

**DISTRIBUTION AGREEMENT**

This Distribution Agreement (the “**Agreement**”) is made and entered into effective as of the 3rd day of October, 2017 (the “**Effective Date**”), by and between Raise Production Inc. (“**Raise**”) a company incorporated in the province of Alberta with an address of 2620, 58th Avenue SE, Calgary AB T2C 1G5 and Endurance Lift Solutions, LLC (“**ELS**”), a Delaware limited liability company, with an address of 114 East Foreline Street, Gainesville, Texas 76240. Each of Raise and ELS may be referred to herein as a “**Party**” and collectively, the “**Parties.**”

WHEREAS, Raise is a manufacturer of equipment and inventory which are utilized in the oil and gas industry, which are more particularly described on Exhibit A attached hereto (the “**Products**”); and,

WHEREAS, ELS provides goods and services to the oil and gas industry including the sale, installation, and service of equipment to operators and drilling companies for use at well sites and related locations in the counties comprising the areas commonly referred to as the Permian Basin and Bakken Region (the “**Territory**”); and,

WHEREAS, Raise and ELS desire to enter into this Agreement which sets forth the terms upon which ELS will purchase the Products from Raise, and ELS will sell and distribute the Products to its customers.

NOW, THEREFORE, premises considered, for good and valuable consideration, the Parties agree as herein set forth.

**1.0 Grant of Distribution Rights.** Raise hereby grants to ELS, and ELS hereby accepts from Raise the exclusive right to distribute the Products in the Territory, upon and subject to all terms and conditions set forth in this Agreement. ELS covenants and agrees to purchase the Product for its own account exclusively from Raise and to market, distribute and sell such Product only in the Territory. ELS acknowledges and agrees that the rights granted pursuant to this Agreement are limited to the Territory and confer no rights upon ELS with respect to the distribution of any Product outside the Territory, and nothing in this Agreement shall restrict Raise from selling Product to any other Person outside the Territory. All enquiries received by Raise during the Term, regarding the purchase of Product in the Territory, shall be referred to ELS. ELS covenants and agrees that all enquiries with respect to and any orders for Product received, directly or indirectly, by ELS from outside the Territory shall be referred to Raise.

**2.0 Relationship between Raise and ELS.** Nothing in this Agreement shall be construed to constitute ELS as a partner, associate, dependent contractor, mandatary or employee of Raise, nor shall either Party have any authority to bind the other in any respect, it being intended that each Party shall remain an independent contractor responsible for its own actions. Without limiting the foregoing, unless otherwise specifically agreed, ELS has no authority to make contracts on behalf of Raise.

### 3.0 Term; Termination.

(a) The term of this Agreement (the “**Term**”) shall commence on the Effective Date and continue until the earlier of the following: (i) the date that that follows the expiration of 24 months following the Effective Date, (ii) the expiration of a period of 90 days from the delivery by either Party of written notice of termination to the other Party, (iii) immediately upon delivery by either Party to the other Party of a written notice of a termination for “**Cause**” (as defined below), or (iv) immediately if a Party ceases to carry on business or becomes insolvent or commences any proceedings or any proceedings are commenced against it under any bankruptcy or insolvency legislations or makes an assignment for the benefit of its creditors or proposes a compromise or arrangement to its creditors or if a receiver of its assets or any substantial part thereof is appointed. For the purposes of (iii) above, “**Cause**” means the breach by either Party of any material provision, term, obligation, representation or covenant contained herein, which has not been substantially waived or cured within 15 days following receipt by such Party of written notice of such breach from the non-breaching Party.

(b) Notwithstanding section 3(a), unless the Agreement is terminated pursuant to the foregoing clauses (ii), (iii), or (iv), the Term shall automatically renew for successive twelve-month periods, unless either Party delivers to the other Party a written notice of its intent not to renew this Agreement, no later than 90 days prior to the expiration of the Term.

(c) Once this Agreement has terminated or expired, ELS shall maintain the right to continue to sell the Products for 90 days thereafter in compliance with the terms of this Agreement.

