

SPONSORED PROJECTS AGREEMENT

Copy of
Final

This Sponsored Projects Agreement ("Agreement") entered into the 5th day of March, 2007 ("Effective Date") by and between ConocoPhillips Company hereinafter referred to as "Company", and Iowa State University, hereinafter referred to as "University", located at 1138 Pearson Hall, Ames, IA 50011-2207 and Iowa State University Research Foundation, Inc., hereinafter referred to as "ISURF", a non-profit Iowa corporation, with offices at 310 Lab of Mechanics, Iowa State University, Ames, Iowa 50011-2131, which is the designated intellectual property management organization for University. Company, University, and ISURF are collectively referred to as the "parties" and individually referred to as a "party" hereunder.

WITNESS THAT:

WHEREAS, the research projects contemplated by this Agreement are of mutual interest and benefit to University, ISURF and Company, and will further the instructional and research objectives of University in a manner consistent with its status as a non-profit, tax exempt, educational institution, and should derive benefits for Company, University and ISURF; and

WHEREAS, Company desires to engage the University to perform certain research work and/or analyses or to create or enhance technologies that will assist in Company's development and commercialization of new products and/or processes; and

WHEREAS, Company desires to obtain certain rights to patents and technology developed as a result of such research with a view to profitable commercialization of such patents and technology for the Company's benefit; and

WHEREAS, University is willing to perform such research and to grant certain rights to such patents and technology;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree:

1. DEFINITIONS

- 1.1 The term "Research Project" shall mean the description of individual projects as mutually agreed to in writing between Company and the University. Each Research Project shall be substantially in the form of Exhibit A attached hereto. The cost of a Research Project shall be determined on a cost reimbursable basis specific to a statement of work contained thereon. If applicable, each Research Project shall identify deliverables to be presented to Company by University's Project Leader. Each Research Project shall be governed by, and incorporate by reference, all of the terms and conditions of this Agreement unless expressly provided otherwise in Research Project(s).
- 1.2 The term "Research Period" for each Research Project funded as part of this Agreement will be detailed in each Research Project.
- 1.3 The term "Affiliate" shall mean any company which Company has direct or indirect beneficial ownership of twenty percent (20%) or more of the stock entitled to vote in the election of directors, or if there is no such stock, twenty percent (20%) or more of the ownership interest in such company.
- 1.4 The term "Invention" includes, but is not limited to, discovery(ies), improvement(s), know-how, trade secret(s), software, or combinations of any two or more thereof, whether patentable or not, conceived or first reduced to practice during the performance of one or more Research Project(s) under this Agreement; and resulting patent applications, patents, divisions, continuations, or substitute of such applications and all reissues and patents of additions with respect thereto.
- 1.5 The term "Principal Investigator" means the individual who provides administrative and financial oversight to all Research Projects.
- 1.6 The term "Project Leader" means the Project Leader who conducts a particular Research Project and is identified and agreed to by the Company and University for such particular Research Project.
- 1.7 The term "Proprietary Information" means any written information and data marked proprietary or non-written information and data disclosed which is identified at the time of

disclosure as proprietary and reduced to writing and transmitted to a party within thirty (30) days of such non-written disclosure.

- 1.8 The term "Company Background Intellectual Property" means all technical know-how, inventions, data, discoveries, copyrightable programs, documentation, and reports, whether patentable or not, which are owned or controlled by Company as of the Effective Date or which become owned or controlled by Company independently of this Agreement and any Research Project by Company after the Effective Date.
- 1.9 The term "ISURF Background Patent" shall mean any ISURF background patent or patent application meeting all of the following criteria:
- (i) ISURF has the authority to grant a license to such ISURF background patent or patent application (such authority must include the permission of the inventors of the ISURF background patent or patent application) and;
 - (ii) Such ISURF background patent, or patent application upon issuance, would be infringed by Company's practice of any Invention hereunder.
- 1.10 The term "Product(s)" shall mean products which are bought and sold, traded, or otherwise transacted for value on the basis of their energy or fuel value.
- 1.11 The term "Field of Use" shall mean the production and sale of Products or the production of a feedstock for a processing unit which in turn produces a Product from such feedstock.
- 1.12 The term "Process" shall include any of the following processes, and improvements thereto employed to produce Products,
- 1.13 The term "Processing System" shall mean a processing unit or combination of processing units, including at least one Process as defined above, which:

- 1.14 The term "ISURF Patent" shall mean a patent or patent application resulting from a University Invention, and any divisionals, continuations, reexaminations, additions, reissues, extensions and supplementary protection certificates that claim priority to any of the foregoing and which are owned by ISURF.
- 1.15 The term "Joint Patent" shall mean a patent or patent application resulting from a Joint Invention, and any divisionals, continuations, reexaminations, additions, reissues, extensions and supplementary protection certificates that claim priority to any of the foregoing and which are co-owned by ISURF and Company.
- 1.16 The term "Start-up Date" shall mean the date upon which the feed to a Processing System equals at least eighty percent (80%) of the design capacity of such Processing System for a period of seven (7) consecutive days.

