivables from related parties	(33,868)	(12,550)
Inventories	1,854	5,060
Prepaid expenses and other assets	2,389	294
Accounts payable	(353)	8,302
Payables to related parties	239	851
Accrued expenses and other liabilities	(4,956)	1,636
Income taxes payable	(44,684)	25,851
Net cash (used in) provided by operating activities	(102,994)	101,323
Cash flows from investing activities:		
Purchases of property and equipment	(20,273)	(35,176)
Purchases of property and equipment from related parties	—	(598)
Contributions to equity investee	(480)	—
Proceeds from disposal of property and equipment	1,500	286
Net cash used in investing activities	(19,253)	(35,488)
Cash flows from financing activities:		
Borrowings from lines of credit	82,000	31,000
Repayments of lines of credit	—	(91,900)
Principal payments on financing leases and equipment financing notes	(457)	(72)
Dividends paid	(5,610)	—
Net cash provided by (used in) financing activities	75,933	(60,972)
Effect of foreign exchange rate on cash	32	(53)
Net change in cash and cash equivalents	(46,282)	4,810
Cash and cash equivalents at beginning of period	67,625	5,637
Cash and cash equivalents at end of period	$ 21,343	$ 10,447
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 294	$ 1,442
Cash paid for income taxes	$ 91,955	$ 32,184
Supplemental disclosure of non-cash transactions:		
Purchases of property and equipment included in accounts payable and accrued expenses	$ 5,016	$ 16,558

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Organization and Nature of Business

Mammoth Energy Services, Inc. ("Mammoth Inc." or the "Company"), together with its subsidiaries, is an integrated, growth-oriented company serving both the oil and gas and the electric utility industries in North America and US territories. Mammoth Inc.'s infrastructure division provides construction, upgrade, maintenance and repair services to various public and private owned utilities throughout the US and Puerto Rico. Its oilfield services division provides a diversified set of services to the exploration and production industry including pressure pumping and natural sand and proppant services as well as contract land and directional drilling, coil tubing, flowback, cementing, acidizing, equipment rental, crude oil hauling and remote accommodation services.

The Company was incorporated in Delaware in June 2016 as a wholly-owned subsidiary of Mammoth Energy Partners LP, a Delaware limited partnership (the "Partnership" or the "Predecessor"). The Partnership was originally formed by Wexford Capital LP ("Wexford") in February 2014 as a holding company under the name Redback Energy Services Inc. and was converted to a Delaware limited partnership in August 2014. On November 24, 2014, Mammoth Energy Holdings LLC ("Mammoth Holdings," an entity controlled by Wexford), Gulfport Energy Corporation ("Gulfport") and Rhino Resource Partners LP ("Rhino") contributed their interest in certain of the entities presented below to the Partnership in exchange for 20 million limited partner units. Mammoth Energy Partners GP, LLC (the "General Partner") held a non-economic general partner interest.

On October 12, 2016, the Partnership was converted into a Delaware limited liability company named Mammoth Energy Partners LLC ("Mammoth LLC"), and then Mammoth Holdings, Gulfport and Rhino, as all the members of Mammoth LLC, contributed their member interests in Mammoth LLC to Mammoth Inc. Prior to the conversion and the contribution, Mammoth Inc. was a wholly-owned subsidiary of the Partnership. Following the conversion and the contribution, Mammoth LLC (as the converted successor to the Partnership) was a wholly-owned subsidiary of Mammoth Inc. Mammoth Inc. did not conduct any material business operations until Mammoth LLC was contributed to it. On October 19, 2016, Mammoth Inc. closed its initial public offering of 7,750,000 shares of common stock (the "IPO"), which included an aggregate of 250,000 shares that were offered by Mammoth Holdings, Gulfport and Rhino, at a price to the public of $15.00 per share.

On June 29, 2018, Gulfport and MEH Sub LLC ("MEH Sub"), an entity controlled by Wexford, (collectively, the "Selling Stockholders") completed an underwritten secondary public offering of 4,000,000 shares of the Company's common stock at a purchase price to the Selling Stockholders of $38.01 per share. The Selling Stockholders granted the underwriters an option to purchase up to an aggregate of 600,000 additional shares of the Company's common stock at the same purchase price. This option was exercised, in part, and on July 30, 2018, the underwriters purchased an additional 385,000 shares of common stock from the Selling Stockholders at the same price per share. The Selling Stockholders received all proceeds from this offering.

At March 31, 2019 and December 31, 2018, Wexford, Gulfport and Rhino beneficially owned the following shares of outstanding common stock of Mammoth Inc.:

	At March 31, 2019		At December 31, 2018	
	Share Count	**% Ownership**	**Share Count**	**% Ownership**
Wexford	21,988,473	49.0%	21,988,473	49.0%
Gulfport	9,826,893	21.9%	9,826,893	21.9%
Rhino	—	—%	104,100	0.2%
Outstanding shares owned by related parties	31,815,366	70.9%	31,919,466	71.1%
Total outstanding	44,876,649	100.0%	44,876,649	100.0%

Operations

The Company's infrastructure services include electric utility contracting services focused on the construction, upgrade, maintenance and repair of transmission and distribution networks. The Company's infrastructure services also provide storm repair and restoration services in response to natural disasters including hurricanes and ice or other storm-related damage. The Company's pressure pumping services include equipment and personnel used in connection with the

completion and early production of oil and natural gas wells as well as water transfer services. The Company's natural sand proppant services include the distribution and production of natural sand proppant that is used primarily for hydraulic fracturing in the oil and gas industry. The Company also provides other services, including contract land and directional drilling, coil tubing, flowback, cementing, aciziding, equipment rentals, crude oil hauling and remote accommodations.

All of the Company's operations are in North America and in the Caribbean. The Company provides its infrastructure services primarily in the northeast, southwest and midwest portions of the United States and in Puerto Rico. The Company's infrastructure business depends on infrastructure spending on maintenance, upgrade, expansion and repair and restoration. Any prolonged decrease in spending by electric utility companies or delays or reductions in government appropriations could have a material adverse effect on the Company's results of operations and financial condition. During the periods presented, the Company has operated its oil and natural gas businesses in the Permian Basin, the Utica Shale, the Eagle Ford Shale, the Marcellus Shale, the Granite Wash, the SCOOP, the STACK, the Cana-Woodford Shale, the Cleveland Sand and the oil sands located in Northern Alberta, Canada. The Company's oil and natural gas business depends in large part on the conditions in the oil and natural gas industry and, specifically, on the amount of capital spending by its customers. Any prolonged increase or decrease in oil and natural gas prices affects the levels of exploration, development and production activity, as well as the entire health of the oil and natural gas industry. Changes in the commodity prices for oil and natural gas could have a material effect on the Company's results of operations and financial condition.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries and the variable interest entity ("VIE") for which the Company is the primary beneficiary. All material intercompany accounts and transactions have been eliminated.

This report has been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, and reflects all adjustments, which in the opinion of management are necessary for the fair presentation of the results for the interim periods, on a basis consistent with the annual audited consolidated financial statements. Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the summary of significant accounting policies and notes thereto included in the Company's most recent annual report on Form 10-K.

Accounts Receivable

Accounts receivable include amounts due from customers for services performed or goods sold. The Company grants credit to customers in the ordinary course of business and generally does not require collateral. Most areas in which the Company operates provide for a mechanic's lien against the property on which the service is performed if the lien is filed within the statutorily specified time frame. Customer balances are generally considered delinquent if unpaid by the 30th day following the invoice date and credit privileges may be revoked if balances remain unpaid. Delinquency fees are recognized in other income when chargeable and collectability is reasonably assured.

During the periods presented, the Company provided infrastructure services in Puerto Rico under master services agreements entered into by Cobra Acquisitions LLC ("Cobra"), one of the Company's subsidiaries, with the Puerto Rico Electric Power Authority ("PREPA") to perform repairs to PREPA's electrical grid as a result of Hurricane Maria. During the three months ended March 31, 2019, the Company charged interest on delinquent accounts receivable pursuant to the terms of its agreements with PREPA totaling $25.7 million. This amount is included in other, net on the unaudited condensed consolidated statement of comprehensive income.

The Company regularly reviews receivables and provides for estimated losses through an allowance for doubtful accounts. In evaluating the level of established reserves, the Company makes judgments regarding its customers' ability to make required payments, economic events and other factors. As the financial condition of customers changes, circumstances develop, or additional information becomes available, adjustments to the allowance for doubtful accounts may be required. In the event the Company was to determine that a customer may not be able to make required payments, the Company would increase the allowance through a charge to income in the period in which that determination is made.

If it is determined that previously reserved amounts are collectible, the Company would decrease the allowance through a credit to income in the period in which that determination is made. Uncollectible accounts receivable are periodically charged against the allowance for doubtful accounts once a final determination is made regarding their uncollectability.

Following is a roll forward of the allowance for doubtful accounts for the year ended December 31, 2018 and the three months ended March 31, 2019 (in thousands):

Balance, January 1, 2018	$	21,737
Additions (reductions) charged to bad debt expense		(14,589)
Deductions for uncollectible receivables written off		(1,950)
Balance, December 31, 2018		5,198
Additions charged to bad debt expense		4
Additions charged to other expense		143
Deductions for uncollectible receivables written off		(37)
Balance, March 31, 2019	$	5,308

At December 31, 2017, the Company reviewed receivables due from PREPA and made specific reserves consistent with Company policy which resulted in additions to the allowance for doubtful accounts totaling $16.0 million. During 2018, the Company received payment from PREPA for the amount reserved at December 31, 2017. As a result, the Company reversed the 2017 additions to the allowance for doubtful accounts from PREPA during the year ended December 31, 2018.

Additionally, the Company has made specific reserves consistent with Company policy which resulted in additions to allowance for doubtful accounts totaling $0.1 million and $1.4 million, respectively, for the three months ended March 31, 2019 and year ended December 31, 2018. The Company will continue to pursue collection until such time as final determination is made consistent with Company policy.

Concentrations of Credit Risk and Significant Customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents in excess of federally insured limits and trade receivables. Following is a summary of our significant customers based on percentages of total accounts receivable balances at March 31, 2019 and December 31, 2018 and percentages of total revenues derived for the three months ended March 31, 2019 and 2018:

	REVENUES		**ACCOUNTS RECEIVABLE**	
	Three Months Ended March 31,		**At March 31,**	**At December 31,**
	2019	**2018**	**2019**	**2018**
Customer A[a]	33%	64%	63%	65%
Customer B[b]	21%	12%	10%	3%
Customer C[c]	14%	—%	6%	2%

a. Customer A is a third-party customer. Revenues and the related accounts receivable balances earned from Customer A were derived from the Company's infrastructure services segment. Accounts receivable for Customer A also includes receivables due for interest charged on delinquent accounts receivable.
b. Customer B is a related party customer. Revenues and the related accounts receivable balances earned from Customer B were derived from the Company's pressure pumping services segment, natural sand proppant services segment and other businesses.
c. Customer C is a third-party customer. Revenues and the related accounts receivable balances earned from Customer C were derived from the Company's pressure pumping services segment and equipment rental business.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade receivables, trade payables, amounts receivable or payable to related parties and long-term debt. The carrying amount of cash and cash equivalents, trade receivables, receivables from related parties and trade payables approximates fair value because of the short-term nature of the instruments. The fair value of long-term debt approximates its carrying value because the cost of borrowing fluctuates based upon market conditions.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02 “Leases (Topic 842)” amending the current accounting for leases. Under the new provisions, all lessees will report a right of use asset and lease liability on the balance sheet for all leases with a term longer than one year, while maintaining substantially similar classifications for financing and operating leases. Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, and interim periods within that fiscal year. The Company adopted this ASU effective January 1, 2019 utilizing the transition method permitted by ASU No. 2018-11 "Leases (Topic 842): Targeted Improvements", issued in August 2018, which permits an entity to recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption with no adjustment made to the comparative periods presented in the consolidated financial statements. See Note 14 for the impact the adoption of this standard had on the Company's financial statements.

In June 2018, the FASB issued ASU No. 2018-07, “Compensation - Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Accounting,” which simplifies the accounting for share-based payments granted to non-employees by aligning the accounting with requirements for employee share-based compensation. Upon transition, this ASU requires non-employee awards to be measured at fair value as of the adoption date. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within that fiscal year. The Company adopted this ASU effective January 1, 2019 and estimates the fair value of its non-employee awards (see Note 16) was approximately $18.9 million as of this date.

3. Revenues

The Company's primary revenue streams include infrastructure services, pressure pumping services, natural sand proppant services and other services, which includes contract land and directional drilling, coil tubing, pressure control, flowback, cementing, acidizing, equipment rentals, crude oil hauling and remote accommodations services. See Note 20 for the Company's revenue disaggregated by type.

Infrastructure Services

Infrastructure services are typically provided pursuant to master service agreements, repair and maintenance contracts or fixed price and non-fixed price installation contracts. Pricing under these contracts may be unit priced, cost-plus/hourly (or time and materials basis) or fixed price (or lump sum basis). The Company accounts for infrastructure services as a single performance obligation satisfied over time. Revenue is recognized over time as work progresses based on the days completed or as the contract is completed. Under certain customer contracts in our infrastructure services segment, the Company warranties equipment and labor performed for a specified period following substantial completion of the work.

Pressure Pumping Services

Pressure pumping services are typically provided based upon a purchase order, contract or on a spot market basis. Services are provided on a day rate, contracted or hourly basis. Generally, the Company accounts for pressure pumping services as a single performance obligation satisfied over time. In certain circumstances, the Company supplies proppant that is utilized for pressure pumping as part of the agreement with the customer. The Company accounts for these pressure pumping agreements as multiple performance obligations satisfied over time. Jobs for these services are typically short-term in nature and range from a few hours to multiple days. Generally, revenue is recognized over time upon the completion of each segment of work based upon a completed field ticket, which includes the charges for the services performed, mobilization of the equipment to the location, consumable supplies and personnel.

Pursuant to a contract with one of its customers, the Company has agreed to provide that customer with use of up to two pressure pumping fleets for the period covered by the contract. Under this agreement, performance obligations are satisfied as services are rendered based on the passage of time rather than the completion of each segment of work. The Company has the right to receive consideration from this customer even if circumstances prevent us from performing work. All consideration owed to the Company for services performed during the contractual period is fixed and the right to receive it is unconditional.

Additional revenue is generated through labor charges and the sale of consumable supplies that are incidental to the service being performed. Such amounts are recognized ratably over the period during which the corresponding goods and services are consumed.

Natural Sand Proppant Services
The Company sells natural sand proppant through sand supply agreements with its customers. Under these agreements, sand is typically sold at a flat rate per ton or a flat rate per ton with an index-based adjustment. The Company recognizes revenue at the point in time when the customer obtains legal title to the product, which may occur at the production facility, rail origin or at the destination terminal.

Certain of the Company's sand supply agreements contain a minimum volume commitment related to sand purchases whereby the Company charges a shortfall payment if the customer fails to meet the required minimum volume commitment. These agreements may also contain make-up provisions whereby shortfall payments can be applied in future periods against purchased volumes exceeding the minimum volume commitment. If a make-up right exists, the Company has future performance obligations to deliver excess volumes of product in subsequent months. In accordance with ASC 606, if the customer fails to meet the minimum volume commitment, the Company will assess whether it expects the customer to fulfill its unmet commitment during the contractually specified make-up period based on discussions with the customer and management's knowledge of the business. If the Company expects the customer will make-up deficient volumes in future periods, revenue related to shortfall payments will be deferred and recognized on the earlier of the date on which the customer utilizes make-up volumes or the likelihood that the customer will exercise its right to make-up deficient volumes becomes remote. As of March 31, 2019, the Company had deferred revenue totaling $3.0 million related to shortfall payments. This amount is included in accrued expenses and other current liabilities on the unaudited condensed consolidated balance sheet. If the Company does not expect the customer will make-up deficient volumes in future periods, the breakage model will be applied and revenue related to shortfall payments will be recognized when the model indicates the customer's inability to take delivery of excess volumes. During the three months ended March 31, 2019, the Company recognized revenue totaling $1.0 million related to shortfall payments. The Company did not recognize any revenue related to shortfall payments during the three months ended March 31, 2018.

In certain of the Company's sand supply agreements, the customer obtains control of the product when it is loaded into rail cars and the customer reimburses the Company for all freight charges incurred. The Company has elected to account for shipping and handling as activities to fulfill the promise to transfer the sand. If revenue is recognized for the related product before the shipping and handling activities occur, the Company accrues the related costs of those shipping and handling activities.

Other Services
The Company also provides contract land and directional drilling, coil tubing, pressure control, flowback, cementing, equipment rentals, crude oil hauling and remote accommodations services, which are reported under other services. These services are typically provided based upon a purchase order, contract or on a spot market basis. Services are provided on a day rate, contracted or hourly basis. Performance obligations for these services are satisfied over time and revenue is recognized as the work progresses based on the measure of output. Jobs for these services are typically short-term in nature and range from a few hours to multiple days.

Practical Expedients
The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts in which variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied distinct good or service that forms part of a single performance obligation.

Contract Balances
Following is a rollforward of the Company's contract liabilities (in thousands):

Balance, January 1, 2018	$	15,000
Deduction for recognition of revenue		(15,000)
Increase for deferral of shortfall payments		4,246
Increase for deferral of customer prepayments		58
Balance, December 31, 2018		4,304
Deduction for recognition of revenue		(2,054)
Increase for deferral of shortfall payments		768
Increase for deferral of customer prepayments		336
Balance, March 31, 2019	$	3,354

The Company did not have any contract assets as of March 31, 2019 or December 31, 2018.

Performance Obligations
Revenue recognized in the current period from performance obligations satisfied in previous periods was a nominal amount for the three months ended March 31, 2019 and 2018. As of March 31, 2019, the Company had unsatisfied performance obligations totaling $129.6 million, which will be recognized over the next 2.5 years.

4. Acquisitions

Acquisition of Air Rescue Systems and Brim Equipment Assets

On December 21, 2018, Cobra Aviation Services LLC ("Cobra Aviation"), a variable interest entity of the Company, completed a series of transactions that provided for an expansion of its aviation service business. These transactions include (i) the acquisition of all outstanding equity interests in Air Rescue Systems Corporation ("ARS"), (ii) the purchase of two commercial helicopters, spare parts, support equipment and aircraft documents from Brim Equipment Leasing, Inc. ("Brim Equipment") (the "Brim Equipment Assets") and (iii) the formation of a joint venture between Cobra Aviation and Wexford Partners Investment Co. LLC ("Wexford Investment"), a related party, under the name of Brim Acquisitions LLC ("Brim Acquisitions"), which acquired all outstanding equity interest in Brim Equipment. Cobra Aviation owns a 49% economic interest and Wexford Investment owns a 51% economic interest in Brim Acquisitions, and each member contributed its pro rata portion of Brim Acquisitions' initial capital of $2.0 million.

The acquisition of ARS qualifies under FASB ASC 805, *Business Combinations*, as a business combination. The purchase of the Brim Equipment Assets was negotiated and funded as part of the acquisition. Therefore, the purchase of the Brim Equipment Assets also qualifies as a business combination under ASC 805. Cobra Aviation is able to exercise significant influence over certain aspects of Brim Acquisitions' activities, but is a minority owner and does not have controlling financial interest. As a result, Cobra Aviation's investment in Brim Acquisitions is accounted for as an equity method investment under FASB ASC 323, *Investments-Equity Method and Joint Ventures*. See Note 8 for additional information on our investment in Brim Acquisitions.

Total consideration paid for ARS was $2.4 million in cash to the sellers plus $0.3 million in consideration to be paid upon completion of certain contractual obligations. Total consideration paid for the Brim Equipment Assets was $4.2 million. The Company used cash on hand to fund the acquisitions.

The following table summarizes the fair value of ARS and the Brim Equipment Assets as of December 21, 2018 (in thousands):

	ARS	Brim Equipment Assets
Accounts receivable	$ 146	$ —
Property, plant and equipment	1,702	1,990
Identifiable intangible assets - trade name[a]	120	—
Goodwill[b]	694	2,243
Other non-current assets	5	—
Total assets acquired	$ 2,667	$ 4,233

a. Trade name was valued using a "Relief-from-Royalty" method and will be amortized over 20 years.
b. Goodwill was the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Goodwill recorded in connection with the acquisition is attributable to assembled workforces and future profitability expected to arise from the acquired entity.

From the acquisition date through December 31, 2018 and for the three months ended March 31, 2019, ARS and the Brim Equipment Assets provided the following activity (in thousands):

	2019		2018	
	ARS	Brim Equipment Assets	ARS	Brim Equipment Assets
Revenues	$ 317	$ 1,511	$ —	$ —
Net loss[a]	(238)	(456)	(25)	—

a. Includes depreciation expense of $0.1 million and $0.02 million, respectively, for ARS for the 2019 and 2018 and $0.1 million for the Brim Equipment Assets for 2019.

The following table presents unaudited pro forma information as if the ARS and the Brim Equipment Assets acquisitions had occurred as of January 1, 2018 (in thousands):

	Three Months Ended March 31, 2018	
	ARS	Brim Equipment Assets
Revenues	$ 1,238	$ 959
Net income	402	532

The Company recognized $0.3 million of transaction related costs during the year ended December 31, 2018 related to these acquisitions.

Acquisition of WTL Oil LLC

On May 31, 2018, the Company completed its acquisition of WTL Oil LLC ("WTL") for total consideration of $6.1 million. The Company used cash on hand and borrowings under its credit facility to fund the acquisition. The acquisition of WTL expanded the Company's service offerings into the crude oil hauling business.

The following table summarizes the fair value of WTL as of May 31, 2018 (in thousands):

	WTL
Property, plant and equipment	$ 2,960
Identifiable intangible assets - customer relationships[a]	930
Identifiable intangible assets - trade name[a]	650
Goodwill[b]	1,567
Total assets acquired	$ 6,107

a. Identifiable intangible assets were measured using a combination of income approaches. Trade names were valued using a "Relief-from-Royalty" method. Non-contractual customer relationships were valued using a "Multi-period excess earnings" method. Identifiable intangible assets will be amortized over 10-20 years.

b. Goodwill was the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Goodwill recorded in connection with the acquisition is attributable to the assembled workforce and future profitability expected to arise from the acquired entity.

From the acquisition date through December 31, 2018 and for the three months ended March 31, 2019, WTL provided the following activity (in thousands):

	2019	2018
Revenues	$ 3,379	$ 7,511
Net loss[a]	(571)	(149)

a. Includes depreciation and amortization expense of $0.5 million and $1.0 million, respectively, for the 2019 and 2018 periods.

The following table presents unaudited pro forma information as if the acquisition of WTL had occurred as of January 1, 2018 (in thousands):

	Three Months Ended March 31, 2018
Revenues	$ 1,709
Net income	192

The Company recognized $0.1 million of transaction related costs during the year ended December 31, 2018 related to this acquisition.

Acquisition of RTS Energy Services LLC

On June 15, 2018, the Company completed its acquisition of RTS Energy Services LLC ("RTS") for total consideration of $8.1 million. The Company used cash on hand and borrowings under its credit facility to fund the acquisition. The acquisition of RTS expanded Mammoth's cementing services into the Permian Basin and added acidizing to the Company's service offerings.

The following table summarizes the fair value of RTS as of June 15, 2018 (in thousands):

	RTS
Inventory	$ 180
Property, plant and equipment	7,787
Goodwill[a]	133
Total assets acquired	$ 8,100

a. Goodwill was the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Goodwill recorded in connection with the acquisition is attributable to the assembled workforce and future profitability expected to arise from the acquired entity.

From the acquisition date through December 31, 2018 and for the three months ended March 31, 2019, RTS provided the following activity (in thousands):

	2019	2018
Revenues	$ 1,360	$ 6,682
Net loss[a]	(2,095)	(3,210)

a. Includes depreciation expense of $0.5 million and $0.9 million, respectively, for the 2019 and 2018 periods.

The following table presents unaudited pro forma information as if the acquisition of RTS had occurred as of January 1, 2018 (in thousands):

	Three Months Ended March 31, 2018
Revenues	$ 5,623
Net loss	(422)

The Company recognized $0.1 million of transaction related costs during the year ended December 31, 2018 related to this acquisition.

5. Inventories

Inventories consist of raw sand and processed sand available for sale, chemicals and other products sold as a bi-product of completion and production operations and supplies used in performing services. Inventory is stated at the lower of cost or market (net realizable value) on an average cost basis. The Company assesses the valuation of its inventories based upon specific usage and future utility. A summary of the Company's inventories is shown below (in thousands):

	March 31, 2019	December 31, 2018
Supplies	$ 12,963	$ 12,571
Raw materials	190	199
Work in process	1,373	3,273
Finished goods	4,387	5,259
Total inventories	$ 18,913	$ 21,302

6. Property, Plant and Equipment

Property, plant and equipment include the following (in thousands):

	Useful Life	March 31, 2019	December 31, 2018
Assets held and used:			
Pressure pumping equipment	3-5 years	$ 214,030	$ 208,968
Drilling rigs and related equipment	3-15 years	122,903	122,198
Machinery and equipment	7-20 years	187,076	173,867
Buildings	15-39 years	16,887	16,887
Vehicles, trucks and trailers	5-10 years	135,524	132,337
Coil tubing equipment	4-10 years	29,701	29,128
Land	N/A	14,235	14,235
Land improvements	15 years or life of lease	10,056	9,614
Rail improvements	10-20 years	13,806	13,806
Other property and equipment	3-12 years	13,561	13,614
		757,779	734,654
Deposits on equipment and equipment in process of assembly[(a)]		11,522	16,865
		769,301	751,519
Less: accumulated depreciation		363,458	337,514
Total assets held and used, net		405,843	$ 414,005
Assets subject to operating leases:			
Buildings	15-30 years	30,125	29,493
Helicopters	6 years	4,937	4,937
		35,062	34,430
Less: accumulated depreciation		12,625	11,736
Total assets subject to operating leases, net		22,437	22,694
Total property, plant and equipment, net		$ 428,280	$ 436,699

a. Deposits on equipment and equipment in process of assembly represents deposits placed with vendors for equipment that is in the process of assembly and purchased equipment that is being outfitted for its intended use. The equipment is not yet placed in service.

Proceeds from customers for horizontal and directional drilling services equipment damaged or lost down-hole are reflected in revenue with the carrying value of the related equipment charged to cost of service revenues and are reported as cash inflows from investing activities in the statement of cash flows. For the three months ended March 31, 2019 and 2018, proceeds from the sale of equipment damaged or lost down-hole were a nominal amount and$0.2 million, respectively, and gains on sales of equipment damaged or lost down-hole were a nominal amount and $0.2 million, respectively.

A summary of depreciation, depletion, amortization and accretion expense is below (in thousands):

	Three Months Ended March 31,	
	2019	**2018**
Depreciation expense	$ 28,066	$ 24,398
Depletion expense	212	87
Amortization expense	284	2,408
Accretion expense	14	15
Depreciation, depletion, amortization and accretion	$ 28,576	$ 26,908

7. Intangible Assets and Goodwill

The Company had the following definite lived intangible assets recorded (in thousands):

	March 31, 2019	**December 31, 2018**
Customer relationships	$ 2,255	$ 2,255
Trade names	9,063	9,063
Less: accumulated amortization - customer relationships	(618)	(544)
Less: accumulated amortization - trade names	(3,228)	(3,018)
Intangible assets, net	$ 7,472	$ 7,756

Amortization expense for intangible assets was $0.3 million and $2.4 million, respectively, for the three months ended March 31, 2019 and 2018. The original life of customer relationships ranges from 6 to 10 years with a remaining average useful life of 6.7 years. The original life of trade names ranges from 10 to 20 years with a remaining average useful life of 8.8 years.

Aggregated expected amortization expense for the future periods is expected to be as follows (in thousands):

	Amount
Remainder of 2019	$ 851
2020	1,135
2021	1,129
2022	1,108
2023	991
Thereafter	2,258
	$ 7,472

Goodwill was $101.2 million at both March 31, 2019 and December 31, 2018. Changes in the goodwill for the year ended December 31, 2018 and the three months ended March 31, 2019 are set forth below (in thousands):

Balance, January 1, 2018	$	99,811
Additions:		
WTL		1,567
RTS		133
ARS		694
Brim Equipment Assets		2,243
Impairment		(3,203)
Balance, December 31, 2018		101,245
Additions		—
Balance, March 31, 2019	$	101,245

During the year ended December 31, 2018, the Company moved Cementing's equipment from the Utica shale to the Permian basin. As a result, the Company recognized impairment on Cementing's intangible assets, including goodwill, non-contractual customer relationships and trade name of $3.2 million, $1.0 million and $0.2 million, respectively.

Cementing's goodwill was measured using an income approach, which provides an estimated fair value based on anticipated cash flows that are discounted using a weighted average cost of capital rate.

8. Equity Method Investment

On December 21, 2018, Cobra Aviation and Wexford Investment, a related party, formed a joint venture under the name of Brim Acquisitions to acquire all outstanding equity interest in Brim Equipment for a total purchase price of approximately $1.4 million in cash to the sellers plus $0.6 million in consideration to be paid upon completion of certain contractual obligations. Cobra Aviation owns a 49% economic interest and Wexford Investment owns a 51% economic interest in Brim Acquisitions, and each member contributed its pro rata portion of Brim Acquisitions' initial capital of $2.0 million. Brim Acquisitions, through Brim Equipment, owns one commercial helicopter and leases five commercial helicopters for operations, which it uses to provide a variety of services, including short haul, aerial ignition, hoist operations, aerial photography, fire suppression, construction services, animal/capture/survey, search and rescue, airborne law enforcement, power line construction, precision long line operations, pipeline construction and survey, mineral and seismic exploration, and aerial seeding and fertilization.

The Company uses the equity method of accounting to account for its investment in Brim Acquisitions, which had a carrying value of approximately $1.4 million at March 31, 2019. The investment is included in other non-current assets on the unaudited condensed consolidated balance sheets. The Company recorded an equity method adjustment to its investment of ($0.7) million, inclusive of intercompany profit eliminations, for its share of Brim Acquisitions' loss for the three months ended March 31, 2019, which is included in other, net on the unaudited condensed consolidated statements of comprehensive income. The Company made additional investments totaling $0.5 million during the three months ended March 31, 2019.

9. Accrued Expenses and Other Current Liabilities

Accrued expense and other current liabilities included the following (in thousands):

	March 31, 2019	December 31, 2018
Accrued compensation, benefits and related taxes	$ 17,666	$ 20,898
State and local taxes payable	19,959	18,687
Insurance reserves	4,618	4,678
Deferred revenue	3,354	4,304
Financed insurance premiums	4,832	6,761
Other	4,829	4,324
Total	$ 55,258	$ 59,652

Financed insurance premiums are due in monthly installments, are unsecured and mature within the twelve month period following the close of the year. As of March 31, 2019 and December 31, 2018, the applicable interest rate associated with financed insurance premiums was 3.45%.

10. Debt

On October 19, 2018, Mammoth Inc. and certain of its direct and indirect subsidiaries, as borrowers, entered into an amended and restated revolving credit and security agreement with the lenders party thereto and PNC Bank, National Association, as a lender and as administrative agent for the lenders, which amended and restated the Company's prior revolving credit and security agreement dated as of November 25, 2014, as amended prior to October 19, 2018. The facility matures on October 19, 2023. Borrowings under this facility are secured by the assets of Mammoth Inc., inclusive of certain of the subsidiary companies. The maximum availability of the facility is subject to a borrowing base calculation prepared monthly.

Outstanding borrowings under this facility bear interest at a per annum rate elected by Mammoth Inc. that is equal to an alternate base rate or LIBOR, in each case plus the applicable margin. The applicable margin ranges from 1.00% to 1.50% per annum in the case of the alternate base rate, and from 2.00% to 2.50% per annum in the case of LIBOR. The applicable margin depends on the amount of excess availability under this facility.

At March 31, 2019, there were outstanding borrowings under the amended and restated revolving credit facility of $82.0 million and $93.5 million of available borrowing capacity, after giving effect to $8.7 million of outstanding letters of credit. At December 31, 2018, there were no outstanding borrowings under the amended and restated revolving credit facility and $175.8 million of borrowing capacity under the facility, after giving effect to $8.4 million of outstanding letters of credit.

The Mammoth Inc. facility also contains various customary affirmative and restrictive covenants. Among the various covenants are specifically identified financial covenants placing requirements of a minimum interest coverage ratio (3.0 to 1.0), maximum leverage ratio (4.0 to 1.0), and minimum availability ($10 million). As of March 31, 2019 and December 31, 2018, the Company was in compliance with the financial covenants under the facility.

11. Variable Interest Entity

On April 6, 2018, Dire Wolf Energy Services LLC ("Dire Wolf"), a wholly owned subsidiary of the Company, entered into a Voting Trust Agreement with TVPX Aircraft Solutions Inc. (the "Voting Trustee"). Under the Voting Trust Agreement, Dire Wolf transferred 100% of its membership interest in Cobra Aviation to the Voting Trustee in exchange for Voting Trust Certificates. Dire Wolf retained the obligation to absorb all expected returns or losses of Cobra Aviation. Prior to the transfer of the membership interest to the Voting Trustee, Cobra Aviation was a wholly owned subsidiary of Dire Wolf. Cobra Aviation owns three helicopters and support equipment, 100% of the equity interest in ARS and49% of the equity interest in Brim Acquisitions. Dire Wolf entered into the Voting Trust Agreement in order to meet certain registration requirements.

Dire Wolf's voting rights are not proportional to its obligation to absorb expected returns or losses of Cobra Aviation and all of Cobra Aviation's activities are conducted on behalf of Dire Wolf, which has disproportionately fewer voting rights; therefore, Cobra Aviation meets the criteria of a VIE. Cobra Aviation's operational activities are directed by Dire Wolf's officers and Dire Wolf has the option to terminate the Voting Trust Agreement at any time. Therefore, the Company, through Dire Wolf, is considered the primary beneficiary of the VIE and consolidates Cobra Aviation at March 31, 2019.

12. Selling, General and Administrative Expense

Selling, general and administrative ("SG&A") expense includes of the following (in thousands):

	Three Months Ended March 31,	
	2019	**2018**
Cash expenses:		
Compensation and benefits	$ 9,230	$ 7,699
Professional services	3,789	2,587
Other[a]	3,244	1,607
Total cash SG&A expense	16,263	11,893
Non-cash expenses:		
Bad debt provision[b]	4	25,527
Stock based compensation	1,069	1,091
Total non-cash SG&A expense	1,073	26,618
Total SG&A expense	$ 17,336	$ 38,511

a. Includes travel-related costs, IT expenses, rent, utilities and other general and administrative-related costs.
b. $25.4 million of the bad debt expense recognized during the three months ended March 31, 2018 was subsequently reversed during the third quarter of 2018.

13. Income Taxes

The Company's effective tax rate was45% for each of the three months ended March 31, 2019 and 2018. The effective tax rates for the three months ended March 31, 2019 and 2018 differ from the statutory rate of 21% due to the mix of earnings between the United States and Puerto Rico. The majority of the Company's earnings for the periods were derived from Puerto Rico, which has a higher statutory rate compared to the United States. The Company recorded income tax expense of $22.9 million and $45.9 million, respectively, for the three months ended March 31, 2019 and 2018.

14. Leases

In February 2016, the FASB issued ASU 2016-02,*Leases (Topic 842)* which supersedes the requirements set forth in ASC 840,*Leases*. The Company adopted this standard effective January 1, 2019 utilizing the transition method which permits an entity to recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption with no adjustment made to the comparative periods presented in the consolidated financial statements. Accordingly, the comparative information as of December 31, 2018 and for the three months ended March 31, 2018 has not been adjusted and continues to be reported under the previous lease standard. The new guidance requires lessees to report a right of use asset and lease liability on the balance sheet for all leases with a term longer than one year, while maintaining substantially similar classifications for financing and operating leases. Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases.

The Company elected the transition practical expedient package whereby an entity was not required to reassess (i) whether any expired or existing contracts are or contained leases, (ii) the lease classification for any expired or existing leases and (iii) initial direct costs for any existing leases. The adoption of ASC 842 resulted in the recognition of approximately $60.0 million of operating lease right-of-use assets and operating lease liabilities on our consolidated balance sheet as of January 1, 2019 and did not materially impact our consolidated statement of comprehensive income for the three months ended March 31, 2019.

Lessee Accounting

Beginning January 1, 2019, for all leases with a term in excess of 12 months, the Company recognized a lease liability equal to the present value of the lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term. For operating leases, lease expense for lease payments is recognized on a straight-line basis over the lease term, while finance leases include both an operating expense and an interest expense component. For all leases with a term of 12 months or less, the Company elected the practical expedient to not recognize lease assets and liabilities and recognizes lease expense for these short-term leases on a straight-line basis over the lease term.

The Company's operating leases are primarily for rail cars, real estate, equipment and vehicles and its finance leases are primarily for machinery and equipment. Generally, the Company does not include renewal or termination options in its assessment of the leases unless extension or termination for certain assets is deemed to be reasonably certain. The accounting for some of the Company's leases may require significant judgment, which includes determining whether a contract contains a lease, determining the incremental borrowing rates to utilize in the net present value calculation of lease payments for lease agreements which do not provide an implicit rate and assessing the likelihood of renewal or termination options. Lease agreements that contain a lease and non-lease component are generally accounted for as a single lease component.

Lease expense consisted of the following for the three months ended March 31, 2019 (in thousands):

	Three Months Ended March 31, 2019
Operating lease expense	$ 6,015
Short-term lease expense	214
Finance lease expense:	
Amortization of right-of-use assets	197
Interest on lease liabilities	38
Total lease expense	$ 6,464

Supplemental balance sheet information related to leases as of March 31, 2019 is as follows:

		March 31, 2019
Operating leases:		
Operating lease right-of-use assets	$	56,234
Current operating lease liability		17,533
Long-term operating lease liability		38,572
Finance leases:		
Property and equipment, net	$	3,716
Accrued expenses and other current liabilities		1,797
Other liabilities		1,709

Other supplemental information related to leases for the three months ended March 31, 2019 is as follows (in thousands):

		Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	5,961
Operating cash flows from finance leases		34
Financing cash flows from finance leases		329
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$	955
Finance leases		—
Weighted-average remaining lease term:		
Operating leases		3.8 years
Finance leases		2.7 years
Weighted-average discount rate:		
Operating leases		4.5%
Finance leases		4.5%

Maturities of lease liabilities as of March 31, 2019 are as follows (in thousands):

	Operating Leases	Finance Leases
Remainder of 2019	$ 15,032	$ 1,754
2020	17,373	737
2021	12,854	428
2022	8,811	394
2023	4,473	387
Thereafter	2,589	32
Total lease payments	61,132	3,732
Less: Present value discount	5,027	226
Present value of lease payments	$ 56,105	$ 3,506

As of December 31, 2018, future minimum payments under noncancellable operating leases were $66.2 million in the aggregate, which consisted of the following: $20.2 million in 2019, $16.6 million in 2020, $12.6 million in 2021, $9.3 million in 2022, $5.0 million in 2023 and $2.5 million thereafter.

As of March 31, 2019, the Company was party to one additional operating lease for rail cars that had not yet commenced. This agreement provides for fixed lease payments of $5.4 million to be paid over the five year lease term.

Lessor Accounting

The Company's agreements with its customers for contract land drilling services, aviation services and remote accommodation services contain an operating lease component under ASC 842 because (i) there are identified assets, (ii) the customer obtains substantially all of the economic benefits of the identified assets throughout the period of use and (iii) the customer directs the use of the identified assets throughout the period of use. The Company has elected to apply the practical expedient provided to lessors to combine the lease and non-lease components of a contract where the revenue recognition pattern is the same and where the lease component, when accounted for separately, would be considered an operating lease. The practical expedient also allows a lessor to account for the combined lease and non-lease components under ASC 606, *Revenue from Contracts with Customers*, when the non-lease component is the predominant element of the combined component. The Company's agreement for its contract land drilling services contain a service component in addition to a lease component. The Company has determined the service component is greater than the lease component and therefore, reports revenue for its contract land drilling services under ASC 606.

The Company's lease agreements are generally short-term in nature and lease revenue is recognized over time based on on a monthly, daily or hourly rate basis. The Company does not provide an option for the lessee to purchase the rented assets at the end of the lease and the lessees do not provide residual value guarantees on the rented assets. The Company recognized lease revenue of $3.1 million during the three months ended March 31, 2019, which is included in service revenue on the unaudited condensed consolidated statement of comprehensive income.

15. Earnings (Loss) Per Share

Reconciliations of the components of basic and diluted net income (loss) per common share are presented in the table below (in thousands, except per share data):

	Three Months Ended March 31,	
	2019	**2018**
Basic earnings per share:		
Allocation of earnings:		
Net income	$ 28,333	$ 55,546
Weighted average common shares outstanding	44,929	44,650
Basic earnings per share	$ 0.63	$ 1.24
Diluted earnings per share:		
Allocation of earnings:		
Net income	$ 28,333	$ 55,546
Weighted average common shares, including dilutive effect	45,063	44,884
Diluted earnings per share	$ 0.63	$ 1.24

16. Equity Based Compensation

Upon formation of certain operating entities by Wexford, Gulfport and Rhino, specified members of management (the “Specified Members”) and certain non-employee members (the “Non-Employee Members”) were granted the right to receive distributions from the operating entities after the contribution member’s unreturned capital balance was recovered (referred to as “Payout” provision).