(d) Upon the expiration or termination of this Agreement, ELS shall immediately return to Raise all advertising, promotional or marketing material and other documents and samples which are in its possession which had been provided to ELS by Raise.

**4.0 Products.** The Products will be set forth on Exhibit A and designated into classes of Products. The initial class of Products is set forth on Exhibit A-1. Any future classes of Products offered by Raise shall be added by amending Exhibit A to add such class of Products as the next Exhibit A in numerical order (e.g., the next class of introduced Products will be designated by adding Exhibit A-2).

### 5.0 Pricing, Sale and Delivery of Product.

(a) Subject to and in accordance with the terms and conditions hereof, Raise agrees to sell to ELS, and ELS agrees to buy from Raise, the Products at the respective prices set forth for each class of Products in Exhibit A hereto (the “**Pricing Schedule**”). Raise may alter and revise the Pricing Schedule no more frequently than every 90 days; provided that such revised Price Schedule shall be effective as to any orders only after 30 days following the delivery of such Pricing Schedule to ELS.

(b) During the Term, ELS may submit an order for the Products by issuing a purchase order containing a description of the Products requested, the quantity of Products requested, an easily identifiable Purchase Order number and the date of delivery requested by ELS (each, a “**Purchase Order**”). Raise will acknowledge receipt and expressly confirm or reject the Purchase

Order within 3 days of receipt of the Purchase Order from ELS. Raise will deliver the Products to ELS ex-works from its manufacturing facility on the date of delivery requested by ELS. All transportation costs and title to Products (and any risk associated therewith) shall be assumed and transferred to ELS upon receipt of the Products from Raise's manufacturing facility. ELS shall be responsible for any customs duties, clearance charges, taxes, brokers' fees and other amounts payable in connection with the importation, delivery and sale of the Products that arise subsequent to the receipt of the Products by ELS from Raise's manufacturing facility. ELS and Raise will jointly agree to the prices that ELS charges to its customers for the Products. Where there is a conflict between the terms and conditions stated in a Purchase Order form and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(c) Upon the execution and delivery of this Agreement, ELS shall issue to Raise two Purchase Orders for the purchase of Products of a total amount equal to [redacted] as set forth below:

- (i) a Purchase Order for the purchase of Product for a total amount of [redacted], the Product to be delivered on a date agreed upon by the Parties; and,
- (ii) a Purchase Order for the purchase of Product for a total amount of [redacted], the Product to be delivered 150 days from the date of the Purchase Order

**6.0 Payment Terms.** Promptly after the delivery of the Products associated with any Purchase Order to ELS, Raise shall issue an invoice to ELS for the purchase price of such Products. ELS shall pay Raise all amounts due under each invoice within 30 days of its receipt of such invoice. Where ELS fails to pay any amounts when due, Raise shall have the right, in addition to any other remedies, to charge, and ELS shall pay, interest on such overdue amount at the rate of 1.5% per month (18% per annum).

### **7.0 Raise Representations and Warranties.**

(a) Raise expressly represents and warrants that all Products: (i) shall be new and shall be free and clear of all liens, claims and title defects or encumbrances; (ii) when delivered to ELS from Raise's manufacturing facility, shall be free from defects in design, material and workmanship in all material respects; (iii) shall be adequately contained, packaged, marked and labeled; and (iv) when delivered to ELS from Raise's manufacturing facility, shall not infringe or violate any third party's intellectual property rights.

(b) The above warranties shall extend and be in favor of ELS, its successors, assigns and customers. ELS will not give any other warranties with respect to the Products except as authorized by Raise.

**8.0 Return of Defective Products.** Should any Product fail to conform with the specifications set forth for such Product in the applicable Purchase Order or otherwise be found to contain any defects, then Raise shall accept the return of such Product and credit ELS for the purchase price of any Products so returned plus all reasonable costs incurred by ELS in connection with the return of such Products, and in such case, Raise will have no further liability in respect of such Product; provided that ELS notifies Raise of the non-conforming or defective Product within 30 days of delivery of such Product. If ELS fails to give such notice to Raise within the prescribed period, the Products shall be conclusively deemed to have been received by ELS without defects.