2. RESEARCH AND DEVELOPMENT WORK

- 2.1 University shall begin work on a Research Project following written agreement of the Research Project by Company and University. The University's Project Leader for such Research Project shall expend reasonable best efforts to complete such Research Project within the specified Research Period. Company and University may at any time amend any Research Project by mutual written agreement between Company and University.
- 2.2 A Research Project shall be considered completed upon either early termination or upon submission of the requisite deliverables identified therein to the Company Representative designated in the Research Project.
- 2.3 Unless otherwise identified in a specific Research Project, the University's Project Leader shall submit interim written reports to Company, pursuant to the Research Project statement of work, that summarize the research and development activities of the Company and University since the previous report (if any). Such reports shall also identify all deliverables completed during the interim period. Upon completion or other termination of the Research Project, University Project Leader shall develop and deliver to Company a final Research Project report within

sixty (60) days after the completion or termination of the Research Project. Company shall review the report and if applicable provide additional information and suggestions to the University.

- 2.4 Company reserves the right to withhold the final payment due under a Research Project until University submits the requisite deliverables identified in such Research Project.
- 2.5 The Company and University expect that one or more University Project Leader, University graduate student, University post doctoral student, or University scientific employee will perform work under a Research Project at a Company facility, subject to University providing, at its expense, insurance which is required under all applicable laws including worker's compensation insurance. All such University personnel shall comply with all applicable federal, state, and local health, safety, environmental and substance abuse laws, regulations and procedures and shall comply with all Company safety, health, environmental and substance abuse policies and procedures while performing work under a Research Project at a Company facility.

3. COSTS AND PAYMENT FOR RESEARCH PROJECTS

- 3.1 In consideration for the services to be performed by University, and upon receipt of specific deliverables set forth in a Research Project, Company shall pay University in accordance with the approved budget set forth in the Research Project corresponding to such services and deliverables. In no event shall the cost to Company exceed the amount set forth in the specific Research Project, unless agreed to in writing by the Company and University. Payments for undisputed portion of invoices will be made by Company net thirty (30) days following receipt of invoice. Payment schedules as agreed upon by Company and University will be clearly identified in the Research Project document. All University invoices sent to Company will be sent to the address(es) set out in Article 13.
- 3.2 University shall maintain complete and accurate accounting records, in a form and in accordance with standard accounting practices, to substantiate charges hereunder. Company shall have access to such records for purpose of audit and verification at reasonable times and during normal business hours during the term of this Agreement and for a period of two (2) years after its completion.

- 3.3 University shall retain title to any equipment purchased with funds provided by Company under this Agreement.
- 3.4 In the event of early termination of a Research Project or of this Agreement as to research activity (and not to the licenses granted hereunder) pursuant to Article 10 hereof, Company shall pay all reasonable costs and non-cancellable obligations incurred by University as of the date of termination. University Project Leader agrees to provide the reports and all the information on work in progress as of the date of termination. In no event shall Company be obligated to compensate University for salaries or any other compensation for the Project Leader or any other University staff beyond the 180 day period set out in paragraphs 10.1 or 10.2.
- 3.5 Contingent upon the Company and University entering into specific Research Projects, and provided this Agreement as to research activity has not been terminated pursuant to Article 10, Company agrees to provide funding to University at the following target levels:

2007 -	\$1,500,000;
2008 -	\$3,000,000;
2009 -	\$3,000,000;
2010 -	\$3,000,000;
2011 -	\$3,000,000;
2012 -	\$3,000,000;
2013 -	\$3,000,000; and
2014 -	\$3,000,000.

4. CONFIDENTIAL INFORMATION

- 4.1 During the term of this Agreement, Company and University or Company and ISURF may be disclosing proprietary and confidential information (hereinafter referred to as "Proprietary Information" with respect to the receiving party) to each other. Proprietary Information to be disclosed by Company to University hereunder shall be sent to the University's Principal Investigator and/or Project Leader as identified in the specific Research Project. Proprietary Information to be disclosed to Company by University shall be sent to the Company Representative as identified in the specific Research Project. Proprietary Information to be

disclosed to Company by ISURF shall be sent only to Company's IP Manager identified in Article 13. Proprietary Information shall not mean any information which a party can demonstrate was previously known to it without breach of this Agreement, is or becomes a part of the public knowledge or literature through no action or inaction of the receiving party, is or was legitimately and lawfully disclosed to it from a third party, can be shown by written record that it is or was developed by employees or representatives of a party independent of this Agreement, or is required by law, regulation, court order, or request by an agency of a government to disclose the Proprietary Information.

4.2 The receiving party agrees to hold all Proprietary Information received from the disclosing party in trust and confidence and not to use Proprietary Information other than for the agreed upon purpose between the parties. Except as may be authorized by the disclosing party in writing, the parties agree not to disclose any Proprietary Information, by publication or otherwise, to any person other than those persons whose services require access to Proprietary Information on a need-to-know basis for purposes of carrying out the terms of this Agreement, who are aware of the confidentiality provisions herein, and who have a separate agreement with the receiving party applicable to the Proprietary Information disclosed hereunder and which is no less restrictive than the terms hereof, or who agree in writing to be bound by, and comply with, the provisions of this Paragraph 4.