On November 24, 2014, the awards were modified in conjunction with the contribution of the operating entities to Mammoth. These awards were not granted in limited or general partner units. The awards are for interests in the distributable earnings of the members of MEH Sub, Mammoth’s majority equity holder.

On the IPO closing date, the unreturned capital balance of Mammoth's majority equity holder was not fully recovered from its sale of common stock in the IPO. As a result, Payout did not occur and no compensation cost was recorded.

On June 29, 2018, as part of an underwritten secondary public offering, MEH Sub sold2,764,400 shares of the Company’s common stock at a purchase price to MEH Sub of $38.01 per share. Additionally, the selling stockholders granted the underwriters an option to purchase additional shares of the Company's common stock at the same purchase

price. On July 30, 2018, in connection with the partial exercise of this option, MEH Sub sold an additional 266,026 shares of common stock to the underwriters. MEH Sub received the proceeds from this offering. As a result of the June 29, 2018 offering, a portion of the Non-Employee Member awards reached Payout. During the year ended December 31, 2018, the Company recognized equity compensation expense totaling $17.5 million related to these non-employee awards. These awards are at the sponsor level and this transaction had no dilutive impact or cash impact to the Company.

Payout for the remaining awards is expected to occur as the contribution member's unreturned capital balance is recovered from additional sales by MEH Sub of its shares of the Company's common stock or from dividend distributions, which is not considered probable until the event occurs. For the Specified Member awards, the unrecognized amount, which represents the fair value of the award as of the modification dates or grant date, was $5.6 million.

The Company adopted ASU 2018-07 as of January 1, 2019. This ASU aligns the accounting for non-employee share-based compensation with the requirements for employee share-based compensation. The standard required non-employee awards to be measured at fair value as of the date of adoption. For the Company's Non-Employee Member awards, the unrecognized amount, which represents the fair value of the awards as of the date of adoption of ASU 2018-07 was $18.9 million.

17. Stock Based Compensation

The 2016 Plan authorizes the Company's Board of Directors or the compensation committee of the Company's Board of Directors to grant restricted stock, restricted stock units, stock appreciation rights, stock options and performance awards. There are 4.5 million shares of common stock reserved for issuance under the 2016 Plan.

Restricted Stock Units

The fair value of restricted stock unit awards was determined based on the fair market value of the Company's common stock on the date of the grant. This value is amortized over the vesting period.

A summary of the status and changes of the unvested shares of restricted stock under the 2016 Plan is presented below.

	Number of Unvested Restricted Shares	Weighted Average Grant-Date Fair Value
Unvested shares as of January 1, 2019	434,119	$ 22.78
Granted	1,549	23.52
Vested	(119,989)	21.10
Forfeited	(16,668)	20.36
Unvested shares as of March 31, 2019	299,011	$ 23.58

As of March 31, 2019, there was $4.6 million of total unrecognized compensation cost related to the unvested restricted stock. The cost is expected to be recognized over a weighted average period of approximately 1.3 years.

Included in cost of revenue and selling, general and administrative expenses is stock based compensation expense of $1.3 million and $1.3 million, respectively, for the three months ended March 31, 2019 and 2018.

18. Related Party Transactions

Transactions between the subsidiaries of the Company, including Stingray Pressure Pumping LLC (“Pressure Pumping”), Muskie Proppant LLC (“Muskie”), Stingray Energy Services LLC (“SR Energy”), Stingray Cementing LLC (“Cementing”), Aquahawk Energy LLC (“Aquahawk”), Panther Drilling Systems LLC (“Panther Drilling”), Cobra Aviation, ARS, Cobra and Higher Power Electrical LLC (“Higher Power”) and the following companies are included in Related Party Transactions: Gulfport; Grizzly Oil Sands ULC (“Grizzly”); El Toro Resources LLC (“El Toro”); Everest Operations Management LLC (“Everest”); Elk City Yard LLC (“Elk City Yard”); Double Barrel Downhole Technologies LLC (“DBDHT”); Caliber Investment Group LLC (“Caliber”); Predator Drilling LLC (“Predator”), T&E Flow Services LLC (“T&E”) and Brim Equipment.

Following is a summary of related party transactions (in thousands):

		REVENUES		ACCOUNTS RECEIVABLE	
		Three Months Ended March 31,		At March 31,	At December 31,
		2019	2018	2019	2018
Pressure Pumping and Gulfport	(a)	$ 37,410	$ 38,546	$ 30,867	$ 8,175
Muskie and Gulfport	(b)	12,655	11,462	7,714	1,193
SR Energy and Gulfport	(c)	5,307	6,953	5,317	1,658
Cementing and Gulfport	(d)	—	2,828	—	—
Aquahawk and Gulfport	(e)	724	—	724	—
Panther Drilling and El Toro	(f)	369	345	142	64
Cobra Aviation/ARS and Brim Equipment	(g)	263	—	207	—
Other Relationships		—	416	61	74
		$ 56,728	$ 60,550	$ 45,032	$ 11,164

a. Pressure Pumping provides pressure pumping, stimulation and related completion services to Gulfport.
b. Muskie has agreed to sell and deliver, and Gulfport has agreed to purchase, specified annual and monthly amounts of natural sand proppant, subject to certain exceptions specified in the agreement, and pay certain costs and expenses.
c. SR Energy provides rental services to Gulfport.
d. Cementing performed well cementing services for Gulfport.
e. Aquahawk provides water transfer services for Gulfport pursuant to a master service agreement.
f. Panther provides directional drilling services for El Toro, an entity controlled by Wexford, pursuant to a master service agreement.
g. Cobra Aviation and ARS lease helicopters to Brim Equipment pursuant to aircraft lease and management agreements.

		Three Months Ended March 31,		At March 31,	At December 31,
		2019	2018	2019	2018
		COST OF REVENUE		ACCOUNTS PAYABLE	
Cobra Aviation/ ARS and Brim Equipment	(a)	$ 713	$ —	$ 445	$ —
Cobra and T&E	(b)	—	1,275	—	—
Higher Power and T&E	(b)	—	509	—	—
Other		—	8	—	240
		$ 713	$ 1,792	$ 445	$ 240
		SELLING, GENERAL AND ADMINISTRATIVE COSTS			
The Company and Wexford	(c)	$ 236	$ 183	$ 118	$ 100
The Company and Caliber	(d)	130	201	5	3
Other		68	45	41	27
		$ 434	$ 429	$ 164	$ 130
		CAPITAL EXPENDITURES			
Cobra and T&E	(a)	$ —	$ 374	$ —	$ —
Higher Power and T&E	(a)	—	1,198	—	—
		$ —	$ 1,572	$ —	$ —
				$ 609	$ 370

a. Cobra Aviation and ARS lease helicopters to Brim Equipment pursuant to aircraft lease and management agreements.
b. Cobra and Higher Power purchased materials and services from T&E, an entity in which a member of management's family owned a minority interest. T&E ceased to be a related party as of September 30, 2018.
c. Wexford provides certain administrative and analytical services to the Company and, from time to time, the Company pays for goods and services on behalf of Wexford.
d. Caliber leases office space to Mammoth.

On December 21, 2018, Cobra Aviation acquired all outstanding equity interest in ARS and purchased two commercial helicopters, spare parts, support equipment and aircraft documents from Brim Equipment. Following these transactions, and also on December 21, 2018, Cobra Aviation formed a joint venture with Wexford Investments named Brim Acquisitions to acquire all outstanding equity interests in Brim Equipment. Cobra Aviation owns a 49% economic interest and Wexford Investment owns a 51% economic interest in Brim Acquisitions, and each member contributed its pro rata portion of Brim Acquisitions' initial capital of $2.0 million. Cobra Aviation made additional investments in Brim

Acquisitions totaling $0.5 million during the three months ended March 31, 2019. Wexford Investments is an entity controlled by Wexford, which owns approximately 49% of the Company's outstanding common stock.

19. Commitments and Contingencies

Minimum Purchase Commitments

The Company has entered into agreements with suppliers that contain minimum purchase obligations. Failure to purchase the minimum amounts may require the Company to pay shortfall fees. However, the minimum quantities set forth in the agreements are not in excess of currently expected future requirements.

Capital Spend Commitments

The Company has entered into agreements with suppliers to acquire capital equipment.

Aggregate future minimum payments under these obligations in effect at March 31, 2019 are as follows (in thousands):

Year ended December 31:	Capital Spend Commitments	Minimum Purchase Commitments[a]
Remainder of 2019	$ 2,690	$ 25,594
2020	—	19,796
2021	—	621
2022	—	33
2023	—	8
Thereafter	—	—
	$ 2,690	$ 46,052

a. Included in these amounts are sand purchase commitments of $38.0 million. Pricing for certain sand purchase agreements is variable and, therefore, the total sand purchase commitments could be as much as $43.4 million. The minimum amount due in the form of shortfall fees under certain sand purchase agreements was $2.9 million as of March 31, 2019.

The Company has various letters of credit that were issued under the Company's revolving credit agreement which is collateralized by substantially all of the assets of the Company. The letters of credit are categorized below (in thousands):

	March 31, 2019	December 31, 2018
Insurance programs	$ 4,105	$ 4,105
Environmental remediation	4,182	3,877
Rail car commitments	455	455
Total letters of credit	$ 8,742	$ 8,437

The Company has insurance coverage for physical partial loss to its assets, employer's liability, automobile liability, commercial general liability, workers' compensation and insurance for other specific risks. The Company has also elected in some cases to accept a greater amount of risk through increased deductibles on certain insurance policies. As of March 31, 2019 and December 31, 2018, the policies require a deductible per occurrence of up to $0.1 million. The Company establishes liabilities for the unpaid deductible portion of claims incurred relating to physical loss to its assets, employer's liability, automobile liability, commercial general liability and workers' compensation based on estimates. As of March 31, 2019 and December 31, 2018, the policies contained an aggregate stop loss of $5.4 million. As of March 31, 2019 and December 31, 2018, accrued claims were $4.6 million and $4.7 million, respectively.

The Company also self-insures its employee health insurance. The Company has coverage on its self-insurance program in the form of a stop loss of $0.2 million per participant and an aggregate stop-loss of $5.8 million for the calendar year ending December 31, 2019. These estimates may change in the near term as actual claims continue to develop. As of March 31, 2019 and December 31, 2018, accrued claims were $3.0 million and $3.2 million, respectively.

Pursuant to certain customer contracts in our infrastructure services segment, the Company warrants equipment and labor performed under the contracts for a specified period following substantial completion of the work. Generally, the warranty is for one year or less. No liabilities were accrued as of March 31, 2019 and December 31, 2018 and no expense was recognized during the three months ended March 31, 2019 or 2018 related to warranty claims. However, if warranty claims occur, the Company could be required to repair or replace warrantied items, which in most cases are covered by warranties extended from the manufacturer of the equipment. In the event the manufacturer of equipment failed to perform on a warranty obligation or denied a warranty claim made by the Company, the Company could be required to pay for the cost of the repair or replacement.

In the ordinary course of business, the Company is required to provide bid bonds to certain customers in the infrastructure services segment as part of the bidding process. These bonds provide a guarantee to the customer that the Company, if awarded the project, will perform under the terms of the contract. Bid bonds are typically provided for a percentage of the total contract value. Additionally, the Company may be required to provide performance and payment bonds for contractual commitments related to projects in process. These bonds provide a guarantee to the customer that the Company will perform under the terms of a contract and that the Company will pay subcontractors and vendors. If the Company fails to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. The Company must reimburse the surety for expenses or outlays it incurs. As of March 31, 2019 and December 31, 2018, outstanding bid bonds totaled $5.9 million and $3.6 million, respectively, and outstanding performance and payment bonds totaled $22.4 million and $22.3 million, respectively. The estimated cost to complete projects secured by the performance and payment bonds totaled $13.4 million as of March 31, 2019.

The Company is routinely involved in state and local tax audits. During 2015, the State of Ohio assessed taxes on the purchase of equipment the Company believes is exempt under state law. The Company appealed the assessment and a hearing was held in 2017. As a result of the hearing, the Company received a decision from the State of Ohio. The Company is appealing the decision and while it is not able to predict the outcome of the appeal, this matter is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

On June 27, 2018, the Company's registered agent notified the Company that it had been served with a putative class action lawsuit titled Wendco of Puerto Rico Inc.; Multisystem Restaurant Inc.; Restaurant Operators Inc.; Apple Caribe, Inc.; on their own behalf and in representation of all businesses that conduct business in the Commonwealth of Puerto Rico vs. Mammoth Energy Services Inc.; Cobra Acquisitions, LLC; D. Grimm Puerto Rico, LLC; Aseguradoras A, B & C; John Doe; Richard Doe, in the Commonwealth of Puerto Rico Superior Court of San Juan. The plaintiffs allege negligent acts by the defendants caused an electrical failure in Puerto Rico resulting in damages of at least $300 million. The Company believes this claim is without merit and will vigorously defend the action. However, the Company continues to evaluate the background facts and at this time is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's financial position, results of operations or cash flows.

In late 2018 and early 2019, Cobra was served with four lawsuits from municipalities in Puerto Rico alleging failure to pay municipal license and construction excise taxes. The Government of Puerto Rico's Central Recovery and Reconstruction Office ("COR3") has noted the unique nature of work executed by entities such as Cobra in Puerto Rico and that taxes, such as those in these matters, may be eligible for reimbursement by the government. Further, COR3 indicated that it is working to develop a solution that will result in payment of taxes owed to the municipalities without placing an undue burden on entities such as Cobra. The Company continues to work with COR3 to resolve these matters. However, the Company continues to evaluate the facts and circumstances and at this time is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's financial position, results of operations or cash flows.

The Company is involved in various other legal proceedings in the ordinary course of business. Although the Company cannot predict the outcome of these proceedings, legal matters are subject to inherent uncertainties and there exists the possibility that the ultimate resolution of these matters could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

Defined contribution plan

The Company sponsors a 401(k) defined contribution plan for the benefit of substantially all employees at their date of hire. The plan allows eligible employees to contribute up to 92% of their annual compensation, not to exceed annual

limits established by the federal government. The Company makes discretionary matching contributions of up to 3% of an employee's compensation and may make additional discretionary contributions for eligible employees. For the three months ended March 31, 2019 and 2018, the Company paid $0.9 million and $1.6 million, respectively, in contributions to the plan.

20. Reporting Segments

As of March 31, 2019, our revenues, income before income taxes and identifiable assets are primarily attributable to three reportable segments. The Company principally provides electric infrastructure services to government-funded utilities, private utilities, public investor-owned utilities and co-operative utilities and services in connection with on-shore drilling of oil and natural gas wells for small to large domestic independent oil and natural gas producers.

The Company's Chief Executive Officer and Chief Financial Officer comprise the Company's Chief Operating Decision Maker function ("CODM"). Segment information is prepared on the same basis that the CODM manages the segments, evaluates the segment financial statements and makes key operating and resource utilization decisions. Segment evaluation is determined on a quantitative basis based on a function of operating income (loss), as well as a qualitative basis, such as nature of the product and service offerings and types of customers.

Prior to the year ended December 31, 2018, the Company had four reportable segments, including infrastructure services, pressure pumping services, natural sand proppant services and contract land and directional drilling services. Based on its assessment of FASB ASC 280, *Segment Reporting*, guidance at December 31, 2018, the Company changed its reportable segment presentation in 2018, as it determined based upon both a quantitative and qualitative basis that the contract land and directional drilling services segment is not of continuing significance for accounting reporting purposes. The Company now includes the results of the entities previously included in the contract land and directional drilling services segment in the reconciling column titled "All Other" in the tables below. The results below for the three months ended March 31, 2018 have been retroactively adjusted to reflect this change. As of March 31, 2019, the Company's three reportable segments include infrastructure services ("Infrastructure"), pressure pumping services ("Pressure Pumping") and natural sand proppant services ("Sand").

The infrastructure services segment provides electric utility infrastructure services to government-funded utilities, private utilities, public investor-owned utilities and co-operative utilities in Puerto Rico and the northeast, southwest and midwest portions of the United States. The pressure pumping services segment provides hydraulic fracturing and water transfer services primarily in the Utica Shale of Eastern Ohio, Marcellus Shale in Pennsylvania, Eagle Ford and Permian Basins in Texas and the mid-continent region. The sand segment mines, processes and sells sand for use in hydraulic fracturing. The sand segment primarily services the Utica Shale, Permian Basin, SCOOP, STACK and Montney Shale in British Columbia and Alberta, Canada.

The Company also provides contract land and directional drilling services, coil tubing services, flowback services, cementing services, acidizing services, equipment rental services, crude oil hauling services and remote accommodation services. The businesses that provide these services are distinct operating segments, which the CODM reviews independently when making key operating and resource utilization decisions. None of these operating segments meet the quantitative thresholds of a reporting segment and do not meet the aggregation criteria set forth in ASC 280 *Segment Reporting*. Therefore, results for these operating segments are included in the column labeled "All Other" in the tables below. Additionally, assets for corporate activities, which primarily include cash and cash equivalents, inter-segment accounts receivable, prepaid insurance and certain property and equipment, are included in the All Other column. Although Mammoth LLC, which holds these corporate assets, meets one of the quantitative thresholds of a reporting segment, it does not engage in business activities from which it may earn revenues and its results are not regularly reviewed by the Company's CODM when making key operating and resource utilization decisions. Therefore, the Company does not include it as a reportable segment.

Sales from one segment to another are generally priced at estimated equivalent commercial selling prices. Total revenue and Total cost of revenue amounts included in the Eliminations column in the following tables include inter-segment transactions conducted between segments. Receivables due for sales from one segment to another and for corporate allocations to each segment are included in the Eliminations column for Total assets in the following tables. All transactions conducted between segments are eliminated in consolidation. Transactions conducted by companies within the same reporting segment are eliminated within each reporting segment. The following tables set forth certain financial information with respect to the Company's reportable segments (in thousands):

Three months ended March 31, 2019	Infrastructure	Pressure Pumping	Sand	All Other	Eliminations	Total
Revenue from external customers	$ 108,721	$ 90,595	$ 24,964	$ 37,858	$ —	$ 262,138
Intersegment revenues	—	1,544	12,897	658	(15,099)	—
Total revenue	108,721	92,139	37,861	38,516	(15,099)	262,138
Cost of revenue, exclusive of depreciation, depletion, amortization and accretion	58,965	64,211	30,252	35,642	—	189,070
Intersegment cost of revenues	—	13,537	1,047	497	(15,081)	—
Total cost of revenue	58,965	77,748	31,299	36,139	(15,081)	189,070
Selling, general and administrative	9,517	3,213	1,519	3,087	—	17,336
Depreciation, depletion, amortization and accretion	7,719	9,893	2,873	8,091	—	28,576
Operating income (loss)	32,520	1,285	2,170	(8,801)	(18)	27,156
Interest expense, net	39	198	30	256	—	523
Other (income) expense, net	(24,824)	(1)	—	268	—	(24,557)
Income (loss) before income taxes	$ 57,305	$ 1,088	$ 2,140	$ (9,325)	$ (18)	$ 51,190

Three months ended March 31, 2018	Infrastructure	Pressure Pumping	Sand	All Other	Eliminations	Total
Revenue from external customers	$ 325,459	$ 96,579	$ 36,503	$ 35,708	$ —	$ 494,249
Intersegment revenues	—	4,559	14,512	2,417	(21,488)	—
Total revenue	325,459	101,138	51,015	38,125	(21,488)	494,249
Cost of revenue, exclusive of depreciation, depletion, amortization and accretion	194,076	66,612	33,330	32,083	—	326,101
Intersegment cost of revenues	1,791	15,402	4,286	267	(21,746)	—
Total cost of revenue	195,867	82,014	37,616	32,350	(21,746)	326,101
Selling, general and administrative	31,851	2,663	1,644	2,353	—	38,511
Depreciation, depletion, amortization and accretion	2,407	13,986	2,316	8,199	—	26,908
Operating income (loss)	95,334	2,475	9,439	(4,777)	258	102,729
Interest expense, net	76	504	80	577	—	1,237
Other expense (income), net	2	12	(13)	27	—	28
Income (loss) before income taxes	$ 95,256	$ 1,959	$ 9,372	$ (5,381)	$ 258	$ 101,464

	Infrastructure	Pressure Pumping	Sand	All Other	Eliminations	Total
As of March 31, 2019:						
Total assets	$ 433,855	$ 276,001	$ 227,864	$ 193,048	$ 39,739	$ 1,170,507
Goodwill	$ 3,828	$ 86,043	$ 2,684	$ 8,690	$ —	$ 101,245
As of December 31, 2018:						
Total assets	$ 366,457	$ 254,278	$ 177,870	$ 122,442	$ 152,044	$ 1,073,091
Goodwill	$ 3,828	$ 86,043	$ 2,684	$ 8,690	$ —	$ 101,245

21. Subsequent Events

Subsequent to March 31, 2019, the Company borrowed an additional $26.5 million under its credit facility. At April 30, 2019, outstanding borrowings under the Company's revolving credit facility totaled $108.6 million, leaving an aggregate of $66.9 million of available borrowing capacity under the facility, which is net of letters of credit of $8.7 million.

On April 16, 2019, a putative class and collective action lawsuit alleging that the Company failed to pay a class of workers overtime in compliance with the Fair Labor Standards Act and Puerto Rico law was filed titled Christopher Williams, individually and on behalf of all others similarly situated vs. Higher Power Electrical, LLC, Cobra Acquisitions LLC, and Cobra Energy, LLC in the U.S. District Court for the District of Puerto Rico. The Company is evaluating the

background facts and at this time is not able to predict the outcome of this lawsuit or whether it will have a material impact on the Company's financial position, results of operations or cash flows.

On April 30, 2019, the Company's board of Directors declared a quarterly cash dividend of $0.125 per share of common stock to be paid on May 17, 2019 to stockholders of record as of the close of business on May 10, 2019. Based on the number of shares outstanding at April 30, 2019, the total dividend payable to stockholders on May 17, 2019 will be approximately $5.6 million.

Subsequent to March 31, 2019, the Company ordered additional capital equipment with aggregate commitments of $3.0 million. Additionally, the Company's infrastructure services segment entered into equipment financing leases with aggregate commitments of $3.2 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes thereto presented in this Quarterly Report and the consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K. This discussion contains forward-looking statements reflecting our current expectations, estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in Item 1A. "Risk Factors" in this Quarterly Report and in our Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission, or the SEC, on March 18, 2019 and the section entitled "Forward-Looking Statements" appearing elsewhere in this Quarterly Report.

Overview

We are an integrated, growth-oriented company serving both the electric utility and oil and gas industries in North America and US territories. Our primary business objective is to grow our operations and create value for stockholders through organic growth opportunities and accretive acquisitions. Our suite of services includes infrastructure services, pressure pumping services, natural sand proppant services and other energy services, including contract land and directional drilling, coil tubing, flowback, cementing, acidizing, equipment rental, crude oil hauling and remote accommodations. Our infrastructure services division provides construction, upgrade, maintenance and repair services to the electrical infrastructure industry. Our pressure pumping services division provides hydraulic fracturing and water transfer services. Our natural sand proppant services division mines, processes and sells proppant used for hydraulic fracturing. In addition to these service divisions, we also provide contract land and directional drilling services, coil tubing services, pressure control services, flowback services, cementing services, acidizing services, equipment rentals, crude oil hauling services and remote accommodations. We believe that the services we offer play a critical role in maintaining and improving electrical infrastructure as well as in increasing the ultimate recovery and present value of production streams from unconventional resources. Our complementary suite of services provides us with the opportunity to cross-sell our services and expand our customer base and geographic positioning. We are exploring several opportunities to expand our business lines including, but not limited to, full service transportation, telecommunications and general industrial manufacturing as we shift to a broader industrial focus.

First Quarter 2019 Highlights and Recent Developments

- Net income of $28 million, or $0.63 per diluted share, for the three months ended March 31, 2019.
- Adjusted EBITDA of $83 million for the three months ended March 31, 2019. See "Non-GAAP Financial Measures" below for a reconciliation of net income to adjusted EBITDA.
- Declared $0.125 dividend per share, which was paid on February 14, 2019.

Industry Overview

Energy Infrastructure Industry

In 2017, we expanded into the electric infrastructure business, offering both commercial and storm restoration services to government-funded utilities, private utilities, public investor owned utilities and cooperatives. Since we commenced operations in this line of business, substantially all of our infrastructure revenues has been generated from storm restoration work, primarily from PREPA due to damage caused by Hurricane Maria. On October 19, 2017, Cobra and PREPA entered into an emergency master services agreement for repairs to PREPA's electrical grid. The one-year contract, as amended, provides for payments of up to $945 million. On May 26, 2018, Cobra and PREPA entered into a new one-year, $900 million master services agreement to provide additional repair services and begin the initial phase of reconstruction of the electrical power system in Puerto Rico.

During the fourth quarter of 2018, our staffing levels in Puerto Rico generally ranged from 475 to 550, dropping to approximately 130 at year end for a period of three days due to the holidays. During the first quarter of 2019, our crew staffing levels in Puerto Rico reached a high of approximately 500 in January. Our work under each of the contracts with PREPA has now ended and, as of March 31, 2019, only a small contingent of non-billable personnel remained on the island to facilitate the demobilization of our remaining equipment.

As of March 31, 2019 and April 26, 2019, PREPA owed us approximately $258 million and $247 million, respectively, for services performed by us as of those dates excluding $26 million of interest charged on these delinquent balances as of March 31, 2019. See Note 2. Basis of Presentation and Significant Accounting Policies—Accounts Receivable of our unaudited condensed consolidated financial statements. PREPA is currently subject to bankruptcy proceedings pending in the U.S. District Court for the District of Puerto Rico. As a result, PREPA's ability to meet its payment obligations under the contracts is largely dependent upon funding from the Federal Emergency Management Agency or other sources. In the event PREPA (i) does not have or does not obtain the funds necessary to satisfy its obligations to Cobra under the contracts, (ii) obtains the necessary funds but refuses to pay the amounts owed to us, (iii) terminates the contracts or curtails our services prior to the end of the contract terms or (iv) otherwise fails to pay amounts owed to us for services performed, our financial condition, results of operations and cash flows would be materially and adversely affected. In addition, government contracts are subject to various uncertainties, restrictions and regulations, including oversight audits by government representatives and profit and cost controls, which could result in withholding or delayed payments to us or efforts to recover payments already made. Further, we are not currently involved in discussions to extend the term of our contracts with PREPA and there can be no assurance that we will be able to obtain one or more replacement contracts with PREPA or other customers sufficient to continue providing the level of services that we currently provide to PREPA.

As we have been completing our work in Puerto Rico, the demand for our infrastructure services in the continental United States has continued to increase. We have grown our crew count to a total of approximately 130 crews as of March 31, 2019, an increase of 25 from approximately 105 at December 31, 2018 and an increase of 80 from approximately 50 at December 31, 2017. Each distribution crew generally consists of five employees. These distribution crews, which include employees previously located in Puerto Rico, are working for multiple utilities primarily across the northeastern, midwestern and southwestern portions of the United States. We believe we will be able to continue to grow our customer base and increase our revenues in the continental United States over the coming years.

Oil and Natural Gas Industry

The oil and natural gas industry has traditionally been volatile and is influenced by a combination of long-term, short-term and cyclical trends, including the domestic and international supply and demand for oil and natural gas, current and expected future prices for oil and natural gas and the perceived stability and sustainability of those prices, production depletion rates and the resultant levels of cash flows generated and allocated by exploration and production companies to their drilling, completion and related services and products budget. The oil and natural gas industry is also impacted by general domestic and international economic conditions, political instability in oil producing countries, government regulations (both in the United States and elsewhere), levels of customer demand, the availability of pipeline capacity and other conditions and factors that are beyond our control.

Demand for most of our oil and natural gas products and services depends substantially on the level of expenditures by companies in the oil and natural gas industry. The levels of capital expenditures of our customers are predominantly driven by the oil and natural gas prices. Over the past several years, commodity prices, particularly oil, has seen significant volatility with pricing ranging from a high of $110.53 per barrel on September 6, 2013 to a low of $26.19 per barrel on February 11, 2016. During early 2017, oil prices stabilized around the $50 per barrel level and started a gradual upward trend which continued into the fourth quarter of 2018, when oil prices peaked at $76.41 on October 3, 2018. Due to certain factors related to world politics and major oil producers, the price of oil experienced a sharp decline during the fourth quarter of 2018, with prices falling to a low of $42.53 on December 24, 2018. Oil prices stabilized during the first quarter of 2019 and started an upward trend reaching a high of $64.61 per barrel on April 10, 2019.

We anticipate demand for our oil and natural gas services and products will continue to be dependent on the level of expenditures by companies in the oil and natural gas industry and, ultimately, commodity prices. We experienced a weakening in demand for our oilfield services beginning in the third quarter of 2018 which accelerated in the fourth quarter of 2018 as a result of softening of oil prices and budget exhaustion by our customers. With the rebound in commodity prices in early 2019 and the resetting of budgets for the new year, we have seen the demand for our oilfield services increase so far in 2019. If commodity prices stabilize at current levels or continue to increase, the capital expenditures of our customers have the potential to increase from current levels as additional cash flows are realized. If this were to occur, we would expect an increase in demand for our services and products, particularly in our completion and production, natural sand proppant and contract land and directional drilling businesses. Decreases in commodity prices, however, would be expected to result in a reduction in the capital expenditures of our customers and impact the demand for our drilling, completion and other products and services.

Based on current feedback from our exploration and production customers, we expect them to take a cautious approach to activity levels in early 2019 given the recent volatility in oil prices and investor sentiment calling for activities to

remain within or below cash flows. Accordingly, we do not anticipate material increases in the overall pricing for our products and services in the near term. We intend to closely monitor our cost structure in response to market conditions.

Natural Sand Proppant Industry

In the natural sand proppant industry, demand growth for frac sand and other proppants is primarily driven by advancements in oil and natural gas drilling and well completion technology and techniques, such as horizontal drilling and hydraulic fracturing, as well as overall industry activity growth. Demand for proppant declined in 2015 and throughout most of 2016 and again in late 2018 due to reduced well completion activity; however, we believe that demand for proppant will continue to grow over the long-term, as it did throughout 2017 and the first half of 2018. We saw increased demand throughout the first quarter of 2019 with pricing for 40/70 up approximately 90% from an average low of $17 seen in the fourth quarter of 2018 to approximately $32 per ton.

Over the past 18 months, several new suppliers entered the market and existing suppliers completed planned capacity additions of frac sand supply, particularly in the Permian Basin. The industry expansion caused the frac sand market to become oversupplied, particularly in finer grades. As a result, pricing for certain grades have fallen significantly from the peaks experienced during the first half of 2018. We believe that the coarseness, conductivity, sphericity, acid-solubility and crush-resistant properties of our Northern White sand reserves and our transportation infrastructure afford us an advantage over many of our competitors and make us one of a select group of sand producers capable of delivering high volumes of frac sand that is optimal for oil and natural gas production to all major unconventional resource basins currently producing throughout North America.

During the first half of 2018, constraints in the rail system adversely impacted frac sand deliveries from our Taylor sand facility in Jackson County, Wisconsin. As a result, we estimate production at our Taylor facility was 23% lower during the first half of 2018 than it would have been in the absence of these constraints. These rail system constraints were largely alleviated by the end of 2018. Production at our Piranha facility was not impacted by these rail constraints, however, another railroad instituted a policy during the fourth quarter of 2019 that shifts from utilizing unit trains (100 car dedicated trains specifically set up to move sand in large quantities) to manifest shipments (smaller number of sand cars coupled with other types of loads to make up a full train shipment). This shift to manifest shipments has not had a material impact on the movement of sand from our Piranha facility to date, but may in the future. Further, as a result of adverse market conditions, production at our Muskie sand facility in Pierce County, Wisconsin has been temporarily idled since September 2018.

Results of Operations

Three Months Ended March 31, 2019 Compared to Three Months Ended March 31, 2018

	Three Months Ended	
	March 31, 2019	**March 31, 2018**
	(in thousands)	
Revenue:		
Infrastructure services	$ 108,721	$ 325,459
Pressure pumping services	92,139	101,138
Natural sand proppant services	37,861	51,015
Other services	38,516	38,125
Eliminations	(15,099)	(21,488)
Total revenue	262,138	494,249
Cost of revenue:		
Infrastructure services (exclusive of depreciation and amortization of $7,711 and $2,401, respectively, for the three months ended March 31, 2019 and 2018)	58,965	195,867
Pressure pumping services (exclusive of depreciation and amortization of $9,884 and $13,977, respectively, for the three months ended March 31, 2019 and 2018)	77,748	82,014
Natural sand proppant services (exclusive of depreciation, depletion and accretion of $2,871 and $2,314, respectively, for the three months ended March 31, 2019 and 2018)	31,299	37,616
Other services (exclusive of depreciation and amortization of $8,087 and $8,197, respectively, for the three months ended March 31, 2019 and 2018)	36,139	32,350
Eliminations	(15,081)	(21,746)
Total cost of revenue	189,070	326,101
Selling, general and administrative expenses	17,336	38,511
Depreciation, depletion, amortization and accretion	28,576	26,908
Operating income	27,156	102,729
Interest expense, net	(523)	(1,237)
Other income (expense), net	24,557	(28)
Income before income taxes	51,190	101,464
Provision for income taxes	22,857	45,918
Net income	$ 28,333	$ 55,546

Revenue. Revenue for the three months ended March 31, 2019 decreased $232 million, or 47%, to $262 million from $494 million for the three months ended March 31, 2018. The decrease in total revenue is primarily attributable to a $216 million decrease in infrastructure services revenue during the three months ended March 31, 2019.

Revenue derived from related parties was $57 million, or 22% of our total revenues, for the three months ended March 31, 2019 and $61 million, or 12% of our total revenue, for the three months ended March 31, 2018. Substantially all of our related party revenue is derived from Gulfport under pressure pumping and sand contracts. Revenue by operating division was as follows:

Infrastructure Services. Infrastructure services division revenue decreased $216 million, or 67%, to $109 million for the three months ended March 31, 2019 from $325 million for the three months ended March 31, 2018 primarily due to a decline in work orders under our contracts with PREPA. For the three months ended March 31, 2019 and 2018, we generated 79% and 98%, respectively, of total infrastructure services revenue, from our contracts with PREPA for repairs to Puerto Rico's electrical grid as a result of Hurricane Maria. For additional information

regarding our contracts with PREPA and our infrastructure services, see "Industry Overview - Electrical Infrastructure Industry" above.

Pressure Pumping Services. Pressure pumping services division revenue decreased $9 million, or 9%, to $92 million for the three months ended March 31, 2019 from $101 million for the three months ended March 31, 2018. Revenue derived from related parties was $38 million, or 41% of total pressure pumping revenue, for the three months ended March 31, 2019 compared to $39 million, or 38% of total pressure pumping revenue, for the three months ended March 31, 2018. All of our related party revenue is derived from Gulfport. Inter-segment revenue, consisting primarily of revenue derived from our sand segment, totaled $2 million and $5 million, respectively, for the three months ended March 31, 2019 and 2018.

The decrease in our pressure pumping services revenue was primarily driven by a decline in pricing as a result of market conditions. Additionally, during the three months ended March 31, 2019 more of our customers sourced their own materials, resulting in a decline in revenue for the period. The number of stages completed increased to 1,889 for the three months ended March 31, 2019 compared to 1,672 for the three months ended March 31, 2018.

Natural Sand Proppant Services. Natural sand proppant services division revenue decreased $13 million, or 26%, to $38 million for the three months ended March 31, 2019, from $51 million for the three months ended March 31, 2018. Revenue derived from related parties was $13 million, or 33% of total sand revenue, for the three months ended March 31, 2019 and $11 million, or 22% of total sand revenue, for the three months ended March 31, 2018. Inter-segment revenue, consisting primarily of revenue derived from our pressure pumping segment, totaled $13 million, or 34% of total sand revenue, for the three months ended March 31, 2019 and $15 million, or 28% of total sand revenue, for the three months ended March 31, 2018.

The decrease in our natural sand proppant services revenue was primarily attributable to a 27% decline in average price per ton as well as a 9% decrease in tons of sand sold from approximately 735,584 tons for the three months ended March 31, 2018 to 665,806 tons for the three months ended March 31, 2019.

Other Services. Other revenue, consisting of revenue derived from our contract land and directional drilling, coil tubing, pressure control, flowback, cementing, acidizing, equipment rental, crude oil hauling and remote accommodation businesses, increased $1 million to $39 million for the three months ended March 31, 2019 from $38 million for the three months ended March 31, 2018. Revenue derived from related parties, consisting primarily of equipment rental revenue from Gulfport, was $6 million, or 15% of total other revenue, for the three months ended March 31, 2019 and $11 million, or 28% of total other revenue, for the three months ended March 31, 2018. Inter-segment revenue, consisting primarily of revenue derived from our pressure pumping and infrastructure segments, totaled $1 million and $2 million, respectively, for the three months ended March 31, 2019 and 2018.

Revenues from our equipment rental business increased $4 million during the three months ended March 31, 2019 compared to the three months ended March 31, 2018. During the second quarter of 2018, we acquired WTL Oil LLC, or WTL, a crude oil hauling business, which contributed revenue of $3 million during the three months ended March 31, 2019. These increases were partially offset by declines in revenue from our other businesses included in our other services division, including coil tubing, cementing and contract land drilling, totaling $6 million during three months ended March 31, 2019 compared to three months ended March 31, 2018 primarily due to declines in utilization.

Cost of Revenue (exclusive of depreciation, depletion, amortization and accretion expense). Cost of revenue, exclusive of depreciation, depletion, amortization and accretion expense, decreased $137 million from $326 million, or 66% of total revenue, for the three months ended March 31, 2018 to $189 million, or 72% of total revenue, for the three months ended March 31, 2019. The decrease was primarily due to a decline in activity for infrastructure services business, which represented a $137 million decrease in cost of revenue. Cost of revenue by operating division was as follows:

Infrastructure Services. Infrastructure services division cost of revenue, exclusive of depreciation and amortization expense, decreased $137 million, or 70%, to $59 million for the three months ended March 31, 2019 from $196 million for the three months ended March 31, 2018. The decrease is due to a decline in activity in Puerto Rico. As a percentage of revenue, cost of revenue, exclusive of depreciation and amortization expense of $8 million and $2 million for the three months ended March 31, 2019 and 2018, respectively, was 54% and 60% for the three months ended March 31, 2019 and 2018, respectively.

Pressure Pumping Services. Pressure pumping services division cost of revenue, exclusive of depreciation and amortization expense, decreased $4 million, or 5%, to $78 million for the three months ended March 31, 2019 from $82 million for the three months ended March 31, 2018 primarily due to declines in cost of goods sold and fuel expense as more of our customers sourced their own materials during the three months ended March 31, 2019 as compared to the three months ended March 31, 2018. As a percentage of revenue, our pressure pumping services division cost of revenue, exclusive of depreciation and amortization expense of $10 million and $14 million the three months ended March 31, 2019 and 2018, respectively, was 84% and 81% for the three months ended March 31, 2019 and 2018, respectively.

Natural Sand Proppant Services. Natural sand proppant services division cost of revenue, exclusive of depreciation, depletion and accretion expense, decreased $7 million, or 17%, to $31 million for the three months ended March 31, 2019 from $38 million for the three months ended March 31, 2018, primarily due to a decline in cost of goods sold as a result of a 9% decrease in tons of sand sold. As a percentage of revenue, cost of revenue, exclusive of depreciation, depletion and accretion expense of $3 million and $2 million for the three months ended March 31, 2019 and 2018, respectively, was 83% and 74% for the three months ended March 31, 2019 and 2018, respectively.

Other Services. Other services division cost of revenue, exclusive of depreciation and amortization expense, increased $4 million, or 12%, to $36 million for the three months ended March 31, 2019 from $32 million for the three months ended March 31, 2018, primarily due to the acquisition of WTL in the second quarter of 2018 and increased activity for our equipment rental business. These increases were partially offset by a decline in cost of revenue for our contract land drilling business as a result of reduced activity. As a percentage of revenue, cost of revenue, exclusive of depreciation and amortization expense of $8 million for each of the three months ended March 31, 2019 and 2018, was 94% and 85% for the three months ended March 31, 2019 and 2018, respectively. The increase is primarily the result declines in utilization for our contract land and directional drilling, coil tubing and cementing businesses.

