

GUARANTEE FAILURE MATRIX

This Guarantee Failure Matrix is subject to timely written notice by the Customer (Buyer, Client) to Novomet (Supplier, Seller), scope of warranty and warranty period.

This Guarantee Failure Matrix is subject to the subsurface Goods having been pulled out of hole and Novomet having arrived to the location for the inspection.

Novomet inspects the defected Goods, defines the reason of the defect and allocates such reason either to Novomet or to the Customer, as per below.

GUARANTEE FAILURE MATRIX			
	Reason of the defect	Customer	Novomet
Ground Fault Observed	Degradation in insulation due to cable damage during RIH	100%	0%
	Degradation in insulation of cable/motor due to blowout	100%	0%
	Failure in case of correct well data	0%	100%
	ESP failure due to multiple stops of the ESP. Number of start-ups which is covered by guarantee (supervised by Novomet engineer): 1 time per day, but not exceed 5 times per month	100%	0%
	ESP is deadheading against a closed valve	100%	0%
	Evidence of recirculation	100%	0%
	Ground fault due to unstable power supply	100%	0%
No/less Flow to Surface	Evidence of tubing leak	100%	0%
	ESP is not capable of delivering at target rate - in case well data provided by the Client is correct and did not change	0%	100%
	Evidence of shaft breakage under normal ESP operation	0%	100%
	Changing Wellbore/reservoir conditions	100%	0%
	Obstruction by sand/ scale	100%	0%
	Broken ESP system even operated at recommended frequency	0%	100%
	Broken ESP system due to Inadmissible bend, in case of well deviation survey wasn't provided from Client	100%	0%
	Pump wear under normal ESP operation	0%	100%
	Bearing failure	0%	100%
	Wrong rotation	0%	100%
Stuck Pump	ESP stuck on 1st start/commissioning	0%	100%
	ESP stuck after evidence of solids / scale production	100%	0%
	ESP stuck in any time after commissioning without any evidence of solid/scale production	0%	100%
Other Failure Modes	ESP fails as a result of Variable Speed Drive Malfunction/Failure, VSD is supplied by Client	100%	0%
	ESP failure case of power plant breakdown or other power plant problems (like a steam kickout)	100%	0%
	Improper material selection for stated well conditions in case of correct well data	0%	100%
	Construction problem of ESP system	0%	100%
	Improper controller setpoints made by Novomet personnel	0%	100%
	Improper controller setpoints made by Client personnel	100%	0%
	Improper assembly of ESP system by Novomet field personnel	0%	100%
	Unstable electrical power supply	100%	0%
	Cable damage during RIH	100%	0%
	ESP fails as a result of Variable Speed Drive Malfunction/Failure, VSD is supplied by Novomet	0%	100%
	Damaging of the equipment during delivery from Client warehouse to well/storage period/load-unload operations.	100%	0%
	ESP failure in case if initial data was right but during warranty period PI has decreased and pump operation within recommended operating range is no longer possible	100%	0%
	ESP failure as a result of improper action of Client personnel thru remote monitoring system	100%	0%
	ESP failure as a result of improper action of Novomet personnel thru remote monitoring system	0%	100%
	In case of ESP lost in hole	100%	0%
	Client personnel doesn't follow operation manual leading to ESP failure	100%	0%
	Novomet personnel doesn't follow operation manual leading to ESP failure	0%	100%
	Pack-off leakage	0%	100%
	Wellhead leakages lower than pack-off.	100%	0%

Once the inspection is performed by Novomet, the Parties shall sign the Act on Defects, stating either (i) the reason of the defect and allocation of this reason under Guarantee Failure Matrix or (ii) in case the reason of the defect could not be found, arrangements for DIFA (dismantle, inspection and failure analysis procedure).

If the Customer avoids signing the Act on Defects, with no written reasonable objections sent to Novomet, the Act of Defects shall be deemed to be accepted by the Customer.