4.3 Unless otherwise agreed to in writing in a specific Research Project, the period of secrecy shall be ten (10) years from the date of receipt of Proprietary Information.

5. PUBLICATION

5.1 The parties agree not to publish or otherwise disclose any other party's Proprietary Information. The parties, inclusive of University Project Leaders, graduate students, post doctoral students and scientific employees, engaged in a Research Project work shall be permitted to present at symposia, national or regional professional meetings and to publish in journals, or other venues of his/her choosing, accounts of the results of such work, provided that non-publishing party shall be furnished copies of the publication or presentation at least forty-five (45) days prior to submission or presentation. During this time, the non-publishing party shall have the right to review copy for its Proprietary Information provided by the other party and to assess the patentability of any Invention described in the material. If Company and ISURF agree that a patent application should be filed, the publication or presentation shall be delayed an additional

forty-five (45) days or until a patent application has been filed, whichever is sooner. At the request of the non-publishing party, Proprietary Information provided by the non-publishing party will be deleted. The terms of this paragraph shall survive expiration or termination of this Agreement.

- 5.2 Limitations on publications and presentations, identified in 5.1 above, shall not limit the discussion of pertinent portions of the Research Project work with co-workers on University's campus in performing the Research Project who have complied with the requirements of paragraph 4.2 above, nor shall they prohibit graduate student(s) from presenting theses or dissertations to the Graduate School, without publication thereof, in fulfillment of requirements for advanced degrees, except that no Proprietary Information considered confidential by Company in Company's sole discretion shall be included in such theses or dissertations without the express written permission of Company and publication of any such theses or dissertations shall be subject to the requirements of prior review and the time periods set forth in paragraph 5.1.

6. INTELLECTUAL PROPERTY AND GRANTS

- 6.1. University shall disclose to ISURF in writing any University Invention or Joint Invention, as defined below, conceived and/or made during a specific Research Project Period within thirty (30) days of discovery of such Invention. ISURF shall promptly disclose to Company in writing any University Invention or Joint Invention conceived and/or made during a specific Research Project Period. Such disclosure will be made within thirty (30) days after the date on which the Invention has been disclosed to ISURF. Such disclosure shall be sufficiently detailed for Company to assess the commercial viability of the Invention and the parties shall not disclose said University Invention or Joint Invention to any other party, (subject to the rights to publish section of Article 5) except to attorneys for: 1) legal advice; and/or 2) as required for securing patent rights as contemplated by Section 6.5. Upon Company's receipt of such disclosure from ISURF of University Invention(s) or Joint Invention(s), Company shall have a royalty free, non-transferable, limited exclusive right to use such Invention(s) internally and/or to evaluate such Invention(s) only for the review of potential commercialization purposes for 90 days from the date of such notification. Notwithstanding, University has the right to continue to use University Invention(s) and Joint Invention(s) for research and education purposes.

- 6.2 ISURF shall be the owner of Inventions under this Agreement created solely by legal inventors who are University employees or students (hereinafter referred to as "University Inventions").
- 6.3 Inventions created jointly by legal inventors who are University employees or students and legal inventors who are Company employees or contractors shall be jointly owned between ISURF and Company (hereinafter referred to as "Joint Inventions").
- 6.4 Company shall be the owner of Inventions under this Agreement created solely by legal inventors who are Company employees or contractors (hereinafter referred to as "Company Inventions").
- 6.5 If Company notifies ISURF, in writing, within said 90 day review period of paragraph 6.1, that Company is interested in ISURF pursuing patent coverage for said University Invention, then Company agrees to reimburse ISURF for the costs and out-of-pocket expenses incurred by ISURF in the filing and prosecution of any patent applications (U.S. or foreign) relating to said University Invention, including patent maintenance fees. Such payments shall be made by Company within thirty (30) days of receiving an invoice from ISURF evidencing such costs and out-of-pocket-expenses.
- (i) ISURF agrees to consult with Company regarding the pursuit of foreign patent coverage for University Inventions. ISURF reserves the right to file and maintain, at its own expense, foreign patent applications for University Inventions in those countries in which patent protection was not requested by Company; provided, however, that for any country in which ISURF files such an application without reimbursement from Company, the exclusive license granted to Company concerning such patent or application for patent in that country under this Agreement shall terminate.
- (ii) ISURF agrees to allow Company opportunities to provide advice, input and comment on the preparation, filing, prosecution and registration of any such patent application for a University Invention. ISURF will prosecute all patent applications for University Inventions until ISURF determines that continued prosecution is unlikely to result in the issuance of a patent in that country.

(iii) Company agrees to register and give required notice concerning this Agreement in each country where an obligation under law exists to so register or give notice of an ISURF Patent or Joint Patent. Company shall incur all costs and legal fees connected therewith. ISURF agrees to fully cooperate with Company to comply at Company's expense with the obligations under this Section 6.5 (iii), including promptly executing any documents and taking additional actions as Company may reasonably request in connection therewith.