Selling, General and Administrative Expenses. Selling, general and administrative expenses, or SG&A, represent the costs associated with managing and supporting our operations. The table below presents a breakdown of SG&A expenses for the periods indicated (in thousands):

	Three Months Ended	
	March 31, 2019	**March 31, 2018**
Cash expenses:		
Compensation and benefits	$ 9,230	$ 7,699
Professional services	3,789	2,587
Other[a]	3,244	1,607
Total cash SG&A expense	16,263	11,893
Non-cash expenses:		
Bad debt provision[b]	4	25,527
Stock based compensation	1,069	1,091
Total non-cash SG&A expense	1,073	26,618
Total SG&A expense	$ 17,336	$ 38,511

a. Includes travel-related costs, IT expenses, rent, utilities and other general and administrative-related costs.

b. $25.4 million of the bad debt expense recognized during the three months ended March 31, 2018 was subsequently reversed during the third quarter of 2018.

Depreciation, Depletion, Amortization and Accretion. Depreciation, depletion, amortization and accretion increased $2 million, or 6%, to $29 million for the three months ended March 31, 2019 from $27 million for the three months ended March 31, 2018. The increase is primarily attributable to an increase in property and equipment as a result of purchases in the second half of 2018, resulting in increased depreciation expense, partially offset by a decline in intangible asset amortization expense.

Operating Income. Operating income decreased $76 million to $27 million for the three months ended March 31, 2019 from $103 million for the three months ended March 31, 2018. The decrease was primarily due to a $63 million decline in operating income for our infrastructure services business due to a decline in activity as well as a $7 million decrease in natural sand proppant operating income due to a decline in the average sale price per ton of sand sold.

Interest Expense, Net. Interest expense, net decreased $1 million during the three months ended March 31, 2019 compared to the three months ended March 31, 2018 primarily due to a decline in average borrowings outstanding.

Other Income, Net. Other income, net increased $25 million during the three months ended March 31, 2019 compared to the three months ended March 31, 2018 primarily due to the recognition of interest on trade account receivable totaling $26 million pursuant to the terms of our contracts with PREPA.

Income Taxes. We recorded income tax expense of $23 million on pre-tax income of $51 million for the three months ended March 31, 2019 compared to income tax expense of $46 million on pre-tax income of $101 million for the three months ended March 31, 2018. Our effective tax rate was 45% for each of the three months ended March 31, 2019 and 2018.

Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as net income (loss) before depreciation, depletion, accretion and amortization, impairment of long-lived assets, acquisition related costs, stock based compensation, interest expense, net, other (income) expense, net (which is comprised of the (gain) or loss on disposal of long-lived assets and interest on trade accounts receivable) and provision (benefit) for income taxes, further adjusted to add back interest on trade accounts receivable. We exclude the items listed above from net income (loss) in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industries depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) or cash flows from operating activities as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. We believe that Adjusted EBITDA is a widely followed measure of operating performance and may also be used by investors to measure our ability to meet debt service requirements.

The following tables provide a reconciliation of Adjusted EBITDA to the GAAP financial measure of net income or (loss) for each of our operating segments for the specified periods (in thousands).

Consolidated

	Three Months Ended March 31,	
Reconciliation of Adjusted EBITDA to net income:	**2019**	**2018**
Net income	$ 28,333	$ 55,546
Depreciation, depletion, accretion and amortization expense	28,576	26,908
Acquisition related costs	—	(46)
Stock based compensation	1,289	1,256
Interest expense, net	523	1,237
Other (income) expense, net	(24,557)	28
Interest on trade accounts receivable	25,735	—
Provision for income taxes	22,857	45,918
Adjusted EBITDA	$ 82,756	$ 130,847

Infrastructure Services

	Three Months Ended March 31,	
Reconciliation of Adjusted EBITDA to net income:	**2019**	**2018**
Net income	$ 35,665	$ 47,299
Depreciation and amortization expense	7,719	2,407
Acquisition related costs	—	(8)
Stock based compensation	462	457
Interest expense	39	76
Other (income) expense, net	(24,824)	2
Interest on trade accounts receivable	25,735	—
Provision for income taxes	21,639	47,957
Adjusted EBITDA	$ 66,435	$ 98,190

Pressure Pumping Services

	Three Months Ended March 31,	
Reconciliation of Adjusted EBITDA to net income:	**2019**	**2018**
Net income	$ 1,088	$ 1,959
Depreciation and amortization expense	9,893	13,986
Stock based compensation	410	418
Interest expense	198	504
Other (income) expense, net	(1)	12
Adjusted EBITDA	$ 11,588	$ 16,879

Natural Sand Proppant Services

	Three Months Ended March 31,	
Reconciliation of Adjusted EBITDA to net income:	**2019**	**2018**
Net income	$ 2,140	$ 9,372
Depreciation, depletion, accretion and amortization expense	2,873	2,316
Acquisition related costs	—	(38)
Stock based compensation	203	186
Interest expense	30	80
Other expense (income), net	—	(13)
Adjusted EBITDA	$ 5,246	$ 11,903

Other Services[a]

Reconciliation of Adjusted EBITDA to net loss:	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net loss	$ (10,542)	$ (3,342)
Depreciation and amortization expense	8,091	8,199
Stock based compensation	214	195
Interest expense, net	256	577
Other expense, net	268	27
Provision (benefit) for income taxes	1,217	(2,039)
Adjusted EBITDA	$ (496)	$ 3,617

a. Includes results for our contract land and directional drilling, coil tubing, pressure control, flowback, cementing, acidizing, equipment rentals, crude oil hauling and remote accommodations services and corporate related activities. Our corporate related activities do not generate revenue.

Liquidity and Capital Resources

We require capital to fund ongoing operations, including maintenance expenditures on our existing fleet of equipment, organic growth initiatives, investments and acquisitions. Since October 2016, our primary sources of liquidity have been cash on hand, borrowings under our revolving credit facility, cash flows from operations and proceeds from our initial public offering. Our primary uses of capital have been for investing in property and equipment used to provide our services, to acquire complementary businesses and to pay dividends to our stockholders. On July 16, 2018, we initiated a quarterly dividend policy and began paying a quarterly dividend in August 2018. On April 30, 2019, our Board of Directors declared a quarterly cash dividend of $0.125 per common share payable on May 17, 2019 to stockholders of record on May 10, 2019. Future declaration of cash dividends are subject to approval by our Board of Directors and may be adjusted at its discretion based on market conditions and capital availability.

As of March 31, 2019, we had outstanding borrowings under our revolving credit facility of $82 million and $93 million of available borrowing capacity under this facility, after giving effect to $9 million of outstanding letters of credit.

The following table summarizes our liquidity for the periods indicated (in thousands):

	March 31, 2019	December 31, 2018
Cash and cash equivalents	$ 21,343	$ 67,625
Revolving credit facility availability	184,233	184,233
Less long-term debt	(82,037)	—
Less letter of credit facilities (environmental remediation)	(4,182)	(3,877)
Less letter of credit facilities (insurance programs)	(4,105)	(4,105)
Less letter of credit facilities (rail car commitments)	(455)	(455)
Net working capital (less cash)[a]	276,739	148,108
Total	$ 391,536	$ 391,529

a. Net working capital (less cash) is a non-GAAP measure and is calculated by subtracting total current liabilities of $201 million and cash and cash equivalents of $21 million from total current assets of $499 million as of March 31, 2019. As of December 31, 2018, net working capital (less cash) is calculated by subtracting total current liabilities of $234 million and cash and cash equivalents of $68 million from total current assets of $450 million.

At April 30, 2019, we had cash on hand totaling $33 million and outstanding borrowings under our revolving credit facility of $109 million, leaving an aggregate of $67 million of available borrowing capacity under this facility, which is net of letters of credit of $9 million.

Liquidity and Cash Flows

The following table sets forth our cash flows at the dates indicated (in thousands):

	Three Months Ended March 31,	
	2019	2018
Net cash (used in) provided by operating activities	$ (102,994)	$ 101,323
Net cash used in investing activities	(19,253)	(35,488)
Net cash provided by (used in) financing activities	75,933	(60,972)
Effect of foreign exchange rate on cash	32	(53)
Net change in cash	$ (46,282)	$ 4,810

Operating Activities

Net cash used in operating activities was $103 million for the three months ended March 31, 2019, compared to net cash provided by operating activities of $101 million for the three months ended March 31, 2018. The decrease in operating cash flows was primarily attributable to a decline in activity for our infrastructure services segment as well as a timing difference between cash outflows for income tax payments and cash inflows for accounts receivable.

Investing Activities

Net cash used in investing activities was $19 million for the three months ended March 31, 2019, compared to $35 million for the three months ended March 31, 2018. Cash used in investing activities was used to purchase property and equipment that is utilized to provide our services.

The following table summarizes our capital expenditures by operating division for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2019	2018
Infrastructure services[a]	$ 3,254	$ 15,778
Pressure pumping services[b]	7,329	7,866
Natural sand proppant services[c]	985	5,700
Other[d]	8,705	6,430
Total capital expenditures	$ 20,273	$ 35,774

a. Capital expenditures primarily for truck, tooling and other equipment for the three months ended March 31, 2019 and 2018.
b. Capital expenditures primarily for pressure pumping and water transfer equipment for the three months ended March 31, 2019 and 2018.
c. Capital expenditures primarily for maintenance for the three months ended March 31, 2019 and plant upgrades for the three months ended March 31, 2018.
d. Capital expenditures primarily for equipment for our rental business and upgrades to our rig fleet for the three months ended March 31, 2019 and 2018.

Financing Activities

Net cash provided by financing activities was $76 million for the three months ended March 31, 2019, compared to net cash used in financing activities of $61 million for the three months ended March 31, 2018. Net cash provided by financing activities for the three months ended March 31, 2019 was primarily attributable to borrowings under our revolving credit facility of $82 million, partially offset by $6 million in dividends paid. Net cash used in financing activities three months ended March 31, 2018 was primarily attributable to net repayments under our revolving credit facility of $61 million.

Effect of Foreign Exchange Rate on Cash

The effect of foreign exchange rate on cash was a nominal amount and ($0.1) million for the three months ended March 31, 2019 and 2018, respectively. The change was driven primarily by a favorable (unfavorable) shift in the weakness (strength) of the Canadian dollar relative to the U.S. dollar for the cash held in Canadian accounts.

Working Capital

Our working capital totaled $298 million and $216 million, respectively, at March 31, 2019 and December 31, 2018. Our cash balances were $21 million and $68 million, respectively, at March 31, 2019 and December 31, 2018.

Our Revolving Credit Facility

On October 19, 2018, we and certain of our direct and indirect subsidiaries, as borrowers, entered into an amended and restated revolving credit and security agreement with the lenders party thereto and PNC Bank, National Association, as a lender and as administrative agent for the lenders, which amends and restates our prior revolving credit and security agreement dated as of July 9, 2018, as amended prior to October 19, 2018, to, among other things, (i) extend the maturity date to October 19, 2023, (ii) increase the maximum revolving advance amount to $185 million, with the ability to further increase the maximum revolving advance amount to $350 million under certain circumstances, (iii) increase the letter of credit sublimit to 20% of the maximum revolving advance amount and (iv) decrease the interest rates applicable to loans.

Outstanding borrowings under this amended and restated revolving credit facility bear interest at a per annum rate elected by us that is equal to an alternate base rate or LIBOR, in each case plus the applicable margin. The applicable margin ranges from 1.00% to 1.50% per annum in the case of the alternate base rate, and from 2.00% to 2.50% per annum in the case of LIBOR. The applicable margin depends on the amount of excess availability under this amended and restated revolving credit facility.

At March 31, 2019, we had outstanding borrowings under our credit facility of $82 million. At April 30, 2019, we had outstanding borrowings under our credit facility of $109 million, leaving an aggregate of $67 million of available borrowing capacity under this facility, which is net of letters of credit of $9 million.

Our amended and restated revolving credit facility contains various customary affirmative and restrictive covenants. Among the covenants are two financial covenants, including a minimum interest coverage ratio (3.0 to 1.0), and a maximum leverage ratio (4.0 to 1.0), and minimum availability ($10.0 million). As of March 31, 2019 and December 31, 2018, we were in compliance with the financial covenants under our then existing revolving credit facility.

Capital Requirements and Sources of Liquidity

During 2019, we currently estimate that our aggregate capital expenditures will be approximately $80 million. These capital expenditures include $25 million in our infrastructure segment for assets for additional crews, $20 million in our pressure pumping segment for the expansion of our water transfer operations and maintenance to our existing pressure pumping fleet, $6 million for our natural sand proppant segment for upgrades and maintenance and $29 million for our other services, primarily for the expansion of our trucking fleet and rental services and upgrades to our drilling rigs. During the three months ended March 31, 2019, our capital expenditures totaled $20 million.

We believe that our cash on hand, operating cash flow and available borrowings under our credit facility will be sufficient to fund our operations for at least the next twelve months. However, future cash flows are subject to a number of variables (including receipt of payments from PREPA), and significant additional capital expenditures could be required to conduct our operations. There can be no assurance that operations and other capital resources, including potential sales of assets or businesses, will provide cash in sufficient amounts to maintain planned or future levels of capital expenditures. Further, while we regularly evaluate acquisition opportunities, we do not have a specific acquisition budget for 2019 since the timing and size of acquisitions cannot be accurately forecasted. We continue to evaluate acquisition opportunities, including transactions involving entities controlled by Wexford and Gulfport. Our acquisitions may be undertaken with cash, our common stock or a combination of cash, common stock and/or other consideration. In the event we make one or more acquisitions and the amount of capital required is greater than the amount we have available for acquisitions at that time, we could be required to reduce the expected level of capital expenditures and/or seek additional capital. If we seek additional capital for that or other reasons, we may do so through borrowings under our revolving credit facility, joint venture partnerships, asset sales, offerings of debt or equity securities or other means. We cannot assure you that this additional capital will be available on acceptable terms or at all. If we are unable to obtain funds we need, we may not be able to complete acquisitions that may be favorable to us or finance the capital expenditures necessary to conduct our operations.

Off-Balance Sheet Arrangements

Minimum Purchase Commitments

We have entered into agreements with suppliers that contain minimum purchase obligations. Our failure to purchase the minimum amounts may require us to pay shortfall fees. However, the minimum quantities set forth in the agreements are not in excess of our currently expected future requirements.

Capital Spend Commitments

We have entered into agreements with suppliers to acquire capital equipment.

Aggregate future minimum lease payments under these agreements in effect at March 31, 2019 are as follows (in thousands):

Year ended December 31:	Capital Spend Commitments	Minimum Purchase Commitments[a]
Remainder of 2019	$ 2,690	$ 25,594
2020	—	19,796
2021	—	621
2022	—	33
2023	—	8
Thereafter	—	—
	$ 2,690	$ 46,052

a. Included in these amounts are sand purchase commitments of $38 million. Pricing for certain sand purchase agreements is variable and, therefore, the total sand purchase commitments could be as much as $43 million. The minimum amount due in the form of shortfall fees under certain sand purchase agreements was $3 million as of March 31, 2019.

Other Commitments

Subsequent to March 31, 2019, we ordered additional capital equipment with aggregate commitments of $3.0 million. Additionally, our infrastructure services segment entered into equipment financing leases with aggregate commitments of $3.2 million.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2016-02 “Leases (Topic 842)” amending the current accounting for leases. Under the new provisions, all lessees will report a right of use asset and lease liability on the balance sheet for all leases with a term longer than one year, while maintaining substantially similar classifications for financing and operating leases. Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, and interim periods within that fiscal year. We adopted this ASU effective January 1, 2019 utilizing the transition method permitted by ASU No. 2018-11 "Leases (Topic 842): Targeted Improvements", issued in August 2018, which permits an entity to recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption with no adjustment made to the comparative periods presented in the consolidated financial statements. See Note 14 to the unaudited condensed consolidated financial statements included elsewhere in this report for the impact the adoption of this standard had on our financial statements.

In June 2018, the FASB issued ASU No. 2018-07, “Compensation - Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Accounting,” which simplifies the accounting for share-based payments granted to non-employees by aligning the accounting with requirements for employee share-based compensation. Upon transition, this ASU requires non-employee awards to be measured at fair value as of the adoption date. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within that fiscal year. We adopted this ASU effective January 1, 2019 and estimate the fair value of our non-employee equity awards was approximately $18.9 million as of this date.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The demand, pricing and terms for our products and services are largely dependent upon the level of activity for the U.S. oil and natural gas industry, energy infrastructure industry and natural sand proppant industry. Industry conditions are influenced by numerous factors over which we have no control, including, but not limited to: the supply of and demand for oil and natural gas services, energy infrastructure services and natural sand proppant; the level of construction of transmission lines, substations and distribution networks in the energy infrastructure industry and the level of expenditures of utility companies; the level of prices of, and expectations about future prices for, oil and natural gas and natural sand proppant, as well as energy infrastructure services; the cost of exploring for, developing, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reserves and frac sand reserves meeting industry specifications and consisting of the mesh size in demand; access to pipeline, transloading and other transportation facilities and their capacity; weather conditions; domestic and worldwide economic conditions; political instability in oil-producing countries; environmental regulations; technical advances affecting energy consumption; the price and availability of alternative fuels; the ability of oil and natural gas producers and other users of our services to raise equity capital and debt financing; and merger and divestiture activity in industries in which we operate.

The level of activity in the U.S. oil and natural gas exploration and production, energy infrastructure and natural sand proppant industries is volatile. Expected trends may not continue and demand for our products and services may not reflect the level of activity in these industries. Any prolonged substantial reduction in pricing environment would likely affect demand for our services. A material decline in pricing levels or U.S. activity levels could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Interest Rate Risk

We had a cash and cash equivalents balance of $21 million at March 31, 2019. We do not enter into investments for trading or speculative purposes. We do not believe that we have any material exposure to changes in the fair value of these investments as a result of changes in interest rates. Declines in interest rates, however, will reduce future income.

Interest under our credit facility is payable at a base rate plus an applicable margin. Additionally, at our request, outstanding balances are permitted to be converted to LIBOR rate plus applicable margin tranches. The applicable margin for either the base rate or the LIBOR rate option can vary from 1.5% to 3.0%, based upon a calculation of the excess availability of the line as a percentage of the maximum credit limit. At March 31, 2019, we had outstanding borrowings under our revolving credit facility of $82 million with a weighted average interest rate of 4.5%. A 1% increase or decrease in the interest rate at that time would have increased or decreased our interest expense by approximately $1 million per year. We do not currently hedge our interest rate exposure.

Foreign Currency Risk

Our remote accommodation business, which is included in our other energy services segment, generates revenue and incurs expenses that are denominated in the Canadian dollar. These transactions could be materially affected by currency fluctuations. Changes in currency exchange rates could adversely affect our consolidated results of operations or financial position. We also maintain cash balances denominated in the Canadian dollar. At March 31, 2019, we had $2 million of cash, in Canadian dollars, in Canadian accounts. A 10% increase in the strength of the Canadian dollar versus the U.S. dollar would have resulted in an increase in pre-tax income of approximately $0.1 million as of March 31, 2019. Conversely, a corresponding decrease in the strength of the Canadian dollar would have resulted in a comparable decrease in pre-tax income. We have not hedged our exposure to changes in foreign currency exchange rates and, as a result, could incur unanticipated translation gains and losses.

Seasonality

We provide completion and production services as well as contract land and drilling services primarily in the Utica, Permian Basin, Eagle Ford, Marcellus, Granite Wash, Cana Woodford and Cleveland sand resource plays located in the continental U.S. We provide infrastructure services primarily in the northeast, southwest and midwest portions of the United States and in Puerto Rico. We provide remote accommodation services in the oil sands in Alberta, Canada. We serve these markets through our facilities and service centers that are strategically located to serve our customers in Ohio, Texas, Oklahoma, Wisconsin, Minnesota, Kentucky, Puerto Rico and Alberta, Canada. A portion of our revenues are generated in Ohio, Wisconsin, Minnesota, North Dakota, Pennsylvania, West Virginia and Canada where weather conditions may be severe. As a result, our operations may be limited or disrupted, particularly during winter and spring months, in these geographic

regions, which would have a material adverse effect on our financial condition and results of operations. Our operations in Oklahoma and Texas are generally not affected by seasonal weather conditions.

Item 4. Controls and Procedures

Evaluation of Disclosure Control and Procedures

Under the direction of our Chief Executive Officer and Chief Financial Officer, we have established disclosure controls and procedures, as defined in Rule 13a-15(e) and d under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As of March 31, 2019, an evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2019, our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(d) and 15d-15(d) under the Exchange Act) that occurred during the quarter ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Due to the nature of our business, we are, from time to time, involved in litigation or subject to disputes or claims related to our business activities, including breaches of contractual obligations, workers' compensation claims and employment related disputes. In the opinion of our management, none of the pending litigation, disputes or claims against us is expected to have a material adverse effect on our financial condition, cash flows or results of operations, except as disclosed in Note 19 "Commitments and Contingencies," of the Notes to Unaudited Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

Security holders and potential investors in our securities should carefully consider the risk factors in our Annual Report on Form 10-K (Commission File No. 001-37917) filed with the SEC on March 18, 2019.

There have been no material changes to the Risk Factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 4. Mine Safety Disclosures

Our operations are subject to the Federal Mine Safety and Health Act of 1977, as amended by the Mine Improvement and New Emergency Response Act of 2006, which imposes stringent health and safety standards on numerous aspects of mineral extraction and processing operations, including the training of personnel, operating procedures, operating equipment and other matters. Our failure to comply with such standards, or changes in such standards or the interpretation or enforcement thereof, could have a material adverse effect on our business and financial condition or otherwise impose significant restrictions on our ability to conduct mineral extraction and processing operations. Following passage of The Mine Improvement and New Emergency Response Act of 2006, MSHA significantly increased the numbers of citations and orders charged against mining operations. The dollar penalties assessed for citations issued has also increased in recent years. Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 to this Report.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following exhibits are filed as a part of this report:

Exhibit Number	Exhibit Description	Incorporated By Reference				Filed Herewith	Furnished Herewith
		Form	Commission File No.	Filing Date	Exhibit No.		
3.1	Amended and Restated Certificate of Incorporation of the Company	8-K	001-37917	11/15/2016	3.1		
3.2	Amended and Restated Bylaws of the Company	8-K	001-37917	11/15/2016	3.2		
4.1	Specimen Certificate for shares of common stock, par value $0.01 per share, of the Company	S-1/A	333-213504	10/3/2016	4.1		
4.2	Registration Rights Agreement, dated October 12, 2016, by and between the Company and Mammoth Energy Holdings, LLC	8-K	001-37917	11/15/2016	4.1		
4.3	Investor Rights Agreement, dated October 12, 2016, by and between the Company and Gulfport Energy Corporation	8-K	001-37917	11/15/2016	4.2		
10.1	Master Service Agreement, dated January 1, 2019, by and between Gulfport Energy Corporation and Aquahawk Energy LLC.					X	
10.2	Aviation Support Services Agreement, dated December 28, 2018, by and between Brim Equipment Leasing, Inc. and Cobra Aviation Services LLC.					X	
10.3	General Sales Agency Agreement, dated December 21, 2018, by and between Cobra Aviation Services LLC and Brim Equipment Leasing, Inc.					X	
10.4	Aircraft Lease and Management Agreement (N745BW), dated December 21, 2018 by and between Cobra Aviation Services LLC and Brim Equipment Leasing, Inc.					X	
10.5	Aircraft Lease and Management Agreement (N745MB), dated December 21, 2018 by and between Cobra Aviation Services LLC and Brim Equipment Leasing, Inc.					X	
31.1	Certification of Chief Executive Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934.					X	
31.2	Certification of Chief Financial Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934.					X	
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X	
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X	
95.1	Mine Safety Disclosure Exhibit					X	
101.1	Interactive data files pursuant to Rule 405 of Regulation S-T.						

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			MAMMOTH ENERGY SERVICES, INC.
Date:	May 2, 2019	By:	/s/ Arty Straehla
			Arty Straehla
			Chief Executive Officer
Date:	May 2, 2019	By:	/s/ Mark Layton
			Mark Layton
			Chief Financial Officer

MASTER SERVICE AGREEMENT

NOTE: THIS AGREEMENT CONTAINS INDEMNITY AND RELEASE PROVISIONS

This MASTER SERVICE AGREEMENT ("Agreement") is made and entered into this 1st day of January, 2019, by and between:

Gulfport Energy Corporation ("Company")
3001 Quail Springs Pkwy.
Oklahoma City, Oklahoma 73134

and

Aquahawk Energy LLC ("Contractor")
14201 Caliber Drive, Suite 300
Oklahoma City, OK 73134

Company and Contractor may sometimes herein be referred to individually as a "Party" or collectively as the "Parties". The definition of Company and Contractor shall also include each Party's subsidiaries, agents, affiliates, and assigns, and this agreement shall bind and adhere to all aforementioned Parties as if they were originally included in said agreement.

In consideration of the covenants and promises made by each with the other, Contractor and Company covenant and agree as follows:

1. **TERM**
This Agreement is effective as of the above-referenced date, and continues for a term of one (1) year; and from year-to-year thereafter until terminated as provided in Section 21 hereof.

2. **SCOPE**
This Agreement is applicable to any and all services, goods, and/or equipment provided by Contractor to Company in connection with the construction and/or operation of properties and/or facilities for the exploration for, development of, and/or production of oil, gas, and/or other minerals anywhere Company conducts such oil and/or gas exploration and development operations.

3. **WORK**
This Agreement shall control and govern any and all goods, facilities, and/or services performed by Contractor to Company under written job orders at any time during the term of this Agreement. Unless the Parties specifically agree otherwise, in a written document which specifically refers to this Agreement, any goods, facilities, and/or services requested by Company and agreed to be performed and/or provided by Contractor shall be performed and/or provided pursuant to the terms of this Agreement. In the event that any conflict exists between the provisions of this Agreement and the terms and conditions set forth in any bid, job order, statement, purchase order, published rate schedule, contract, invoice, receipt, delivery ticket or any other type of agreement, disclosure, or memoranda, whether written or oral, between Company and Contractor pertaining to the subject matter hereof, the provisions of this Agreement shall control.

4. **INDEPENDENT CONTRACTOR RELATIONSHIP**
   a) Contractor shall be an independent contractor with respect to performance of all Work hereunder. Except as specifically provided in sub-paragraph (c) hereto, neither Contractor nor anyone employed by Contractor shall be deemed for any purpose to be the employee, agent, servant, or representative of Company in the performance of any Work or any part thereof pursuant to this Agreement. Company shall have no direction or control of the details of the Work, Contractor, or Contractor's employees, agents, and/or subcontractors – Company being interested only in the results obtained. Company expressly reserves no authority whatsoever over the personnel of Contractor. The provision contained in the preceding sentence shall supersede anything that is determined to be to the contrary in this Agreement.
   b) Notwithstanding the above, the Work contemplated herein must meet the specifications set forth by Company in the applicable job order and shall be subject to Company's general right of inspection, including unlimited access to the Work premises, to the extent necessary to determine that the Work is being performed and/or completed in accordance with the job order. Any portion of the Work found defective shall be removed, replaced, or corrected without additional costs or risks to Company.
   c) Contractor and employees of Contractor Group (which includes the direct, borrowed, special or statutory employees of Contractor Group as defined in Section 10) are not employee(s), partner(s) or joint venturer(s) of Company. Specifically, Contractor and employees of Contractor Group shall not be treated as an employee of Company for workers compensation purposes. Contractor and Contractor Group are required to obtain and maintain their own workers compensation coverage

pursuant to the workers' compensation law of the jurisdiction in which the Work is performed by Contractor and/or by Contractor Group. Upon execution of this Agreement, Contractor shall provide to the Company a copy of Contractor's and/or Contractor Group's Certificate of Premium Payment ("Certificate") issued by the state workers' compensation agency for the state(s) in which the Work is performed by Contractor and/or by Contractor Group and shall provide an updated Certificate no later than the expiration date of the previous Certificate. Contractor shall immediately notify Company if Contractor or Contractor Group's Workers' Compensation coverage is suspended or terminated.

d) Company reserves the right to deny access to Company property or work sites to any individual, including any personnel of Contractor.

5. CONTRACTOR'S WORKERS AND EQUIPMENT

a) Contractor warrants that all workers furnished by Contractor or Contractor's subcontractor(s) shall be experienced and qualified for their respective task(s). Contractor, at its own cost and expense, shall provide: 1) the labor and/or services necessary and appropriate to the performance of the Work in good, safe, and workmanlike manner in accordance with standard oilfield servicing practices; and/or 2) the equipment, consumable materials, supplies, tools, and appliances necessary and appropriate to the performance of the Work. Contractor shall be solely responsible for any loss and/or damage to such equipment, materials, supplies or tools.

b) In the event that Contractor employs subcontractor(s) in either the performance of the Work or provision of equipment, Contractor is obligated to inform Company of such use. Company further reserves the right to approve all such subcontractor(s), which shall not be unreasonably denied, conditioned, or delayed. If Company consents to such subcontracting, Contractor agrees to require all such subcontractor(s) to comply with all provisions of this Agreement. Contractor further agrees to not charge Company for any materials and/or equipment not owned by Contractor, such as that rented from third parties, used in the Work without Company's prior written consent.

6. PERFORMANCE OF WORK

a) Nothing contained herein shall obligate Company to call upon Contractor for the performance of any Work whatsoever. Similarly, Contractor shall not be obligated to accept any Company Work request(s). Further, subject to the terms herein, the designation of any Work to be performed, and the cessation of such Work, shall be at the sole discretion of Company.

b) Contractor shall provide adequate protection of the Work and Company property as well as take all necessary precautions to insure the safety of all persons and/or employees on the Work site, including Company Group, as defined in Section 10.

c) On all materials, including without limitation, oilfield waste, whether solid or liquid and whether classified as hazardous or not, for which Contractor's services are provided to transport such materials to a site that is independently owned and/or operated by Contractor or a third party, ownership and control of a liability for any and all handling, transportation or other carriage, and/or disposal of such material shall exclusively rest in Contractor at and from the point such material is transferred to Contractor's vehicle, vessel, or other such containment or carrying device or machinery and leaves Company's work site. Moreover, nothing in this provision limits or shall be deemed to limit the express provisions in 10d of this Agreement.

d) Contractor is responsible for initiating, maintaining and supervising all necessary Safety and Drug Testing Policies and Procedures (copies of which are to be provided to Company upon request) in connection with the performance of the Work and comply and cause Contractor's employees, agents, subcontractors, and others entering on Company's premises in the performance of the Work, or in connection therewith, to comply with all applicable laws, rules, ordinances, and/or regulations, whether federal, state, municipal or foreign, which are now or may, in the future, become applicable to the Work.

e) Contractor shall examine all items furnished by Company which are to be employed in connection with the Work and immediately notify Company of any and all defects sufficient to make the use of any such items unsuitable or unsafe.

7. PRICES

a) The price(s) charged by Contractor for goods, facilities, and/or services provided to Company shall be (i) any prices negotiated between Company and Contractor and approved in writing by Company at the time the Work is provided, or (ii) any prices submitted by Contractor in a bid approved and accepted by Company in writing. Prior to the Parties agreeing on a particular price, Company shall have the right at any time to request bids from Contractor and others.

b) When Contractor's rate is calculated on a daily basis, twelve (12) hours shall constitute one (1) "day" unless the Parties agree otherwise in writing.

c) Charges for transportation of goods and/or services to and from the Work location shall be calculated from the nearest competitive point to the Work location unless otherwise agreed upon in writing.

8. TERMS OF PAYMENT AND BILLING INSTRUCTIONS

a) All Contractor invoices shall identify (i) the items related to the charges and provide appropriate documentation supporting such charges (including, but not limited to, receipts, time sheets, dates, hours, rate, labor classifications, and material charges, all with appropriate approvals of Company personnel), (ii) whether prices are the negotiated or bid prices, (iii) charges by, as applicable, block name and number, lease number and name, or platform name and number, and well number. If Company separately agrees to pay for travel time, Contractor shall identify such time on its invoices separately from other time billed.

b) All invoices shall be directed to the following address unless otherwise specified by Company:

Gulfport Energy Corporation
3001 Quail Springs Pkwy. Oklahoma City, Oklahoma 73134 Attention: Accounts Payable

c) Contractor shall submit invoices within 60 days after the invoiced Work is completed unless Company approves other invoicing arrangements at the time it requests the Work. Separate invoices should be submitted for each project whether drilling, production, or otherwise. Single invoices for multi-wells or multi-projects are not acceptable. Company normally will

not make partial payments on invoices. Therefore, if part of an invoice is in error, including any omission of, or error in information required to be in the invoice (as described above), or is disputed by Company, said invoice will be returned for correction.

d) Unless Company disputes an item in an invoice or requires any information provided for herein, or the invoice is submitted in improper form, Company shall pay Contractor the full amount of an invoice within sixty (60) days after its receipt. Any payment shall be made by Company's check or draft payable to the order of Contractor, and shall be delivered or mailed to Contractor at Contractor's address for the delivery of notices as provided herein. Payment by Company of Contractor's invoices shall be without prejudice to Company's rights to subsequently challenge the correctness thereof, and such payment will be without prejudice to Company's rights to later dispute them

e) Notwithstanding the approval for payment of any invoices submitted, Company shall have the right to withhold any payments thereon until Contractor shall have furnished (i) verification reasonably satisfactory to Company of Work performed, (ii) verification of performance of all goods, equipment, and facilities to which such payment relates, (iii) proof that all claims against Contractor by its suppliers and subcontractors for labor, goods, equipment, and facilities of any kind furnished in connection with Contractor's obligations under this Agreement have been fully paid and satisfied, and (iv) proof that all liens, claims and privileges of Contractor's suppliers and subcontractors, and claims for injuries to persons or property not covered by insurance, arising out of Work performed or goods, equipment, or facilities furnished in connection with Contractor's obligations under this Agreement have been fully released or satisfied; provided, however, that in no event shall Company's payment to Contractor exceed one hundred and twenty (120) days after Company's receipt of Contractor's invoice.

f) It is agreed that payment by Company of any invoice will not constitute a waiver of Company's right subsequently to contest the amount or correctness of said invoice and to seek reimbursement. In the event of any dispute, Company may withhold payment of the disputed amount or Company may pay the disputed amount without waiver of any of its rights, including the right to seek reimbursement. Contractor agrees to not file any liens, claims, or other encumbrances (or permit any of the foregoing to arise by operation of law or otherwise) or allow its contractors, subcontractors, or suppliers (regardless if such contracting or subcontracting is in violation of Article 8 of this Agreement) to file any liens, claims, or other encumbrances against Company's property. Contractor will include provisions that effect the same in all agreements with its contractors, subcontractors, or suppliers performing any services or furnishing any goods, equipment, or facilities under this Agreement. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS AGREEMENT, CONTRACTOR SHALL NOT BE PRECLUDED FROM FILING A LIEN RELATING TO UNPAID BALANCES DUE TO CONTRACTOR UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, UNDER CONTRACTOR'S UNDISPUTED INVOICES FOR WORK PERFORMED UNDER THIS AGREEMENT OR A WORK ORDER.

g) In the event that any liens, claims, or encumbrances are filed by anyone claiming by, through, or under Contractor (or arise by operation of law or otherwise in favor of any of the foregoing persons), Contractor will remove and discharge said liens, claims, or encumbrances within ten (10) days of the filing thereof. If Contractor fails to remove and discharge any said liens, claims, or encumbrances within such period, Company will be permitted without any notice to, or authorization from, Contractor to take the following actions (which will not limit any other remedies available to Company in this Agreement or otherwise):

   1. Request and obtain refunds from Contractor in the amount required to remove and discharge such liens, claims, or other encumbrances.

h) In addition to the foregoing, if at any time Company has the good faith belief that the ability of the Contractor to perform its obligations under this Agreement is impaired, Company may demand assurance from Contractor in the form and amount of financial security satisfactory to Company, including without limitation bonds or retainage covering performance of all of the duties and obligations outstanding under the Agreement. Any of Company's costs and expenses related to any of the foregoing (including, but not limited to, reasonable attorneys' fees) will be paid by Contractor.

i) Contractor will itemize, identify, and list as a separate line item on all invoices, the sales/use, VAT, services, and all other applicable tax amounts that apply to all services performed by and goods, equipment, and facilities provided by Contractor for Company under this Agreement. Contractor has the sole responsibility to invoice and collect applicable taxes from Company and to pay such applicable taxes to the appropriate tax authority(s). Contractor agrees to hold Company harmless and indemnify Company against claims by any states, provinces, parishes, or national, local, or municipal governments for any applicable taxes paid by Company to Contractor. Contractor will notify Company of such taxes as soon as Contractor becomes aware of them so that Company will have the opportunity to review, protest, or appeal such tax determination.

9. INSURANCE

a) Company and Contractor agree that the indemnity and insurance obligations contained in this Agreement are separate and apart from each other, such that failure to fulfill the indemnity obligations does not alter or eliminate the insurance obligations or vice versa. Company and Contractor further agree that the insurance obligations shall support but shall not in any way limit the defense and indemnity obligations or liabilities set forth herein. At all times during the term of this Agreement and at its own cost and expense (including all premiums and deductibles), Contractor shall carry with an insurance company or companies, satisfactory to Company and authorized to do business in all areas of transportation and operation of this Agreement, insurance coverage of the types and in the minimum amounts provided in Exhibit "C", attached hereto.

b) All of Contractor's insurance policies (whether above specified or not) shall be endorsed to provide that the underwriters waive subrogation (whether by loan receipt, equitable assignment, or otherwise) against members of Company Group, as defined in Section 10, who shall also be named as additional insured(s) under such policies [except those described as Worker's Compensation Insurance and Employer's Liability Insurance in Exhibit "C" attached hereto] to the full extent of the release, defense and indemnity obligations assumed by Contractor in this Agreement. Contractor's insurance shall be primary and non-contributory from any other insurance available to Company.

c) Prior to performing Work or services and prior to providing goods, equipment, and/or facilities hereunder, Contractor shall furnish Company with Certificates of Insurance, which shall evidence that the coverages specified in Exhibit "C" attached hereto are in full force and effect and provide that such insurance policies shall not be cancelled without thirty (30) days prior written notice to Company. Current Certificates of Insurance shall be provided by Contractor to Company on an ongoing basis without the necessity of Company requesting same. Failure of Company to object to Contractor's delay or failure to furnish such Certificates of Insurance or to object to any defect therein shall not be deemed a waiver of Contractor's obligation

to furnish the Certificates of Insurance or the insurance coverage described in Exhibit "C" attached hereto. However, such failure by Contractor shall allow Company to cancel any Work order or to terminate this Agreement per Section 20 of this Agreement.

d) Contractor shall require all of its subcontractors to provide such of the coverage provided for in Exhibit "C", as well as any other coverage, that Contractor considers necessary. However, the fact that any subcontractor provides any of the coverage provided for in Exhibit "C" or any other coverage that Contract considers necessary shall not itself relieve Contractor of its obligations to provide such coverage.

10. INDEMNITY

a) Company and Contractor recognize that in connection with the operations contemplated by this Agreement, accidents and events may occur in which property is lost, damaged or destroyed and/or in which persons may be killed or injured or become ill. Company and Contractor further recognize that certain of such risks may be covered by insurance as provided in this Agreement. However, Company and Contractor agree that the indemnity and insurance obligations contained in this Agreement are separate and apart from each other, such that failure to fulfill the indemnity obligations does not alter or eliminate the insurance obligations or vice versa. The insurance obligations under Section 9 hereof shall not in any way limit the defense and indemnity obligations of Company and Contractor, as allocated in this Agreement.

b) For purposes of this Agreement, the "Company Group" shall mean any and all of Company, its owners, affiliates, partners, joint venturers, and contractors and subcontractors of any tier (except Contractor Group) and each of their officers, directors, members, managers, employees, representatives, invitees and customers for whom Company is performing Work, if any.

CONTRACTOR AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS COMPANY GROUP FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, LOSSES, DAMAGES, AND LIABILITIES OF EVERY KIND AND CHARACTER (INCLUDING ATTORNEYS' FEES FOR EXTERNAL COUNSEL) ARISING IN CONNECTION HEREWITH FOR INJURY TO, OR ILLNESS OF, OR DEATH OF A MEMBER OF CONTRACTOR GROUP (INCLUDING, BUT NOT LIMITED TO, EMPLOYEES OF CONTRACTOR WHO ARE DEEMED TO BE COMPANY'S STATUTORY EMPLOYEES OR BORROWED EMPLOYEES UNDER ANY LAW OR JURISPRUDENCE OR UNDER THE WORKER'S COMPENSATION STATUTES OF ANY JURISDICTION) OR DAMAGE TO PROPERTY OF CONTRACTOR GROUP.

c) For the purposes of this Agreement "Contractor Group" shall mean any and all of Contractor and its subcontractors of any tier, and each of their officers, directors, members, managers, employees, representatives, and invitees.

