MEMORANDUM

To: Potential UT GeoFluids Industrial Associates Member

From: P. B. Flemings, Professor of Geosciences, Bureau of Economic Geology, Jackson School of Geosciences (pflemings@jsg.utexas.edu; 512-750-8411)

Re: UT GeoFluids Memorandum of Agreement

Date: May 1, 2009

Attached, please find the Memorandum of Agreement (MOA) for UT GeoFluids. This should be signed by a cognizant official within your organization.

The signed MOA should returned to:

Ms. Julie Duiker
Contracts and Grants Manager
Bureau of Economic Geology
The University of Texas at Austin
University Station, Box X,
Austin, 78713-8924
julie.duiker@beg.utexas.edu

Thank you for your support of UT GeoFluids.
Memorandum of Agreement
Between
The University of Texas at Austin
and
__________

__________, hereinafter referred to as "Industrial Associate," and The University of Texas at Austin, hereinafter referred to as "University," hereby agree as follows:

1. The Industrial Associate will support general research related to developing new approaches to 1) analyze the fabric, acoustic, electrical, and material properties of mudrocks over effective stresses from 0.1-100 MPa; 2) pursue coupled hydro-mechanical modeling of geological systems; and 3) perform integrated field studies validating these experimental and theoretical analyses to illuminate the evolution of stress and pressure in sedimentary basins. Said program is to be carried out through the UT GeoFluids Industrial Associates (I.A.) Program. This agreement shall be valid for the period June 1, 2009, through May 31, 2019. The research will be directed by Prof. Peter B. Flemings of The University of Texas at Austin, who will act as project leader for the University and not as a consultant to the Industrial Associate in his capacity on the project.

2. The Industrial Associate will provide the University with annual payments in accordance with the table below, within thirty (30) days of the Industrial Associate’s receipt of the University’s invoice. The cost for each year will increase by approximately 4% over the past year, as per the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>45,000</td>
<td>2014</td>
<td>54,700</td>
</tr>
<tr>
<td>2010</td>
<td>46,800</td>
<td>2015</td>
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</tr>
<tr>
<td>2011</td>
<td>48,700</td>
<td>2016</td>
<td>59,200</td>
</tr>
<tr>
<td>2012</td>
<td>50,600</td>
<td>2017</td>
<td>61,600</td>
</tr>
<tr>
<td>2013</td>
<td>52,600</td>
<td>2018</td>
<td>64,100</td>
</tr>
</tbody>
</table>

3. The UT GeoFluids Industrial Associates program will last 10 years (2009-2019). Industrial Associates may join during any year. However, if they join the UT GeoFluids I.A. after 2009, they will be required to pay the prior year’s fee in addition to the annual fee. Any UT GeoFluids Industrial Associate’s has access to all previous UT GeoFluids I.A. results.

4. This agreement may be terminated by either party hereto by giving 30 days prior written notice to the other party. In the event of the termination by Industrial Associate, Industrial Associate shall receive all results up to the date of termination and all financial obligations under this Agreement cease on the date of termination. Industrial Associate is entitled to rejoin the I.A. program at any time after subject to the obligations in Article 3.

5. The University will maintain funds provided by the Industrial Associate under this agreement in a separate account established for said Industrial Associates Program and will expend funds as necessary for wages, supplies, seminars, annual review expenses, capital expenses, and other operating expenses in connection with the study.

6. As with all University Industrial Associates programs, intellectual property rights cannot be granted, and no specific reporting requirements may be imposed. However, the University intends to host an annual review of research and accomplishments resulting from the program as well as provide the Industrial Associate preprints and publications resulting from the research.
7. The University represents that it is in compliance with and will abide by provisions of the Immigration Reform and Control Act of 1986.

8. The goal of this research is the advancement of scientific knowledge not having a commercial objective.

9. This Agreement constitutes the entire and only agreement between the parties relating to the Research Program, and all prior negotiations, representations, agreements and understandings are superseded hereby, and may not be assigned by either party without the prior written consent of the other party. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties. Terms and conditions which may be set forth (front, reverse, attached or incorporated) in any purchase order issued by the Industrial Associate in connection with this Agreement shall not apply, except for informational billing purposes; i.e., reference to purchase order number, address for submission of invoices, or other invoicing items of a similar informational nature.

Accepted and Agreed to:

THE UNIVERSITY OF TEXAS AT AUSTIN  INDUSTRIAL ASSOCIATE

[Signature]
Office of Sponsored Projects  Date  Date

[Signature]
Peter B. Flemings  Date  Date
Principal  Investigator