- 6.6 For Joint Inventions or Company Inventions, Company shall have sole responsibility (including financial) for the filing and prosecution of any patent applications (U.S. or foreign) relating to any such Invention, and Company shall be responsible for the maintenance of any patents issuing therefrom. Company shall notify ISURF in writing within the 90 day review period of Paragraph 6.1 that Company is pursuing patent coverage for Joint Inventions. For Joint Inventions, Company agrees to allow ISURF opportunities to provide advice, input and comment on the preparation, filing, prosecution and registration of any such patent application. If Company decides not to file a patent application, or discontinue the prosecution of a patent application, relating to Joint Inventions, then ISURF at ISURF's sole expense, shall have the right and opportunity to either file a patent application or continue prosecution of the existing patent application.
- 6.7 Provided that Company has notified ISURF, under paragraph 6.5, that Company is interested in ISURF pursuing patent coverage for said University Invention and so long as Company is reimbursing ISURF for costs associated with pursuing patent coverage for said University Invention, then, starting at the end of the 90 day review period of paragraph 6.1, ISURF hereby grants Company subject to the terms of this Agreement an exclusive, world wide license within the Field of Use to make, have made, use, import, offer for sale and sell Products resulting from Process which may be claimed in said ISURF Patents, including the construction, operation and maintenance of any equipment related to such production. Company shall have the right to sublicense such rights to third parties and to Affiliates. ISURF retains all rights under ISURF Patents not specifically granted to Company hereunder.
- 6.8 If Company notifies ISURF, in writing, within said 90 day review period of paragraph 6.1, that Company is interested in receiving an exclusive license from ISURF for Joint Patent(s) concerning said Joint Invention, then, starting at the end of the 90 day review period of paragraph 6.1, ISURF hereby grants Company subject to the terms of this Agreement an

exclusive, world wide license within the Field of Use to make, have made, use, import, offer for sale and sell Products resulting from Process which may be claimed in said Joint Patent(s), including the construction, operation and maintenance of any equipment related to such production. Company shall have the right to sublicense such rights to third parties and to Affiliates. ISURF retains all rights under Joint Patent(s) not specifically granted to Company hereunder.

6.9 Research and Publication Rights.: It is hereby agreed that ISURF shall retain the right for itself and for University to practice University Inventions or Joint Inventions for research and educational purposes, to license University Inventions or Joint Inventions to third parties for non-commercial research and educational purposes, and to publish for those purposes and include in such publications, without consulting with or otherwise informing Company, any results achieved through said non-commercial research or educational activities. The publication rights of this paragraph 6.9 do not include the right for ISURF, University or any third party to publish any Company Proprietary Information.

6.10 Government rights: It is understood that if the United States Government (through any of its agencies or otherwise) has funded or may fund research, during the course of or under which an Invention is conceived and/or first actually reduced to practice, the United States Government is entitled, under the provisions of 35 U.S.C. §§ 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the Invention. Any license granted to Company in this Agreement shall be subject to such rights and any other rights of the United States Government. Company agrees to comply with any statutory or regulatory requirement resulting from funded research, including all applicable provisions of 35 U.S.C. §§200-212 and the regulations promulgated thereunder, and provide ISURF with all reasonably requested information necessary for ISURF to comply with the same.

Reasonable best efforts shall be made to use only funds from Company to carry out the Research Projects. Intended use of other funds for Research Projects, including federal funds, may only be used by mutual consent.

- 6.11 ISURF and University hereby grant Company a non-exclusive, royalty free, world wide license to practice any of the University Inventions or ISURF Patents resulting therefrom.
- 6.12 If Company's, Affiliate's or sublicensee's use of ISURF Patent or Joint Patent under the exclusive license does not meet the parameters for royalty payment as provided in Paragraphs 6.13 and 6.14, Company and ISURF shall enter into good faith negotiations to determine reasonable royalty payments to ISURF.
- 6.13 If one or more ISURF Patent or Joint Patent, to which Company has been granted an exclusive license and which is either an active patent in the country where the commercial Processing System, as discussed below, is located or an application for patent in the country where the commercial Processing System is located, are incorporated into a Process included in a commercial scale Processing System which has received Authorization for Expenditure (AFE) approval from Company's, Affiliate's or a sublicensee's management for construction and operation of such Processing System, then Company shall pay ISURF, within 60 days of the AFE approval, a payment in the amount of _____ for each Process included in such Processing System. Any such payment shall be for all such ISURF Patents or Joint Patents incorporated in such Process, and such payment shall be made by Company only for the first AFE approval for a Processing System including such Process. Such payments made by Company under this paragraph shall be credited toward any payments due ISURF under paragraph 6.14 below.
- 6.14 Upon Company's, Affiliate's, or sublicensee's: 1) start-up of a new Processing System, or 2) start-up of an existing Processing System which has been re-designed for a higher capacity; wherein such Processing System incorporates one or more ISURF Patent or Joint Patent to which Company has been granted an exclusive license and which is either an active patent or an application for patent in the country where the Processing System is located or in a country to which Product produced at the Processing System is sold or imported, Company shall pay ISURF royalty payments according to the following schedule:
- (i) _____ within 30 days of the Start-up Date of the demonstration Processing System ("Demo Facility") by Company, Affiliates, or sublicensees which employs the first Process to be demonstrated and which has at least 200 Barrels Per Day of Design Capacity (BPDDC);