COMPANY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS CONTRACTOR GROUP FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, LOSSES, DAMAGES, AND LIABILITIES OF EVERY KIND AND CHARACTER (INCLUDING ATTORNEYS' FEES FOR EXTERNAL COUNSEL) ARISING IN CONNECTION HEREWITH FOR INJURY TO , OR ILLNESS OF, OR DEATH OF A MEMBER OF COMPANY GROUP (WHICH DOES NOT INCLUDE EMPLOYEES OF CONTRACTOR WHO ARE DEEMED TO BE COMPANY'S STATUTORY EMPLOYEES OR BORROWED EMPLOYEES UNDER ANY LAW OR JURISPRUDENCE OR UNDER THE WORKER'S COMPENSATION STATUTES OF ANY JURISDICTION) OR DAMAGE TO PROPERTY OF COMPANY GROUP.

d) **CONTRACTOR SHALL ASSUME FULL RESPONSIBILITY FOR AND SHALL DEFEND AND INDEMNIFY COMPANY GROUP FROM AND AGAINST ANY LOSS, DAMAGE, EXPENSE, CLAIM, FINE OR PENALTY, DEMAND, OR LIABILITY, FOR POLLUTION OF ANY SUBSTANCE, MATERIAL, SEWERAGE, COMPOUND, MIXTURE, POLLUTANT OR CONTAMINATE ABOVE THE SURFACE OF THE LAND, OR IF THE WELL SITE IS IN WATER, UPON THE SURFACE OF THE WATER, WHICH ORIGINATES FROM CONTRACTOR GROUP'S PROPERTY WHILE IN THE SOLE CARE, CUSTODY AND CONTROL OF CONTRACTOR GROUP, REGARDLESS OF FAULT.** INITIATION OF CLEANUP OPERATIONS BY EITHER PARTY SHALL NOT BE AN ADMISSION OR ASSUMPTION OF LIABILITY BY SUCH PARTY.

e) If it is judicially determined that the monetary limits of insurance required hereunder or of the indemnities voluntarily and mutually assumed under this Section 10 (which shall be supported either by equal amounts of available liability insurance, under which the insurer has no right of subrogation against the indemnities, or voluntarily self-insured in part or whole) exceed the maximum limits permitted under applicable law, the insurance requirements and indemnities shall automatically be amended to conform to the maximum monetary limits permitted under the law.

f) **CONTRACTOR AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS COMPANY GROUP FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, LOSSES, DAMAGES, AND LIABILITIES OF EVERY KIND AND CHARACTER (INCLUDING ATTORNEYS' FEES FOR EXTERNAL COUNSEL) ARISING DIRECTLY OR INDIRECTLY IN CONNECTION HEREWITH FOR ANY LIENS ASSERTED AGAINST COMPANY PROPERTY BY CONTRACTOR GROUP (OTHER THAN WHAT IS EXPLICITLY ALLOWED PURSUANT TO THE TERMS OF THIS AGREEMENT) OR ANY OF THEIR SUPPLIERS, CONTRACTORS, OR SUBCONTRACTORS.**

g) **NOTWITHDSTANDING ANY OTHER PROVISION IN THIS CONTRACT, (I) ANY PUNITIVE DAMAGE AWARD SHALL BE THE SOLE AND EXCLUSIVE OBLIGATION OF THE PARTY AGAINST WHOM THE AWARD IS ISSUED AND, (II) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT SHALL BE THE SOLE AND EXCLUSIVE RESPONSIBILITY OF THE ACTOR. NOTWITHSTANDING SUCH FACT, AN ALLEGATION OF PUNITIVE DAMAGES OWING BY, OR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF AN INDEMNIFIED PARTY, SHALL NOT DIMINISH THE INDEMNITY OR DEFENSE OBLIGATIONS OF THE INDEMNIFYING PARTY; PROVIDED HOWEVER, THAT ANY DAMAGE AWARDS, TO THE EXTENT CONSISTING OF PUNITIVE DAMAGES AGAINST, OR ARISING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTY, SHALL BE THE RESPONSIBILITY OF THE INDEMNIFIED PARTY AND EXCLUDED FROM THE INDEMNITOR'S INDEMNITY OBLIGATIONS HEREUNDER.**

h) **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN THE EVENT CONTRACTOR'S EQUIPMENT IS LOST OR DAMAGED IN THE WELLBORE, REGARDLESS OF CAUSE, INCLUDING THE NEGLIGENCE OR FAULT (ACTIVE OR PASSIVE) OF ANY PARTY OR PARTIES INCLUDING THE SOLE, JOINT OR CONCURRENT NEGLIGENCE OF CONTRACTOR GROUP, COMPANY SHALL, AT COMPANY'S SOLE COST AND EXPENSE, REPAIR SUCH EQUIPMENT OR, IF SUCH REPAIR IS NOT FEASIBLE, AS REASONABLY DETERMINED BY CONTRACTOR, PAY CONTRACTOR THE REPLACEMENT VALUE OF SUCH EQUIPMENT, EXCEPT TO THE EXTENT SUCH LOSS OR DAMAGE IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CONTRACTOR GROUP.**

i) **THE PARTIES WILL NOT BE LIABLE TO EACH OTHER FOR, AND EACH RELEASES THE OTHER FROM, LIABILITY FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE, OR SPECULATIVE DAMAGES OF ANY NATURE WHATSOEVER RELATED TO THIS AGREEMENT, INCLUDING DAMAGES FOR LOST PROFITS, LOST REVENUE, AND LOST BUSINESS OPPORTUNITIES.**

11. INDEMNITY OBLIGATION WITHOUT LIMITATION

EXCEPT AS OTHERWISE EXPRESSLY STATED, IT IS THE INTENT OF THE PARTIES HERETO THAT ALL RELEASE, DEFENSE AND INDEMNITY OBLIGATIONS ASSUMED BY THE PARTIES UNDER THE TERMS OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, SECTIONS 10

AND 11 HEREOF, IN THEIR ENTIRETY, BE WITHOUT MONETARY LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (INCLUDING PRE-EXISTING CONDITIONS OR DEFECTS), THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, THE NEGLIGENCE OF ANY PARTY OR PARTIES (WHETHER THE NEGLIGENCE BE SOLE, JOINT, OR CONCURRENT, ACTIVE, OR PASSIVE), THE BREACH BY ANY PARTY OR PARTIES OF ANY CONTRACT, OR ANY STATUTE, RULE, OR THEORY OF LAW (INCLUDING, BUT NOT LIMITED TO, STRICT LIABILITY). THIS AGREEMENT SHALL CREATE NO RIGHT OF ACTION IN ANY PERSON NOT A PARTY HEREUNDER OR NOT SPECIFICALLY IDENTIFIED AS AN INDEMNITEE HERETO. THE PARTY ASSUMING LIABILITY UNDER THIS AGREEMENT AGREES AT ITS SOLE EXPENSE TO INVESTIGATE AND DEFEND (AND/OR SETTLE) ANY CLAIM OR SUIT FOR WHICH IT IS OBLIGATED TO PROVIDE INDEMNIFICATION HEREUNDER, TO BEAR ALL COSTS AND EXPENSES RELATED THERETO (INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND ATTORNEY'S FEES), TO REIMBURSE THE INDEMNIFIED PARTY FOR ITS COSTS AND EXPENSES AS THEY ARE INCURRED, AND TO SATIFY ANY JUDGMENTS OR DECREES WHICH MAY BE ENTERED THEREIN.

CONTRACTOR'S DEFENSE AND INDEMNITY OBLIGATIONS TO COMPANY GROUP SHALL NOT INCLUDE COMPANY GROUP'S CONTRACTUAL DEFENSE AND INDEMNITY OBLIGATIONS TO OTHERS. COMPANY'S DEFENSE AND INDEMNITY OBLIGATIONS TO CONTRACTOR GROUP SHALL NOT INCLUDE CONTRACTOR GROUP'S CONTRACTUAL DEFENSE AND INDEMNITY OBLIGATIONS TO OTHERS. HOWEVER, IF BOTH CONTRACTOR AND COMPANY OWE DEFENSE AND INDEMNITY TO THE SAME ENTITY OR PERSON, CONTRACTOR WILL SATISFY AND PERFORM CONTRACTOR'S SAID OBLIGATIONS WITHOUT CONTRACTOR OR CONTRACTOR'S INSURERS SEEKING SHARING, RECOUPMENT OR RECOVERY FROM COMPANY WITH RESPECT TO SAID OBLIGATIONS.

12. TAXES AND CLAIMS

a) Contractor shall pay all taxes, licenses, and fees levied or assessed on Contractor in connection with or incident to the performance of this Agreement by any governmental agency for unemployment compensation insurance, old age benefits, Social Security, or any other taxes upon the wages or salaries paid by Contractor, its agents, employees, and representatives. Contractor agrees to require the same agreements, and to be liable for any breach thereof, by any of its subcontractors.

b) Contractor shall reimburse Company on demand for all taxes or governmental charges, state or federal, which Company may be required, or deem necessary, to pay on account of Contractor Group. Contractor agrees to furnish Company with the information required to enable it to make the necessary reports and to pay the taxes or charges. At its election, Company is authorized to deduct all sums so paid for taxes and governmental charges from any money due Contractor hereunder

c) Contractor shall pay all claims for labor, materials, services, and supplies furnished by Contractor hereunder and agrees to allow no lien or charge to be fixed upon the lease, well, land, equipment, or other property of Company Group. Contractor shall defend and indemnify Company Group from and against all such claims and liens. If Contractor shall fail or refuse to pay any claim or indebtedness incurred by Contractor under this Agreement, Company, in addition to any other remedies it may have, shall have the right to pay the claim or indebtedness and request prompt reimbursement from Contractor thereafter. No assignment or transfer by Contractor of rights to monies due Contractor hereunder shall have any force or effect on Company's rights hereunder until all the claims and indebtedness by Contractor shall have been completely liquidated and discharged.

13. PATENTS, COPYRIGHTS, AND TRADE SECRETS

Contractor shall defend and indemnify Company Group from and against any and all liabilities, claims, suits, judgments, injury, cost, expense, including attorney's fees, damages, and losses arising directly or indirectly from any infringement or violation, or alleged infringement or violation, of any patent, patent rights, trade secrets, trademarks, copyrights, or other proprietary rights covering any equipment, machine, tool, appliance, article, substance, device, software, or design used or supplied by Contractor, or any process, operation, or method of operation or design, furnished, used or practiced by Contractor, in the performance of this Agreement. NOTWITHSTANDING THE FOREGOING, CONTRACTOR SHALL NOT BE LIABLE FOR A CLAIMED OR ACTUAL INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OR TRADE SECRET MISAPPROPRIATIONS RESULTING FROM A CHANGE OR MODIFICATION TO GOODS OR SERVICES UNDER THIS AGREEMENT WHICH WERE MADE BY COMPANY GROUP.

14. REPORTS TO BE FURNISHED BY CONTRACTOR

a) Contractor shall keep and furnish to Company a daily report showing data as required by Company. The daily report shall include, without limitation, (i) delivery tickets covering any material or supplies furnished by Contractor or chargeable to Company, which delivery tickets shall be confirmed by Contractor's representative as to quantity, description, and condition, and (ii) daily time sheets indicating starting and stopping times for people engaged in the Work contracted for hereunder, which time sheets must be signed by authorized Company personnel.

b) In the event Contractor Group is involved in an accident or occurrence resulting in injury or damage, spills, releases of pollutants or contaminants or damage to property on Company's premises, or if such accident or occurrence involves Company Group's or Contractor Group's property, equipment, or personnel, or if such accident or occurrence involves any third party in any manner whatsoever while Contractor Group is performing any duties within the scope of this Agreement, Contractor shall immediately (i.e., within twenty-four (24) hours) report such accident or occurrence to Company and Contractor's insurer. The reporting of any accident or occurrence will not imply any admission of liability on the part of Company Group or Contractor Group. Contractor shall cooperate with Company or any insurer in any investigation Company shall make of such accident or occurrence. Contractor shall promptly furnish Company with a copy of all reports of any such accidents and occurrences made by Contractor to its insurer, a government agency, or others. In the event Contractor or Contractor Group fails to immediately report any such accidents or occurrences to Company and Company's insurer, Contractor agrees to assume full responsibility for and shall defend and indemnify Company from and against any loss, damage, expense, claim, fine or penalty, demand, or liability originating from such failure to immediately report, including any loss or denial of coverage due to such failure to immediately report.

c) Contractor shall turn in with the daily report delivery tickets, as received, covering any materials or supplies delivered to the Work location by Company or furnished by vendors for which Company is obligated to reimburse Contractor. The quantity, description, and condition of materials and supplies so furnished shall be verified and checked by Contractor, and the delivery shall be properly certified as to receipt by Contractor's representative.

d) Contractor shall in a timely manner make all reports required by law relating to its performance under this Agreement, and copies shall be delivered to Company as soon as practical.

e) If Contractor is named as a party in or otherwise becomes aware of litigation involving Contractor or Company and arising out of this Agreement or Work performed by Contractor thereunder, Contractor shall
promptly (i.e., within three business days) notify Company of said litigation. If Contractor is named as a party in or otherwise becomes aware of any investigation or proceeding by any federal, state, or local governmental entity involving Contractor or Company and arising out of this Agreement or Work performed by Contractor thereunder, Contractor shall promptly (i.e., within three business days) notify Company of said investigation or proceeding.

f) Contractor agrees to cooperate with Company with respect to any litigation, investigation, or proceeding involving Contractor or Company, including compliance with preservation directives issued by Company to Contractor and producing representatives or other personnel of Contractor for interviews, investigations, depositions, hearing attendance, or related activities of Company or Company's counsel. Nothing contained in this provision shall waive or limit any right that Company has under the Federal Rules of Civil Procedure or any state, local, or agency rules of procedure.

15. AUDIT

An authorized representative of Company may, upon 10 days advanced written notice, and during Contractor's usual business hours, audit any and all non-privileged records of Contractor relating to the Work performed hereunder. If any requested records are not made available by Contractor during an audit of Contractor by Company, Contractor shall provide the requested records to Company within two (2) business days of the date of the audit without further request or demand from Company. Contractor shall retain for a minimum period of two (2) years complete and accurate records of all of Contractor's costs and documentation of items that are chargeable to Company under this Agreement, which records shall include (without limitation): (i) payroll records, including social security numbers and labor classifications, accounting for total time distribution of Contractor's employees working full or part time on the Work, as well as cancelled payroll checks or signed receipts for payroll payments in cash, (ii) invoices for purchases, receiving and issuing documents, and all other unit inventory records for Contractor's stocks or capital items, (iii) paid invoices and cancelled checks for materials purchased and for any and all subcontractor and other third party charges, (iv) records of insurance policies procured by Contractor pursuant to this Agreement, including the records of any first or third party claims made thereunder, and (v) records pertaining to the payment by Contractor of any taxes incurred in the course of Contractor's performance of Work under this Agreement.

16. RESTRICTIVE COVENANTS

a) Definitions:

(1) "Business of the Company or Contractor" means the highly competitive business of Company or Contractor, respectively, and any joint venture partners, or affiliates in connection with the exploration for, development or, and/or production of oil, gas, and/or other minerals.

(2) "Competitive Business(es)" means any firm, partnership, joint venture, corporation, and/or any other entity or person and/or any licensee of such entity that is engaged in exploration for, development or, and/or production of oil, gas, and/or other minerals.

(3) "Confidential Information" means any information that relates to the either party and/or its Vendors, that is not generally known outside of such party and that such party will share with the other party and/or its respective group in connection with this Agreement, including but not limited to actual or anticipated business or research or development, technical data, trade secrets or know-how, research, product plans or other information regarding the Company's products or services and markets therefor, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information. All information obtained by one party (the "Receiving Party") or its group from the other party (the "Disclosing Party") and all information obtained by the Receiving Party of or regarding the Disclosing Party in the performance of Work under this Agreement by, is Confidential Information unless otherwise designated by the Disclosing Party in writing. This definition is broader than and is not limited by any definition of confidential information that may be found in statutory, regulatory, and/or common law but extends to include all such statutory, regulatory, and/or common law definitions. The terms of this Agreement are Confidential Information except as necessary to inform any other party of the restrictive covenants contained herein. Confidential Information does not include any of the foregoing items that are or become publicly known through no wrongful act or omission of the Receiving Party or its group.

(4) "Proprietary Rights" means any and all deliverables developed by Contractor at the request of Company in connection with the Work and during the term of this Agreement.

(5) "Trade Secrets" means Confidential Information subject to the Uniform Trade Secrets Act.

(6) "Vendors" means any entity and/or individual that provides goods and/or services to Company.

b) Contractor acknowledges, on behalf of itself and Contractor Group, that Work performed by Contractor and Contractor Group under this Agreement may bring Contractor and Contractor Group into close contact with many of Company's Vendors, Trade Secrets, and Confidential Information. Company may, in its sole discretion, provide Contractor and/or Contractor Group with access to Company's Vendors, Trade Secrets, and Confidential Information from time to time in order to enable Contractor and/or Contractor Group in the performance of Work under this Agreement. Contractor acknowledges, on behalf of itself and Contractor Group, that the covenants in this section are reasonable and necessary to protect Company's legitimate business interests and its Vendor relationships, Trade Secrets, and Confidential Information.

c) Contractor acknowledges, on behalf of itself and Contractor Group that engaging in any activity that may breach the covenants in this section will cause Company great, immediate, and irreparable harm. Accordingly, if Contractor and/or Contractor

Group breaches or threatens to breach any covenant in this section, Company will have available, in addition to any other right or remedy available, the right to seek and obtain an injunction from a court of competent jurisdiction restraining such breach or threatened breach and to seek specific performance of any such covenant. Contractor further agrees, on behalf of itself and Contractor Group that no bond or security shall be required of Company to obtain said equitable relief and Contractor hereby consents to the issuance of such injunction and to the ordering of specific performance.

d) Duty of Confidentiality. Both parties agree that during the term of this Agreement and for a period of five (5) years following the termination of this Agreement, neither party shall directly or indirectly divulge or make use of any Confidential Information outside of the performance of Work under this Agreement without the prior written consent of the Disclosing Party. The Receiving Party shall not directly or indirectly misappropriate, divulge, or make use of Trade Secrets of the Disclosing Party for an indefinite period of time, so long as the information remains a Trade Secret as defined by the law. The Receiving Party further agrees that if it or its group is questioned about information subject to this Agreement by anyone not authorized to receive such information, or by means of subpoena or other process, it will promptly notify the Disclosing Party in order to provide the Disclosing Party the opportunity to respond or object to the disclosure of information subject to this Agreement. Both parties acknowledge, on behalf of itself and Contractor Group, that applicable law may impose longer duties of nondisclosure, particularly for Trade Secrets, and that such longer periods are not shortened by this Agreement or waived by either party under this Agreement.

e) Return of Confidential Information and Company Property. Both parties agree that it shall return all Confidential Information and/or Trade Secrets to the Disclosing Party within five (5) business days of the termination of this Agreement. To the extent either party maintains or possesses Confidential Information and/or Trade Secrets in electronic form on any computers or other electronic devices or in cloud-based storage, both parties agree to irretrievably delete all such information and to certify the fact of deletion in writing to the Disclosing Party within five (5) business days following the termination of this Agreement. Both parties also agree to return all property of the other party in its or its group's possession at the time of the termination of this Agreement, including but not limited to all documents, records, and other media of every kind and description relating to the Business of the Company or Contractor and their Vendors, Trade Secrets, and/or Confidential Information, and any copies, in whole or in part, in physical or electronic/digital form, whether prepared by such party or not, all of which shall remain at all times the sole and exclusive property of the Disclosing Party.

f) Proprietary Rights. Proprietary Rights shall be promptly and fully disclosed by Contractor and Contractor Group to Compnay and shall be the exclusive properly of Company as against Contractor, Contractor Group, and the successors, heirs, devisees, legatees, and assigns of the same. Contractor hereby assigns to Company Contractor's entire right, title, and interest therein and shall promptly deliver to Company all papers, drawings, models, data, and other material relating to any of the foregoing Proprietary Rights conceived, made, developed, created, or reduced to practice by Contractor or Contractor Group as aforesaid, All copyrightable Proprietary Rights shall be considered "works made for hire." Contractor and Contractor Group shall, upon Company's request and at Company's expense, execute any documents necessary or advisable to assign and confirm Company's title in the foregoing Proprietary Rights and to direct issuance of patents or copyrights to Company with respect to such Proprietary Rights as against Contractor, Contractor Group, and the successors, heirs, devisees, legatees, and assigns of the same.

f) Non-Disparagement. Both parties agree that during the term of this Agreement and at any time thereafter, it will not: (i) criticize, ridicule, or make any statement which disparages or is derogatory of the other party or (ii) take any action which disparages, defames, or places in a negative light the other party or any of its officer's members, managers, agents, or employees.

g) If any covenant contained in this section is determined by a court to be unenforceable under the laws of the jurisdiction in which the court is located, said unenforceability shall not impair any other covenant contained herein. Further, both parties agree that the court shall reform any unenforceable covenant hereunder, to the extent such reformation is possible under the law, such that the covenant is rendered enforceable to the fullest extent permitted by the law.

17. WARRANTIES

a) Contractor shall perform all services with due diligence, in a good and workmanlike manner, and in accordance with this Agreement, the Work order, and any design specifications. Contractor warrants that all goods and materials provided or incorporated in the Work shall be new, unless otherwise approved by Company, and shall be of good quality. Services may be reviewed and tested by Company's representative and are subject to its approval and acceptance. Contractor shall have adequate equipment in good working order and fully trained personnel capable of efficiently operating such equipment and performing services hereunder in a safe, proper, and workmanlike manner.

b) Contractor warrants that the goods delivered under this Agreement will conform to the specifications given by Company and that the goods will be of good workmanship and material and free from defect in material and workmanship. Contractor agrees that all guarantees or warranties of items furnished to Contractor and its subcontractors by a manufacturer shall be for the benefit and Company. The warranties provided by Contractor shall survive this Agreement and any inspection, test, or acceptance.

c) THE EXPRESS WARRANTIES SET FORTH ABOVE IN THIS SECTION 17 SHALL BE IN LIEU OF ANY AND ALL OTHER WARRANTIES, AND NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND OTHER THAN THOSE EXPRESSLY PROVIDED IN THIS SECTION 17 ARE PROVIDED BY CONTRACTOR, EITHER EXPRESS OR IMPLIED. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 17, ALL WORK IS PROVIDED AS-IS AND CONTRACTOR DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, COVENANTS, GUARANTEES, INCLUDING, WITHOUT LIMITATION, WARRANTIES FOR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, QUALITY AND THOSE ARISING BY STATUTE OR OTHERWISE, OR FROM A COURSE OF DEALING OR TRADE USAGE, EXPRESS OR IMPLIED. NO ORAL STATEMENT OF CONTRACTOR OR

ITS PERSONNEL, STATEMENT IN ANY WORK ORDER, OR ANY OTHER COMMUNICATION, WHETHER WRITTEN OR ORAL, SHALL CREATE A REPRESENTATION, WARRANTY, COVENANT, GUARANTEE AND/OR ASSURANCE. COMPANY'S SOLE AND EXCLUSIVE REMEDY FOR A BREACH OF THE WARRANTIES SET FORTH IN THIS AGREEMENT SHALL BE THE REPAIR, REPERFORMANCE, OR REPLACEMENT OF THE DEFECTIVE PORTION OF THE WORK, SUBJECT TO THE LIMITATIONS SET FORTH IN HEREIN.

18. ASSIGNMENTS

Contractor may not assign this Agreement in whole or in part without the prior written consent of Company, which shall not be unreasonably withheld, conditioned, or delayed, and no assignment shall relieve Contractor of its obligations under this Agreement

19. SUBCONTRACTING

Contractor may not contract or subcontract for any of the services to be performed or the goods to be provided hereunder without the prior written permission of Company, which consent may not be unreasonably withheld. Any contractor or subcontractor of Contractor must provide the same indemnity and insurance protection to Company Group as Contractor is required to provide pursuant to this Agreement. Regardless of the foregoing indemnity and insurance obligations of Contractor's contractors and subcontractors, Contractor continues to remain liable and responsible for all obligations as set forth hereunder.

20. CESSATION OF WORK

Company may, without any liability to Contractor countermand any Work order given to Contractor at any time before that Work is commenced by Contractor. Company may order the cessation of the Work at any time, being liable to Contractor for only the value of the Work performed prior to the cessation order plus the costs committed to by Contractor that are not cancelable or recoverable.

21. TERMINATION

This Agreement may be terminated by Contractor by giving 10 days written notice to Company at any time prior to the receipt by Contractor of notification by Company to perform Work hereunder. Upon receipt and acceptance by Contractor of such notice of Work, however, Contractor shall be bound by all of the terms and provisions hereof with respect to the Work specified in the notice. This Agreement may be terminated by Company at any time by giving 10 days written notice to Contractor.

22. REMEDIES

Except as otherwise provided in Sections 10 and 11 on indemnity, in the event of default under this Agreement by either Party, the other Party shall have all rights and remedies available under the law.

23. FORCE MAJEURE

Neither Company nor Contractor shall be liable to the other for any delay, damage, or failure to act due to, or occasioned or caused by laws, orders, rules, or regulations or by strikes, unusually severe actions of the elements, fires, explosions, or other unusually restrictive causes beyond the reasonable control and not reasonably within the contemplation of the Parties. Any delay, other than the payment of sums due hereunder, due to any of the above causes shall not be deemed to be a breach of or failure to perform under this Agreement; provided, however, that the Party rendered unable, in whole or part, to carry out its obligations under this Agreement shall promptly give notice and full particulars of the cause of such delay, damage, or failure to act in writing to the other Party after such occurrence.

24. NOTICES

All notices under this Agreement, other than billing, shall be in writing and shall be hand delivered or deposited in the U.S. mail, postage prepaid, addressed as follows:

To Contractor: Aquahawk Energy, LLC
14301 Caliber Drive, Suite 300
Oklahoma City, OK 73134
Attn: Legal Department

To Company: Gulfport Energy Corporation 3001 Quail Springs Pkwy Oklahoma City, Oklahoma 73134 Attn: Legal Department

25. MISCELLANEOUS

a) The Parties agree that time is of the essence under this Agreement.
b) The section and paragraph headings in this Agreement are for convenience only, and they shall not be employed to construe or interpret the provisions of this Agreement.
c) The rights herein given to either Party hereto may be exercised from time to time, singularly or in combination, and the waiver of one or more of such rights shall not be deemed to be a waiver of such right in the future, or of any one or more of the other rights which the exercising Party may have. No waiver of any breach of a term, provision or condition of this Agreement by one Party shall be deemed to have been made by the other Party hereto, unless such waiver is expressed in writing and signed by an authorized representative of such Party. The failure of either Party to insist upon the strict performance of any term, provision or condition of this Agreement, or to exercise any option herein given, shall not be construed as a waiver or relinquishment in the future of the same or any other term, provision, condition or option.
d) If Company consents to any subcontracting of the Work or services to be performed, Contractor agrees to have the subcontractors comply with all provisions of this Agreement. Notwithstanding anything in this Agreement to the contrary,

Contractor's subcontractors shall be bound by and subject to the terms and provisions of this Agreement (including, but not limited to, the insurance obligations and release, defense and indemnity provisions), and Contractor shall be liable to Company for any breach thereof by any of its subcontractors or their employees or agents as if such breach had been committed by Contractor.

e) If any one or more of the provisions of this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been a part hereof.

f) If any litigation is commenced between the Parties concerning this Agreement, the Party prevailing in such litigation shall be entitled to the reasonable attorneys' fees and expenses of counsel, courts costs and other litigation expenses incurred by reason of such litigation.

g) This Agreement will inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

h) Notwithstanding anything in this agreement to the contrary, each Party agrees to adhere to State specific requirements, including but not limited to:
OHIO: Contractor and employees of Contractor Group (which includes the direct, borrowed, special or statutory employees of Contractor Group as defined in Section 10) are not employee(s), partner(s) or joint venturer(s) of Company. Specifically, Contractor and employees of Contractor Group shall not be treated as an employee of Company for workers compensation purposes. Contractor and Contractor Group are required to obtain and maintain their own workers compensation coverage pursuant to O.R.C. § 4123.01 et seq. Upon execution of this Agreement, Contractor shall provide to the Company a copy of Contractor's and/or Contractor Group's Certificate of Premium Payment ("Certificate") issued by the Ohio Bureau of Workers' Compensation and shall provide an updated Certificate no later than the expiration date of the previous Certificate. Contractor shall immediately notify Company if Contractor or Contractor Group's Workers' Compensation coverage is suspended terminated or modified in any way.

26. GOVERNING LAW AND VENUE

THIS AGREEMENT SHALL BE CONSTRUED AND THE RELATIONS BETWEEN THE PARTIES DETERMINED IN ACCORDANCE WITH, TO THE EXTENT APPLICABLE, THE GENERAL MARITIME LAW OF THE UNITED STATES OF AMERICA, AND TO THE EXTENT SUCH GENERAL MARITIME LAW IS NOT APPLICABLE, THE LAWS OF THE STATE OF OKLAHOMA, NOT INCLUDING, HOWEVER, IN EITHER SITUATION ANY CONFLICTS OF LAW RULES OR PROVISIONS WHICH WOULD DIRECT OR REFER TO THE LAWS OF ANOTHER JURISDICTION. CONTRACTOR AGREES THAT EXCLUSIVE VENUE FOR THE RESOLUTION OF ANY DISPUTE WITH COMPANY HEREUNDER IS THE FEDERAL AND STATE COURTS LOCATED IN OKLAHOMA COUNTY, OKLAHOMA. CONTRACTOR WAIVES ANYRIGHT TO BRING AN ACTION HEREUNDER INANOTHER STATE, PARISH, COUNTY, OR COUNTRY.

27. ENTIRE AGREEMENT

The foregoing provisions contain the entire agreement between Contractor and Company and supersede all previous communications, representations, or agreements, either oral or written, with respect to the subject matter, and no agreement or understanding varying or extending the terms hereof will be binding on either Party unless written and duly executed by an authorized representative of each Party; provided, however, that if the Work hereunder includes the supply of anything for which Company issues a purchase order, the terms of the purchase order shall be effective solely to the extent that they are not inconsistent with and do not conflict with the terms of this Agreement. The execution by any Company employee of any receipt or similar document prepared by Contractor and containing any contrary or additional terms shall not modify or add to the terms of this Agreement or create a new agreement.

IN WITNESS WHEREOF, this Agreement, which may be executed in multiple counterparts, is hereby executed by duly authorized representatives of each Party as of the date first above written with each representative warranting individually that he has the full right, power, and authority to execute on behalf of the party he represents.

IN SIGNING THIS AGREEMENT CONTRACTOR EXPRESSLY ACKNOWLEDGES THAT IT IS AWARE OF ITS RIGHT TO OBTAIN LEGAL COUNSEL TO REVIEW THIS AGREEMENT. FURTHERMORE, CONTRACTOR EXPRESSLY ACKNOWLEGDES THAT IT HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS CONTAINED IN THIS AGREEMENT INCLUDING WITHOUT LIMITATION THE INDEMNITY AND RELEASES PROVISIONS AND AGREES TO ALL SUCH PROVISIONS AS INDICATED BY THE SIGNATURE OF ITS REPRESENTATIVE BELOW.

Witness: **CONTRACTOR**

By: /s/ Mark Layton

Name: Mark Layton

Title: Chief Financial Officer

Date: 1/30/2019

Witness: GULFPORT ENERGY CORPORATION

By: /s/ Zachary M. Simpson

Name: Zachary M. Simpson

Title: Corporate Counsel

Date: 2/11/2019

ADDENDUM TO THE MASTER SERVICE AGREEMENT

This Addendum to the Master Service Agreement ("**Addendum**") is made and entered into by Gulfport Energy Corporation ("**Company**") and Aquahawk Energy LLC ("**Contractor**") (collectively, the "**Parties**").

RECITALS

WHEREAS, the Parties entered into that certain Master Service Agreement, effective as of January 1, 2019 (the "**Agreement**").

WHEREAS, the Parties desire to continue to perform in accordance with the Agreement and to add indemnification and drug testing provisions to the Agreement, effective immediately upon execution of this Addendum by both Parties; and

WHEREAS, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. Contractor agrees to release, defend, indemnify, and hold harmless Company Group from and against any and all claims, demands, causes of action, suits, judgments, losses, damages, fines, penalties, and liabilities of every kind and character, including the cost of defense and settlements, arising directly or indirectly in connection with employment allegations made by the individuals providing services pursuant to the Agreement, including but not limited to (1) claims that individuals providing services pursuant to the Agreement have been misclassified as independent contractors or that Company Group is their direct or joint employer; (2) claims of discrimination, harassment, or retaliation; (3) claims for failure to pay individuals providing services pursuant to the Agreement overtime in accordance with the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.* ("FLSA"), and the overtime laws applicable in the states where personnel provide services to Company Group; (4) claims alleging violations of immigration or tax laws by Company Group; and (5) any other claims against Company Group asserting legal violations in connection with individuals providing services pursuant to the Agreement. Contractor will obtain insurance, including wage and hour liability insurance, in an amount sufficient to cover its above indemnification obligations.

2. Contractor will pay all individuals providing services pursuant to the Agreement overtime in accordance with the FLSA and applicable state laws. Each individual's regular or wage rates and associated minimum required overtime premiums shall be calculated in accordance with the FLSA and the overtime laws applicable in the state where the individual provides services to Company Group. For example, for individuals providing services to Company Group in Ohio, the regular or wage rate shall be calculated in accordance with the FLSA and Chapter 4111 of the Ohio Revised Code.

3. Contractor agrees that it is fully responsible for tracking and recording all hours worked by individuals providing services pursuant to the Agreement, and complying with any and all record keeping and record retention laws associated therewith.

4. Notwithstanding anything in this agreement to the contrary, each Party agrees to adhere to State specific requirements, including but not limited to:

5. OHIO: Contractor and employees of Contractor Group (which includes the direct, borrowed, special or statutory employees of Contractor Group as defined in Section 10) are not employee(s), partner(s) or joint venturer(s) of Company. Specifically, Contractor and employees of Contractor Group shall not be treated as an employee of Company for workers compensation purposes. Contractor and Contractor Group are required to obtain and maintain their own workers compensation coverage pursuant to O.R.C. § 4123.01 et seq. Upon execution of this Agreement, Contractor shall provide to the Company a copy of Contractor's and/or Contractor Group's Certificate of Premium Payment ("Certificate") issued by the Ohio Bureau of Workers' Compensation and shall provide an updated Certificate no later than the expiration date of the previous Certificate. Contractor shall immediately notify Company if Contractor or Contractor Group's Workers' Compensation coverage is suspended, terminated, or modified in any way.

6. Company and Contractor agree that the indemnity and insurance obligations contained in this Agreement are separate and apart from each other, such that failure to fulfill the indemnity obligations does not alter or eliminate the insurance obligations or vice versa. Company and Contractor further agree that the insurance obligations shall support but shall not in any way limit the defense and indemnity obligations or liabilities set forth herein. At all times during the term of this Agreement and at its own cost and expense (including all premiums and deductibles), Contractor shall carry with an insurance company or companies, satisfactory to Company and authorized to do business in all areas of transportation and operation of this Agreement, insurance coverage of the types and in the minimum amounts provided in Exhibit "C", attached hereto.

7. All of Contractor's insurance policies (whether above specified or not) shall be endorsed to provide that the underwriters waive subrogation (whether by loan receipt, equitable assignment, or otherwise) against members of Company Group, as defined in Section 10, who shall also be named as additional insured(s) under such policies [except those described as Worker's Compensation Insurance and Employer's Liability Insurance in Exhibit "C" attached hereto] to the full extent

of the release, defense and indemnity obligations assumed by Contractor in this Agreement. Contractor's insurance shall be primary and non-contributory from any other insurance available to Company.

8. Prior to performing Work or services and prior to providing goods, equipment, and/or facilities hereunder, Contractor shall furnish Company with Certificates of Insurance satisfactory to Company, which shall evidence that the coverages specified in Exhibit "C" attached hereto are in full force and effect and provide that such insurance policies shall not be cancelled without thirty (30) days prior written notice to Company. Current Certificates of Insurance shall be provided by Contractor to Company at Company's request. Failure of Company to object to Contractor's delay or failure to furnish such Certificates of Insurance or to object to any defect therein shall not be deemed a waiver of Contractor's obligation to furnish the Certificates of Insurance or the insurance coverage described in Exhibit "C" attached hereto. However, such failure by Contractor shall allow Company to cancel any Work order or to terminate this Agreement per Section 20 of this Agreement.

9. Contractor will require all individuals providing services pursuant to the Agreement to sign the written consent form attached hereto as Exhibit A, agreeing, as a condition of providing services pursuant to the Agreement, to submit to drug testing in accordance with Company's Contractor Substance Abuse Policy, as it may be amended from time to time by Company, a copy of which will be provided to personnel together with the consent form. Furthermore, Contractor agrees to drug test all personnel in accordance with the minimum standards set forth in the drug testing protocol attached hereto as Exhibit B. Contractor agrees to have all of its drug testing practices audited, at least once per year, by National Compliance Management Service, Inc.

10. Contractor will require all individuals providing services pursuant to the Agreement to sign the written consent form attached hereto as Exhibit A, agreeing, as a condition of providing services pursuant to the Agreement, to allow Company Group to search their person, their vehicles, and their other possessions that are on Company property or at a Company job site, at Company Group's request.

11. Contractor will comply with Company's Contractor Ethics Policies as those policies may be amended from time to time by Company, copies of which will be provided to individuals providing services pursuant to the Agreement. Contractor will obtain and provide to Company a "Contractor Acknowledgment Form" signed by each individual performing services pursuant to the Agreement before the individual provides any services.

12. The obligations imposed on Contractor by this Addendum shall survive termination of the Agreement.

13. This Addendum shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, trustees, executors, successors, legal administrators, and assigns.

14. This Addendum may not be changed, altered, or modified, except in a writing signed by the Parties.

15. This Addendum may be executed in counterparts, and when each Party has executed at least one counterpart, the counterpart will be deemed an original, and when taken together, the counterparts will constitute one agreement, which shall be binding and effective as to both Parties.

IN WITNESS WHEREOF, Company and Contractor have caused this Addendum to be executed by their authorized representatives and the Parties hereby accept the terms of this Agreement.

Aquahawk Energy LLC
CONTRACTOR NAME

Mark Layton
NAME AND POSITION OF SIGNER

1/30/2019
Date

GULFPORT ENERGY CORPORATION

Zachary M. Simpson
NAME AND POSITION OF SIGNER

2/11/2019
Date

EXHIBIT A: CONSENT FORM

I,___, as a condition of providing services to Gulfport Energy Corporation ("Gulfport"), its subsidiaries, agents, affiliates, and assigns hereby knowingly and voluntarily consent to:

- submitting to drug testing in accordance with Gulfport's Contractor Substance Abuse Policy, as it may be amended from time to time by Gulfport (the "Policy"). I acknowledge that I have received a copy of, read, and understand the Policy. I consent to testing in accordance with the Policy without prior notice.
- having my person, my vehicles, and my other possessions searched by Gulfport management and/or its agents. I consent to searches, at Gulfport's discretion and upon Gulfport's request, of the complete interior of my vehicles and any possessions therein, and of my possessions that are on Gulfport property or a Gulfport job site. I also consent to emptying my pockets at Gulfport's discretion and upon Gulfport's request when on Gulfport property or at a Gulfport job site.

_____

Signature

_____

Printed Name

_____

Date

EXHIBIT B PROGRAM GUIDELINES:

An effective drug and alcohol testing program depends on the Oil and Gas contractor company being aware of their responsibilities. As a minimum, contractor companies should develop a Drug and Alcohol program that follows the recommended guidelines when engaging Safety-Sensitive personnel to work on customer premises.

Safety-sensitive is defined as:

Any employee working on customer premises whose principal job responsibilities are such that a lapse by the employee could increase the probability of a fatality or serious injury, or an event that could substantially and adversely impact the environment, customer assets or the community.

Safety-sensitive positions could include but are not limited to the following:

- Positions which require the exercise of independent action and can result in direct and immediate irreversible effects, i.e.:
  - An individual's action is taken independently and is not subject to review, modification or control by another person, a supervisor or a system; and/or
  - An individual's action is not subjected to checks and balances which could or would override or change the individual's action; and/or
  - There is little, if any, time delay between an individual's action and the resulting effect such that others cannot reasonable intervene to override or change the action.

OR

- An activity recognized in the industry as having the potential for incidents and near misses resulting in fatality or serious injury, or an event that could substantially and adversely impact the environment, customer assets or the community.

- Program Management:
  - Maintain a list of safety-sensitive job positions
  - Notify NCMS and/or customer if local laws and/or customs affect compliance with these guidelines.
  - Ensure that all subcontractors comply with these guidelines
  - Process for communicating the program guidelines to applicable personnel.
  - Be aware of any additional customer recommendations or requirements beyond these guidelines.
  - Establish drug and alcohol testing program that is consistent with protocol identified within this guideline
  - Identify a Designated Employer Representative. This individual(s) will have oversight of the drug and alcohol program and authorized by the company to receive test results and make required decisions regarding test results.
  - Establish a medication disclosure program that requires personnel to report potentially impairing medication (prescribed, non-prescribed and herbal medicines obtained in a manner consistent with applicable laws and regulations) to the company's medical services provider before performing work for customers. Upon disclosure, the company's medical services provider should obtain a fitness-for-duty assessment for personnel, upon which any necessary work restrictions will be identified and communicated to both the company personnel and the customer.
  - Ensure company supervisors are trained in the program requirements. Reasonable suspicion testing training should cover the physical, behavioral, speech, and performance indicators of probable alcohol misuse and use of drugs.

