

Contract for Geoscience Services



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Division of Professional Affairs of the
American Association of Petroleum
Geologists and Society of Independent
Professional Earth Scientists

This Agreement is entered into by and between the parties shown on the execution page hereof, said parties being referred to herein as the “Client” and the “Consultant.” Client hereby engages the services of Consultant as an independent contract geoscientist upon the following terms and conditions:

ARTICLE I – Services to be Performed

Consultant shall perform the services of an independent contract geoscientist, which shall include, among other things, evaluating minerals, oil and gas drilling prospects, or producing properties; geotechnical wellsite supervision; conducting environmental assessments; and other duties that customarily are a part of the geoscience function. The services that Consultant specifically shall perform under this Agreement are set out more definitively on Exhibit “A,” which is attached hereto and made a part hereof, and may be referred to herein as “the services,” “the project,” or “the prospect.”

ARTICLE II – Term of Agreement

The term of this Agreement shall be only for such period of time as is required for Consultant to perform the services described in Article I. A specific term or expiration date, if any, of this Agreement shall be set forth in Exhibit “A.”

ARTICLE III – Terms of Payment

All payments to Consultant hereunder shall be made only in connection with the completion (either in part or in full, as hereinafter described) of the project described in Article I. Generally, if the term of this Agreement is less than thirty (30) days in duration, then Consultant shall be entitled to be paid only upon completion of the services to be performed and submission of appropriate invoices. If the term of this Agreement is for longer than thirty (30) days, then Consultant shall receive progress payments, throughout the term of the Agreement, based on periodic invoices to be submitted by Consultant to Client, evidencing that portion of the project then completed. Additional terms of payment, including day rate when applicable, are set forth in Exhibit “A.” When submitting invoices, Consultant may submit an invoice no more often than once every two (2) weeks. All invoices submitted by Consultant, whether periodic or lump sum, shall contain the following information:

a. A separate statement for each prospect on which Consultant performed work during such invoice period, including all reasonable expenses incurred for such period. Reasonable expenses shall include mileage, meals, hotel or lodging charges, and other expenses directly related to the prospect being invoiced. Reasonable expenses permitted under this Agreement may be described more specifically on Exhibit “A” and shall include the rate at which certain expenses are to be reimbursed and applicable limitations on reimbursable expenses, in which case Consultant shall be responsible for all other expenses associated with performance of the services described in Article I.

b. Consultant shall maintain a written record of reimbursable expenses. Consultant shall keep such written records current (no more than a day behind) and Consultant’s records shall be available at all times for Client, or Client’s representatives, to review. Consultant’s records should include original paid receipts and actual bills or statements from vendors with regard to all reimbursable expenses.

ARTICLE IV – Consultant’s Representations

Consultant represents that Consultant is:

_____ a Certified Petroleum Geologist (CPG No. _____), or _____ a Certified Coal Geologist (CCG No. _____), by the Division of Professional Affairs (DPA) of the American Association of Petroleum Geologists (AAPG), or _____ Certified by the Society of Independent Professional Earth Scientists (SIPES No. _____)

Consultant further represents that as a CPG or as a SIPES member, as the case may be, Consultant has attained the requisite educational and experience level, within the geoscience industry, to permit Consultant to perform satisfactorily the services set forth in Article I, and Consultant agrees to perform said services in a professional and workmanlike manner, in accordance with the code of ethics and standards of practice of Consultant’s respective certifying authority. Consultant agrees to perform said services within the time set forth in Article II. Consultant shall set Consultant’s own hours of work, and, except as provided otherwise herein, shall be solely responsible for the methods and means by which the services contracted for are performed. Consultant may assign or delegate the services required to be performed under this Agreement to any employee or assistant of Consultant, provided, however, that no such assignment shall relieve Consultant of Consultant’s obligation to insure that all services rendered comply fully with the terms and conditions hereof. Consultant shall be solely responsible for hiring, paying, and supervising Consultant’s employees or assistants.