(ii) Royalty for Additional Processing Systems

Cumulative BPDDC Range for all Processing Systems	Royalty Rate per Processing System in US dollars
for cumulative BPDDC greater than the Demo Facility BPDDC up to 5,000	/ BPDDC
for cumulative BPDDC greater than 5,000 up to 15,000	/ BPDDC
for cumulative BPDDC greater than 15,000	/ BPDDC

The BPDDC for each Processing System shall be added to the cumulative BPDDC. Company shall pay the Royalties due for each Processing System under this section (iii) in accordance with the following installment schedule:

1ST - Company shall pay ISURF

2nd - Company shall pay ISURF

; and

3rd - Company shall pay ISURF

6.15 Conditioned on ISURF's authority with respect to each ISURF Background Patent, Company agrees to pay ISURF One Thousand United States Dollars (\$1,000) for each ISURF Background Patent. In consideration of such payment, ISURF grants Company a non-exclusive, royalty free, world wide license to practice such ISURF Background Patent.

6.16 If any ISURF Patent or Joint Patent, to which Company has been granted an exclusive license under paragraph 6.7 or 6.8, respectively, is not incorporated into a Process, or has not received Authorization for Design (AFD) approval from Company's, Affiliate's, or sublicensee's management, within seven years from the filing date of the U.S. Patent Application for such ISURF Patent or Joint Patent, then Company's exclusive license to practice such ISURF Patent or Joint Patent shall terminate. The seven year term of this paragraph can be extended by mutual written agreement between the parties.

6.17 Company, Affiliates, and all its sublicensee(s) shall keep and continuously maintain complete and accurate books and records sufficient to verify the accuracy and completeness of Company's, Affiliates, and its sublicensee(s)'s accounting, including, without limitation, inventory, purchase and invoice records relating to payments owed under the exclusive license. Such books and records shall be preserved for a period not less than eight (8) years after they are created during and after the term of this Agreement.

Company, Affiliates and its sublicensee(s) shall take all steps necessary so that ISURF may, within thirty (30) days of Company's, Affiliates' or its sublicensee(s)'s, respectively, receipt of a written request from ISURF to review records, review and copy all the books and records at a single U.S. location to allow ISURF to verify the accuracy of Company's, Affiliates' and its sublicensee(s)'s royalty reports. Such review may be performed by any employee of ISURF as well as by any attorney or registered CPA designated by ISURF and acceptable to Company, such permission shall not be unreasonably denied, upon reasonable notice and during regular business hours. If Company and ISURF can not find a mutually acceptable attorney or registered CPA within ninety (90) days, ISURF has the right to select a nationally recognized firm.

6.18 Accounting: Payments and Reports.

(i) Except as otherwise directed, all amounts owing to ISURF under this Agreement shall be paid in U.S. dollars to ISURF at the address provided in Article 13.

(ii) Company, or Affiliate, shall provide to ISURF sufficient information to verify how any amounts owing to ISURF have been calculated. Such records may include the submission of the AFE upon its approval by Company or Affiliate, which shall give ISURF the ability to

identify which ISURF Patents and Joint Patents are covered by the proposed Processing System and the Processing System's BPDDC, and the amount of the royalty payment to be expected in two to three years from the date of the AFE approval.

7. PUBLICITY

- 7.1 Notwithstanding any other provisions of this Agreement, Company will not use the name or trademark of University or ISURF nor of any member of University's technical staff, in any publication outside of Company without the prior written approval of University or ISURF. Notwithstanding any other provisions of this Agreement, University and ISURF will not use the name or trademark of Company nor any employee of Company, in any publication without the prior written approval of Company.
- 7.2 University and ISURF will not disclose the terms of this Agreement to any third party without the expressed written permission of Company. However, ISURF and University retain the right to disclose to the public the fact of the license of these rights to Company and the existence of this Agreement.

8. INDEMNITY

- 8.1 With respect to the Research Projects between Company and University, Company shall indemnify and hold harmless University and ISURF and their officers, employees, agents, consultants, and subcontractors from and against any and all losses, claims, demands, actions, liability, judgements, costs and expenses of whatever kind including, without limitation, attorney's fees and costs of defense on account of damage, for any and all causes, to property of Company or damage to personal property of or injury to or death of any officer, employee, agent, consultant or subcontractor of Company arising out of, or related in any way to, a Research Project except to the extent that such damage, injury or death was caused by the willful misconduct of University or ISURF or of their officers, professors, graduate students, post doctoral students, employees, agents, consultants or subcontractors.
- 8.2 With respect to the Research Projects between Company and University, and to the extent allowable under Chapter 669, Iowa Code, University shall indemnify and hold harmless Company and its officers, employees, agents, consultants, and subcontractors from and against any and all losses, claims, demands, actions, liability, judgements, costs and expenses of whatever kind including, without limitation, attorney's fees and costs of defense on account of

damage to property of University or damage, for any and all causes, to personal property of or injury to or death of any officer, employee, agent, consultant or subcontractor of University arising out of, or related in any way to, a Research Project except to the extent that such damage, injury or death was caused by the willful misconduct of Company or of its officers, employees, agents, consultants or subcontractors.