- Prohibited Substances:
  - Illicit drugs that are not or cannot be prescribed, or mind-altering substances that would inhibit the individual's ability to perform work safely, including all forms of naturally occurring and synthetic drugs (e.g. synthetic cannabinoids, stimulants and hallucinogens).
  - Potentially impairing medication (prescribed, non-prescribed, and herbal medicines obtained in a manner consistent with applicable laws and regulations) used without a prescription or in a manner inconsistent with the prescription or directions for usage.
  - Marijuana in any form, even if legal in the local jurisdiction.
  - Alcohol, unless the customer specifically approves and permits its use on customer premises.

- Prohibited From:

  Personnel who could be working for customers will be prohibited from:
  - Use of, or exposure to, prohibited substances for which a positive drug or alcohol test would require the removal of the individual from work.
  - Possession of prohibited substance when working for customers.
  - Possession of drug paraphernalia when working for customers.
  - Firearms, ammunition, explosives and weapons on customer premises
  - Participating in any attempt to adulterate or substitute a specimen, obstructing the collection or testing process, failing to promptly proceed to a collection site and provide specimens when told to do so, refusing to sign required forms and failing to cooperate with an inspection.

- Individual Random Drug and Alcohol Testing:

Personnel must be admitted to (or already participating in) a random testing pool prior to commencing work for NCMS customers. Random program should at a minimum follow the below:

- A pre-enrollment drug and alcohol test is required for entry into the random testing pool unless a negative result was obtained, from any category of test using the drug and alcohol test panel identified in this guideline, within the previous 6 months.
- Generate random selections using a scientifically valid method.
- All personnel should participate in the random selection period, even if the individual has been previously selected for random testing.
- Individuals selected for a random test should arrive at the collection site within two hours of the notification. The reason for any delay beyond two hours should be documented and assessed for validity.
- Annual drug and alcohol testing rate is 25% at a minimum.
- Selection frequency will be a minimum of once every three months.

- Group Random Drug and Alcohol Testing:
  - Personnel may be subject to unannounced random selection for testing for drug and alcohol by certain groups (e.g. skill/trade, location, vehicle/vessel, shift/crew).
  - Contractor should maintain and generate group random selections using a scientifically valid method.
  - All personnel should participate in the random selection period, even if the individual has been previously selected for random testing.
  - Annual drug and alcohol testing rate is 25% at a minimum.
  - Selection frequency will be a minimum of once every three months.

- Forced Selection:
  - Personnel who have not been drug and alcohol tested using the recommended panel for any test reason within a 2 year period should be force-selected for an unannounced test before the end of the period.

- Post-Incident Testing:
  - If the performance of personnel contributed to an incident, or cannot be completely discounted as a contributing factor to the incident, contractor-company will immediately remove the personnel from performing work.
  - Alcohol and drug testing must be completed as soon as possible after the decision has been made to test. If testing is not completed within 2 hours, the reason for the delay must be documented.
  - Incident includes, but is not limited to, an actual event that caused, or had potential to cause, significant safety, environmental, or property damage incidents such as:
    - Medical treatment beyond first aid, or
    - Reportable environmental release, or
    - Disabling damage to a vehicle, or
    - Significant property damage.
  - Retaliation against personnel who report accidents is strictly forbidden. Any drug and alcohol testing under this section will be applied in a neutral fashion to foster a safe work environment and only to identify drug/alcohol use in the recent past. Testing under this section will not be undertaken to retaliate against personnel for reporting workplace injuries.

    For post-incident testing; personnel should immediately stop working on customer premises until a negative result is received.

- Individual Reasonable Suspicion Testing:
  - Individual Reasonable Suspicion testing is conducted when the individual exhibits signs and symptoms of drug abuse or alcohol misuse.
  - Alcohol and drug testing must be completed as soon as possible after the decision has been made to test. If testing is not completed within 2 hours, the reason for the delay must be documented.

  For reasonable suspicion testing; personnel should immediately stop working on customer premises until a negative result is received.

- Unannounced Group Testing: Unannounced group testing of personnel may be required without notice for a group on customer premises, based on evidence of prohibited substances or contraband.

- Inspections: Customer may, at any time on customer premises, conduct, or request the company to conduct, unannounced inspections of personnel and their property for items that may include prohibited substances or contraband. Inspections may include, but are not limited to, clothing, wallets, purses, baggage, lockers, work areas, desks, toolboxes and vehicles.

  The customer or company may authorize inspection specialists, including scent-trained animals, to conduct inspections.

  If inspection or discovery of prohibited substances or contraband is directly associated with an individual, the individual should immediately be stopped from working on customer premises.

  If inspection or discovery of prohibited substances or contraband cannot be directly associated with an individual but can be associated with a defined group of individuals, the customer may conduct, or request the company to conduct, an inspection of the group's clothing, wallets, purses, baggage, lockers, work areas, desks, tool boxes and vehicles, etc.

- Establish a Mandatory Stand-Down Procedure: Immediately stop personnel from working for customer if:
  - Company receives a fitness-for-duty concern from the MRO (Medical Review Doctor). The individual should not return to work for customer until he/she receives medical clearance to perform the essential job functions of the position.

- If individual violates the guidelines in this document (including testing positive or refusing to test). The individual should be removed from working for customer as soon as practicable.

- Alcohol Testing:
  - An alcohol test should be carried out whenever a drug test is done. Any individual with a confirmed alcohol test result greater than or equal to 0.02 g/210 L in breath (or equivalent) should be stopped from working for customer.
  - Screening tests may be performed by either breath or saliva.
  - Confirmation tests should be performed by breath or blood.
  - Alcohol screening devices should be:
    - Listed on the U.S. National Highway Traffic Safety Administration's Conforming Products List.
    - An oral fluid or breath alcohol testing device that is FDA-cleared or CE marked with a minimum cut-off of 0.020 g/dl or 0.02 g/210 L.
    - Any device that is approved for confirmation breath testing.
  - Alcohol confirmation breath testing devices should be:
    - Approved by one or more of the following;
      - U.S. National Highway Traffic Safety Administration's Conforming Products List for EBT devices
      - European Standard EN 15964
      - UK Home Office type approval for breath alcohol screening devices
      - Canadian Society of Forensic Science Alcohol Test Committee approved instruments
    - Provide a printed result.
    - Assign a unique number to each test
    - Print the instrument name, the serial number and time of the test on the printout.
    - Perform and pass a blank test prior to all subject tests.
  - Alcohol technicians/collectors should be trained in accordance with the manufacturer's instruction for any devices used. Technicians/ collectors should maintain documentation of training and demonstrated competency.
  - Screening alcohol test results should be documented on either a drug CCF or an alcohol testing form. For confirmation alcohol tests using a breath alcohol device, result and zero blank printouts should be attached to the drug CCF or to the alcohol testing form.

- Drug Testing:
  - A collector should be trained in all steps necessary to complete a collection correctly, and in the proper completion and transmission of the Chain of Custody form. A collector should maintain documentation of training and demonstrated competency.
  - A Chain of Custody form should be used for every drug test.

- POCT device: (Point of Collection Test):
  - If company or customer wishes to utilize a POCT for the screening test, the device must meet the below guidelines:
    - FDA 510(k) clearance (recommended for all US point-of-care testing); or
    - The CE mark (in Europe); or
    - Documented performance around the cut-off to reliably differentiate specimens that within 50% of the cut-off value.
    - Should have documented performance as compared to laboratory testing data for the same specimen (i.e. donor comparison study data), with a minimum sensitivity and specificity of 90%.
    - Should be able to test for the recommended minimum drug panel, at screening levels equivalent to, or lower than, laboratory concentrations (see attachment 1). (As of 6-26-2017 there are no FDA- cleared urine POCT devices that can meet the screening recommendations of use in the USA)
- Laboratories: In North America a laboratory should be accredited either by CAP-FDT (all specimen types) or the National Laboratory Certification Program (NLCP) for urine testing laboratories.
  - All screening tests should be performed using an appropriate and validated technique. Any positive screening tests should be confirmed using a laboratory chromatographic technique in combination with mass spectrometry.
  - Validity tests should be carried out on all urine specimens. Validity tests consist of:
    - PH
    - Oxidizing adulterants

        - Creatinine
        - Specific gravity when the creatinine is <20 mg/dl
    - To report a urine specimen as dilute, invalid, adulterated, substituted or as having failed specimen integrity, confirmatory testing on a second aliquot should be performed utilizing a well-recognized technology.
- MRO (Medical Review Officer): At a minimum, an MRO review is required for:
    - Non-negative laboratory results; and
    - An alleged inability to provide a specimen

  MRO Qualifications: An MRO should:
    - Be a physician with a license and/or certification to practice medicine, prescribe medications, and diagnose and treat medical conditions;
    - Have a working knowledge of workplace drug testing, drug pharmacology and pharmacokinetics; and
    - Have participated in a formal educational program pertinent to workplace drug testing.
- Returning Personnel to Work for Customers:
    - Alcohol Testing:
        - Following alcohol testing for any reason, company personnel whose alcohol screening test result is positive shall immediately Stand Down
        - If Confirmation Test is negative personnel must not return to services until 8 hours have elapsed.
        -
    - Reasonable Suspicion / Post Incident: Customers will consider request for company personnel to return to services only after negative alcohol and negative drug test results have been received and documented.
    - Fitness for Work: After a fitness for work concern is identified, and before company can return personnel to services, company's health professional must evaluate the company personnel, clear them to return to work, define restrictions if applicable, and document the conclusion. A fitness for work concern may be identified from such events as:
        - MRO review of a laboratory positive test result may lead to a MRO negative determination, but the MRO may identify a fitness for work concern.
        - A required medication disclosure by those in Safety Sensitive positions or the admission of possession or use of a potentially impairing substance.
- Drug Testing Panel: The minimum drug test panel is listed in Table 1 on page 6. Synthetic marijuana panel listed in Table 2 on page 7.

Table 1: Minimum Drug Testing Panel

Drug/Class	Screen Level	Confirmation Level
Amphetamines	500	
*Amphetamine		250
*Methamphetamine		250
*MDMA		250
*MDA		250
*MDEA		250
Cocaine	150	
*Benzoylecgonine		100
Marijuana	20	
*THCA (11-nor delta-9THCA)		10
Opiates	300	
*Morphine		100
*Codeine		100
*Hydromorphone		100
*Hydrocodone		100
6-Acetylmorphine (6-AM)	10	10
Oxycodones	100	
*Oxymorphone		100
*Oxycodone		100
Phencyclidine (PCP)	25	25
Propoxyphene	300	100
Meathadone	300	200

Barbiturates	300	
*Amobarbital		200
*Butalbital		200
*Pentobarbital		200
*Phenobarbital		200
*Secobarbital		200
Benzodiazepines	300	
*Alprazolam Metabolite		100
*Nordiazepam		100
*Oxazepam		100
*Temazepam		100
*Flurazepam Metabolite		100
*Lorazepam		100
*Triazolam Metabolite		100

Table 2: Synthetic Cannabinoids

Parent Compound	Required Urine Testing Metabolite	Max Screen and Confirmation cut-off levels (ng/ml)
JWH-018/AM-2201	JWH-018 N-pentanoic acid	0.2
JWH-073	JWH-073 N-butanoic acid	0.2
UR-144/XLR-11	UR-144 N- pentanoic acid	0.5
AKB-48-(APINACA)	AKB48 N-pentanoic acid	2.5
BB-22	BB-22-3-carboxyindole	5
PB-22-(CUPIC)	PB-22-3-carboxyindole	5
5-FLUORO-PB-22- (5F-PB-22)	5-FLURO PB-22-3-carboxyindole	5
AB-FUBINACA	AB-FUBINACA oxobutanoic acid	2.5
ADB-PINACA	ADB-PINACA N-pentanoic acid	5
AB CHMINACA	AB CHIMINACA 3- methyl-butanoic acid (“M2”)	2.5
AB PINACA/5-F-AB-PINACA	AB PINACA N-pentanoic acid	5
ADBICA	ADBICA N-pentanoic acid	5

- Record Retention: Contractor companies should retain documents and ensure they are readily available for review by the customer (or their representative) for the current year and the previous three years. Documents and records to be retained are listed, but not limited to, below:
  - Copy of the drug/alcohol chain of custody form as well as the results
  - Company employees in their random testing program.
  - Collection site information, which may include collector certificates and/or training records.
  - Statistical data on testing program.
  - Designated Employer Representative’s information.
  - TPA (Third Party Administrator) contact information.
  - MRO name and contact information.
  - Laboratory contact information as well as the drug panel information.
  - Electronic or hard-copy record of company’s supervisor training.
  - A list of persons randomly selected on each random selection day.
  - For forced testing, records demonstrating personnel in a random pool had been tested at least once in the past two calendar years. If personnel are no longer identified in the random pool, the reason for the removal should be provided.
  - The dates of the person’s most recent drug and alcohol test.
  - Accuracy checks log, calibration records and manufacturer’s certification for EBT.
  - Records of the results of laboratory confirmed negative results.
  - Records of the results of alcohol negative results.
  - Records to demonstrate a periodic check of subcontractors to ensure their compliance with the guidelines.
  - Written procedures for ensuring that personnel, who are disqualified from customer work, continue to be excluded from customer work at any location.

EXHIBIT C

TO MASTER SERVICE AGREEMENT INSURANCE COVERAGE

Worker's Compensation Insurance
Worker's Compensation Insurance in accordance with all applicable state (the state where the work is being performed) and federal laws and regulations, including occupational disease coverage. If the performance of this Agreement requires the use of watercraft or is performed over water, Contractor shall provide insurance coverage, with territorial limits extended to include areas of transportation and operation under this Agreement, for liability under the U.S. Longshoreman and Harbor Worker's Compensation Act, the Outer Continental Shelf Lands Act, Death on the High Seas Act, and liability for admiralty benefits and damages under the Jones Act and general maritime law, with Marine and Voluntary Compensation Endorsement for transportation, maintenance, wage, and cure, and with limits of not less than $500,000 per person and $1,000,000 per occurrence. Such coverage shall further provide that a claim "in rem" shall be treated as a claim "in personam," and shall include an alternate employer and/or borrowed servant endorsement in favor of Company Group, as defined in Section 10.

Employer's Liability Insurance
Employer's Liability Insurance with minimum limits of $1,000,000 per occurrence, covering injury or death to any employee which may be outside the scope of Worker's Compensation statute of the state in which the Work is performed or outside the scope of similar federal statutes if the Work is performed outside state jurisdiction, and Maritime Employer's Liability Insurance with limits of $1,000,000 per person and $1,000,000 per occurrence, both with alternate employer and/or borrowed servant endorsements in favor of Company Group, as defined in Section 10.

Maritime operations policies shall be endorsed specifically to include the following coverages: U.S. Longshore and Harbor Workers' Compensation Act, including the Outer Continental Shelf Lands Act, full maritime endorsement, including Jones Act, Unseaworthiness, Death on the High Seas Act, and the General Maritime Law for all employees. Including coverage for transportation, wages, maintenance, and cure.

Commercial General Liability Insurance
Commercial General Liability Insurance, including contractual liability insuring the indemnity agreement as set out in this Agreement and Contractor's Protective Liability covering Work sublet, with (1) bodily injury, sickness or death with limits of not less than
$1,000,000 per occurrence; (2) property damage due to blasting and explosion, structural property damage, underground property damage, loss of property, and surface from blowout and cratering with limits of not less than $1,000,000 per occurrence; (3) personal injury and advertising injury coverage limits of not less than $1,000,000; (4) products liability and completed operations hazard coverage of not less than $1,000,000 per occurrence; ; (5) general aggregate limits of not less than $2,000,000; and (7) an endorsement to the policies stating that a claim "in rem" shall be treated as a claim "in personam."

Comprehensive Automobile Liability Insurance
Comprehensive Automobile Liability Insurance covering owned, non-owned and hired vehicles used by Contractor with minimum limits of (1) $250,000 applicable to bodily injury, sickness, or death of any one person, (2) $500,000 for more than one person in any one occurrence, and (3) $250,000 for damage to property in any one occurrence.

Offshore Projects
If the performance of this Agreement requires the use of watercraft, Contractor shall carry or require the owners of the watercraft to carry: (1) Hull and Machinery insurance (including Collision Liability) in an amount not less than the market value of the watercraft or (combined single limit) per occurrence of $1,000,000, whichever is greater on the American Institute Hull clauses (June 2, 1977) Form or equivalent, and (2) Protection and Indemnity Insurance in an amount not less than the market value of the watercraft or $1,000,000, whichever is greater. Both of such insurance coverages shall provide adequate navigation limits to cover the Work to be performed hereunder and shall have the Charterer's and/or Owner's Limitation Clause deleted.

Such policy shall be endorsed to provide as follows: Chartered Vessel; Members of the Crew; Marine Contractual Liability; Tower's Liability; In Rem Liability; Collision Liability; Waiver of Subrogation in favor of Company; Removal of "other than Owner" limitation clauses as respects Company; Removal of the "as Owner of the vessel named herein" clauses as respects Company.

CONTRACTOR SHALL ALSO MAINTAIN EXCESS AND/OR UMBRELLA COVERAGES OVER THE ABOVE DESCRIBED COVERAGES SUCH THAT THERE IS IN PLACE A MINIMUM LIMIT OF $10,000,000 INSURANCE COVERAGE ON EACH OCCURRENCE AND IN AGGREGATE.

IN THE EVENT CONTRACTOR IS A SELF-INSURER AND COMPANY HAS CONSENTED TO CONTRACTOR BEING A SELF- INSURER AS TO ANY ONE OF THE RISKS TO WHICH COVERAGE IS HEREIN REQUIRED, EVIDENCE OF SUCH CONSENT MUST BE IN WRITING AND APPROVED BY A REPRESENTATIVE OF COMPANY AUTHORIZED TO ENTER INTO SUCH CONSENT AGREEMENT.

AVIATION SUPPORT SERVICES AGREEMENT

This Aviation Support Services Agreement (this " ***Agreement***") is entered into as of this 28th day of December, 2018 (the " ***Effective Date***"), by and between Brim Equipment Leasing, Inc., an Oregon corporation ("***BRIM***"), and Cobra Aviation Services LLC, a Delaware limited liability company ("***COBRA***"). BRIM and COBRA shall each be individually referred to herein as a "***Party***" and, collectively, as the "***Parties***."

W I T N E S S E T H:

WHEREAS, COBRA provides aviation support services including aviation consulting, sales, customer relations, marketing, trip support services, general administration and accounting services, human resources, and other operational support services (the "***Support Services***"); and

WHEREAS, BRIM wishes to obtain certain services from COBRA and COBRA wishes to provide such services to BRIM, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. DEFINITIONS

In this Agreement, except where the context or subject matter is inconsistent therewith, the following terms shall have the following meanings:

"***Affiliate***" shall mean, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" shall mean this document and the annexed schedules which are incorporated herein together with any future written and executed amendments.

"***Business Day***" shall mean any day except Saturday, Sunday or any other day on which commercial banks located in Oklahoma City, Oklahoma are authorized or required by Law to be closed for business.

"***Change of Control***" shall mean, with respect to any Person, each of (a) any merger, consolidation, amalgamation or other business combination with or into another entity, in which the equity holders of such Person immediately prior to such transaction cease to own, in the aggregate, more than 50% of the voting securities of the entity surviving or resulting from such transaction (or the ultimate parent thereof), (b) the sale of all, or substantially all, of such Person's assets, whether in a single transaction or series of related transactions, other than to an entity, or to a wholly-owned direct or indirect Subsidiary of an entity, that is owned in substantially the same proportions by the equity holders of such Person (or their respective ultimate parents) immediately prior to such asset sale, and (c) any sale of such Person's voting securities, whether in a single transaction or series of related transactions, following which the equity holders of such Person

immediately prior to such transaction(s) cease to own, in the aggregate, more than 50% of the voting securities of such Person (or the ultimate parent thereof).

"***Claim***" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law, in equity or under contract.

"***Confidential Information***" means any information, disclosed by the Disclosing Party or its Affiliates to the Receiving Party or its Affiliates under, or in connection with, this Agreement on or after the Effective Date, including (a) information relating to the Disclosing Party's and its Affiliates' ideas, affairs, concepts, processes, techniques, employees, businesses, strategies, inventions, forecasts, discoveries, operations, methodologies, know-how, financial condition and marketing or development plans; (b) this Agreement's terms and conditions; (c) information concerning any breach under, or any dispute between the parties regarding, this Agreement; (d) any third party's confidential information disclosed by the Disclosing Party to the Receiving Party under, or in connection with, this Agreement; (e) Disclosing Party's software, copyrights, trade secrets and other intellectual property rights, including third party software; and (g) any other information, whether oral, written, visual or electronic and whether proprietary to the Disclosing Party or not, that reasonably is understood to be confidential or proprietary, whether or not identified as such at the time of its disclosure. Notwithstanding anything in this Agreement to the contrary, no information will be "Confidential Information" if such information (a) is, as of the Effective Date, generally available to the public or, after the Effective Date, becomes generally available to the public other than as a result of a disclosure by the Receiving Party or any of its Representatives in violation of this Agreement, (b) is, as of the Effective Date, generally available to Persons engaged in the utility helicopter industry or, after the Effective Date, becomes generally available to Persons engaged in the utility helicopter industry other than as a result of a disclosure by the Receiving Party or any of its Representatives in violation of this Agreement, (c) was in Receiving Party's possession, on a non-confidential basis, prior to the disclosure of such information pursuant to this Agreement, (d) becomes available to Receiving Party, on a non-confidential basis, from a source other than the Disclosing Party or any of its Representatives, provided that such source, to Receiving Party's knowledge (after reasonable inquiry), is not subject to a confidentiality agreement with, or other obligation of secrecy owned to, the Disclosing Party, and/or (e) independently is developed by Receiving Party or any of its Representatives after the date hereof without relying on any Confidential Information and without otherwise violating Section 11.

"***Damages***" means fees, losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, settlements, disbursements, or expenses of whatever kind, including reasonable attorneys' fees.

"***Documentation***" shall mean all documents, regardless of form, relating to the Services.

"***Governmental Authority***" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any public or state funded school or educational institution, arbitrator, mediator, court or tribunal of competent jurisdiction, or any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of or pertaining to government.

"***Law***" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement of any Governmental Authority.

"***Material***" shall mean any and all information and materials relating to a Party's business given to the other Party from time to time for review, data processing, or for any other reason, and all copies thereof regardless of form or storage medium, including, but not limited to, documentation, notes, formulae, components, drawings, data, flow-charts, plans, specifications, techniques, processes, algorithms, inventions, prototypes, protocols, patent portfolio, contracts, marketing and other financial and business plans, business processes and methods of doing business and includes all confidential and proprietary information which is at any time so designated by either Party, either in writing or orally.

"***Person***" means an individual, corporation, partnership, joint venture, sole proprietorship, limited liability Indemnifying Party, Governmental Authority, unincorporated organization, trust, association or other entity.

"***Representatives***" means, with respect to any Person, such Person's Affiliates and such Person's and its Affiliates' respective directors, partners, managers, managing members, officers, employees, agents and advisors, including bankers, auditors, attorneys, accountants and tax and financial advisors.

"***Restricted Period***" shall mean a period, beginning on the Effective Date and ending on the second anniversary of this Agreement's termination pursuant to, and in accordance with, Section 7 or Section 8.

"***Subsidiary***" shall mean, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, is controlled by such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"***Third Party Claim***" shall mean any Claim brought by a Person who is unaffiliated with (a) if any COBRA Indemnitee is the Indemnified Party, any COBRA Indemnitee and (b) if any BRIM Indemnitee is the Indemnified Party, any BRIM Indemnitee.

2. SCHEDULES

The following Schedules are attached hereto and are hereby incorporated by reference and made part of this Agreement:

Schedule A – Description of Services
Schedule B – Fees and Payment

3. SERVICES

COBRA will provide the services described in attached **Schedule A** (the "***Services***") to BRIM according to the terms and conditions of this Agreement.

4. FEES AND EXPENSES

4.1 The fees and payment for COBRA's Services shall be as specified in **Schedule B**. The fees set forth in **Schedule B** shall constitute the sole fees to be paid by BRIM for the services provided by COBRA under this Agreement unless the Parties mutually agree in writing to additional fees.

4.2 BRIM shall be responsible for all direct and fixed operating costs and administrative charges, including, without limitation, fuel, ground handling charges, any permits and clearances, travel related expenses, and office related expenses, as well as the cost of bank charges, and of database subscriptions, unless these costs or charges are incurred as a result of the negligence or misconduct of COBRA.

4.3 BRIM will pay interest on any overdue accounts at a rate of 3% per annum calculated monthly from the due date to the date of payment.

5. RELATIONSHIP OF THE PARTIES

COBRA is undertaking to perform the Services for BRIM as an independent contractor and not as an employee, partner, or joint venture of BRIM, and COBRA will not participate in any of BRIM's employee benefit plans nor receive any other compensation beyond that stated in such **Schedule B**. COBRA will not have any power or authority to bind BRIM or to assume or create any obligation or responsibility, express or implied, on BRIM's behalf or in BRIM's name, except as expressly authorized by Brim, and COBRA will not represent to any person or entity that COBRA has such power or authority.

5A. COBRA EMPLOYEES AS FLIGHT CREW / OTHER COBRA EMPLOYEES

Notwithstanding the foregoing, whenever COBRA's employees are acting in the capacity of a required crewmember aboard Brim Aircraft, such employees shall be deemed to be agents of BRIM and at all times BRIM shall be in operational control of the Aircraft. While acting as an agent of BRIM, all such COBRA employees shall be under the command and control of BRIM and shall perform all flight crew duties in accordance with BRIM's policies and procedures. Any COBRA employee who performs flight crew duties shall also execute a separate agency agreement with BRIM. BRIM is not responsible for verifying the existence or sufficiency of the qualifications, authorizations, permits or licenses of COBRA and/or COBRA's employees, except as required by the applicable regulations in order for BRIM to exercise operational control of the Aircraft. COBRA represents and warrants that COBRA and any employees of COBRA are authorized to work and are not acting and will not act during the term of this Agreement in violation of any applicable laws or the regulations promulgated thereunder or any agreement it has entered into with a third party.

6. MATERIALS AND/OR SUPPLIES

6.1 COBRA shall be responsible for providing all necessary equipment, supplies, materials, man power and other resources necessary to perform the Services at its own expense, unless otherwise specifically agreed between the Parties.

6.2 In the event that any equipment, material, supply or other resource is provided by BRIM to COBRA, and unless otherwise expressly specified in this Agreement, such equipment, material, supply or other resource must be promptly returned to BRIM, upon request or upon expiry or termination of this Agreement for any reason. Such equipment, material, supply or other resource must be packaged appropriately to ensure its protection upon return to BRIM, and be returned in good working order and in an appropriate state of repair, taking into consideration normal wear and tear during the course of the performance of the Services. Should

COBRA fail to fulfill its obligations under this Subsection 6.2, COBRA shall be liable for the cost of replacement of such equipment, material, supply or other resource in the condition such equipment, tool, material, supply or other resource would have been had these obligations been fulfilled.

7. TERM

7.1 Initial Term: This Agreement will come into force as of the Effective Date and will expire on the second anniversary of the Effective Date (the "***Initial Term***"), unless terminated by the Parties in accordance with the terms of this Agreement.

7.2 Renewal Terms: At the end of the Initial Term, this Agreement may be renewed for successive one year terms (each, a " ***Renewal Term***") upon the mutual agreement of both parties, at least 30 days in advance of the expiration of the then-current Term. In the event the parties do not reach an agreement regarding the Renewal Term, this Agreement shall terminate.

8. TERMINATION

8.1 Material Breach. If a Party commits a material breach of this Agreement or materially fails to perform any covenant or obligation set forth in this Agreement (including non-payment of fees when due) and such breach or failure to perform is not cured within 30 days of receipt of written notice thereof from the non-breaching Party, then on the expiration of such 30-day cure period, the non-breaching Party may terminate this Agreement immediately upon written notice to the other Party.

8.2 Force Majeure. BRIM may terminate this Agreement immediately upon written notice to COBRA if all, or a substantial portion, of the Services have been suspended due to Force Majeure (a) for 60 consecutive days in any 12-month period or (b) for 90 days, in the aggregate, in any 12-month period.

8.3 Insolvency Event. Upon the happening of any of the following events with respect to a Party (such Party, the "***Insolvent Party***"), the other Party may terminate this Agreement immediately upon written notice to the Insolvent Party: (a) the appointment of a trustee, receiver, custodian, liquidator or sequestrator to take possession of any assets of the Insolvent Party, or the making of an assignment for the benefit of creditors by the Insolvent Party, or the attachment, execution or other judicial seizure of all, or a substantial portion, of the Insolvent Party's assets (which attachment, execution or seizure is not discharged within 30 days), (b) the Insolvent Party becoming a debtor, either voluntarily or involuntarily, under Title 7 or Title 11 of the United States Code or any other similar Law and, in the case of an involuntary proceeding, such proceeding not being dismissed within 30 days of the date of filing, or (c) the dissolution or termination of the existence of the Insolvent Party, whether voluntarily, by operation of law or otherwise.

8.4 Change of Control: Either Party may terminate this Agreement immediately upon written notice to the other Party in the event of a Change of Control of the other Party.

8.5 Without Cause: COBRA or BRIM may terminate this Agreement without cause upon at least 30 days' advance written notice to the other party.

9. DUTIES AND OBLIGATIONS OF COBRA

COBRA shall use commercially reasonable efforts, skill, and ability, and shall comply with all applicable laws, regulations, and rules, in performing the Services under this Agreement. COBRA agrees that its Representatives, when on the property of BRIM or when given access to any data, facilities, personnel and information of BRIM, shall conform to the policies and procedures of BRIM concerning health, safety and security that are made known to COBRA, in writing, in advance of such access.

10. DUTIES AND OBLIGATIONS OF BRIM

BRIM shall make timely payments to COBRA for the Services in accordance with this Agreement. BRIM shall provide COBRA's Representatives access to such data, facilities, personnel and information of BRIM (during normal business and operating hours of BRIM) as is reasonably required for COBRA to perform its obligations under this Agreement (including providing the Services).

11. CONFIDENTIALITY

11.1 Confidentiality. Each Party (in such capacity, the "***Receiving Party***") agrees that, during the Restricted Period, it will, and will cause its Representatives to, maintain in confidence and not disclose any Confidential Information of the other Party (in such capacity, the "***Disclosing Party***"), other than information that (a) is disclosed in accordance with Section 11.2, (b) may be necessary or advisable to be disclosed to enforce any of the Receiving Party's rights under this Agreement, (c) may be necessary or advisable to disclose for the Receiving Party or its Affiliates to perform their respective obligations under this Agreement or (d) is required or requested to be disclosed by applicable Law, legal proceeding or by any regulatory, governmental or self-regulatory authority with jurisdiction over the Receiving Party or any of its Representatives (each, a "***Required Disclosure***"), provided that, in the case of this clause (c), the Receiving Party, to the extent permitted by the applicable Required Disclosure, first notifies the Disclosing Party in writing of the existence, terms and circumstances surrounding such Required Disclosure, so that the Disclosing Party may, in its sole discretion, seek a protective order or other appropriate remedy and/or take steps to resist or narrow the scope of the disclosure sought by such Required Disclosure. In the event of any Required Disclosure, Receiving Party agrees to assist the Disclosing Party, at the Disclosing Party's sole cost and expense, in seeking a protective order or other remedy if requested in writing by the Disclosing Party. If, in the event of any Required Disclosure, (a) the Disclosing Party waives Receiving Party's obligations under this Section 11 or (b) a protective order or other remedy is not obtained in a reasonable amount of time and, in the advice of Receiving Party's or its Representatives' legal counsel (as applicable), disclosure is required, Receiving Party or its Representatives (as applicable) may make such Required Disclosure without liability under this Agreement, provided that Receiving Party or its Representatives (as applicable) (i) furnish only that portion of the Confidential Information that is legally required to be disclosed and (ii) if requested in writing by the Disclosing Party, use reasonable efforts, at the Disclosing Party's sole cost and expense, to ensure that confidential treatment will be accorded to all such disclosed Confidential Information.

11.2 Representatives. During the Restricted Period, (a) Receiving Party and its Representatives shall use the Confidential Information solely for the purpose of performing the Receiving Party's obligations, or receiving the Receiving Party's benefits, under this Agreement, and (b) Receiving Party may permit its Representatives access to the Confidential Information only to the extent necessary to allow them to assist Receiving Party with such permitted purposes. Prior to granting any such Representatives access to the Confidential Information, Receiving Party will inform them of its confidential nature and of the terms of this Section 11. Receiving Party agrees to be responsible for any breach of this Section 11 by any of its Representatives.

11.3 Return or Destruction of Confidential Information. At the Disclosing Party's written request, Receiving Party and its Representatives as promptly as practicable will destroy all tangible documents and materials (including all tangible copies or reproductions thereof) that constitute or contain Confidential Information, and neither Receiving Party nor its Representatives will retain any copy thereof; provided, that, Receiving Party and its Representatives may retain all electronic copies (if any) of any Confidential Information residing in the automatic backup systems of their respective computers and other electronic devices, and nothing contained herein shall prohibit Receiving Party or its Representatives from retaining copies of Confidential Information solely to the extent necessary to comply with law, regulation or any *bona fide* records retention policy. Any such copies shall be maintained in accordance with this Section 11 until such copies are destroyed in accordance with this Section 11.

12. LIMITATION OF LIABILITY

12.1 COBRA, in providing Services pursuant to this Agreement, shall not be responsible or liable for any acts, errors, omissions, delays, accidents, losses, injuries, deaths, property damage, or any indirect or consequential damages resulting therefrom, which may be the result of any action, inaction, default or insolvency of any other third party goods or service suppliers except in the case of gross negligence or willful misconduct by COBRA. COBRA does not give any representation or warranty with respect to any aspect of any third party supplier's services. In the event of a third party supplier's default with respect to all or any part of such supplier's services, BRIM's sole recourse shall be with the third party supplier and shall be subject to said supplier's own terms and conditions.

12.2 Except in connection with a Party's indemnification obligations under Section 14, neither Party shall be liable for any indirect, punitive, incidental, consequential or special damages, including loss of revenue, loss of profits or loss of opportunity, for any reason whatsoever arising out of, or relating to, this Agreement, even if a Party has been advised of the possibility of such Losses, whether arising out of breach of warranty, breach of condition, breach of contract, tort, civil liability or otherwise.

12.3 Except in connection with a Party's indemnification obligations under Section 14, in addition to remedies under Section 17, COBRA's absolute liability arising out of, or relating to, this Agreement, whether arising out of breach of warranty, breach of condition, breach of contract, tort, civil liability or otherwise, shall be limited to the dollar value of the Fees earned by COBRA under this Agreement, as provided in attached **Schedule B**, during the 6-month period immediately preceding such Claim(s). This limit is cumulative and the existence of more than one Claim will not enlarge the limit.

12.4 The Parties acknowledge that the limitations of liability and the allocation of risk set forth in this Section 12 are an essential element of the bargain between the Parties and part of the consideration for the agreed upon Fees, and in their absence, the Fees under this Agreement would be substantially different.

13. REPRESENTATIONS AND WARRANTIES

13.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that (a) it has the requisite power and authority to enter into this Agreement; (b) the person entering into this Agreement on its behalf has been duly authorized to do so; (c) execution of this Agreement does not and will not violate any applicable Law and does not constitute a default or breach of such Party's other obligations; and (d) there are no proceedings pending or, to such Party's knowledge, threatened that would or reasonably would

be likely to have a material adverse impact on this Agreement or the ability of such Party to perform its obligations under this Agreement.

13.2 Additional Representations and Warranties of Service Provider . COBRA hereby represents and warrants that it holds sufficient rights to use all equipment, materials, supplies and resources used for the performance of the Services under this Agreement, free and clear of any encumbrances.

13.3 Quality of Services. COBRA warrants that all Support Services will be performed in a good and workmanlike manner; that COBRA has adequate facilities in good working order and fully trained personnel capable of efficiently performing the Support Services to BRIM; that COBRA regularly conducts training programs; that all materials, equipment, goods, supplies or manufactured articles furnished by COBRA in the performance of the work or services shall be of suitable quality and workmanship for their intended purposes, in accordance with specifications, and free from defects; and that COBRA will not employ in any work for BRIM any employee whose employment violates applicable labor laws.

13.1 Disclaimer of Additional Warranties . EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS SECTION 13, BOTH PARTIES DISCLAIM ALL OTHER WARRANTIES, WHETHER IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE SERVICES ARE PROVIDED “AS IS”, “WHERE IS”. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, COBRA DOES NOT WARRANT THAT THE SERVICES WILL OPERATE UNINTERRUPTED OR ERROR-FREE.

14. INSURANCE AND INDEMNIFICATION

14.1 Insurance: During the term of this Agreement, each Party shall procure and maintain comprehensive general liability insurance, which shall include blanket broad form contractual liability coverage, with limits of not less than US$25,000,000.00 per occurrence for bodily injury and property damage, combined single limit. COBRA shall also procure and maintain worker’s compensation insurance in accordance with relevant provincial/state statutory limits, employer’s liability insurance with a limit of not less than US$1,000,000.00 per occurrence, automobile liability insurance covering all owned, hired and non-owned automobile equipment with limits of not less than US$1,000,000.00 per occurrence for bodily injury and property damage, combined single limit, professional liability insurance (errors & omissions) with a limit of not less than US$2,000,000.00) annual aggregate and excess liability, or umbrella insurance with a limit of not less than US$2,000,000.00 annual aggregate. Each Party shall, at the other Party’s request, provide the other Party with certificate(s) of insurance evidencing any such coverage described in this Subsection. BRIM shall require all of COBRA’s subcontractors retained in connection with this Agreement, if any, to provide the aforementioned coverage as well as any other insurance coverage BRIM may consider reasonably necessary. BRIM shall not obtain any workers’ compensation or insurance concerning COBRA or any of its employees. COBRA shall comply with workers’ compensation laws and, where applicable, upon BRIM’s request, shall provide BRIM with a certificate of workers’ compensation insurance. BRIM shall also procure and maintain “All Risk” Rotorcraft Hull & Liability Insurance, which shall include Third-Party War Risk Liability, Aviation Premises Liability, and Personal Injury Liability Coverage with limits not less than $25,000,000 per occurrence, and in the aggregate where applicable, for bodily injury and property damage, combined single limit.

14.2 [Reserved]

14.3 BRIM's Indemnification Obligations: BRIM agrees to indemnify COBRA and its Representatives and its Representatives' respective successors and permitted assigns (collectively, the "***COBRA Indemnitees***") from and against any Third Party Claims and any Damages finally awarded by a court of competent jurisdiction in any Third Party Claim from which no further appeal is possible, in connection with, arising out of or relating to, BRIM's or any of its Representatives' (a) fraud, bad faith, gross negligence, willful misconduct or violation of Law in performing its obligations, or in receiving its benefits (including the Services), under this Agreement; (b) breach of Section 11 of this Agreement; or (c) combination of the Services with other products, processes or material not provided, or approved in writing, by COBRA; in each case, except to the extent such Third Party Claims and/or Damages result from the fraud, bad faith, gross negligence, willful misconduct or violation of Law of any COBRA Indemnitee or a breach by COBRA of any of its obligations under this Agreement.

14.4 COBRA' Indemnification Obligations : COBRA agrees to indemnify BRIM and its Representatives and its Representatives' respective successors and permitted assigns (collectively, "***BRIM Indemnitees***") from and against any Third Party Claims and Damages finally awarded by a court of competent jurisdiction in any Third Party Claim from which no further appeal is possible, in connection with, arising out of or relating to, COBRA's or any of its Representatives' (a) fraud, bad faith, gross negligence, willful misconduct or violation of Law in performing its obligations under this Agreement; (b) breach of Section 11 of this Agreement; (c) not being authorized to perform all, or any part of, the Services, or (d) infringement or misappropriation, or alleged infringement or misappropriation, of any third party's patent, copyright, trade secret or other proprietary right or intellectual property right as a result of use of the Services by BRIM in accordance with this Agreement; in each case, except to the extent such Third Party Claims and/or Damages result from the fraud, bad faith, gross negligence, willful misconduct or violation of Law of any BRIM Indemnitee or a breach by BRIM of any of its obligations under this Agreement.