ARTICLE V – Equipment, Materials, Supplies

Consultant shall supply, at Consultant’s sole expense, all work space, equipment, tools, materials, and/or supplies necessary to accomplish the services set forth in Article I; provided, however, that with regard to certain prospects, Client may provide specific materials for Consultant to use as a guide.

ARTICLE VI – Tax Treatment

No payroll taxes of any kind shall be withheld from payments to Consultant hereunder, nor paid by Client on behalf of Consultant or any employees or assistants of Consultant. Consultant shall not be treated as an employee, with respect to the services performed hereunder, for federal or state tax purposes. Consultant shall be furnished, on a timely basis, with an IRS Form 1099. Consultant understands that it is Consultant's responsibility to pay, according to applicable law, Consultant's own income taxes. If Consultant is not a corporation, Consultant further understands that Consultant may be liable for self-employment (social security) tax, to be paid by Consultant according to law.

ARTICLE VII – Fringe Benefits

Because Consultant is engaged in Consultant's own independently established business, Consultant is not eligible for, and shall not participate in, any employee pension, health, or other fringe benefit plan of Client.

ARTICLE VIII – Insurance

Consultant shall be solely responsible for all of Consultant's own insurance and shall at all times maintain such types and amounts of insurance (including automobile/liability insurance) as is acceptable to or required by Client, and Consultant shall furnish proof of insurance to Client upon request. No worker's compensation insurance shall be obtained by Client concerning Consultant or any employees or assistants of Consultant. Consultant shall comply with worker's compensation laws concerning Consultant and any employees or assistants of Consultant, and shall provide Client with proof of worker's compensation insurance.

ARTICLE IX – Termination without Cause

Without cause, either party may terminate this Agreement after giving fourteen (14) days prior written notice to the other of intent to terminate without cause. The parties shall deal with each other in good faith during the fourteen (14)-day period after any notice of intent to terminate without cause has been given.

ARTICLE X – Termination with Cause

With reasonable cause, either party may terminate this Agreement effective immediately upon giving written notice of termination for cause. Reasonable cause shall include:

- a. Material violation of this Agreement.
- b. Any act exposing the other party to liability to others for personal injury or property damage.
- c. Any unexpected or unforeseen occurrence which results in a cancellation, suspension, or postponement of the project or a material change in the project objectives.

ARTICLE XI – Non-Waiver

The failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed a waiver of such rights or waiver of any subsequent breach.

ARTICLE XII – Non-Authority to Bind Client

Other than in connection with the services to be rendered expressly pursuant to Article I of this Agreement, Consultant has no authority to enter into any contracts or agreements on behalf of Client. This Agreement does not create a partnership, joint venture, or joint undertaking of any kind between the parties.

ARTICLE XIII – Indemnification

Consultant shall indemnify and hold harmless Client from any claims, losses, damages, injuries, or liabilities arising from Consultant's performance, including the performance of Consultant's employees, assistants, or assigns, of the services contracted for under this Agreement.

ARTICLE XIV – Declaration of Independent Contractor Status

Consultant declares that Consultant is engaged in Consultant's own independently established business and, as such, Consultant has complied with all federal, state, and local laws regarding business permits, certificates, and licenses that may be required to carry out the work to be performed under this Agreement.

ARTICLE XV – Choice of Law

Any dispute under this Agreement or any related document shall be decided in the courts of law of the State of _____.

ARTICLE XVI – Non-Disclosure of Information

Consultant recognizes that Client and/or Client's clients may provide Consultant with confidential information, and Consultant agrees to keep confidential any and all such information designated by Client as confidential. Consultant shall not convert any such confidential information so obtained to Consultant's personal use, gain, or benefit, nor shall Consultant permit the use of such confidential information for the gain or benefit of any third party, whether before or after the expiration or termination of this Agreement. Consultant further agrees that all terms and conditions of this Agreement shall be considered confidential, and Consultant agrees not to disclose such terms and conditions to any third party.