8.3 Product Liability and Conduct of Business

(i) Company shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold ISURF (including ISURF's trustees, members, officers, directors, employees and affiliates), University (including Iowa State University's trustees, members, officers, directors, employees, students and affiliates), and the inventors of the Inventions (hereinafter all collectively referred to as "the Indemnified Parties"), harmless against any and all losses, claims, proceedings, demands, liabilities, and expenses, including legal expenses and reasonable attorneys fees, on account of the death of or injury to any person or person or out of any damage, for any and all causes, to property arising from or relating to Company's or one of Company's Affiliate's or sublicensee's: (i) operation of a Processing System, or (ii) production, manufacture, sale offer for sale, use, importation, lease, consumption or advertisement of Process and Products therefrom, except to the extent that such damage, injury or death was caused by the willful misconduct of University or ISURF or their officers, professors, graduate students, post doctoral students, employees, agents, consultants or subcontractors. ISURF, on behalf of each of the Indemnified Parties, at all times reserves the right to select and retain counsel.

(ii) In no event shall the Indemnified Parties or their agents, be liable, whether in an action arising out of breach of contract or warranty, negligence, strict liability, securities laws, tort or otherwise, for any and all costs, expenses, damages, claims or losses whatsoever arising out of or related to the use by Company or anyone to whom Company or Company's representative has supplied information which was supplied to Company by ISURF or by University. The foregoing shall not apply in the event of any statement made or information supplied with knowledge of falsity. This provision shall not be construed to affect any remedy any party may have for breach of a written representation or warranty. This section shall survive any termination of this Agreement.

(iii) Company agrees and warrants it shall and shall require Affiliates and its sublicensees to comply with all applicable laws and regulations. In particular, it is understood and acknowledged that the transfer of certain commodities and technical data is subject to United States laws, regulations, and treaties controlling the export of such commodities and technical data, including Export Administration Regulations of the United States Department of Commerce. These laws, regulations, and treaties may prohibit, or require a license for, the export of certain types of technical data to certain specified countries. ISURF neither represents that a license is required, nor that, if required, it will be issued. Licensee agrees that it will be solely responsible for any violation of such by Licensee, Affiliate or any sublicensee hereunder, and that it will hold ISURF and University harmless in the event of any legal action of any nature occasioned by any violation of same.

- 8.4 Notwithstanding any other provisions of this Agreement, any related agreement or applicable law, in no event shall any party to this Agreement or their officers, employees, agents, consultants, and subcontractors be liable, whether in an action arising out of breach of contract or warranty, negligence, strict liability, securities laws, tort or otherwise, for any indirect, special or consequential damages, losses or expenses arising out of or related to this Agreement or any related agreement or the performance or non-performance hereof or thereof or out of the use, performance or nonperformance of any product, licensed materials or services, including, but not limited to, loss of use, loss of profits, loss of data or loss of goodwill, even if such indemnified party has been advised of the possibility of such loss or damage. This section shall not apply to any damage, loss or expense which is the direct result of the reckless or willful misconduct of the indemnified party, and shall survive any termination of this Agreement.

9. INDEPENDENT CONTRACTOR

- 9.1 In the performance of a specific Research Project University and ISURF, collectively and individually, shall be deemed to be and shall be an independent contractor.
- 9.2 No party is authorized or empowered to act as agent for the other party for any purpose. No party shall make any contract, warranty or representation on behalf of another party; no party shall be bound by the act or conduct of the other parties.

10. TERMINATION/SURVIVAL

10.1 The termination of individual Research Projects or of the Agreement as it pertains to all Research Projects shall be as follows:

(i) Individual Research Projects can be terminated by mutual written agreement of Company and University at any time. In addition, Company may terminate a Research Project upon one hundred eighty (180) days prior written notice to University. Termination of a Research Project shall not affect the rights and obligations of the parties accrued prior to the effective date of termination of the Research Project, including Company's rights and licenses acquired under Article 6. The rights and obligations of Article 4 of this Agreement shall survive termination of a Research Project.

(ii) Company may terminate this Agreement as it pertains to the Research Projects upon one hundred eighty (180) days prior written notice to University.

(iii) In the event that University or Company shall commit any material breach of or default in any terms or conditions of this Agreement as it pertains to Research Projects, and also shall fail to reasonably remedy such default or breach within sixty (60) days after receipt of written notice thereof, the non-breaching party may, at its option and in addition to any other remedies which it may have at law or in equity, terminate this Agreement as it pertains to Research Projects by sending notice of such termination in writing to the other party to such effect. Such termination shall be effective as of the day of the receipt of such notice.

(iv) Termination of this Agreement as to all Research Projects and not to the licenses granted hereunder, by Company or University for any reason shall not affect the rights and obligations of the parties accrued prior to the effective date of termination of this Agreement as to all Research Projects, including Company's rights and licenses acquired under Article 6. The rights and obligations of Article 4 of this Agreement shall survive termination of this Agreement as to all Research Projects.