14.5 Third Party Claim Procedures: Any Person seeking indemnification under this Section 14 (in such capacity, the "***Indemnified Party***") in connection with any Third Party Claim shall notify, in writing, the Party from which indemnity is sought under this this Section 14 (in such capacity, the "***Indemnifying Party***"), as promptly as practicable after such Indemnified Party receives actual notice of the existence of, or its involvement in, such Third Party Claim. Failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from liability that it may have to any Indemnified Party under this Section 14, except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnifying Party shall be entitled to assume the defense of all Indemnified Parties in connection with any Third Party Claim, including the employment of counsel reasonably satisfactory to Indemnified Parties. Notwithstanding the Indemnifying Party's decision to assume the defense of any such Third Party Claim, the Indemnified Parties shall have the right to employ separate counsel and to reasonably participate in the defense of any such Third Party Claim. Such separate counsel shall be at the sole cost and expense of the Indemnified Parties, unless (a) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Parties would be inappropriate under the applicable rules of professional responsibility, (b) the named parties to any Third Party Claim include both the Indemnifying Party and an Indemnified Party, there are defenses available to such Indemnified Party that are different from, or in addition to, the defenses available to the Indemnifying Party, and counsel appointed by the Indemnifying Party declines to raise such different or additional defenses on such Indemnified Party's behalf, (c) the Indemnifying Party fails to assume the defense of such Third Party Claim or to employ counsel reasonably satisfactory to the Indemnified Party in a timely manner or (d) the

Third Party Claim seeks, in addition to or in lieu of monetary damages, any injunctive or other equitable relief. In the event of any of clauses (a) through (d), all Indemnified Parties, at the Indemnifying Party's expense, may employ separate counsel to represent or defend such Indemnified Parties in any such Third Party Claim or group of related Third Party Claims, provided, that, in no event shall the Indemnifying Party be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Indemnified Parties in connection with any Third Party Claims (plus one firm of local counsel in each jurisdiction in which any such Third Party Claim is taking place). The Party controlling the defense of any Third Party Claim shall not compromise or settle such Third Party Claim without the other Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, that, if the Indemnifying Party is controlling the defense of any Third Party Claim, the Indemnified Party's consent shall not be deemed to have been unreasonably withheld, conditioned or delayed if, and the Indemnified Party may withhold its consent to, (a) any settlement that does not include a full general release of all the claims against the Indemnified Parties from all parties to the litigation, (b) any settlement that requires any Indemnified Party or any of its Affiliates to perform any covenant or refrain from engaging in any activity and (c) any settlement that includes any statement as to, or an admission of, fault, violation, culpability, malfeasance or nonfeasance by, or on behalf of, the Indemnified Party or any of its Affiliates.

14.6 Exclusive Remedy: This Section 14 will provide the exclusive remedy of each Party and its Representatives for any Third Party Claim arising out of, or relating to, this Agreement or any transaction contemplated hereby.

15. VERIFICATION

To verify COBRA's compliance with its obligations hereunder, at any time or from time to time during COBRA's performance of Services, BRIM or a Representative designated by it and reasonably acceptable to COBRA may, upon reasonable notice and during regular business hours of COBRA, inspect and test the manner in which the Services are being performed. Such rights of inspection shall include visiting sites at which COBRA performs the Services, auditing selected records and databases containing data of BRIM, observing the performance of the Services or selected components thereof, and interviewing COBRA personnel familiar with, or responsible for, performing the Services. COBRA shall use commercially reasonable efforts to cooperate with BRIM Representatives in such inspections and to ensure that appropriate staff, computing and other resources are available as required in the course of such inspections.

16. NON-SOLICITATION

Each Party (in such capacity, the "***Soliciting Party***"), on behalf of itself and its Affiliates, hereby agrees, during the Restricted Period, not to, directly or indirectly, solicit for employment or hire any director, manager, officer, senior management-level employee or other employee with which it has had direct contact in connection with the Services, in each case, of the other Party. Notwithstanding the foregoing, neither the Soliciting Party nor any of its Affiliates shall be prohibited from soliciting to hire or employing any such person (a) who contacts the Soliciting Party or any of its Affiliates in response to a published general solicitation not specifically targeted at such person, without any direct or indirect solicitation by the Soliciting Party or any of its Affiliates, (b) whose employment has been terminated prior to the initiation of employment-related discussion between the Soliciting Party or any of its Affiliates, or (c) who initiates employment-related discussions with the Soliciting Party or any of its Affiliates without any direct or indirect solicitation by the Soliciting Party or any of its Affiliates.

17. REMEDIES

Each Party acknowledges that any violation of the terms of this Agreement may result in damages to the other Party, which may not be adequately compensated by monetary award alone. In the event of any violation or threatened violation by a Party of the terms of this Agreement, including Section 11, and in addition to all other remedies available at law and at equity, the non-breaching Party shall be entitled as a matter of right to apply to a court of competent jurisdiction for equitable relief, a restraining order, an injunction, a decree of specific performance or other remedy as may be appropriate to ensure the other Party's compliance with the terms of this Agreement, without the requirement of proving actual damages or posting a bond or providing other security.

18. GENERAL PROVISIONS

18.1 Entire Agreement: This Agreement together with the Schedules hereto constitutes the entire agreement and understanding between the Parties relating to the subject matter hereof, and supersedes all other agreements, oral or written, made between the Parties with respect to such subject matter.

18.2 Notices: All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a .pdf document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 18.2):

If to BRIM:	Brim Equipment Leasing, Inc. Attention: Julie Brim, President Physical Address: 455 Dead Indian Memorial Rd, Ashland, OK 97520 Mailing Address: PO Box 3009, Ashland, OR 97520 email: Julie@brimaviation.com with a copy to Wexford Capital LP – 411 West Putman Ave. Greenwich, CT 06830 Attn: Legal email: legal@wexford.com
If to COBRA:	Cobra Aviation Services LLC 4727 Gaillardia Parkway, Suite 200 Oklahoma City, Oklahoma 73142 E-mail: mlayton@mammothenergy.com Attention: Mark Layton
with a copy to:	Mammoth Energy Services, Inc. 14201 Caliber Drive, Suite 300 Oklahoma City, OK 73134 E-mail: rlaforge@mammothenergy.com Attention: Rusty LaForge

18.3 Assignments; Third Party Beneficiaries: No Party may assign its rights or obligations hereunder (whether directly, indirectly, by operation of law or otherwise) without the prior written consent of the other Party, and any attempted assignment without such required consent shall be null and void *ab initio*; provided, that, COBRA may assign this Agreement and any or all rights or obligations hereunder to (a) any Affiliate of COBRA now in, or hereinafter to come into, existence (provided that, without BRIM's prior written consent, no such assignment pursuant to this Section 18.3(a) shall relive COBRA of its obligations under this Agreement) or (b) with respect to any collateral assignment, any Person from which COBRA has borrowed money. Upon any such permitted assignment, the references in this Agreement to such assigning Party also shall apply to any such assignee unless the context otherwise requires. Except as provided in Section 14, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

18.4 Incorporated by Reference: The Preamble and all Schedules attached hereto are hereby incorporated by reference and made a part of this Agreement.

18.5 Applicable law; Jurisdiction: This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Delaware. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE INSTITUTED IN THE COURTS OF THE

STATE OF DELAWARE OR, IF SUCH COURTS LACK SUBJECT MATTER JURISDICTION, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT IN ACCORDANCE WITH SECTION 18.2 SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR RELATING TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

18.6 Currency: All references to monetary amounts in this Agreement shall be to United States Dollars currency.

18.7 Survival: Notwithstanding anything to the contrary contained herein, the Parties agree that this Section 18 and Sections 5 and 17 (and any related definitional provisions) shall remain in full force and effect after the Term and shall survive the expiration or termination of this Agreement indefinitely.

18.8 Absence of Presumption: No presumption shall operate in favor of or against any Party hereto as a result of any responsibility that any Party may have had for drafting this Agreement.

18.9 Language: It is hereby agreed that both Parties specifically require that this Agreement and any notices, consents, authorizations, communications and approvals be drawn up in the English language.

18.10 Interpretation: The headings and section numbers appearing in this Agreement or any Schedule attached hereto are inserted for convenience of reference only and shall not in any way affect the construction or interpretation of this Agreement. For the purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole, and (c) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day. For purposes of this Agreement, unless the context otherwise requires, references herein: (a) to Articles, Sections, Schedules and Exhibits, mean the Articles and Sections of, and Schedules and Exhibits attached to, this Agreement; (b) to an agreement, instrument or other document, mean such agreement, instrument or other document as amended, restated, supplemented or modified from time to time to the extent permitted by the provisions thereof, and (c) to a statute, mean such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

18.11 Severability: The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of the other provisions hereof. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement, or the application thereof to any Person or circumstance, is invalid or unenforceable, (a) a suitable and equitable

provision shall be substituted therefor to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction; provided, that, if any one or more of the provisions contained in this Agreement shall be determined to be excessively broad as to subject, activity, duration or geographic scope, it shall be reformed by limiting and reducing it to the minimum extent necessary, so as to be enforceable under applicable Law, and shall thereafter be enforced.

18.12 Force Majeure: In the event that any Party hereto is delayed or hindered in the performance of any act required herein by reason of wars, fires, riots, strikes, earthquakes, epidemics, labor disputes, equipment failures, transporting difficulties, acts of God, acts of terrorism, changes in Law, acts or omissions of vendors or suppliers or other reasons of a like nature beyond the reasonable control of such Party (collectively, "***Force Majeure***"), then performance of such act shall be excused for the period of the delay and the period of performance of any such act shall be extended for a period equivalent to the period of such delay, up to a maximum of 60 days. The provisions of this Force Majeure clause shall not operate to excuse any Party from the payment of any fee or other payment when due.

18.13 Amendments; Waivers: Neither this Agreement nor any part of it may in any way be altered, amended, extended, waived, discharged or terminated except by a written agreement that specifically references this Agreement and the provisions to be so altered, amended, extended, waived, discharged or terminated is signed by each of the parties hereto and specifically states that it is intended to alter, amend, extend, waive, discharge or terminate this agreement or a provision hereof. No acceptance by a Party of any payment or services by another Party, and no failure, refusal or neglect of any Party to exercise any right under this Agreement or to insist upon full compliance by the other Party with its obligations hereunder, shall constitute a waiver of any other provision of this Agreement or consent to any further or subsequent non-compliance with the same or any other provision.

18.14 Further Assurances: Each Party hereby covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgments or documents, and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

18.15 Binding Nature: This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective (as applicable) successors and assigns.

18.16 Time of Essence: Subject to Section 18.13 hereof, time shall be of the essence of this Agreement and of each and every part hereof.

18.17 Counterparts: This Agreement may be signed in counterparts, and by use of facsimile signatures, each of which when signed and delivered shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

[*Signature Page Follow*]

IN WITNESS WHEREOF, the Parties hereto have executed or caused this Aviation Support Services Agreement to be executed by their duly authorized officers as of the Effective Date.

COBRA AVIATION SERVICES LLC	BRIM EQUIPMENT LEASING, INC.
/s/ Mark Layton	/s/ Julie Brim
Authorized Signature	Authorized Signature
Mark Layton	Julie Brim
Name	Name
Chief Financial Officer	President
Title	Title

SCHEDULE A

Services

Description and List of Services: COBRA duties/obligations shall include but not be limited to:

(i)accounting, including without limitation general bookkeeping, bank account reconciliations, billing and collection of accounts receivable, processing and payment of accounts payable, monthly closing of Books in accordance with GAAP, Maintaining Fixed Asset Listings (ii)human resources, including without limitation management of payroll and benefits), (iii) information technology services, including without limitation, Network infrastructure management, email hosting and management, domain and web hosting, computer equipment and support, and mobile device management, (iv)internal legal counsel, (v)business development, (vi) corporate development, and (vii) other operational needs.

SCHEDULE B

Fees & Payment

Description and Rates of Fees for Services:

Cost + 10%

Timing and Addressee for Invoice Issuance:

Within 10 business following month end to:

Cobra Aviation Services LLC
14201 Caliber Drive, Suite 300
Oklahoma City, OK 73134

Terms and Timing of Payments:

Net 30

Bank Account/Address for Making Payments:

IBC Bank
ROUTING NUMBER XXXXXXXXX
Account number XXXXXXXXXX

Notes:

Fees associated with the above will be subject to change on a case-by-case basis, subject to notice and mutual written consent of the Parties.

GENERAL SALES AGENCY AGREEMENT

THIS GENERAL SALES AGENCY AGREEMENT (the/this "Agreement"), made and entered into this 21 st day of December, 2018 (the "Effective Date"), by and between Cobra Aviation Services LLC, a Delaware limited liability company ("COBRA"); and Brim Equipment Leasing, Inc., an Oregon corporation ("BRIM") (COBRA and BRIM each, a "Party"; collectively, the "Parties").

WITNESSETH:

WHEREAS, BRIM is an air carrier operating under 14 CFR Part 298 of the U.S. Department of Transportation ("DOT") regulations and holding certificates issued by the Federal Aviation Administration ("FAA") under 14 CFR Part 135 (on-demand air taxi Operating Certificate), Part 133 (Rotorcraft External-Load Operator Certificate), and Part 137 (Agricultural Aircraft Operations Certificate); and

WHEREAS, BRIM and COBRA may from time-to-time enter into various Aircraft Lease and Management Agreements, under which COBRA leases aircraft to BRIM for BRIM's use, and which are not covered by this Agreement. (the "Cobra Aircraft');

WHEREAS, BRIM wishes to appoint COBRA as its general sales and marketing agent ("GSA") in connection with flights to be operated by BRIM, utilizing aircraft other than COBRA Aircraft (such aircraft being "BRIM Aircraft"); and

WHEREAS, COBRA wishes to accept the appointment as GSA and to provide to BRIM certain sales and marketing services as more fully set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1
Appointment

1.1. BRIM hereby appoints COBRA as its GSA on a non-exclusive basis, for purpose of providing BRIM sales and marketing services for flights operated by BRIM on BRIM Aircraft ("BRIM Services") and for no other purposes. COBRA will not have authority to act as BRIM's agent for any other purposes under this Agreement.

1.2. COBRA hereby accepts such limited GSA appointment and agrees to provide certain sales and marketing services for BRIM Services as set forth herein.

1.3. When marketing and selling BRIM Services, COBRA will at all times disclose that COBRA is acting as BRIM's agent and not as a principal in the holding out of services to customers

and that all BRIM Services are operated by BRIM under BRIM's DOT and FAA authorities. COBRA shall not hold itself out as an air carrier unless and until it holds appropriate DOT and FAA authority. COBRA agrees to provide all sales and marketing functions described in Article 2 below.

1.4. The term of this Agreement shall commence on the Effective Date and extend for a period of two (2) years ("Initial Term). At the end of the Initial Term, this Agreement may be renewed for successive one year terms (each a "Renewal Term") upon the mutual agreement of both Parties, at least thirty (30) days before the end of the Initial Term (or applicable Renewal Term. In the event the Parties do not reach an agreement regarding a Renewal Term, this Agreement shall terminate and subject to termination as set forth in Article 9 hereunder.

ARTICLE 2
Functions and Obligations of COBRA Under This Agreement

2.1. BRIM will at all times have and retain complete operational control (as that term is defined in 14 CFR Section 1.1) of BRIM Services.

2.2. COBRA shall use its commercially reasonable efforts to provide the services specified in the following sections of this Article 2, to the extent permitted by applicable law, regulations and policies, including applicable DOT and FAA requirements, regulations and policies, and not in violation of any insurance policy maintained by COBRA or BRIM. All such services and facilities shall be provided consistent with industry standards.

2.3. COBRA shall notify BRIM in writing in advance of negotiating any contract that will create any financial responsibility on BRIM.

2.4. Sales Services

(a) COBRA shall provide to BRIM sales support for the BRIM Services. With respect to such sales support provided by COBRA, COBRA shall:

(i) Market and sell the BRIM Services in order to maximize revenues and promote the BRIM Services on terms and conditions approved by BRIM;

(ii) Sell the BRIM Services in accordance with BRIM's instructions, fees, fee quotes, charges, rules, and regulations, as amended periodically in writing by BRIM;

(iii) Organize and undertake publicity or press campaigns for BRIM, when requested by BRIM, in form and content acceptable to BRIM; provided, however, that the costs and expenses of any such publicity or press campaigns shall be paid directly by BRIM;

(iv) Comply with all applicable laws, rules, and regulations, including but not limited to those promulgated by the DOT and FAA;

(iv) Maintain and administer the booking and order system for the BRIM Services and perform all clerical work in connection therewith;

(v) Provide all information necessary, and act on behalf of BRIM when required, for claims with respect to the BRIM Services filed by or against BRIM (it being understood that the costs and liabilities associated with such claims shall be the obligation of BRIM, excluding costs and liabilities resulting from the negligence or willful misconduct of COBRA);

(vi) Display, to the reasonable satisfaction of BRIM, the fees, available services, and promotional materials provided by BRIM and ensure the distribution of such information and materials as necessary to advance BRIM's commercial interests;

(vii) Provide an appropriate number of suitably qualified personnel to perform the services, including ordination, customer service, and sales and marketing;

(viii) In general, provide and perform all the customary services and functions of a GSA for the benefit of BRIM;

(ix) Take appropriate steps to manage vendors and to closely monitor the performance of its staff and/or the appointed agents, as well as other contracted service providers, for the purpose of maintaining a high level of service consistent with industry standards for BRIM in the applicable market and avoiding operational problems;

(x) Use its commercially reasonable efforts to ensure that BRIM's customers are given accurate and timely information;

(xi) Provide customer services during customary COBRA operating hours at relevant locations;

(xii) Respond to all customer inquiries about the BRIM Services in a timely manner subject to coordination with BRIM;

(xiii) At the request of Brim, prepare and submit all documents required by law or regulation or as may be required by law or regulation in connection with the BRIM Services, to the extent such documents are not being prepared and submitted by BRIM; and

(xiv) Reasonably observe all instructions and information given and published by BRIM and use its commercially reasonable efforts to ensure such compliance by other contractors, sub-contractors, agents or sub-agents COBRA oversees.

(b) Any instructions or directions of COBRA, contrary to BRIM's instructions or directions, given without the prior written consent of BRIM shall be considered null and void *ab initio*.

(c) In locations where COBRA is representing BRIM, COBRA shall monitor the revenue reporting of all agents and sub-agents appointed by and on behalf of BRIM to effect the accurate

and timely reporting of revenue derived from the BRIM Services. Reporting by such parties shall be in accordance with BRIM's revenue collection and reporting policies and account settlement procedures, and compliance with such policies will be monitored by COBRA.

(d) COBRA shall use its commercially reasonable efforts to ensure that such sums are remitted to BRIM, in a timely manner and in accordance with payment schedules as set forth herein. COBRA shall submit such report via electronic mail to BRIM's accounting department.

(e) COBRA shall promptly notify BRIM of any and all claims and provide for claims research and settlement contact, as needed. COBRA shall also coordinate with BRIM's insurers with respect to any and all claims.

(f) At the request of BRIM, COBRA shall assist with the audit of invoices received for services contracted in support of the BRIM Services in order to verify the accuracy of the charges and their conformity with agreed upon terms and rates.

ARTICLE 3
Financial Obligations

3.1. In connection with the sale of the BRIM Services pursuant to this Agreement:

(a) COBRA shall invoice customers for the BRIM Services within 15 days after the end of each month, and shall require timely payment by customers within 30 days of invoicing, with instructions for remittance directly to BRIM's account.

(b) Within ten (10) days after the end of each calendar month, COBRA shall provide a sales report to BRIM detailing all of the invoices issued by COBRA during the preceding month (including each customer's name, the date of the corresponding BRIM Services, the date each invoice was issued, and the amount of the invoice).

(c) To the extent any monies are received by COBRA on behalf of and as agent for BRIM, COBRA shall provide those monies to BRIM within five (5) days of receipt by COBRA, and COBRA shall provide a schedule of such monies received by it on behalf of BRIM with the sales report set forth in Section 3.1(b). For the avoidance of doubt, the foregoing shall not be construed to create any obligation for COBRA to guaranty the payment for BRIM Services by third-parties.

3.2 Reconciliation and Compensation.

(a) Within fifteen (15) days of the end of each calendar month, BRIM shall provide to COBRA in writing a financial reconciliation report reporting (i) the amount of revenue received by BRIM in the preceding month for the COBRA-generated BRIM Services, during that month ("Revenue") and (ii) the direct operating expenses (excluding aircraft lease costs) incurred by BRIM related to the COBRA-generated BRIM Services during that preceding month ("Operating Expenses").

(b) Within ten (10) days after receipt of the financial reconciliation report in Section 3.2(a), COBRA will notify BRIM that it approves or disapproves of the reconciliation report.

a. If COBRA notifies BRIM that it approves of the report or otherwise does not respond to BRIM's financial reconciliation report within ten (10) days of its receipt, **then BRIM shall pay to COBRA an amount equal to 5%** of the difference between the amount of Revenue and Operating Expenses reported, as compensation for COBRA's GSA services during that month. For the avoidance of doubt, if the amount of Revenues is less than the amount of Operating Expenses reported on a given month's financial reconciliation report, no compensation shall be due to COBRA for that month.

b. If COBRA notifies BRIM that it disapproves of the financial reconciliation report, then BRIM and COBRA shall meet in a good faith within ten (10) days of such notification to discuss the disapproval and seek a resolution of the Revenue and Operating Expense amounts reported.

3.3. A late payment surcharge equal to one percent (1%) of any unpaid balance due between the Parties shall become due and payable on any late-paid invoice paid more than thirty (30) days following the issuance of such invoice, with an additional one percent (1%) of the unpaid balance accruing on the first day of each and every subsequent month thereafter during which such unpaid balance remains unpaid.

3.4. All payments to be made by either Party under this Agreement shall be in U.S. dollars.

3.5. BRIM shall have the right, from time to time after providing reasonable advance notice, to inspect COBRA's books and records with respect to matters attributable to the BRIM Services. COBRA shall have the right, from time to time after providing reasonable advance notice, to inspect BRIM's books and records with respect to matters attributable to the BRIM Services.

ARTICLE 4
Reserved

ARTICLE 5
Adherence to Compliance Program

5.1. COBRA shall comply in all material respects with BRIM's compliance manual as then in effect (the "Compliance Manual") in the conduct of business on behalf of BRIM. Upon request, COBRA shall provide a copy of the Compliance Manual to each of its officers, directors, managers, executives, employees and staff.

ARTICLE 6
Liability and Indemnity

6.1. COBRA shall bear all liability for, and shall indemnify, defend and hold harmless BRIM, together with its directors, officers, employees, assignees, agents, subcontractors, shareholders and affiliates (other than COBRA) (collectively, the "BRIM Indemnified Parties") from and against all claims, demands, costs, expenses and liability ("Claims") (including, without

limitation, any claim in tort, whether or not arising from the negligence of the BRIM Indemnified Parties and without regard to whether or not such negligence is sole, joint, concurrent, comparative, active, passive or imputed) which may be asserted against, incurred or suffered by, be charged to or recoverable from the COBRA Indemnified Parties (defined below) in connection with the performance of COBRA's obligations under this Agreement by or on behalf of COBRA, including any agents and sub agents under the administrative and managerial purview of COBRA, other than with respect to taxes, which shall be governed exclusively by Article 10; provided that where there is applicable aviation insurance coverage, nothing contained herein shall require COBRA to be responsible for paying Claims covered by such insurance in excess of the maximum applicable deductible up to the coverage limits. The foregoing indemnity obligation shall apply whether or not a Claim be groundless, false or fraudulent. Notwithstanding anything else in this Section 6.1, there shall be no obligation to indemnify if any Claim is due to the willful misconduct or gross negligence of the BRIM Indemnified Parties.

6.2 BRIM shall bear all liability for, and shall indemnify, defend and hold harmless COBRA, together with its directors, officers, employees, assignees, agents, subcontractors, shareholders and affiliates (collectively, the "COBRA Indemnified Parties", together with the BRIM Indemnified Parties, the "Indemnified Parties") from and against all Claims (including, without limitation, any claim in tort, whether or not arising from the negligence of the COBRA Indemnified Parties and without regard to whether or not such negligence is sole, joint, concurrent, comparative, active, passive or imputed), which may be asserted against, incurred or suffered by, be charged to or recoverable from the BRIM Indemnified Parties in connection with the performance of BRIM's obligations under this Agreement by or on behalf of BRIM, including any agents and sub agents under the administrative and managerial purview of BRIM, other than with respect to taxes, which shall be governed exclusively by Article 10; provided that where there is applicable aviation insurance coverage, nothing contained herein shall require BRIM to be responsible for paying Claims covered by such insurance in excess of the maximum applicable deductible up to the coverage limits. The foregoing indemnity obligation shall apply whether or not a Claim be groundless, false or fraudulent. Notwithstanding anything else in this Section 6.2, there shall be no obligation to indemnify if any Claim is due to the willful misconduct or gross negligence of the COBRA Indemnified Parties.

6.3. COBRA shall act with reasonable diligence, and shall cause its agents or subcontractors to act with reasonable diligence, to observe all directions and instructions given to it by BRIM relating to the services and facilities provided by COBRA in support of the BRIM Services, and COBRA shall indemnify and hold harmless the BRIM Indemnified Parties from and against all claims, demands, expenses and liability arising directly or indirectly from traffic documents, purchase orders, miscellaneous charge orders, consignment documents, promotional materials, or sales documents improperly issued, completed or delivered by COBRA and its personnel.

6.4. The indemnification obligations under this Article 6 shall survive the termination of this Agreement and shall remain in effect for a period of one (1) year from the date of any such termination.

6.5. In no event shall either Party be held liable to the other, and each Party hereby expressly waives any claim it may have against the other, for incidental, consequential, special or

punitive damages of any kind, including loss of market or future profits, which may arise under this Agreement.

6.6 The Indemnified Party shall promptly notify the indemnifying Party of the existence of any Claim to which the indemnifying Party's indemnification obligations might apply; provided, however, that the failure to give such notice (other than notice of the commencement of a legal proceeding) shall not adversely affect any right of indemnification under this Agreement. The indemnifying Party shall be entitled to control the defense of any such legal proceedings, through legal counsel reasonably satisfactory to the Indemnified Party, at the sole expense of the indemnifying Party, and the Indemnified Party shall cooperate and consult with the indemnifying Party in the defense of such Claim and shall have the right, but not the obligation, to participate in the defense at its own expense. The Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of such Claim. If the indemnifying Party elects not to direct such defense, the Indemnified Party will have the right, at its own discretion, to direct such defense at the indemnifying Party's sole expense. The indemnifying Party shall have the right to compromise or settle, with the Indemnified Party's prior written approval (such approval not to be unreasonably withheld), any Claim regarding which it is required to indemnify. If the Indemnified Party refuses to approve any compromise or settlement recommended by the indemnifying Party which would have concluded such claim or litigation but for the Indemnified Party's failure to give such approval, the indemnifying Party's liability to the Indemnified Party hereunder with respect to any such claim or litigation shall not exceed the amount which the indemnifying Party would have paid pursuant to such proposed compromise or settlement.

6.7. Except as contemplated by this Article 6, COBRA shall not proceed in the name of BRIM with any claims for indemnities, recoveries, damages, interest and the like against any third parties whatsoever with respect to this Agreement, without the prior written consent of BRIM. COBRA shall furnish all the information reasonably requested by BRIM and assistance that BRIM may reasonably require for the conduct of the proceedings in question.

ARTICLE 7
Insurance

7.1. Each Party will procure and maintain third party liability insurance customary and appropriate for each Party's business activities, including the activities contemplated by this Agreement. It is agreed that to the extent the Parties to this Agreement are party to the same insurance policy, separate insurance policies for each Party will not be required. To the extent applicable, each Party shall arrange for its insurers to waive any rights of recourse including subrogation against the other Party, its officers, directors, shareholders, agents, employees or subcontractors in accordance with any liability assumed hereunder.

7.2. To the extent both Parties are not carried on the same insurance policy or certificate, each Party, with respect to its own responsibilities hereunder, shall designate the other Party as an additional insured in its policies covering liability risks respectively assumed hereunder, and shall have inserted in those policies an appropriate severability of interest and cross liability clauses.

7.3. To the extent both Parties are not carried on the same insurance policy or certificate, each Party shall procure that the interest of the other Party in such insurances shall be insured

regardless of any breach or failure or violation by the insured of any warranties, declarations or conditions contained in such policies.

7.4. Prior to commencement of activities hereunder and reasonably in advance of any expiration of each policy of insurance required pursuant to this Agreement, each Party shall deliver to the other Party a certificate or certificates evidencing the insurance referred to herein. It is understood and agreed that to the extent that the Parties are on the same insurance policy or insurance certificate, the Parties will be delivering to each other identical certificates.

7.5. Each Party shall ensure that such certificate includes a provision giving the other Party not less than thirty (30) days' notice (ten (10) days in the event of cancellation due to nonpayment) of intent to cancel or materially alter the insurance (in a manner adverse to the other Party) carried as required by this Agreement, and not less than seven (7) days' notice (or such shorter period as may be customary) in respect of war and allied perils coverage changes.

ARTICLE 8
Force Majeure

8.1. "Force Majeure Event" means acts or events not within the control of the Party bound to perform and which, by exercise of due diligence, such Party is unable to overcome. A Force Majeure Event includes acts of God, seizure, severe weather to the extent that it prevents operations in the relevant region or airport, strikes, labor stoppage, lockouts, or other industrial disturbances, acts of the public enemy, acts of terrorism, national emergency, war, shutdown of airspace, embargoes, blockades, riots, epidemics, lightning, earthquakes, floods, tornadoes, explosions, failure of public utilities, and any other causes not within the control of the Party claiming such event.

8.2. Upon occurrence of a Force Majeure Event, the affected Party shall give prompt notice to the other Party of such event. Upon giving such notice, and continuing during the period of a Force Majeure Event, all obligations of the Parties hereunder affected by such Force Majeure event shall be suspended until such event is no longer materially affecting the services to be rendered hereunder. The payment for all services provided up to the occurrence of the Force Majeure Event shall not be affected by such event and shall be payable when due. If the performance of this Agreement shall be materially prevented or delayed by reason of a Force Majeure Event for a period of more than thirty (30) days, then either Party shall have the option to terminate this Agreement upon written notice to the other Party.

ARTICLE 9
Termination

9.1. Either Party may terminate this Agreement at any time, with immediate effect, by notice in writing to the other:

(a) If the other Party is declared bankrupt, or becomes insolvent, or files a petition for bankruptcy, or if the whole or a substantial part of the other's property is seized before judgment or under an execution, or if a bankruptcy or insolvency proceedings commenced against the other in any jurisdiction and such proceedings, if involuntary, are not dismissed or discharged within sixty (60) days; or

(b) If the other Party defaults in the performance of any material covenant, term or condition contained in this Agreement, including such Party's default in the payment of any amounts due hereunder within ten (10) business days of its due date, and such default continues unremedied for ten (10) business days from the time written notice of such default has been given; provided, however, no such default on the part of BRIM shall occur if such failure is due to the fault of COBRA.

9.2. Either Party may terminate this Agreement immediately upon written notice to the other Party without cause.

9.3 In the event this Agreement is terminated in accordance with any of the foregoing provisions, such termination shall be without prejudice to the rights and liabilities hereunder and at law.

ARTICLE 10
Taxes

10.1. Any and all payments due to COBRA hereunder shall be free from, and BRIM shall pay and hold COBRA free and harmless from, any and all liability for any and all sales and/or use taxes, excise taxes and property taxes (including property taxes assessed based on frequency of operations, time in jurisdiction, time on ground, landings or otherwise), duties, fees, withholdings, value added taxes, or other similar assessments or charges, including any and all amount(s) of interest and penalties which may be or become due in connection therewith, imposed or withheld by any governmental authority or agency, or other entity, which may be or become due arising out of or resulting from the terms and conditions of this Agreement and/or payments hereunder, except for taxes levied on the income of COBRA.

10.2. Any and all payments due to BRIM hereunder shall be free from, and COBRA shall pay and hold BRIM free and harmless from, any and all liability for any and all sales and/or use taxes, excise taxes and property taxes (including property taxes assessed based on frequency of operations, time in jurisdiction, time on ground, landings or otherwise), duties, fees, withholdings, value added taxes, or other similar assessments or charges, including any and all amount(s) of interest and penalties which may be or become due in connection therewith, imposed or withheld by any governmental authority or agency, or other entity, which may be or become due arising out of or resulting from the terms and conditions of this Agreement and/or payments hereunder, except for taxes levied on the income of BRIM.

ARTICLE 11
Assignment

11.1. This Agreement will inure to the benefit and be binding upon each of the Parties hereto and their respective successors and permitted assigns. Neither Party shall assign this Agreement, or any of the rights or obligations arising hereunder, to any third party without the prior written consent of the other Party, except that subject to applicable regulatory approvals, BRIM shall be entitled to assign its rights and obligations hereunder to another entity (or entities) that is an affiliate of BRIM able to perform the terms and conditions of BRIM.

ARTICLE 12
Reserved

ARTICLE 13
Authorizations

13.1. The Parties agree that each of them, in accordance with their respective responsibilities hereunder, shall timely apply for and obtain all necessary governmental approvals, permits, licenses, airport clearances, and other permission (if any shall be required) with regard to the services to be rendered hereunder.

ARTICLE 14
Applicable Law and Jurisdiction

14.1. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Delaware. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE INSTITUTED IN THE COURTS OF THE STATE OF DELAWARE OR, IF SUCH COURTS LACK SUBJECT MATTER JURISDICTION, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT IN ACCORDANCE WITH ARTICLE 158 SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR RELATING TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. FINALLY, DUE TO THE COMMERCIAL NATURE OF THIS AGREEMENT AND THE COMPLEX AVIATION REGULATORY SCHEME, OWNER AND MANAGER EXPRESSLY WAIVE THE RIGHT TO A JURY TRIAL FOR ANY DISPUTES ARISING FROM THIS AGREEMENT.

ARTICLE 15
Notices

15.1. All notices or demands required or permitted under this Agreement shall be in writing and addressed as follows (or as later changed in writing by a Party):

If to BRIM:	Brim Equipment Leasing, Inc. Attention: Julie Brim, President Physical Address: 455 Dead Indian Memorial Rd, Ashland, OK 97520 Mailing Address: PO Box 3009, Ashland, OR 97520 email: Julie@brimaviation.com with a copy to Wexford Capital LP – 411 West Putman Ave. Greenwich, CT 06830 Attn: Legal email: legal@wexford.com
If to COBRA:	Cobra Aviation Services LLC 4727 Gaillardia Parkway, Suite 200 Oklahoma City, Oklahoma 73142 E-mail: mlayton@mammothenergy.com Attention: Mark Layton
with a copy to:	Mammoth Energy Services, Inc. 14201 Caliber Drive, Suite 300 Oklahoma City, OK 73134 E-mail: rlaforge@mammothenergy.com Attention: Rusty LaForge

Each Party may specify a different address by giving written notice to the other Party in accordance with this Article 15.

15.2. All notices, requests, demands and other communications hereunder shall be in writing, transmitted by email, facsimile or overnight service to the addresses set forth above or to such other addresses or facsimile numbers as either Party may have advised to the other Party in writing pursuant to this Article 15, and shall be deemed effective upon sending. In any event, a Party receiving notice hereunder shall acknowledge receipt thereof as soon as practicable; however, failure to so acknowledge will not vitiate or otherwise render ineffective any notice duly given hereunder.

ARTICLE 16
Confidentiality/Publicity

16.1. Except for each Party's performance of its obligations under this Agreement, each of the Parties shall treat as strictly confidential and shall not reproduce or use for its own purposes or divulge, or permit to be divulged, to others (i) all information and data obtained by or from the other Party in connection with this Agreement, or otherwise related to this Agreement, which is confidential or proprietary to one of the Parties, including its customers, customer lists, information and data relating to customers, operations, policies, procedures, techniques, accounts, computer programs and networks, and personnel ("Confidential Information"); and (ii) all information and data which are confidential or proprietary to a third party and which are in the possession or control of one of the Parties ("Third Party Confidential Information"). Each of the Parties shall limit access to the Confidential Information and Third Party Confidential Information to its officers, shareholders, directors, counsel, financial advisors, lessors, lenders and financiers having a need to know or as required by applicable law. Further, upon reasonable notice from the other Party or upon termination of this Agreement, a Party shall return to the other Party all Confidential Information and Third Party Confidential Information received from the other Party in its possession in whatever form and on whatever medium embodied.

16.2. The Parties shall not knowingly, directly or indirectly, divulge, communicate or use to the detriment of the other Party, or for the benefit of any other person(s), or misuse in any way, the Confidential Information or Third Party Confidential Information.

16.3. The Parties may disclose Confidential Information or Third Party Confidential Information:

(a) to professionals engaged by a Party who have a legitimate need to review this Agreement, the Confidential Information or the Third Party Confidential Information, and only after such party agrees to be bound by this Article 16;
(b) as may be required pursuant to subpoena, court order, or request of a governmental authority having jurisdiction over a Party;
(c) with the consent of the other Party, which may be withheld in that Party's sole discretion;
(d) in an action or other proceeding to enforce or which otherwise concerns this Agreement; or
(e) as otherwise required by law.

16.4. If a Party receives a subpoena, court order or governmental request calling for the disclosure of this Agreement, the Party shall notify the other Party to provide that Party with an opportunity to object to the requested disclosure. However, nothing herein shall require a Party to violate any subpoena, court order or governmental request for disclosure.

16.5. All inquiries from the press concerning the activities of COBRA or BRIM or any of their affiliate companies shall be referred to COBRA's or BRIM's spokesperson, as appropriate.

ARTICLE 17
Further Cooperation

17.1. From time to time, as and when requested by any Party to this Agreement, each other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments, and shall take, or cause to be taken, all such further or other actions, as such other Party may reasonably deem necessary or desirable to carry out the intent of this Agreement.

ARTICLE 18
Merger/Modification

18.1. This Agreement sets forth the entire agreement and understanding between the Parties as to the subject matter hereof, and as of the date of this Agreement merges and supersedes all prior discussions, agreements and understandings concerning the subjects covered by this Agreement. Unless expressly provided herein, this Agreement may not be changed or modified except by agreement in writing signed by both Parties, that specifically references this Agreement and the provisions to be so altered, amended, extended, waived, discharged or terminated is signed by each of the parties hereto and specifically states that it is intended to alter, amend, extend, waive, discharge or terminate this agreement or a provision hereof.. The waiver by either Party of performance of any term, covenant or condition of this Agreement in a particular instance shall not

constitute a waiver of any subsequent breach or preclude such Party from thereafter demanding performance thereof according to the terms hereof.

ARTICLE 19
Miscellaneous

19.1. A waiver of any default hereunder shall not be deemed a waiver of any other or subsequent default hereunder.

19.2. This Agreement shall not be construed against the Party preparing it, and no adverse rule of construction or interpretation shall be applied against a Party as the drafting Party of this Agreement. This Agreement shall be construed as if both Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against either Party. In the event that any one or more of the provisions of this Agreement shall be determined to be invalid, unenforceable, or illegal, such invalidity, unenforceability or illegality shall not affect any other provision of this Agreement and the Agreement shall remain in full force and effect and be construed as if such invalid, unenforceable or illegal provision had never been contained herein. The Parties shall undertake good faith consultations in order to replace any such invalid, unenforceable or illegal provision with a replacement provision intended to accomplish, as near as possible, the purpose and intent of the original such provision. **NO PERSON OR ENTITY, OTHER THAN THE PARTIES, SHALL HAVE ANY RIGHTS, CLAIMS, BENEFITS OR POWERS UNDER THIS AGREEMENT, AND THIS AGREEMENT SHALL NOT BE CONSTRUED OR INTERPRETED TO CONFER ANY RIGHTS, CLAIMS, BENEFITS OR POWERS UPON ANY THIRD PARTY.**

19.3 Headings, as used herein, are added for the purpose of reference and convenience only, and shall in no way be referred to in construing the provisions of this Agreement.

19.4. Each signatory to this Agreement warrants and represents that such signatory has full authority and legal capacity to execute this Agreement on behalf of and intending to legally bind the Parties hereto.

19.5. Each Party, in its performance under this Agreement, is and shall be engaged and acting as an independent contractor in its own separate business. Each Party shall retain complete and exclusive control over its personnel and operations and the conduct of its business. No Party, its officers, employees or agents shall in any manner make any representation or take any actions which may give rise to the existence of any employment, agency, partnership or other like relationship between the Parties hereunder, except as otherwise expressly authorized in this Agreement. The employees, agents and independent contractors of each Party shall be and remain employees, agents and independent contractors of such Party for all purposes, and shall not be deemed to be employees, agents or independent contractors of the other Party. Neither Party shall have supervisory power or control over any employees, agents or independent contractors employed or engaged by the other Party.

19.6. This Agreement may be executed in any number of counterparts (including by facsimile or electronic transmission), each of which shall be deemed to be an original, but all of which together shall constitute one binding agreement on the Parties, notwithstanding that not all Parties are signatories on the same counterpart.

19.7. Each of the Parties shall pay the fees and expenses of their own counsel, accountants or other experts, and all expenses incurred by such Party incident to the negotiations, preparation and execution of this Agreement.

[Signature Page Follows]

THIS GENERAL SALES AGENCY AGREEMENT has been executed in duplicate by the duly authorized representatives of the Parties hereto on the date first hereinabove written.