Notwithstanding the foregoing, in the event the Agreement has been terminated by Raise at the time that ELS notifies Raise of the non-conforming or defective Product, then Raise shall provide with a cash refund (rather than a credit) in the amount of the purchase price of the Products so returned plus all reasonable costs incurred by ELS in connection with the return of such Products.

#### **9.0 Support Services Provided.**

(a) Raise agrees to provide the following support services to ELS on an as-needed basis during the Term: (a) Product sales training; (b) technical training; (c) Product assembly training; and (d) Product installation training (collectively, the “**Support Services**”).

(b) Upon successful completion by ELS personnel of any training programs provided by Raise in respect of its Support Services, Raise will provide evidence of certification in respect of the completion of such training.

(c) ELS shall reimburse Raise for all reasonable out-of-pocket travel expenses incurred by Raise in connection with its provision of the Support Services, including, but not limited to, transportation, meals and lodging expenses, provided that Raise provides ELS with reasonable documentation of the amounts for which it seeks reimbursement.

#### **10.0 Raise Covenants.** During the Term, Raise covenants to:

(a) to use commercially reasonable efforts to timely supply the Products ordered under the Purchase Orders on the delivery date set forth in the applicable Purchase Order;

(b) provide marketing materials for ELS to use in the sale of the Products that are accurate and contain no false or misleading statements or representations; and

(c) provide adequate Support Services to ELS’ personnel.

#### **11.0 ELS Covenants.** During the Term, ELS covenants to:

(a) use commercially reasonable efforts to solicit orders for the Products from present and potential purchasers thereof in the Territory;

(b) distribute sales promotional material, displays and other merchandise as Raise may from time to time, at its expense, supply to ELS for the purpose of promoting the sale of the Products;

(c) advise Raise of any matter made known to ELS that may materially affect ELS’ ability to make sales of the Products in the Territory;

(d) deliver the Products to its customers (or arrange for the delivery thereof);

(e) service its customers that have purchased the Products in the Territory;

(f) remain in compliance with applicable laws, including laws with respect to unfair trade practices;

(g) make no false or misleading statements or representations in advertising, printed material or other media with respect to the Products;

(h) comply with all commercially reasonable Raise policies, certification, training, and reporting requirements imposed by Raise;

(i) timely pay amounts due to Raise in respect of the purchase of the Products on the terms more specifically described in Section 6.0;

(j) pay for any customs duties, clearance charges, taxes, brokers' fees and other amounts payable that arise in connection with the importation, delivery and sale of the Products subsequent to ELS's receipt of the Products from Raise's manufacturing facility;

(k) acquire and maintain all necessary and appropriate authorizations, licenses, permits, and permissions to fully perform, be responsible for and meet all the obligations and liabilities relating to ELS set forth in the Agreement;

(l) provide adequate training to sales staff and maintain a sales staff that is adequately trained for selling the Products; and

(m) offer the full range of Products specified on Exhibit A.

**12.0 Reporting Requirements.** ELS covenants to provide a written report to Raise on at least a monthly basis regarding Product operations and data and an update on the performance of the Products based on feedback ELS has been given by its customers; provided that in no event will ELS be responsible for the accuracy of any information it shares with Raise that it has learned from its customers.

**13.0 Forecasts.** No later than the fifth day of each calendar month, ELS shall deliver to Raise a forecast of ELS's anticipated requirements for the Products for the succeeding six (6) calendar months (each, a "**Forecast**"). The delivery of a Forecast shall not create an obligation for ELS to purchase the quantity of Products as set forth in the Forecast; nor shall the Forecast alone constitute a Purchase Order for the Forecast. The Parties acknowledge and agree that the failure to timely deliver a Forecast shall not constitute a material breach of this Agreement.

**14.0 Exclusivity.** ELS shall have the exclusive right to sell the Products to customers located in or for customers that will use the Product in the Territory and Raise will not allow any distributors other than ELS to sell the Products in the Territory. ELS will not distribute or sell the Products outside of the Territory, without Raise's written consent.