(v) This Agreement as to the Research Projects will remain in effect, in full force, for a period of eight (8) years from the date of last signature obtained herein, unless sooner terminated hereunder. This Agreement as to the Research Projects may be renewed or extended by written

agreement of the parties. This Agreement as to the licenses granted hereunder will remain in effect, in full force, as provided in Paragraph 10.2.

10.2 The termination of the exclusive license granted for an Invention hereunder shall be as follows:

(i) Company's exclusive licenses granted under paragraphs 6.7 and 6.8 shall continue for the life of any such ISURF Patent or Joint Patent until terminated as provided herein, unless, for a particular ISURF Patent or Joint Patent, the exclusive license has been sooner terminated under paragraph 6.16.

(ii) Company may terminate its exclusive licenses granted under paragraphs 6.7 and 6.8 at any time by giving at least ninety (90) days written and unambiguous notice of such termination to ISURF. Such termination shall not affect Company's non-exclusive license granted under paragraph 6.11, which shall survive such termination.

(iii) ISURF may terminate Company's exclusive licenses granted in paragraphs 6.7 and 6.8, at its option, if Company defaults in the performance of any material obligations under this Agreement, including the making of payments due hereunder, and if such default has not been remedied within ninety (90) days after the giving of written notice of such default to Company. If Company fails to remedy such default in said ninety (90) day period, ISURF may provide to Company written notice of said termination, which shall become immediately effective as of the date of Company's receipt of such notice.

(iv) Upon the expiration or termination of the exclusive licenses granted to Company under paragraphs 6.7 and 6.8 of this Agreement herein, Company, Affiliates, and its sublicensee(s) shall remain obligated to provide an accounting for and to pay royalties and fees accrued up to the date of the expiration or termination.

(v) Waiver by ISURF of a single breach or default, or a succession of breaches or defaults, shall not deprive ISURF of any right, under paragraph 10.2 (iii), to terminate exclusive licenses granted to Company under paragraphs 6.7 and 6.8 under this Agreement in the event of any subsequent breach or default.

10.4. The expiration or termination of exclusive licenses granted to Company under paragraphs 6.7 and 6.8, or of this Agreement as it relates to Research Projects, for any reason whatsoever, shall not affect the liability or obligation of a party which shall have accrued prior to expiration or termination, nor shall it affect any provisions hereof which contemplate performance by or continuing obligations of a party following any such expiration or termination. Upon the expiration or termination of this Agreement as it relates to Research Projects, all Proprietary Information of the other party shall be returned or destruction certified, at the disclosing party's election.

11. DISPUTES

11.1 As between Company and University, in the event of any dispute, claim, or disagreement arising from or relating to this Agreement or breach thereof, the parties shall use their reasonable efforts to settle the same. To this effect, senior representatives, who have the authority to bind such party, shall be designated by each party and shall consult and negotiate with each other in good faith and attempt to resolve the dispute, claim, or disagreement. Company and University shall discuss in good faith the possible use of mediation or arbitration to settle a dispute.

11.2 As between Company and ISURF:

(i) In the event of any dispute, claim, or disagreement arising from or relating to this Agreement or breach thereof, the parties shall use their reasonable efforts to settle the same. To this effect, senior representatives, who have the authority to bind such party, shall be designated by each party and shall consult and negotiate with each other in good faith and attempt to resolve the dispute, claim, or disagreement. If resolution is not reached within twenty (20) business days of commencement of such consultation and negotiation (or such longer period as the parties may agree), then, upon notice by either party to the other in accordance with Article 13, any such dispute, claim, or disagreement, except to the extent it involves or relates to a patent claim, question or controversy, shall be finally settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules.

(ii) Arbitration hereunder shall be commenced by either party serving the other party, by certified mail, a written notice, specifying the nature of the dispute, claim, or disagreement to be arbitrated and the name of the arbitrator selected by it. The party who has been so notified shall within ten (10) business days thereafter notify the other party of the name of the arbitrator

it has selected. The third arbitrator, who shall be the chair of the arbitration panel, shall be agreed by the parties within thirty (30) days of commencement of the arbitration; failing such agreement, either party may request the AAA to appoint the third arbitrator.

(iii) Any arbitration proceeding hereunder shall be held in Chicago, Illinois and the language to be used in the arbitral proceedings shall be English.

(iv) The award of the arbitration panel shall be in writing, signed by a majority of the arbitrators, and shall include a statement regarding the reasons for the disposition of any claim or dispute. The award shall be final and binding, and judgment on the award rendered may be entered in any court having jurisdiction thereof.

(v) Each party shall bear its own costs and expenses (including attorneys' fees) and an equal share of the arbitrators' and administrative fees of arbitration.

12. WARRANTIES

12.1 Company Warranties. To the actual knowledge of the undersigned, Company represents: (i) Company has full power and authority to perform all of its obligations pursuant to this Agreement, and performance will not violate any contractual or other legal obligations of Company; and (ii) Company has complied and will comply with all codes, regulations and laws applicable to its performance, pursuant to this Agreement.