Brim Equipment Leasing, Inc.	Cobra Aviation Services LLC
By: /s/ Julie Brim	By: /s/ Mark Layton
Name: Julie Brim	Name: Mark Layton
Title: President	Title: Chief Financial Officer
Date: December 21, 2018	Date: December 21, 2018

AIRCRAFT LEASE AND MANAGEMENT AGREEMENT
(N745BW)

THIS AIRCRAFT LEASE AND MANAGEMENT AGREEMENT (this " **Agreement**") is made and entered into as of December 21, 2018 (the "**Effective Date**"), by and between Cobra Aviation Services LLC, a Delaware limited liability company ("**Owner**"), and Brim Equipment Leasing, Inc., an Oregon corporation ("**Manager**"). Owner and Manager are sometimes collectively referred to herein as the "**Parties**" and, individually, as a "**Party**".

RECITALS

A. Owner is the registered owner at the U.S. Federal Aviation Administration (" **FAA**") of Aircraft set forth on Exhibit A (together with the engines, accessories and equipment installed thereon from time to time, the "**Aircraft**").

B. Owner desires to lease the Aircraft and related ground support equipment described on Exhibit B ("**Ground Support Equipment**"), to Manager hereunder.

C. Owner desires Manager to operate the Aircraft pursuant to Title 14 of the Code of Federal Regulations ("**FAR**"), Parts 133, 135, 137 and any other applicable laws or regulations.

D. Manager has personnel experienced in the business of managing, operating, maintaining and scheduling aircraft and Ground Support Equipment and desires to perform the services and operate the Aircraft pursuant to FAR Parts 133, 135 and 137 as described herein and any other applicable laws or regulations.

In consideration of the recitals and the promises and covenants contained herein, and for other good and valuable consideration, the Parties hereby agree as follows:

ARTICLE I
TERM; ACCOUNTING

1 . 1 Lease of Aircraft and Ground Support Equipment; Term. Owner hereby leases the Aircraft and Ground Support Equipment to Manager and Manager hereby leases the Aircraft and Ground Support Equipment from Owner, subject to the terms and conditions of this Agreement. The term of this Agreement shall begin on the date hereof and shall continue in effect for one (1) year (the "**Term**"). Owner and Manager shall have the right to terminate this Agreement upon thirty (30) days' written notice to the other party for any or no reason. This agreement may also be terminated for cause, including a default hereunder and shall terminate immediately upon the Manger's suspension, revocation or surrender of any of its Part 133, 135, of 137 Certificate.

1 . 2 Accounting. Within 20 days after the end of each month during the Term, Manager shall deliver to Owner: (a) a reasonably detailed accounting statement (each, a "**Monthly Statement**") setting forth the amounts payable to Owner during the previous month pursuant to the terms of this Agreement, including, without limitation, (i) the amounts payable to Owner in

accordance with Section 4.5 and (ii) the amounts payable to Manager in accordance with Section 4.1; and (b) the amount, if any, payable by either Party, to the other Party, as set forth on such Monthly Statement. Within 10 days after Owner's receipt of any Monthly Statement showing an amount payable by a Party, to the other Party, the paying Party shall remit such payment to the other Party.

1 . 3 Redelivery of Books, Records and Aircraft. Promptly after the termination of this Agreement and subject to the terms and conditions of this Agreement, Manager shall redeliver to Owner the Aircraft, related equipment, and Ground Support Equipment and parts which have been installed on the Aircraft or Ground Support Equipment any Aircraft-specific books and records in Manager's possession. The Manager will re-deliver the Aircraft and Ground Support Equipment to Owner, on the day that this Agreement is terminated at the Base of Operations, defined in Section 2.2, below, or any other location within the continental United States as Owner may elect, at Owner's expense.

ARTICLE II
MANAGEMENT SERVICES

2.1 Generally. Manager hereby agrees to manage and operate the Aircraft and furnish certain aircraft management, maintenance and other aviation services to Owner as further described in this Article II (collectively, the "**Management Services**") during the Term. The Management Services shall be provided in accordance with: (a) applicable FARs; (b) Manager's established policies and procedures with respect to its own aircraft, as such procedures may be modified from time to time, including without limitation the Brim Equipment Leasing, LLC, Part 133, 135, and/or 137 Approved General Operations Manual (as amended, modified or supplemented from time to time, the "**Manual**"); (c) applicable manufacturers' recommended maintenance programs, and (d) the requirements contained in Manager's Part 133, 135, and/or 137 Operations Specifications (as defined in Section 4.1 below).

2.2 Base of Operations. Manager shall be solely responsible for obtaining and maintaining appropriate hangar, office, and shop space at Ashland / Parker Airport (S03) or such other mutually agreeable location as reasonably determined by the Owner and Manager from time to time during the Term ("**Base of Operations**"). Owner shall not be responsible for the payment of any costs or expenses associated with maintaining, staffing, or operating the Base of Operations.

2.3 Maintenance and Inspections.

(a) Manager shall be responsible for conducting or monitoring and overseeing the maintenance, preventative maintenance and required or otherwise necessary or advisable inspections of the Aircraft in accordance with the FAA-approved Brim Equipment Leasing Maintenance Program (the "**Manager Maintenance Program**") and applicable FARs, including, without limitation, FAR Parts 133, 135, and 137, and in accordance with the manufacturer's minimum maintenance requirements. No period of maintenance, preventative maintenance or inspection shall be delayed or postponed for the purpose of scheduling the Aircraft, unless said

maintenance or inspection can be deferred per FAA authorizations in accordance with approved FAA approved Approved Aircraft Inspection Program.

(b) Manager will perform maintenance of the Aircraft, keep the interior and the exterior of the Aircraft clean, repair discrepancies and perform scheduled inspections. All personnel of Manager involved with the performance of maintenance, preventative maintenance or alterations to the Aircraft shall be by appropriately licensed and approved Brim personnel in accordance with Brim FAA approved maintenance program.

(c) Notwithstanding the foregoing, Manager may, in its sole and absolute discretion, subcontract with third party maintenance providers to perform any maintenance on the Aircraft; provided, however, any such third party maintenance provider shall be an FAA approved facility meeting the requirements of the Manager Maintenance Program. As between the Owner and Manger the expenses and costs of such third party maintenance provider shall be for the account of the Manager. Owner appoints Manager as its agent for the limited purpose of executing, for and on behalf of Owner, any maintenance program and maintenance inspection agreements or any other agreement as shall be necessary in order for Manager to fulfill its obligations under this Agreement, the Part 133, 135 and 137 Operations Specifications, the Manager Maintenance Program, the Part 133, 135, and 137 Certificate (as defined in Section 4.1 below) and applicable FARs. In any event where Manager would be exercising its limited authority as the agent for the Owner as described in this Section 2.3(c),

2.4 Logbooks and Records. Manager shall maintain all logbooks and records pertaining to the Aircraft in accordance with applicable FARs. Such logbooks and records shall be kept by Manager in a fireproof file cabinet and made available for examination and copying by Owner or Owner's duly authorized agents, at Owner's reasonable advance request, at the location of such books and records at Manager's Flight Operations office in Ashland, Oregon (the "**Flight Operations Office**"). Upon the termination of this Agreement, Manager shall deliver such logbooks and records to Owner.

Manager shall also maintain a computerized flight and maintenance record tracking system with off-site backup capability, all of which will be available for inspection and copying by Owner or Owner's duly authorized agents, upon reasonable request by Owner. Upon termination of this Agreement, Manager shall deliver a copy of such stored data to Owner.

2.5 Scheduling and Setup Service. In addition to those duties assumed by Manager elsewhere herein, Manager shall also provide the following services with respect to the use of the Aircraft:

(a) [reserved];

(b) dispatch and flight following;

(c) create itineraries;

Owner Initials: ___ Manager Initials: _____

(d) arrange for all fuel setup for the Aircraft at all airports at which the aircraft operates, utilizing fuel discounts available to Manager;

(e) [reserved]; and

(f) utilize and maintain the Flight Operations Office, in part: (i) in order to assist the flight crew in the performance of their duties; (ii) in order to achieve scheduling of flights and flight personnel, flight following and communication; (iii) in order to perform routine scheduled and unscheduled maintenance to the Aircraft; and (iv) in the planning and support of flight operations.

2.6 [Reserved]

2.7 Costs and Expenses.

(a) Operating Cost and Expenses. Manager shall be solely responsible for any and all costs and expenses that are related to or arise in connection with the possession, operation, management, maintenance, or insuring of the Aircraft during the Term, including without limitation:

(i) the salaries, expenses (including travel expenses), per diems of flight crews operating remotely, and hourly flight pay for each required member;

(ii) the training and testing of personnel pursuant to this Agreement;

(iii) fuel expenses;

(iv) the costs of maintaining the Manager's Polices of insurance maintained in accordance with this Agreement;

(v) maintenance and repair costs and expenses, including without limitation providing all parts. Manager shall use reasonable efforts under the circumstances to notify Owner in advance of any maintenance anticipated to cost in excess of Ten Thousand ($10,000) Dollars. Such notice may be given verbally, followed up by an e-mail or fax, notwithstanding the provisions of Section 11.2 below;

(vi) payments required to maintain any Services Program (as defined in 2.11(g));

(vii) the costs and expenses associated with obtaining and maintaining FAA Approval (as defined in Section 2.1); and

(viii) the Hourly Aircraft Pro-Rata share of the Manager's Selling, General & Administrative Expenses ("**SG&A**"). For the avoidance of doubt the "**Aircraft Pro-Rata share**" of the Manager's SG&A shall be calculated by dividing Manager's total SG&A by the total number of number of aircraft in the Manager's fleet. The "**Hourly Aircraft Pro-Rata share**" shall be calculated by dividing the Aircraft Pro-Rata share by the total number of hours flown by the Aircraft.

(collectively the "**Costs**")

2.8 Fines and Penalties. Any fines, penalties, or similar charges of any kind that are assessed by a government, governmental agency, governmental subdivision or unit, airport or airport authority or aviation authority, including without limitation the FAA, with regard to or related to or arising from the management and/or operation of the Aircraft shall be for the account of and paid for by the Manager unless such violation is the direct result of actions by the Owner.

2.9 Taxes. Owner shall pay to Manager and Manager shall collect from Owner and remit to the appropriate taxing authorities all taxes (including without limitation federal excise taxes applicable to Owner Charter), fees, assessments, sales tax, personal property tax, license and registration fees, together with all fines and penalties assessed by any taxing or governmental authority (collectively, "**Taxes**"), which relate in any way to the ownership, use or operation of the Aircraft, except for any federal or state taxes based on Manager's net income or capital gains or any franchise taxes imposed on Manager and except for federal excise taxes attributable to third party charters other than Owner Charter. Owner shall indemnify, defend and hold Manager harmless from and against Owner's failure to pay the Taxes to Manager in order to allow Manager to remit the same in a timely manner.

Owner and Manager will assist and cooperate with each other to obtain all refunds on fuel taxes paid on fuel for all Commercial Operations, such refunds to be remitted to Manager upon receipt. Owner and Manager acknowledge that fuel receipts forming the foundation for the fuel tax refunds may not be received from vendors in time for monthly reconciliations; as a result, such refunds may be reflected in subsequent monthly reconciliations.

2.10 [**RESERVED**].

2.11 Other Management Services. Manager shall also undertake the following management services, at no additional charge to Owner:

(a) Employment or other engagement, training, and monitoring of any flight crew assigned to the Aircraft in accordance with Section 4.4 below and such other personnel provided

by Manager in accordance with this Agreement as may be required to provide the Management Services;

(b) Coordinate and obtain insurance as provided in Article V below;

(c) Liaise with the FAA and other pertinent governmental entities and comply with applicable statutes, rules and regulations enforced by such entities in connection with the management and operation of the Aircraft pursuant to this Agreement;

(d) Liaise with the Transportation Security Administration, Department of Homeland Security, and other related governmental entities and comply with applicable statutes, rules and regulations enforced by such entities in connection with the management and operation of the Aircraft pursuant to this Agreement;

(e) Comply with all applicable customs requirements and regulations with regard to leaving and entering the United States and any foreign country;

(f) Provide recordkeeping, reporting, budgeting and other bookkeeping, accounting and administrative functions as set forth herein or as reasonably requested by Owner, including payment of all Aircraft-related invoices and expenses; and

(g) Administer any manufacturer or other maintenance or service programs currently in existence or entered into during the term of this Agreement (collectively, the "**Service Programs**"); and take the actions necessary to keep the Service Programs current and in full force and effect.

ARTICLE III
[RESERVED]

ARTICLE IV
COMMERCIAL OPERATIONS

4.1 FAA Approval of the Aircraft . Owner shall: (a) cooperate as reasonably requested by Manager in connection with securing and maintaining the approval required by the FAA (the "**FAA Approval**") in order to (i) continue to include the Aircraft on the Operations Specifications issued to Manager by the FAA pursuant to FAR Parts 133, 135 and 137 (the "**Operations Specifications**") and (ii) operate the Aircraft pursuant to FAR Parts 133, 135 and Part 137 pursuant to the Operating Certificates issued to Manager by the FAA ("**Operating Certificate**") and (b) be responsible and pay for any and all expenses incurred by Manager in connection with maintaining the FAA Approval, including, without limitation, periodically positioning the Aircraft to the FAA requested inspection location, as requested by Manager for an FAA inspection. Any operation of the Aircraft conducted for commercial purposes under FAR Parts 133, 135, 137 during the Term (each, a "**Commercial Operation**" and, collectively, the "**Commercial Operations**") and any related flight (such as a ferry flight or repositioning flight) shall be subject to the provisions of this

Article IV, as applicable. Notwithstanding anything herein to the contrary, Owner shall not be obligated to pay for any costs, fees or expenses associated with the amendment, supplement or modifications of the Manual or any other manuals used by Manager or the preparation of any new or replacement Manual or any other manuals used by Manager. Any Costs associated with obtaining or maintaining the FAA Approval shall be billed to Owner, in an amount equal to the Costs of such operations plus a markup of ten percent.

4 . 2 Commercial Operations. The Parties acknowledge and agree that they intend for the Aircraft to be utilized by Manager for Commercial Operations at all times with the express understanding that Manager may, in its sole discretion, operate the Aircraft on appropriate ferry, maintenance, training (as limited in Section 2.6) or positioning flights under Part 91 of the FARs. Whether operating under Parts 133, 135, 137 or under Part 91, Manager will be in Operational Control of the flights.

4.3 Operational Control During Commercial Operations.

(a) The Parties hereby acknowledge and agree that Manager shall have exclusive use of the Aircraft and maintain operational control of the Aircraft at all times.. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, at all times during any Commercial Operation, the Parties hereby agree that Manager shall: (i) have possession, control and command of the Aircraft; (ii) have the sole and absolute exercise of authority over initiating, conducting or terminating any flight of the Aircraft; (iii) supervise and control the maintenance of the Aircraft; (iv) determine whether each Commercial Operation can be safely operated; (v) release all Commercial Operations; (vi) select, supervise and control the flight crew of the Aircraft, including, without limitation, determining whether any pilot of the Aircraft: (1) is a Qualified Pilot (as defined in Section 4.4 below); or (2) has met rest period requirements or exceeded flight time limits. In exercising Operational Control of the Aircraft, Manager shall comply with the FARs, insurance requirements, pertinent regulations of the United States and the applicable regulations or laws of any other country or aviation authority having jurisdiction over the Aircraft or any operation of the Aircraft hereunder.

(b) Owner acknowledges and agrees that the pilot-in-command during any Commercial Operation, in his or her sole discretion, may terminate any flight, refuse to commence any flight or take any other such action which, in the judgment of such pilot, is necessitated by safety considerations. No such action by the pilot-in-command shall create or support any liability for loss, injury, damage or delay to Owner or any other person. Owner further agrees that Manager shall not be liable for delay or failure to furnish or return the Aircraft or flight crew pursuant to this Agreement when such failure is caused by government regulation or authority, mechanical difficulty, war, civil commotion, strikes or labor disputes, weather conditions, acts of God or other causes beyond Manager's control or is necessary to adhere to the requirements of the Manual.

4.4 Selection of Pilots. The Parties agree that Manager shall have the sole and absolute discretion to select the pilots to be utilized in connection with any Commercial Operation; provided,

Owner Initials: ___ Manager Initials: _____

however, Manager shall only use Qualified Pilots (as defined in this Section 4.4(a) below) in connection with all flights..

(a) For purposes of this Agreement, the term "**Qualified Pilot**" shall mean a pilot who, at the minimum:

(i) with respect to a pilot-in-command, holds a valid FAA commercial pilot certificate with appropriate category and class ratings, and if required for the operation being conducted an instrument - helicopter rating, no less than 2000 flight hours in helicopters, and 500 hours in turbine helicopters;

(ii) holds a current first or second class medical certificate in accordance with applicable FARs;

(iii) is current and qualified with respect to FAR Part 61 to conduct operations under FAR Part 133, 135, and 137, as applicable.;

(iv) is familiar with and qualified pursuant to the Manual, including without limitation (A) has been screened through the pre-employment and background checks, (B) has satisfactorily completed the requisite proficiency checks and, with respect to a pilot-in-command, has satisfactorily completed the requisite line checks, (C) is enrolled in the drug and alcohol testing program, and (D) is in compliance with the initial and recurring Transportation Security Administration training requirements;

(v) is approved as pilot with respect to the Aircraft insurance coverage and under the Manual; and

(vi) is otherwise qualified to act as a required flight crew member for the Aircraft.

4.5 Revenue Sharing with Respect to Commercial Operations.

In consideration for making the Aircraft available for Commercial Operations pursuant to the terms of this Article IV the Manager shall pay Rent to the Owner in the following amounts:

(a) Third Party Charters. An amount equal to the Third Party Charter Lease Rate, as defined on Exhibit A, for each Flight Hour (which shall consist of the time between engine start and engine stop rounded to the nearest tenth of an hour) the Aircraft is operated by Manager for Commercial Operations other than Owner Charters.

(b) Owner Charters. An amount equal to the Owner Charter Lease Rate, as defined on Exhibit A, for each Flight Hour the Aircraft is operated by Manager for Commercial Operations for the Owner (each such operation an "**Owner Charter**". For the avoidance of doubt,

Owner Initials: ___ Manager Initials: _____

the minimum rate charged for any Owner Charter shall be no less than the Owner Charter Rate set forth on Exhibit C.

(c) Calculation of Cost. All calculations of Costs shall be pro-rata based upon hourly available usage of the Aircraft. For example, a pilot's monthly salary shall be divided by the total number of flight hours available to be flown by said pilot, and then allocated as a Cost on a per hour basis.

4.6 Training. In accordance with Brim FAA approved training programs.

4.7 [Reserved.]

4.8 Geographical Limitations. Manager may not conduct any flight outside the United States, Canada and the Caribbean, without the prior written permission of Owner and evidence of insurance coverage for that flight in a form and content satisfactory to Owner in its sole discretion.

(a) THE MANAGER AGREES NOT TO OPERATE OR LOCATE THE AIRCRAFT, OR ALLOW THE AIRCRAFT TO BE OPERATED OR LOCATED, IN OR OVER ANY AREA OF HOSTILITIES, ANY GEOGRAPHIC AREA WHICH IS NOT COVERED BY THE INSURANCE POLICIES REQUIRED BY THIS AGREEMENT, OR ANY COUNTRY OR JURISDICTION FOR WHICH EXPORTS OR TRANSACTIONS ARE SUBJECT TO SPECIFIC RESTRICTIONS UNDER ANY UNITED STATES EXPORT OR OTHER LAW OR UNITED NATIONS SECURITY COUNCIL DIRECTIVE, INCLUDING, WITHOUT LIMITATION, THE TRADING WITH THE ENEMY ACT, 50 U.S.C. APP. SECTIONS 1701 ET SEQ., AND THE EXPORT ADMINISTRATION ACT, 50 U.S.C. APP. SECTIONS 2401 ET SEQ. OR TO OTHERWISE VIOLATE, OR PERMIT THE VIOLATION OF, SUCH LAWS OR DIRECTIVES. MANAGER ALSO AGREES TO PROHIBIT ANY NATIONAL OF SUCH RESTRICTED NATIONS FROM OPERATING THE AIRCRAFT.

4.9 Compliance with Laws and Regulations. The Parties shall comply with all federal, state and local laws and executive orders and regulations issued pursuant thereto, including, without limitation, and to the extent applicable to this Agreement, all FARs, and any applicable regulations or laws of any other country or aviation authority having jurisdiction over the Aircraft or any operation of the Aircraft hereunder.

4.10 Hazardous Materials. At all times during this lease, Manager shall maintain such permits necessary to carry any hazardous materials it may from time to time carry.

4.11 Damage by Charter Customer. In the event that a customer generated by Manager damages the Aircraft, or any portion thereof, through its negligence or willful misconduct during a flight, Manager shall advise Owner of such damage, and Manager shall make good faith commercially reasonable efforts to collect from such customer the costs and expenses to repair such damage and upon collection of same will reimburse Owner for the documented costs necessary to repair such damage. In no event shall Manager or a customer generated by Manager be liable for normal wear and tear consistent with the anticipated use of the Aircraft.

Owner Initials: ___ Manager Initials: _____

ARTICLE V
INSURANCE

5.1 Aircraft Insurance Coverage. During the Term, Manager shall arrange for and procure, at Manager's expense, insurance coverage, including without limitation the special provisions set forth below, under separate aviation insurance policies relating to the Aircraft ("**Manager's Policies**").

(a) All risk physical damage (hull) insurance, including war, hijacking and allied perils coverage, with respect to the Aircraft, insuring against any loss, theft or damage to the Aircraft, and extended coverage with respect to any engines or parts while removed from the Aircraft, in an amount not less than the Agreed Value defined on Exhibit A for each Aircraft, with a deductible not more than two and one-half percent (2.5%) of the Agreed Value. Such insurance shall provide that all losses shall be adjusted solely with Owner and be payable to Owner as the sole loss payee.

(b) Aircraft liability insurance, including war, hijacking and allied perils coverage, with respect to the Aircraft, insuring against liability for bodily injury to or death of persons, including passengers, and damage to or loss of property, in an amount not less than the minimum amount required by any governmental organization having jurisdiction over the territory where the aircraft is being operated and in no event less than $25,000,000 combined limit per occurrence (except with respect to war risks, hijacking and allied perils coverage, which shall be subject to a policy sub-limit in an amount not less than the minimum amount required by any governmental organization having jurisdiction over the territory where the aircraft is being operated and in no event less than $25,000,000 combined limit per occurrence and in the annual aggregate for bodily injury to or death of, and property damage to, third parties).

(c) All coverages required by this Section 5.1 shall include the following provisions:

(i) such insurance shall be primary without any right of contribution from any other insurance available to Manager or Owner;

(ii) such insurance shall contain a standard clause as to cross liability or severability of interests among insured parties providing that the insurance shall operate in all respects as if a separate policy had been issued covering each party insured except for limits of liability;

(iii) such insurance shall cover the operation of the Aircraft;

(iv) such insurance shall name Owner as the Named Insured and shall name Manager, its affiliates, successors and assigns and their respective officers, directors, members, managers, employees, agents and representatives (the "Manager Additional Insureds") as additional insureds;

Owner Initials: ___ Manager Initials: _____

(v) the geographic limits of such insurance shall be worldwide, except that in the case of war, hijacking and allied perils coverage, the coverage territory shall be subject to such excluded territories as is usual in the aviation insurance industry;

(vi) such insurance shall provide that not less than 30 calendar days' advance written notice (except 10 days' written notice for non-payment of premium and such shorter period as is customarily available under the war, hijacking and allied perils insurance) shall be given to Manager and Owner of cancellation by any party or adverse material change or reduction in the limits of coverage applicable to Manager or Owner under the policies;

(vii) such insurance shall contain an invalidation of interest/breach of warranty clause in favor of Owner providing that the coverage afforded to Owner will not be voided or invalidated by any act or neglect of any of the Manager Additional Insureds or any other insured party, for the avoidance of doubt the invalidation of interest/breach of warranty clause required by this provision shall apply to coverages required by Section 5.1(a) and 5.1(b) (subject to underwriter approval);

(viii) such insurance shall contain an invalidation of interest/breach of warranty clause in favor of Manager Additional Insureds, providing that the coverage afforded to such parties will not be voided or invalidated by any act or neglect of Owner or any other insured party (subject to underwriter approval);

(ix) such insurance shall contain a waiver of subrogation in favor of both Owner and Manager; and

(x) such insurance will be issued by an insurer of recognized reputation and responsibility which is satisfactory in the reasonable discretion of the Owner.

(d) Manager shall provide to Owner prior to the first operation of the Aircraft under Manager's Policies an insurance certificate reflecting the coverage required by the Agreement and thereafter, when it becomes available, a copy of the policy showing the applicable coverages. Manager shall provide Owner an insurance certificate upon renewal annually.

5.2 Additional Manager's Insurance Obligations. During the Term, Manager will maintain in full force and effect, at its own expense:

(a) Workers' Compensation Coverage that provides applicable statutory benefits and Employer Liability Coverage in an amount of not less than $500,000, or such higher amount required by any applicable law, covering all employees of Manager;

(b) Premises General Liability insurance, including hangarkeeper's liability coverage and including premises liability coverage, in the amount of $25,000,000 per occurrence,

Owner Initials: ___ Manager Initials: _____

and products and completed operations coverage in the amount of $10,000,000 per occurrence and in the aggregate; and

(c) Fire and extended coverage insurance on Manager's and Owner's personal property, trade fixtures and equipment located in or on the Flight Operations Office, in an amount equal to the full replacement value thereof.

5.3 Owner's Insurance Obligations. During the Term, Owner will maintain in full force and effect, at its own expense:

(a) Fire and extended coverage insurance on Owner's personal property, trade fixtures and equipment located in or on the Base of Operations, in an amount equal to the full replacement value thereof.

5.4 Insurance Validity. In the event that any insurance on the Aircraft which is required by this Article V is invalidated for any reason, the Aircraft shall not be operated until such time as all such insurance is again valid and in full force and effect.

ARTICLE VI
INDEPENDENT CONTRACTOR

6.1 Independent Contractor. Manager shall be deemed to be an independent contractor with respect to Owner. Manager shall be free to devote to its other business such portion of its entire time, energy, efforts and skill, as it sees fit. Manager shall have no mandatory duties, except those which are specifically set out in this Agreement. Nothing contained in this Agreement shall be regarded as creating any relationship (employer/employee, joint venture, partnership) between the Parties other than as specifically set forth herein.

6.2 No Agent Status. Except as specifically set forth in Section 2.3(c), Manager shall never at any time during the Term become the agent of Owner, and Owner shall not be responsible for the acts or omissions of Manager or its agents except as set forth herein.

6.3 No Employee Status. No employee of Manager will, at any time, represent himself or herself to be an employee of Owner and no employee of Owner will, at any time, represent himself or herself to be an employee of Manager.

Owner Initials: ___ Manager Initials: _____

ARTICLE VII
ALTERATIONS

7.1 Alterations. Manager shall not have the right to alter, modify or make any additions or improvements to the Aircraft, other than those necessary to obtain and maintain FAA certification, to maintain the Aircraft in accordance with the terms hereof or to ensure that the Aircraft conforms to Manager's Manual, without prior written permission from Owner. All such alterations, modifications, additions and improvements as are so made shall be at the cost of the Owner and shall become the property of Owner and shall be subject to the terms of this Agreement.

ARTICLE VIII
TITLE

8.1 Title. Owner hereby represents and warrants that it is the registered owner of the Aircraft and has full right, power and authority and has secured all necessary consents to enter into this Agreement with Manager. It is expressly agreed and acknowledged that this Agreement is a lease and management contract, and that Manager acquires no ownership, title, property rights or interests in or to the Aircraft except those that are specifically set forth in this Agreement.

ARTICLE IX
RISK OF LOSS OR DAMAGE TO AIRCRAFT

9.1 Risk of Loss or Damage to Aircraft. Risk of loss or damage to the Aircraft shall at all times be borne by Manager. If, during the Term, the Aircraft is destroyed, lost or damaged beyond repair, this Agreement shall terminate immediately, unless otherwise agreed to by both Parties.

ARTICLE X
INDEMNIFICATION

10.1 Indemnification. Each Party to this Agreement hereby indemnifies and holds harmless the other Party and its respective officers, directors, managers, partners, employees, shareholders, members and affiliates from and against any claim, damage, loss or reasonable expense, including, without limitation, reasonable attorneys' fees, resulting from bodily injury or property damage to third parties caused by an occurrence and arising out of the ownership, maintenance or use of the Aircraft that results from the negligence or willful misconduct of such indemnifying Party (an "**Indemnified Loss**"); provided, however, that neither Party to this Agreement will be liable for any Indemnified Loss:

(a) to the extent that such loss is covered by the insurance policies described in Article V above (the "**Policies**"), or in the event the other Party fails to maintain the insurance coverages it is required to maintain pursuant to said Article V, such loss would have been covered under the required coverages had they been in effect;

Owner Initials: ___ Manager Initials: _____

(b) with respect to a loss covered by the Policies, to the extent that the amount of such loss exceeds the policy limits required by Article V above;

(c) with respect to a loss consisting of expenses incurred in connection with a loss covered in whole or in part by the Policies, to the extent that such expenses are not fully covered by the Policies; or

(d) to the extent of the comparative negligence or willful misconduct of the indemnified Party or its officers, directors, managers, partners, employees, shareholders, members and affiliates.

10.2 Indemnification by Manager. Manager will indemnify Owner for direct physical damage to the Aircraft proven to have been caused by Manager's gross negligence or willful misconduct ("**Gross Negligence/Willful Misconduct Aircraft Damage**"); provided, however, that Manager will not indemnify Owner for any Gross Negligence/Willful Misconduct Aircraft Damage:

(a) to the extent that coverage for such damage is provided by Manager's Policies required to be maintained by Manager by Article V above; or

(b) with respect to such damage for which coverage is provided by Manager's Policies, to the extent that the amount of such damage exceeds the agreed insured value specified in Article V above.

If any Gross Negligence/Willful Misconduct Aircraft Damage is not covered by Manager's Policies solely because it is less than an applicable deductible amount set forth in Article V above, Manager will indemnify Owner for the amount of any such damage up to the amount of such deductible.

10.3 LIMITATION OF LIABILITY. EACH PARTY ACKNOWLEDGES AND AGREES THAT (A) THE PROCEEDS OF INSURANCE TO WHICH IT IS ENTITLED, (B) ITS RIGHTS TO INDEMNIFICATION FROM THE OTHER PARTY UNDER SECTION 10.1 (AND IN THE CASE OF OWNER, ITS RIGHTS TO INDEMNIFICATION UNDER SECTION 10.2) (AND IN THE CASE OF MANAGER, ITS RIGHTS TO INDEMNIFICATION UNDER SECTIONS 2.3, 2.8 AND 10.4), AND (C) ITS RIGHT TO DIRECT DAMAGES ARISING IN CONTRACT FROM A MATERIAL BREACH OF THE OTHER PARTY'S OBLIGATIONS UNDER THIS AGREEMENT ARE THE SOLE REMEDIES FOR ANY DAMAGE, LOSS OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. OWNER WAIVES ALL RIGHTS OF RECOVERY AGAINST MANAGER AND MANAGER ADDITIONAL INSUREDS FOR ANY LOSS OR DAMAGE TO THE AIRCRAFT, EXCEPT AS SET FORTH IN SECTIONS 10.1 and 10.2 ABOVE. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 10.1, THIS SECTION 10.3 AND SECTION 10.4 BELOW, EACH PARTY WAIVES ANY RIGHT TO RECOVER ANY DAMAGE, LOSS OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR, OR HAVE ANY DUTY FOR INDEMNIFICATION OR CONTRIBUTION TO THE OTHER PARTY FOR, ANY INDIRECT, SPECIAL, INCIDENTAL,

Owner Initials: ___ Manager Initials: _____

CONSEQUENTIAL OR PUNITIVE DAMAGES, OR FOR ANY DAMAGES CONSISTING OF DAMAGES FOR LOSS OF USE, REVENUE, PROFIT, BUSINESS OPPORTUNITIES AND THE LIKE, EVEN IF THE PARTY HAD BEEN ADVISED, OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

10.4 Failure of Insurance Policies. When any of the policies to be maintained by Manager pursuant to Section 5.3 above are utilized, any indemnification provided by Manager to Owner, any waiver of any claim and any agreements to be liable for damages set forth in this Article X shall not apply to the extent that such policies have failed to provide the insurance coverage required by Section 5.3, except in the event such failure arises from or is related to any action or inaction on the part of Owner. Furthermore, Manager agrees to indemnify Owner for any Indemnified Loss resulting from the failure of such policies to comply with the requirements of Section 5.3 above, except in the event such failure arises from or is related to any action or inaction on the part of Owner.

10.5 Survival. The provisions of this Article X will survive the termination or expiration of this Agreement.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Entire Agreement. This Agreement constitutes the entire understanding between the Parties as of the Effective Date and supersedes all prior agreements between the Parties which concern the Aircraft. Any change, modification or amendment to this Agreement must be in writing signed by both Parties and must specifically state that it is intended to change, modify or amend this Agreement.

11.2 Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand delivered to the Party designated below or if sent by (a) certified or registered United States mail, postage prepaid; (b) by expedited delivery service, either commercial or United States Postal Service, with proof of delivery; or (c) by facsimile (provided that such facsimile is confirmed by expedited delivery service or by mail in the manner previously described), addressed as follows:

If to Manager: Brim Equipment Leasing, Inc.
Attention: Julie Brim, President
Physical Address: 455 Dead Indian Memorial Rd, Ashland, OR 97520
Mailing Address: PO Box 3009, Ashland, OR 97520
email: Julie@brimaviation.com

with a copy to Wexford Capital LP –
411 West Putman Ave.
Greenwich, CT 06830
Attn: Legal

email: legal@wexford.com

If to Owner: Cobra Aviation Services LLC
Mark Layton
Chief Financial Officer
14201 Caliber Drive, Suite 300
Oklahoma City, OK 73134
Phone: 405.563-9961
mlayton@mammothenergy.com

With a copy to: McAfee & Taft A Professional Corporation
Scott D. McCreary / John R. Chubbuck
10th Floor, Two Leadership Square
211 N Robinson
Oklahoma City OK 73102-7103
Phone: 405.235.9621
Scott.mccreary@mcafeetaft.com
john.chubbuck@mcafeetaft.com

or to such other address and person as shall be designated from time to time by Manager or Owner, as the case may be, in a written notice to the other in the manner provided for in this Section 11.2. The notice shall be deemed to have been given at the time of delivery if hand delivered, or on the next business day after transmission if sent by confirmed facsimile, or in the case of registered or certified mail, on the third business day after deposit in the United States mail, or if by expedited delivery, upon the first attempted delivery on a business day. A Party receiving notice which does not comply with the technical requirements for notice under this Section 11.2 may elect to waive any deficiencies and treat the notice as having been properly given.

11.3 Compliance with Laws. Manager and Owner shall comply with all federal, state and local laws and executive orders and regulations issued pursuant thereto, including, without limitation, and to the extent applicable to this Agreement, all FARs, to the extent of their obligations under this Agreement.

11.4 Rights and Remedies. Manager and Owner's rights and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and non-exclusive and shall be in addition to all other rights and remedies which either Party possesses at law or in equity except as otherwise provided in this Agreement.

11.5 Invalidity. In the event that any one or more of the provisions of this Agreement shall be determined to be invalid, unenforceable or illegal, such invalidity, unenforceability and illegality shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, unenforceable or illegal provision had never been contained herein.

Owner Initials: ___ Manager Initials: _____

11.6 Force Majeure. Each Party shall be relieved of its obligations hereunder (other than payment obligations) in the event and to the extent that the Party's performance is delayed or prevented by any cause reasonably beyond such Party's control, including, without limitation, acts of God, public enemies, war, civil disorder, fire, flood, explosion, labor disputes or strikes, or any acts or order of any governmental authority.

11.7 Waiver. No delay or omission in the exercise or enforcement of any right or remedy hereunder by either Party shall be construed as a waiver of such right or remedy. All remedies, rights, undertakings, obligations and agreements contained herein shall be cumulative and not mutually exclusive.

11.8 Assignment. Neither this Agreement nor any Party's interest herein shall be assignable to any other Party without the prior written consent of the other Party. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their heirs, representatives and successors.

11.9 Confidentiality. Manager and Owner shall not disclose to any third party (other than their respective employees, advisors and affiliates) in any manner information regarding the terms of this Agreement without the non-disclosing Party's prior written consent; provided, however, that neither Party shall be prohibited from making any disclosures to the FAA in connection with the certification process contemplated in Section 4.1 above or to the extent required by law.

11.10 Review of Records. Each Party shall permit the other, upon reasonable request, to review its accounting and other cost records relating to the Aircraft so the other Party can conduct an audit of such records as that other Party reasonably deems necessary.

11.11 Exhibits. Exhibits referred to herein are attached hereto and incorporated herein for all purposes.

ARTICLE XII
APPLICABLE LAW

12.1 Governing Law, Jurisdiction and Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Delaware. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE INSTITUTED IN THE COURTS OF THE STATE OF DELAWARE OR, IF SUCH COURTS LACK SUBJECT MATTER JURISDICTION, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT IN ACCORDANCE WITH SECTION 11.2 SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT,

Owner Initials: ___ Manager Initials: _____

ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR RELATING TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. FINALLY, DUE TO THE COMMERCIAL NATURE OF THIS AGREEMENT AND THE COMPLEX AVIATION REGULATORY SCHEME, OWNER AND MANAGER EXPRESSLY WAIVE THE RIGHT TO A JURY TRIAL FOR ANY DISPUTES ARISING FROM THIS AGREEMENT.

[Signatures on Next Page]

Owner Initials: ___ Manager Initials: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Manager:	Owner:
Brim Equipment Leasing, Inc.	Cobra Aviation Services LLC
By: /s/ Julie Brim	By: /s/ Mark Layton
Name: Julie Brim	Name: Mark Layton
Title: President	Title: Chief Financial Officer

EXHIBIT A

AIRCRAFT LISTING

One (1) McDonnell Douglas Helicopter model 600N aircraft bearing manufacturer's serial number RN045 and United States Registration Number N745BW; and one (1) Rolls-Royce Corporation model 250-C47M aircraft engine bearing manufacturer's serial number CAE-847831 (collectively the "**N745BW Aircraft**")

Required Hull Insurance Amount

N745BW: $1,100,000

Charter Lease Rates

Third Party Charter Lease Rate:	An Amount equal to the cost of Owner's working capital plus 10% / Flight Hour.
Owner Charter Lease Rate:	$1 / Flight Hour

EXHIBIT B

GROUND SUPPORT EQUIPMENT

SUPPORT EQUIPMENT	VIN / SERIAL NUMBER
1987 BEALL FUEL TRAILER	1BN1T2422HP182220
2001 FORD F250	1FTNW21FX1ED64143
2003 FORD F250 TRUCK	1FTNX21F23EA61812
2005 CHEVY FUEL TRUCK	1GBE4E3225F503817
2007 CHEVY FUEL TRUCK	1GBE4E3257F416416
2007 FORD F650 FUEL TRUCK	3FRNW65F77V418659
2011 FORD F450	
1984 KENWORTH BATCH TRUCK	1XKWD29X1ES322866
MISC HELICOPTER PARTS	
300 GALLON FUEL TRAILER	129697
6000 GALLON FUEL TRAILER	1BN1T2730DP151070
HELI WAGON 12'x12'	
HELI WAGON 12'x12'	
SILVER SUPPORT TRAILER	4SMSP2433YS001577
HELI - PLATFORM 14'X14'	
HELI - PLATFORM 14'X14'	
F650 Fuel Truck 600 gallon Tank	3FRNW65Z85V109449

EXHIBIT C

OWNER CHARTER RATE

Owner Charter Rate: Manager's hourly Costs of operating the Owner Charter plus 10% of such Costs.

AIRCRAFT LEASE AND MANAGEMENT AGREEMENT
(N745MB)

THIS AIRCRAFT LEASE AND MANAGEMENT AGREEMENT (this " **Agreement**") is made and entered into as of December 21, 2018 (the "**Effective Date**"), by and between Cobra Aviation Services LLC, a Delaware limited liability company ("**Owner**"), and Brim Equipment Leasing, Inc., an Oregon corporation ("**Manager**"). Owner and Manager are sometimes collectively referred to herein as the "**Parties**" and, individually, as a "**Party**".

RECITALS

A. Owner is the registered owner at the U.S. Federal Aviation Administration (" **FAA**") of Aircraft set forth on Exhibit A (together with the engines, accessories and equipment installed thereon from time to time, the "**Aircraft**").

B. Owner desires to lease the Aircraft and related ground support equipment described on Exhibit B ("**Ground Support Equipment**"), to Manager hereunder.

C. Owner desires Manager to operate the Aircraft pursuant to Title 14 of the Code of Federal Regulations ("**FAR**"), Parts 133, 135, 137 and any other applicable laws or regulations.

D. Manager has personnel experienced in the business of managing, operating, maintaining and scheduling aircraft and Ground Support Equipment and desires to perform the services and operate the Aircraft pursuant to FAR Parts 133, 135 and 137 as described herein and any other applicable laws or regulations.