**15.0 Sub-distributors.** ELS shall not be authorized to use any sub-distributors, unless agreed to in writing by Raise. If Raise authorizes ELS to use any sub-distributors, such sub-distributors shall enter into an agreement agreeing to be bound by terms substantially the same as those terms to which ELS is bound pursuant to this Agreement.

**16.0 Insurance.** Each Party shall, at its sole cost, maintain Commercial General Liability Insurance (which may be in the form of self-insurance) sufficient and in proper form and nature to

cover such Party's indemnification obligations hereunder. Each Party shall provide the other Party satisfactory evidence of the maintenance of such insurance at the request of the other Party.

**17.0 Limitation of Liability.** Neither Raise nor ELS shall be liable to the other for any indirect, incidental, punitive or consequential damages, including any loss of profit or revenue, cost of capital, downtime costs, or costs of substitute products.

**18.0 Indemnity.** ELS shall indemnify, defend, and hold harmless Raise, its affiliates, and their employees, officers, directors, shareholders, consultants, agents and advisors ("**Raise Indemnified Parties**") from and against any losses, costs, damages, expenses, liabilities, claims and demands ("**Losses**") to which the Raise Indemnified Parties may be subject by reason of any breach by ELS of any warranties, covenants, terms or representations made by ELS in this Agreement. Raise shall indemnify, defend, and hold harmless ELS, its affiliates, and their employees, officers, directors, shareholders, consultants, agents and advisors ("**ELS Indemnified Parties**") from and against any Losses to which the ELS Indemnified Parties may be subject by reason of any breach by Raise of any warranties, covenants, terms or representations made by Raise in this Agreement. Each Party's maximum liability for indemnification under this Agreement will be limited to CAD \$1,000,000 for Losses arising between Raise and ELS relating to a breach of warranties, covenants, terms or representations of this Agreement.

**19.0 Intellectual Property.** Any trademarks, trade names, patents, and other intellectual property rights connected with the Products are and shall remain the property of Raise or its affiliates; provided, however, Raise hereby grants ELS for the duration of the Term, a fully paid, non-exclusive license to use Raise's trademarks and trade names in the Territory solely as part of the marketing and promotion of the Products.

**20.0 Non-Compete.** ELS shall not, directly or indirectly, without the prior written consent of Raise, during the Term within the Territory, whether on its own account or in conjunction with or on behalf of any other person, and whether as a principal, agent, consultant, owner, investor, representative or in any other capacity whatsoever, (i) be employed by, (ii) carry on or engage in, (iii) perform services in respect of, (iv) be concerned with or interested in, (v) resell or transfer any Products or (vi) advise, lend money to, guarantee the debts of, or permit its name or any part thereof to be used or employed by any such person carrying on or engaged in or concerned with or interested in, any aspect of a "**Competing Business**" (as defined below). ELS warrants that it is not involved in any way with any Competing Business as of the date of this Agreement. For the purposes of this Section "**Competing Business**" means a business which designs, manufactures, produces, distributes, sells or otherwise deals in products which compete with the Products that are listed on Exhibit B ("**Competing Products**"), attached hereto. The schedule of Competing Products listed on Exhibit B may be amended, from time to time, by written agreement of the Parties.

**21.0 Non-Solicitation.** For a period of the Term and one year after the expiration of the Term, each Party shall not, either on its own account or in conjunction with or on behalf of any other person, directly or indirectly, without the prior written consent of the other Party, (i) induce, solicit or entice any employee of the other Party to leave their employment or any agent to terminate or not renew its relationship with the other Party or (ii) employ, solicit the employment of, or assist any person to employ any employee of the other Party; provided that the provisions of this Section

21.0 will not apply to any solicitation directed at the public in general or employment resulting from such solicitation.

**22.0 Confidentiality.** ELS, as an wholly-owned subsidiary of Synergy Energy Holdings, LLC, agrees to be bound by the terms and conditions set forth in the Confidentiality and Standstill Agreement, dated August 25, 2017 between Synergy Energy Holdings, LLC and Raise (the “CA”). Raise agrees to reciprocally be bound by all the same terms and conditions imposed upon ELS in the CA with respect to any confidential information of ELS that ELS discloses to Raise.