ARTICLE XVII – Non-Competition

If Exhibit “A,” attached hereto, reflects a specific area of interest with regard to certain prospects, Consultant agrees that all leases, royalties, mineral interests, and other contractual rights associated with the acquisition of such interests within said area of interest shall be for the exclusive benefit of Client. During the term of this Agreement and for one (1) year after expiration or termination thereof, Consultant shall not negotiate for, nor purchase, leases, royalties, fee, or any such mineral interests in the area of interest, nor attempt to promote drilling of any wells therein, without Client’s prior written consent.

ARTICLE XVIII – Entire Agreement

This is the entire Agreement of the parties with respect to the matters covered hereby.

ARTICLE XIX – Severability

If any part of this Agreement shall be held to be unenforceable, the rest of this Agreement nevertheless shall remain in full force and effect.

ARTICLE XX – Amendments

This Agreement may be supplemented, amended, or revised only by further written agreement executed by both parties.

EXECUTED this ____ day of _____, 20____, effective for all purposes as of the first day Consultant conducted any work on Client’s behalf:

Client: _____

Consultant: _____

Address: _____

Address: _____

By: _____

By: _____

Title: _____

Title: _____

Phone: _____

Phone: _____

Fax: _____

Fax: _____

TIN: _____

TIN: _____

IMPORTANT CAUTIONARY NOTICE

The attached document entitled DPA/SIPES Model Form CONTRACT FOR GEOSCIENCE SERVICES is a model agreement developed by the Joint Model Forms Committee (“Committee” herein) of the Division of Professional Affairs (DPA) of the American Association of Petroleum Geologists, and the Society of Independent Professional Earth Scientists (SIPES). The attached document is not intended to be used as a form agreement; rather, it is intended to be used as a starting point for DPA and SIPES members who desire to develop their own CONTRACT FOR GEOSCIENCE SERVICES agreement. As with other contracts entered into by members of DPA and SIPES, the terms and conditions of a CONTRACT FOR GEOSCIENCE SERVICES should be reviewed closely by each member’s own legal advisors to assure conformity with the member’s goals and objectives and with all laws, regulations, and precedents in the jurisdiction in which the member is located and/or that in which the agreement will be enforced. DPA and SIPES acknowledge and hold harmless American Association of Petroleum Landmen for contribution of some of the language that appears in this form. This model agreement has not been approved by any state or federal regulatory agency, nor has it been tested in the courts. The Committee neither expressly nor impliedly warrants that the model agreement will be sufficient to meet the individual member’s needs, nor that it complies with applicable federal or state statutes and regulations. Any person or firm who uses this model agreement for any purpose agrees to hold the Committee, DPA, SIPES, and their affiliated organizations harmless from any claim or liability, including costs of defense, arising from such use of the model agreement.

**EXHIBIT "A" to
Contract for Geoscience Services**

The following terms and conditions shall be in addition to the terms and conditions contained in the Contract for Geoscience Services (Agreement) to which it is attached. The terms and conditions set forth in this Exhibit apply to the services specifically contracted for and described herein.

1. Description of services to be performed:

2. Term of this Agreement:

3. Payment terms:

- a. Lump sum payment of _____ to be paid upon project completion.
- b. Total contract price of _____ to be paid in installments as follows:
- c. Day rate of _____ to be paid for each day required to complete the services as set forth above, not to exceed the number of days actually worked on the project; partial days shall be prorated on the basis of an eight (8)-hour day.
- d. Reimbursable expenses as follows:
 - (i) Mileage at _____ per mile.
 - (ii) Meals at _____ per full day's work, plus an additional _____ per day when overnight stay is required.
 - (iii) Hotel charges (check one):
 - _____ \$ _____ per day, or
 - _____ Rates equivalent to nearest _____ or similar hotel.
- e. Payments shall be made by Client to Consultant within ten (10) working days of receipt by Client of complete invoices.

EXECUTED this ____ day of _____, 20__:

CLIENT:

CONSULTANT:

By: _____

By: _____

Title: _____

Title: _____