In consideration of the recitals and the promises and covenants contained herein, and for other good and valuable consideration, the Parties hereby agree as follows:

ARTICLE I
TERM; ACCOUNTING

1 . 1 Lease of Aircraft and Ground Support Equipment; Term. Owner hereby leases the Aircraft and Ground Support Equipment to Manager and Manager hereby leases the Aircraft and Ground Support Equipment from Owner, subject to the terms and conditions of this Agreement. The term of this Agreement shall begin on the date hereof and shall continue in effect for one (1) year (the "**Term**"). Owner and Manager shall have the right to terminate this Agreement upon thirty (30) days' written notice to the other party for any or no reason. This agreement may also be terminated for cause, including a default hereunder and shall terminate immediately upon the Manger's suspension, revocation or surrender of any of its Part 133, 135, of 137 Certificate.

1 . 2 Accounting. Within 20 days after the end of each month during the Term, Manager shall deliver to Owner: (a) a reasonably detailed accounting statement (each, a "**Monthly Statement**") setting forth the amounts payable to Owner during the previous month pursuant to the terms of this Agreement, including, without limitation, (i) the amounts payable to Owner in

accordance with Section 4.5 and (ii) the amounts payable to Manager in accordance with Section 4.1; and (b) the amount, if any, payable by either Party, to the other Party, as set forth on such Monthly Statement. Within 10 days after Owner's receipt of any Monthly Statement showing an amount payable by a Party, to the other Party, the paying Party shall remit such payment to the other Party.

1 . 3 Redelivery of Books, Records and Aircraft. Promptly after the termination of this Agreement and subject to the terms and conditions of this Agreement, Manager shall redeliver to Owner the Aircraft, related equipment, and Ground Support Equipment and parts which have been installed on the Aircraft or Ground Support Equipment any Aircraft-specific books and records in Manager's possession. The Manager will re-deliver the Aircraft and Ground Support Equipment to Owner, on the day that this Agreement is terminated at the Base of Operations, defined in Section 2.2, below, or any other location within the continental United States as Owner may elect, at Owner's expense.

ARTICLE II
MANAGEMENT SERVICES

2.1 Generally. Manager hereby agrees to manage and operate the Aircraft and furnish certain aircraft management, maintenance and other aviation services to Owner as further described in this Article II (collectively, the "**Management Services**") during the Term. The Management Services shall be provided in accordance with: (a) applicable FARs; (b) Manager's established policies and procedures with respect to its own aircraft, as such procedures may be modified from time to time, including without limitation the Brim Equipment Leasing, LLC, Part 133, 135, and/or 137 Approved General Operations Manual (as amended, modified or supplemented from time to time, the "**Manual**"); (c) applicable manufacturers' recommended maintenance programs, and (d) the requirements contained in Manager's Part 133, 135, and/or 137 Operations Specifications (as defined in Section 4.1 below).

2.2 Base of Operations. Manager shall be solely responsible for obtaining and maintaining appropriate hangar, office, and shop space at Ashland / Parker Airport (S03) or such other mutually agreeable location as reasonably determined by the Owner and Manager from time to time during the Term ("**Base of Operations**"). Owner shall not be responsible for the payment of any costs or expenses associated with maintaining, staffing, or operating the Base of Operations.

2.3 Maintenance and Inspections.

(a) Manager shall be responsible for conducting or monitoring and overseeing the maintenance, preventative maintenance and required or otherwise necessary or advisable inspections of the Aircraft in accordance with the FAA-approved Brim Equipment Leasing Maintenance Program (the "**Manager Maintenance Program**") and applicable FARs, including, without limitation, FAR Parts 133, 135, and 137, and in accordance with the manufacturer's minimum maintenance requirements. No period of maintenance, preventative maintenance or inspection shall be delayed or postponed for the purpose of scheduling the Aircraft, unless said

maintenance or inspection can be deferred per FAA authorizations in accordance with approved FAA approved Approved Aircraft Inspection Program.

(b) Manager will perform maintenance of the Aircraft, keep the interior and the exterior of the Aircraft clean, repair discrepancies and perform scheduled inspections. All personnel of Manager involved with the performance of maintenance, preventative maintenance or alterations to the Aircraft shall be by appropriately licensed and approved Brim personnel in accordance with Brim FAA approved maintenance program.

(c) Notwithstanding the foregoing, Manager may, in its sole and absolute discretion, subcontract with third party maintenance providers to perform any maintenance on the Aircraft; provided, however, any such third party maintenance provider shall be an FAA approved facility meeting the requirements of the Manager Maintenance Program. As between the Owner and Manger the expenses and costs of such third party maintenance provider shall be for the account of the Manager. Owner appoints Manager as its agent for the limited purpose of executing, for and on behalf of Owner, any maintenance program and maintenance inspection agreements or any other agreement as shall be necessary in order for Manager to fulfill its obligations under this Agreement, the Part 133, 135 and 137 Operations Specifications, the Manager Maintenance Program, the Part 133, 135, and 137 Certificate (as defined in Section 4.1 below) and applicable FARs. In any event where Manager would be exercising its limited authority as the agent for the Owner as described in this Section 2.3(c),

2.4 Logbooks and Records. Manager shall maintain all logbooks and records pertaining to the Aircraft in accordance with applicable FARs. Such logbooks and records shall be kept by Manager in a fireproof file cabinet and made available for examination and copying by Owner or Owner's duly authorized agents, at Owner's reasonable advance request, at the location of such books and records at Manager's Flight Operations office in Ashland, Oregon (the "**Flight Operations Office**"). Upon the termination of this Agreement, Manager shall deliver such logbooks and records to Owner.

Manager shall also maintain a computerized flight and maintenance record tracking system with off-site backup capability, all of which will be available for inspection and copying by Owner or Owner's duly authorized agents, upon reasonable request by Owner. Upon termination of this Agreement, Manager shall deliver a copy of such stored data to Owner.

2.5 Scheduling and Setup Service. In addition to those duties assumed by Manager elsewhere herein, Manager shall also provide the following services with respect to the use of the Aircraft:

(a) [reserved];

(b) dispatch and flight following;

(c) create itineraries;

Owner Initials: ___ Manager Initials: _____

(d) arrange for all fuel setup for the Aircraft at all airports at which the aircraft operates, utilizing fuel discounts available to Manager;

(e) [reserved]; and

(f) utilize and maintain the Flight Operations Office, in part: (i) in order to assist the flight crew in the performance of their duties; (ii) in order to achieve scheduling of flights and flight personnel, flight following and communication; (iii) in order to perform routine scheduled and unscheduled maintenance to the Aircraft; and (iv) in the planning and support of flight operations.

2.6 [Reserved]

2.7 Costs and Expenses.

(a) Operating Cost and Expenses. Manager shall be solely responsible for any and all costs and expenses that are related to or arise in connection with the possession, operation, management, maintenance, or insuring of the Aircraft during the Term, including without limitation:

(i) the salaries, expenses (including travel expenses), per diems of flight crews operating remotely, and hourly flight pay for each required member;

(ii) the training and testing of personnel pursuant to this Agreement;

(iii) fuel expenses;

(iv) the costs of maintaining the Manager's Polices of insurance maintained in accordance with this Agreement;

(v) maintenance and repair costs and expenses, including without limitation providing all parts. Manager shall use reasonable efforts under the circumstances to notify Owner in advance of any maintenance anticipated to cost in excess of Ten Thousand ($10,000) Dollars. Such notice may be given verbally, followed up by an e-mail or fax, notwithstanding the provisions of Section 11.2 below;

(vi) payments required to maintain any Services Program (as defined in 2.11(g));

(vii) the costs and expenses associated with obtaining and maintaining FAA Approval (as defined in Section 2.1); and

(viii) the Hourly Aircraft Pro-Rata share of the Manager's Selling, General & Administrative Expenses ("**SG&A**"). For the avoidance of doubt the "**Aircraft Pro-Rata share**" of the Manager's SG&A shall be calculated by dividing Manager's total SG&A by the total number of number of aircraft in the Manager's fleet. The "**Hourly Aircraft Pro-Rata share**" shall be calculated by dividing the Aircraft Pro-Rata share by the total number of hours flown by the Aircraft.

(collectively the "**Costs**")

2.8 Fines and Penalties. Any fines, penalties, or similar charges of any kind that are assessed by a government, governmental agency, governmental subdivision or unit, airport or airport authority or aviation authority, including without limitation the FAA, with regard to or related to or arising from the management and/or operation of the Aircraft shall be for the account of and paid for by the Manager unless such violation is the direct result of actions by the Owner.

2.9 Taxes. Owner shall pay to Manager and Manager shall collect from Owner and remit to the appropriate taxing authorities all taxes (including without limitation federal excise taxes applicable to Owner Charter), fees, assessments, sales tax, personal property tax, license and registration fees, together with all fines and penalties assessed by any taxing or governmental authority (collectively, "**Taxes**"), which relate in any way to the ownership, use or operation of the Aircraft, except for any federal or state taxes based on Manager's net income or capital gains or any franchise taxes imposed on Manager and except for federal excise taxes attributable to third party charters other than Owner Charter. Owner shall indemnify, defend and hold Manager harmless from and against Owner's failure to pay the Taxes to Manager in order to allow Manager to remit the same in a timely manner.

Owner and Manager will assist and cooperate with each other to obtain all refunds on fuel taxes paid on fuel for all Commercial Operations, such refunds to be remitted to Manager upon receipt. Owner and Manager acknowledge that fuel receipts forming the foundation for the fuel tax refunds may not be received from vendors in time for monthly reconciliations; as a result, such refunds may be reflected in subsequent monthly reconciliations.

2.10 [**RESERVED**].

2.11 Other Management Services. Manager shall also undertake the following management services, at no additional charge to Owner:

(a) Employment or other engagement, training, and monitoring of any flight crew assigned to the Aircraft in accordance with Section 4.4 below and such other personnel provided

by Manager in accordance with this Agreement as may be required to provide the Management Services;

(b) Coordinate and obtain insurance as provided in Article V below;

(c) Liaise with the FAA and other pertinent governmental entities and comply with applicable statutes, rules and regulations enforced by such entities in connection with the management and operation of the Aircraft pursuant to this Agreement;

(d) Liaise with the Transportation Security Administration, Department of Homeland Security, and other related governmental entities and comply with applicable statutes, rules and regulations enforced by such entities in connection with the management and operation of the Aircraft pursuant to this Agreement;

(e) Comply with all applicable customs requirements and regulations with regard to leaving and entering the United States and any foreign country;

(f) Provide recordkeeping, reporting, budgeting and other bookkeeping, accounting and administrative functions as set forth herein or as reasonably requested by Owner, including payment of all Aircraft-related invoices and expenses; and

(g) Administer any manufacturer or other maintenance or service programs currently in existence or entered into during the term of this Agreement (collectively, the "**Service Programs**"); and take the actions necessary to keep the Service Programs current and in full force and effect.

ARTICLE III
[RESERVED]

ARTICLE IV
COMMERCIAL OPERATIONS

4.1 FAA Approval of the Aircraft . Owner shall: (a) cooperate as reasonably requested by Manager in connection with securing and maintaining the approval required by the FAA (the "**FAA Approval**") in order to (i) continue to include the Aircraft on the Operations Specifications issued to Manager by the FAA pursuant to FAR Parts 133, 135 and 137 (the "**Operations Specifications**") and (ii) operate the Aircraft pursuant to FAR Parts 133, 135 and Part 137 pursuant to the Operating Certificates issued to Manager by the FAA ("**Operating Certificate**") and (b) be responsible and pay for any and all expenses incurred by Manager in connection with maintaining the FAA Approval, including, without limitation, periodically positioning the Aircraft to the FAA requested inspection location, as requested by Manager for an FAA inspection. Any operation of the Aircraft conducted for commercial purposes under FAR Parts 133, 135, 137 during the Term (each, a "**Commercial Operation**" and, collectively, the "**Commercial Operations**") and any related flight (such as a ferry flight or repositioning flight) shall be subject to the provisions of this

Article IV, as applicable. Notwithstanding anything herein to the contrary, Owner shall not be obligated to pay for any costs, fees or expenses associated with the amendment, supplement or modifications of the Manual or any other manuals used by Manager or the preparation of any new or replacement Manual or any other manuals used by Manager. Any Costs associated with obtaining or maintaining the FAA Approval shall be billed to Owner, in an amount equal to the Costs of such operations plus a markup of ten percent.

4 . 2 Commercial Operations. The Parties acknowledge and agree that they intend for the Aircraft to be utilized by Manager for Commercial Operations at all times with the express understanding that Manager may, in its sole discretion, operate the Aircraft on appropriate ferry, maintenance, training (as limited in Section 2.6) or positioning flights under Part 91 of the FARs. Whether operating under Parts 133, 135, 137 or under Part 91, Manager will be in Operational Control of the flights.

4.3 Operational Control During Commercial Operations.

(a) The Parties hereby acknowledge and agree that Manager shall have exclusive use of the Aircraft and maintain operational control of the Aircraft at all times.. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, at all times during any Commercial Operation, the Parties hereby agree that Manager shall: (i) have possession, control and command of the Aircraft; (ii) have the sole and absolute exercise of authority over initiating, conducting or terminating any flight of the Aircraft; (iii) supervise and control the maintenance of the Aircraft; (iv) determine whether each Commercial Operation can be safely operated; (v) release all Commercial Operations; (vi) select, supervise and control the flight crew of the Aircraft, including, without limitation, determining whether any pilot of the Aircraft: (1) is a Qualified Pilot (as defined in Section 4.4 below); or (2) has met rest period requirements or exceeded flight time limits. In exercising Operational Control of the Aircraft, Manager shall comply with the FARs, insurance requirements, pertinent regulations of the United States and the applicable regulations or laws of any other country or aviation authority having jurisdiction over the Aircraft or any operation of the Aircraft hereunder.

(b) Owner acknowledges and agrees that the pilot-in-command during any Commercial Operation, in his or her sole discretion, may terminate any flight, refuse to commence any flight or take any other such action which, in the judgment of such pilot, is necessitated by safety considerations. No such action by the pilot-in-command shall create or support any liability for loss, injury, damage or delay to Owner or any other person. Owner further agrees that Manager shall not be liable for delay or failure to furnish or return the Aircraft or flight crew pursuant to this Agreement when such failure is caused by government regulation or authority, mechanical difficulty, war, civil commotion, strikes or labor disputes, weather conditions, acts of God or other causes beyond Manager's control or is necessary to adhere to the requirements of the Manual.

4.4 Selection of Pilots. The Parties agree that Manager shall have the sole and absolute discretion to select the pilots to be utilized in connection with any Commercial Operation; provided,

Owner Initials: ___ Manager Initials: _____

however, Manager shall only use Qualified Pilots (as defined in this Section 4.4(a) below) in connection with all flights..

(a) For purposes of this Agreement, the term "**Qualified Pilot**" shall mean a pilot who, at the minimum:

(i) with respect to a pilot-in-command, holds a valid FAA commercial pilot certificate with appropriate category and class ratings, and if required for the operation being conducted an instrument - helicopter rating, no less than 2000 flight hours in helicopters, and 500 hours in turbine helicopters;

(ii) holds a current first or second class medical certificate in accordance with applicable FARs;

(iii) is current and qualified with respect to FAR Part 61 to conduct operations under FAR Part 133, 135, and 137, as applicable.;

(iv) is familiar with and qualified pursuant to the Manual, including without limitation (A) has been screened through the pre-employment and background checks, (B) has satisfactorily completed the requisite proficiency checks and, with respect to a pilot-in-command, has satisfactorily completed the requisite line checks, (C) is enrolled in the drug and alcohol testing program, and (D) is in compliance with the initial and recurring Transportation Security Administration training requirements;

(v) is approved as pilot with respect to the Aircraft insurance coverage and under the Manual; and

(vi) is otherwise qualified to act as a required flight crew member for the Aircraft.

4.5 Revenue Sharing with Respect to Commercial Operations.

In consideration for making the Aircraft available for Commercial Operations pursuant to the terms of this Article IV the Manager shall pay Rent to the Owner in the following amounts:

(a) Third Party Charters. An amount equal to the Third Party Charter Lease Rate, as defined on Exhibit A, for each Flight Hour (which shall consist of the time between engine start and engine stop rounded to the nearest tenth of an hour) the Aircraft is operated by Manager for Commercial Operations other than Owner Charters.

(b) Owner Charters. An amount equal to the Owner Charter Lease Rate, as defined on Exhibit A, for each Flight Hour the Aircraft is operated by Manager for Commercial Operations for the Owner (each such operation an "**Owner Charter**". For the avoidance of doubt,

Owner Initials: ___ Manager Initials: _____

the minimum rate charged for any Owner Charter shall be no less than the Owner Charter Rate set forth on Exhibit C.

(c) Calculation of Cost. All calculations of Costs shall be pro-rata based upon hourly available usage of the Aircraft. For example, a pilot's monthly salary shall be divided by the total number of flight hours available to be flown by said pilot, and then allocated as a Cost on a per hour basis.

4.6 Training. In accordance with Brim FAA approved training programs.

4.7 [Reserved.]

4.8 Geographical Limitations. Manager may not conduct any flight outside the United States, Canada and the Caribbean, without the prior written permission of Owner and evidence of insurance coverage for that flight in a form and content satisfactory to Owner in its sole discretion.

(a) THE MANAGER AGREES NOT TO OPERATE OR LOCATE THE AIRCRAFT, OR ALLOW THE AIRCRAFT TO BE OPERATED OR LOCATED, IN OR OVER ANY AREA OF HOSTILITIES, ANY GEOGRAPHIC AREA WHICH IS NOT COVERED BY THE INSURANCE POLICIES REQUIRED BY THIS AGREEMENT, OR ANY COUNTRY OR JURISDICTION FOR WHICH EXPORTS OR TRANSACTIONS ARE SUBJECT TO SPECIFIC RESTRICTIONS UNDER ANY UNITED STATES EXPORT OR OTHER LAW OR UNITED NATIONS SECURITY COUNCIL DIRECTIVE, INCLUDING, WITHOUT LIMITATION, THE TRADING WITH THE ENEMY ACT, 50 U.S.C. APP. SECTIONS 1701 ET SEQ., AND THE EXPORT ADMINISTRATION ACT, 50 U.S.C. APP. SECTIONS 2401 ET SEQ. OR TO OTHERWISE VIOLATE, OR PERMIT THE VIOLATION OF, SUCH LAWS OR DIRECTIVES. MANAGER ALSO AGREES TO PROHIBIT ANY NATIONAL OF SUCH RESTRICTED NATIONS FROM OPERATING THE AIRCRAFT.

4.9 Compliance with Laws and Regulations. The Parties shall comply with all federal, state and local laws and executive orders and regulations issued pursuant thereto, including, without limitation, and to the extent applicable to this Agreement, all FARs, and any applicable regulations or laws of any other country or aviation authority having jurisdiction over the Aircraft or any operation of the Aircraft hereunder.

4.10 Hazardous Materials. At all times during this lease, Manager shall maintain such permits necessary to carry any hazardous materials it may from time to time carry.

4.11 Damage by Charter Customer. In the event that a customer generated by Manager damages the Aircraft, or any portion thereof, through its negligence or willful misconduct during a flight, Manager shall advise Owner of such damage, and Manager shall make good faith commercially reasonable efforts to collect from such customer the costs and expenses to repair such damage and upon collection of same will reimburse Owner for the documented costs necessary to repair such damage. In no event shall Manager or a customer generated by Manager be liable for normal wear and tear consistent with the anticipated use of the Aircraft.

Owner Initials: ___ Manager Initials: _____

ARTICLE V
INSURANCE

5.1 Aircraft Insurance Coverage. During the Term, Manager shall arrange for and procure, at Manager's expense, insurance coverage, including without limitation the special provisions set forth below, under separate aviation insurance policies relating to the Aircraft ("**Manager's Policies**").

(a) All risk physical damage (hull) insurance, including war, hijacking and allied perils coverage, with respect to the Aircraft, insuring against any loss, theft or damage to the Aircraft, and extended coverage with respect to any engines or parts while removed from the Aircraft, in an amount not less than the Agreed Value defined on Exhibit A for each Aircraft, with a deductible not more than two and one-half percent (2.5%) of the Agreed Value. Such insurance shall provide that all losses shall be adjusted solely with Owner and be payable to Owner as the sole loss payee.

(b) Aircraft liability insurance, including war, hijacking and allied perils coverage, with respect to the Aircraft, insuring against liability for bodily injury to or death of persons, including passengers, and damage to or loss of property, in an amount not less than the minimum amount required by any governmental organization having jurisdiction over the territory where the aircraft is being operated and in no event less than $25,000,000 combined limit per occurrence (except with respect to war risks, hijacking and allied perils coverage, which shall be subject to a policy sub-limit in an amount not less than the minimum amount required by any governmental organization having jurisdiction over the territory where the aircraft is being operated and in no event less than $25,000,000 combined limit per occurrence and in the annual aggregate for bodily injury to or death of, and property damage to, third parties).

(c) All coverages required by this Section 5.1 shall include the following provisions:

(i) such insurance shall be primary without any right of contribution from any other insurance available to Manager or Owner;

(ii) such insurance shall contain a standard clause as to cross liability or severability of interests among insured parties providing that the insurance shall operate in all respects as if a separate policy had been issued covering each party insured except for limits of liability;

(iii) such insurance shall cover the operation of the Aircraft;

(iv) such insurance shall name Owner as the Named Insured and shall name Manager, its affiliates, successors and assigns and their respective officers, directors, members, managers, employees, agents and representatives (the "Manager Additional Insureds") as additional insureds;

Owner Initials: ___ Manager Initials: _____

(v) the geographic limits of such insurance shall be worldwide, except that in the case of war, hijacking and allied perils coverage, the coverage territory shall be subject to such excluded territories as is usual in the aviation insurance industry;

(vi) such insurance shall provide that not less than 30 calendar days' advance written notice (except 10 days' written notice for non-payment of premium and such shorter period as is customarily available under the war, hijacking and allied perils insurance) shall be given to Manager and Owner of cancellation by any party or adverse material change or reduction in the limits of coverage applicable to Manager or Owner under the policies;

(vii) such insurance shall contain an invalidation of interest/breach of warranty clause in favor of Owner providing that the coverage afforded to Owner will not be voided or invalidated by any act or neglect of any of the Manager Additional Insureds or any other insured party, for the avoidance of doubt the invalidation of interest/breach of warranty clause required by this provision shall apply to coverages required by Section 5.1(a) and 5.1(b) (subject to underwriter approval);

(viii) such insurance shall contain an invalidation of interest/breach of warranty clause in favor of Manager Additional Insureds, providing that the coverage afforded to such parties will not be voided or invalidated by any act or neglect of Owner or any other insured party (subject to underwriter approval);

(ix) such insurance shall contain a waiver of subrogation in favor of both Owner and Manager; and

(x) such insurance will be issued by an insurer of recognized reputation and responsibility which is satisfactory in the reasonable discretion of the Owner.

(d) Manager shall provide to Owner prior to the first operation of the Aircraft under Manager's Policies an insurance certificate reflecting the coverage required by the Agreement and thereafter, when it becomes available, a copy of the policy showing the applicable coverages. Manager shall provide Owner an insurance certificate upon renewal annually.

5.2 Additional Manager's Insurance Obligations. During the Term, Manager will maintain in full force and effect, at its own expense:

(a) Workers' Compensation Coverage that provides applicable statutory benefits and Employer Liability Coverage in an amount of not less than $500,000, or such higher amount required by any applicable law, covering all employees of Manager;

(b) Premises General Liability insurance, including hangarkeeper's liability coverage and including premises liability coverage, in the amount of $25,000,000 per occurrence,

Owner Initials: ___ Manager Initials: _____

and products and completed operations coverage in the amount of $10,000,000 per occurrence and in the aggregate; and

(c) Fire and extended coverage insurance on Manager's and Owner's personal property, trade fixtures and equipment located in or on the Flight Operations Office, in an amount equal to the full replacement value thereof.

5.3 Owner's Insurance Obligations. During the Term, Owner will maintain in full force and effect, at its own expense:

(a) Fire and extended coverage insurance on Owner's personal property, trade fixtures and equipment located in or on the Base of Operations, in an amount equal to the full replacement value thereof.

5.4 Insurance Validity. In the event that any insurance on the Aircraft which is required by this Article V is invalidated for any reason, the Aircraft shall not be operated until such time as all such insurance is again valid and in full force and effect.

ARTICLE VI
INDEPENDENT CONTRACTOR

6.1 Independent Contractor. Manager shall be deemed to be an independent contractor with respect to Owner. Manager shall be free to devote to its other business such portion of its entire time, energy, efforts and skill, as it sees fit. Manager shall have no mandatory duties, except those which are specifically set out in this Agreement. Nothing contained in this Agreement shall be regarded as creating any relationship (employer/employee, joint venture, partnership) between the Parties other than as specifically set forth herein.

6.2 No Agent Status. Except as specifically set forth in Section 2.3(c), Manager shall never at any time during the Term become the agent of Owner, and Owner shall not be responsible for the acts or omissions of Manager or its agents except as set forth herein.

6.3 No Employee Status. No employee of Manager will, at any time, represent himself or herself to be an employee of Owner and no employee of Owner will, at any time, represent himself or herself to be an employee of Manager.

Owner Initials: ___ Manager Initials: _____

ARTICLE VII
ALTERATIONS

7.1 Alterations. Manager shall not have the right to alter, modify or make any additions or improvements to the Aircraft, other than those necessary to obtain and maintain FAA certification, to maintain the Aircraft in accordance with the terms hereof or to ensure that the Aircraft conforms to Manager's Manual, without prior written permission from Owner. All such alterations, modifications, additions and improvements as are so made shall be at the cost of the Owner and shall become the property of Owner and shall be subject to the terms of this Agreement.

ARTICLE VIII
TITLE

8.1 Title. Owner hereby represents and warrants that it is the registered owner of the Aircraft and has full right, power and authority and has secured all necessary consents to enter into this Agreement with Manager. It is expressly agreed and acknowledged that this Agreement is a lease and management contract, and that Manager acquires no ownership, title, property rights or interests in or to the Aircraft except those that are specifically set forth in this Agreement.

ARTICLE IX
RISK OF LOSS OR DAMAGE TO AIRCRAFT

9.1 Risk of Loss or Damage to Aircraft. Risk of loss or damage to the Aircraft shall at all times be borne by Manager. If, during the Term, the Aircraft is destroyed, lost or damaged beyond repair, this Agreement shall terminate immediately, unless otherwise agreed to by both Parties.

ARTICLE X
INDEMNIFICATION

10.1 Indemnification. Each Party to this Agreement hereby indemnifies and holds harmless the other Party and its respective officers, directors, managers, partners, employees, shareholders, members and affiliates from and against any claim, damage, loss or reasonable expense, including, without limitation, reasonable attorneys' fees, resulting from bodily injury or property damage to third parties caused by an occurrence and arising out of the ownership, maintenance or use of the Aircraft that results from the negligence or willful misconduct of such indemnifying Party (an "**Indemnified Loss**"); provided, however, that neither Party to this Agreement will be liable for any Indemnified Loss:

(a) to the extent that such loss is covered by the insurance policies described in Article V above (the "**Policies**"), or in the event the other Party fails to maintain the insurance coverages it is required to maintain pursuant to said Article V, such loss would have been covered under the required coverages had they been in effect;

Owner Initials: ___ Manager Initials: _____

(b) with respect to a loss covered by the Policies, to the extent that the amount of such loss exceeds the policy limits required by Article V above;

(c) with respect to a loss consisting of expenses incurred in connection with a loss covered in whole or in part by the Policies, to the extent that such expenses are not fully covered by the Policies; or

(d) to the extent of the comparative negligence or willful misconduct of the indemnified Party or its officers, directors, managers, partners, employees, shareholders, members and affiliates.

10.2 Indemnification by Manager. Manager will indemnify Owner for direct physical damage to the Aircraft proven to have been caused by Manager's gross negligence or willful misconduct ("**Gross Negligence/Willful Misconduct Aircraft Damage**"); provided, however, that Manager will not indemnify Owner for any Gross Negligence/Willful Misconduct Aircraft Damage:

(a) to the extent that coverage for such damage is provided by Manager's Policies required to be maintained by Manager by Article V above; or

(b) with respect to such damage for which coverage is provided by Manager's Policies, to the extent that the amount of such damage exceeds the agreed insured value specified in Article V above.

If any Gross Negligence/Willful Misconduct Aircraft Damage is not covered by Manager's Policies solely because it is less than an applicable deductible amount set forth in Article V above, Manager will indemnify Owner for the amount of any such damage up to the amount of such deductible.

10.3 LIMITATION OF LIABILITY. EACH PARTY ACKNOWLEDGES AND AGREES THAT (A) THE PROCEEDS OF INSURANCE TO WHICH IT IS ENTITLED, (B) ITS RIGHTS TO INDEMNIFICATION FROM THE OTHER PARTY UNDER SECTION 10.1 (AND IN THE CASE OF OWNER, ITS RIGHTS TO INDEMNIFICATION UNDER SECTION 10.2) (AND IN THE CASE OF MANAGER, ITS RIGHTS TO INDEMNIFICATION UNDER SECTIONS 2.3, 2.8 AND 10.4), AND (C) ITS RIGHT TO DIRECT DAMAGES ARISING IN CONTRACT FROM A MATERIAL BREACH OF THE OTHER PARTY'S OBLIGATIONS UNDER THIS AGREEMENT ARE THE SOLE REMEDIES FOR ANY DAMAGE, LOSS OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. OWNER WAIVES ALL RIGHTS OF RECOVERY AGAINST MANAGER AND MANAGER ADDITIONAL INSUREDS FOR ANY LOSS OR DAMAGE TO THE AIRCRAFT, EXCEPT AS SET FORTH IN SECTIONS 10.1 and 10.2 ABOVE. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 10.1, THIS SECTION 10.3 AND SECTION 10.4 BELOW, EACH PARTY WAIVES ANY RIGHT TO RECOVER ANY DAMAGE, LOSS OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR, OR HAVE ANY DUTY FOR INDEMNIFICATION OR CONTRIBUTION TO THE OTHER PARTY FOR, ANY INDIRECT, SPECIAL, INCIDENTAL,

Owner Initials: ___ Manager Initials: _____

CONSEQUENTIAL OR PUNITIVE DAMAGES, OR FOR ANY DAMAGES CONSISTING OF DAMAGES FOR LOSS OF USE, REVENUE, PROFIT, BUSINESS OPPORTUNITIES AND THE LIKE, EVEN IF THE PARTY HAD BEEN ADVISED, OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

10.4 Failure of Insurance Policies. When any of the policies to be maintained by Manager pursuant to Section 5.3 above are utilized, any indemnification provided by Manager to Owner, any waiver of any claim and any agreements to be liable for damages set forth in this Article X shall not apply to the extent that such policies have failed to provide the insurance coverage required by Section 5.3, except in the event such failure arises from or is related to any action or inaction on the part of Owner. Furthermore, Manager agrees to indemnify Owner for any Indemnified Loss resulting from the failure of such policies to comply with the requirements of Section 5.3 above, except in the event such failure arises from or is related to any action or inaction on the part of Owner.

10.5 Survival. The provisions of this Article X will survive the termination or expiration of this Agreement.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Entire Agreement. This Agreement constitutes the entire understanding between the Parties as of the Effective Date and supersedes all prior agreements between the Parties which concern the Aircraft. Any change, modification or amendment to this Agreement must be in writing signed by both Parties and must specifically state that it is intended to change, modify or amend this Agreement.

11.2 Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand delivered to the Party designated below or if sent by (a) certified or registered United States mail, postage prepaid; (b) by expedited delivery service, either commercial or United States Postal Service, with proof of delivery; or (c) by facsimile (provided that such facsimile is confirmed by expedited delivery service or by mail in the manner previously described), addressed as follows:

If to Manager: Brim Equipment Leasing, Inc.
Attention: Julie Brim, President
Physical Address: 455 Dead Indian Memorial Rd, Ashland, OR 97520
Mailing Address: PO Box 3009, Ashland, OR 97520
email: Julie@brimaviation.com

with a copy to Wexford Capital LP –
411 West Putman Ave.
Greenwich, CT 06830
Attn: Legal

email: legal@wexford.com

If to Owner: Cobra Aviation Services LLC
Mark Layton
Chief Financial Officer
14201 Caliber Drive, Suite 300
Oklahoma City, OK 73134
Phone: 405.563-9961
mlayton@mammothenergy.com

With a copy to: McAfee & Taft A Professional Corporation
Scott D. McCreary / John R. Chubbuck
10th Floor, Two Leadership Square
211 N Robinson
Oklahoma City OK 73102-7103
Phone: 405.235.9621
Scott.mccreary@mcafeetaft.com
john.chubbuck@mcafeetaft.com

or to such other address and person as shall be designated from time to time by Manager or Owner, as the case may be, in a written notice to the other in the manner provided for in this Section 11.2. The notice shall be deemed to have been given at the time of delivery if hand delivered, or on the next business day after transmission if sent by confirmed facsimile, or in the case of registered or certified mail, on the third business day after deposit in the United States mail, or if by expedited delivery, upon the first attempted delivery on a business day. A Party receiving notice which does not comply with the technical requirements for notice under this Section 11.2 may elect to waive any deficiencies and treat the notice as having been properly given.

11.3 Compliance with Laws. Manager and Owner shall comply with all federal, state and local laws and executive orders and regulations issued pursuant thereto, including, without limitation, and to the extent applicable to this Agreement, all FARs, to the extent of their obligations under this Agreement.

11.4 Rights and Remedies. Manager and Owner's rights and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and non-exclusive and shall be in addition to all other rights and remedies which either Party possesses at law or in equity except as otherwise provided in this Agreement.

11.5 Invalidity. In the event that any one or more of the provisions of this Agreement shall be determined to be invalid, unenforceable or illegal, such invalidity, unenforceability and illegality shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, unenforceable or illegal provision had never been contained herein.

Owner Initials: ___ Manager Initials: _____

11.6 Force Majeure. Each Party shall be relieved of its obligations hereunder (other than payment obligations) in the event and to the extent that the Party's performance is delayed or prevented by any cause reasonably beyond such Party's control, including, without limitation, acts of God, public enemies, war, civil disorder, fire, flood, explosion, labor disputes or strikes, or any acts or order of any governmental authority.

11.7 Waiver. No delay or omission in the exercise or enforcement of any right or remedy hereunder by either Party shall be construed as a waiver of such right or remedy. All remedies, rights, undertakings, obligations and agreements contained herein shall be cumulative and not mutually exclusive.

11.8 Assignment. Neither this Agreement nor any Party's interest herein shall be assignable to any other Party without the prior written consent of the other Party. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their heirs, representatives and successors.

11.9 Confidentiality. Manager and Owner shall not disclose to any third party (other than their respective employees, advisors and affiliates) in any manner information regarding the terms of this Agreement without the non-disclosing Party's prior written consent; provided, however, that neither Party shall be prohibited from making any disclosures to the FAA in connection with the certification process contemplated in Section 4.1 above or to the extent required by law.

11.10 Review of Records. Each Party shall permit the other, upon reasonable request, to review its accounting and other cost records relating to the Aircraft so the other Party can conduct an audit of such records as that other Party reasonably deems necessary.

11.11 Exhibits. Exhibits referred to herein are attached hereto and incorporated herein for all purposes.

ARTICLE XII
APPLICABLE LAW

12.1 Governing Law, Jurisdiction and Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Delaware. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE INSTITUTED IN THE COURTS OF THE STATE OF DELAWARE OR, IF SUCH COURTS LACK SUBJECT MATTER JURISDICTION, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT IN ACCORDANCE WITH SECTION 11.2 SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT,

Owner Initials: ___ Manager Initials: _____

ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR RELATING TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. FINALLY, DUE TO THE COMMERCIAL NATURE OF THIS AGREEMENT AND THE COMPLEX AVIATION REGULATORY SCHEME, OWNER AND MANAGER EXPRESSLY WAIVE THE RIGHT TO A JURY TRIAL FOR ANY DISPUTES ARISING FROM THIS AGREEMENT.

[Signatures on Next Page]

Owner Initials: ___ Manager Initials: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Manager:	Owner:
Brim Equipment Leasing, Inc.	Cobra Aviation Services LLC
By: /s/ Julie Brim	By: /s/ Mark Layton
Name: Julie Brim	Name: Mark Layton
Title: President	Title: Chief Financial Officer

EXHIBIT A

AIRCRAFT LISTING

One (1) McDonnell Douglas Helicopter model 600N aircraft bearing manufacturer's serial number RN067 and United States Registration Number N745MB, together with one (1) Rolls-Royce Corporation model 250-C47M aircraft engines bearing manufacturer's serial number CAE-847874 (collectively the "**N745MB Aircraft**")

Required Hull Insurance Amount

N745MB: $1,100,000

Charter Lease Rates

Third Party Charter Lease Rate:	An Amount equal to the cost of Owner's working capital plus 10% / Flight Hour.
Owner Charter Lease Rate:	$1 / Flight Hour

EXHIBIT B

GROUND SUPPORT EQUIPMENT

[NONE]

EXHIBIT C

OWNER CHARTER RATE

Owner Charter Rate: Manager's hourly Costs of operating the Owner Charter plus 10% of such Costs.

EXHIBIT 31.1

CERTIFICATIONS

I, Arty Straehla, Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mammoth Energy Services, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

MAMMOTH ENERGY SERVICES, INC.

By: /s/ Arty Straehla

Arty Straehla

Chief Executive Officer

May 2, 2019

EXHIBIT 31.2

CERTIFICATIONS

I, Mark Layton, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mammoth Energy Services, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

MAMMOTH ENERGY SERVICES, INC.

By: /s/ Mark Layton

Mark Layton

Chief Financial Officer

May 2, 2019

EXHIBIT 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Mammoth Energy Services, Inc. (the "Company") for the quarterly period ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arty Straehla, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MAMMOTH ENERGY SERVICES, INC.

By: /s/ Arty Straehla

Arty Straehla
Chief Executive Officer
May 2, 2019

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

EXHIBIT 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Mammoth Energy Services, Inc. (the "Company") for the quarterly period ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Layton, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MAMMOTH ENERGY SERVICES, INC.

By: /s/ Mark Layton

Mark Layton

Chief Financial Officer

May 2, 2019

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

EXHIBIT 95.1

Mine Safety Disclosure

The following disclosures are provided pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and Item 104 of Regulation S-K, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the "Mine Act").

Mine Safety Information. Whenever the Federal Mine Safety and Health Administration ("MSHA") believes a violation of the Mine Act, any health or safety standard or any regulation has occurred, it may issue a citation which describes the alleged violation and fixes a time within which the U.S. mining operator must abate the alleged violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order removing miners from the area of the mine affected by the condition until the alleged hazards are corrected. When MSHA issues a citation or order, it generally proposes a civil penalty, or fine, as a result of the alleged violation, that the operator is ordered to pay. Citations and orders can be contested and appealed, and as part of that process, are often reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary depending on the size and type (underground or surface) of the mine as well as by the MSHA inspector(s) assigned.

Mine Safety Data. The following provides additional information about references used in the table below to describe the categories of violations, orders or citations issued by MSHA under the Mine Act:

- Section 104 S&S Citations: Citations received from MSHA under section 104 of the Mine Act for violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard.
- Section 104(b) Orders: Orders issued by MSHA under section 104(b) of the Mine Act, which represents a failure to abate a citation under section 104(a) within the period of time prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
- Section 104(d) Citations and Orders: Citations and orders issued by MSHA under section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.
- Section 110(b)(2) Violations: Flagrant violations issued by MSHA under section 110(b)(2) of the Mine Act.
- Section 107(a) Orders: Orders issued by MSHA under section 107(a) of the Mine Act for situations in which MSHA determined an "imminent danger" (as defined by MSHA) existed.

The following table details the violations, citations and orders issued to us by MSHA during the quarter endedMarch 31, 2019:

Mine (a)	Section 104 S&S Citations(#)	Section104(b)Orders (#)	Section104(d)Citations and Orders(#)	Section 110(b)(2) Violations(#)	Section107(a)Orders (#)	Proposed Assessments (2)($, amounts in dollars)	Mining Related Fatalities (#)
Taylor, WI	—	—	—	—	—	$ —	—
Menomonie, WI	—	—	—	—	—	$ —	—
New Auburn, WI	—	—	—	—	—	$ —	—

a. The definition of mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and minerals preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine. MSHA assigns an identification number to each mine and may or may not assign separate identification numbers to related facilities such as preparation facilities. We are providing the information in the table by mine rather than MSHA identification number because that is how we manage and operate our mining business and we believe this presentation will be more useful to investors than providing information based on MSHA identification numbers.

b. Represents the total dollar value of proposed assessments from MSHA under the Mine Act relating to any type of citation or order issued during the quarter ended March 31, 2019.

Pattern or Potential Pattern of Violations. During the quarter ended March 31, 2019, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as c

ould have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

Pending Legal Actions. There were no legal actions pending before the Federal Mine Safety and Health Review Commission (the Commission) as ofMarch 31, 2019. The Commission is an independent adjudicative agency established by the Mine Act that provides administrative trial and appellate review of legal disputes arising under the Mine Act.