**23.0 Public Announcements and Press Releases.** No public announcement or press releases with respect to this Agreement or any transaction contemplated hereby shall be made by the Parties hereto unless and until the text and content of the announcement and the time and manner of its release have been approved in writing by both Parties. Notwithstanding the above, a Party may make a public announcement or press release without approval of the other Party if such public announcement or press release is required to be disseminated under applicable securities laws.

**24.0 Assignment.** Neither Party may assign any aspect of this Agreement without the other Party’s prior written approval, which shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, this Agreement may be assigned by either Party without the consent of the other Party in connection with a merger, consolidation, sale of all of the equity interests of the party, or a sale of all or substantially all of the assets of the Party assigning this Agreement.

**25.0 Force Majeure.** Each Party will not be liable for any loss or damage due to delay or non-delivery caused by fire, strike, lock-out, labor dispute, civil or military authority, delay in carriers, non-delivery of materials or, without construing the foregoing as words of limitation, any matter beyond its reasonable control. The Party subject to a force majeure event shall give the other Party written notice thereof. If either Party gives notice of a force majeure event and is unable to resume performance within 30 days after giving notice or fails within that period to give reasonable assurance that it will resume performance within further 20 days, then the other Party may terminate this Agreement upon 20 days written notice.

**26.0 Notices.** Any notice or other communication required or permitted to be given hereunder or for the purpose hereof to any Party shall be in writing and shall be sufficiently given if delivered personally to such Party, sent by registered or certified mail, by facsimile, by courier service or other similar method of recorded communication to such Party (a copy of any notice sent by e-mail shall also be sent according to one of the above-mentioned delivery methods):

In the case of a notice to Raise at:

Raise Production Inc.  
2620, 58<sup>th</sup> Avenue SW  
Calgary, AB T2C 1G5

Email: [redacted]  
Attention of: [redacted]

In the case of a notice to ELS at:

**Endurance Lift Solutions, LLC**  
Distribution Agreement

Endurance Lift Solutions, LLC  
114 East Foreline St.  
Gainesville, Texas 76240

Email: [redacted]  
Attention of: [redacted]  
(with a copy to: [redacted])

or at such other address or person as may be designated by notice by either Party to the other.

**27.0 Miscellaneous.**

(a) The law governing this Agreement shall be that of the State of Texas.

(b) The Parties agree that venue of any lawsuit arising from or in connection with the terms of this Agreement shall be in the state or federal courts in Tarrant County, Texas.

(c) EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT.

(d) The failure of either Party to seek any remedies for any breach by the other Party shall not be construed as a waiver of any succeeding breach.

(e) This Agreement contains the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior contracts and understandings between the Parties and may only be modified in a writing signed by both Parties.

(f) All obligations and liabilities under Section 17.0, 18.0, 21.0, 22.0 and 27.0 which, by their nature are intended to survive the expiry or termination of this Agreement, shall remain in effect beyond any such expiry or termination; provided, however, Section 21.0 shall only survive for one year past the expiration or termination of this Agreement.

(g) Each counterpart of this Agreement shall be considered to be an original once signed by both Parties, it being understood, however, that these counterparts shall constitute one and the same Agreement.

**[Remainder of page intentionally left blank]**

EXECUTED by the Parties to be effective as of the Effective Date.

**RAISE PRODUCTION INC.**

**ENDURANCE LIFT SOLUTIONS, LLC**

By: *(signed) "Eric Laing"*

By: *(signed) "Daniel Runzheimer"*

Name: Eric Laing  
2620, 58th Avenue SE  
Calgary AB T2C 1G5

Name: Daniel Runzheimer  
Post Office Box 1597  
Gainesville, Texas 76241

**Exhibit A-1**

Description of Products

[redacted]

This redaction redacts the list of specific products, margins and costs related to Raise's High Angle Lift Solution and artificial lift equipment in the lateral section of horizontal wellbores.

**Exhibit B**

**“Competing Products”**

[redacted]

This redaction redacts a list of specific Competing Products (as defined in section 20.0).