12.2 University Warranties. To the actual knowledge of the undersigned, University represents: (i) University has full power and authority to perform all of its obligations pursuant to this Agreement, and such performance will not violate any contractual or other legal obligations of University; (ii) University has complied and will comply with all codes, regulations and laws applicable to its performance pursuant to this Agreement.

12.3 ISURF Certain Warranties and Disclaimers.

(i) ISURF warrants that it has the right to grant the exclusive licenses granted to Company in this Agreement. However, nothing in this Agreement shall be construed as:

(a) a warranty or representation by ISURF as to the validity, enforceability or scope of any of the ISURF Patents or ISURF Background Patents;

(b) a warranty or representation that anything made, used, sold, imported or otherwise disposed of under the license granted in this Agreement will or will not infringe intellectual property rights of third parties;

(c) an obligation to furnish any Proprietary Information, know-how or any services other than those specified in this Agreement as to the exclusive license; or

(d) that a valid claim will ever issue from the ISURF Patents.

(ii) EXCEPT AS OTHERWISE MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT, THE ISURF PATENTS AND ISURF BACKGROUND PATENTS ARE LICENSED "AS IS" WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES WHATSOEVER. ISURF MAKES NO REPRESENTATIONS, EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS, STATUTORY OR IMPLIED, EXPRESSLY DISCLAIMS THE SAME, INCLUDING WITHOUT LIMITATION MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR ANY IMPLIED WARRANTIES ARISING FROM ANY COURSE OF DEALING, USAGE, OR TRADE PRACTICE, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO THE MANUFACTURE, USE, SALE, IMPORTATION OR OTHER DISPOSITION BY LICENSEE, AFFILIATES, OR ITS SUBLICENSEES OR THEIR VENDEES OR OTHER TRANSFEREES OF A PROCESS OR PRODUCTS. IN NO EVENT SHALL ISURF OR UNIVERSITY BE LIABLE FOR LOSS OF PROFITS, LOSS OF USE, OR ANY OTHER CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

(iii) Company will not make any statements, representations or warranties, or accept any liabilities or responsibilities whatsoever which are inconsistent with any disclaimer or limitation included in this Paragraph 12 or any other provision of this Agreement.

(iv) Company represents and warrants that: (a) it shall comply with any applicable international, national, or local laws and regulations in its performance under this Agreement; (b) its rights and obligations under this Agreement do not conflict with any contractual obligation or court or administrative order by which it is bound; and (c) Products produced under the license granted herein shall be manufactured substantially in the United States as required by 35 U.S.C § 204 and applicable regulations of Chapter 37 of the Code of Federal Regulations unless the requirement to do so is inapplicable or waived by the U.S. Government.

(v) COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO RESPONSIBILITY WHATSOEVER CONCERNING THE COMPLETENESS, UTILITY, QUALITY, RELIABILITY OR ACCURACY OF ANY SCIENTIFIC OR OTHER TECHNICAL INFORMATION PROVIDED TO UNIVERSITY OR ISURF BY COMPANY IN THE PERFORMANCE OF A RESEARCH PROJECT. COMPANY SHALL NOT BE LIABLE IN DAMAGES, OF WHAT-EVER KIND, AS A RESULT OF UNIVERSITY'S OR ISURF'S, OR ANY THIRD PARTY'S, RELIANCE ON OR USE OF SUCH INFORMATION PROVIDED BY COMPANY HEREUNDER.

13. NOTICES

Notices, invoices, and communications hereunder shall be deemed made if given by overnight courier or by registered or certified envelope, post prepaid, and addressed to the party to receive such notice, invoice or other communication at the address given below or such other address as may hereafter be designated by notice in writing: Notices may be provided by facsimile to the number provided below and shall be considered given on the day of transmission, provided that electronic confirmation of transmission is received by the sender and such transmission occurs between 8am and 5pm on a weekday that is not a federal holiday.

If to Company:

Commercial Company Representative
Attn: Scott Mason
ConocoPhillips Company
248 PLB
Bartlesville Technology Center
Bartlesville, OK 74004
Ph: 918-661-3136
Fax: 918-662-2313

If to Company for intellectual property activity:

Intellectual Property Group
ConocoPhillips Company
202 PLB
Bartlesville Technology Center
Bartlesville, OK 74004
Ph: 918-661-0654
Fax: 918-662-5306

If to University:

Director of OSPA

1138 Pearson Hall
Ames, IA 50011-2207
Ph: 515-294-5225
Fax: 515-294-8000

If to ISURF

Executive Director of ISURF
309 Lab of Mechanics
Ames, IA 50011-2131
Ph: 515-294-4740
Fax: 515-294-0708

*Fax Number
is wrong 294-0778*

14. GENERAL PROVISIONS

- 14.1 Assignability - This Agreement is binding upon and shall inure to the benefit of University, ISURF and Company and its successors in interest. The rights and obligations of the parties under this Agreement shall not be assignable without the written consent of the other party, which consent shall not be unreasonably withheld or delayed. The rights and obligations of the parties under the Agreement are assignable by Company without the consent of University and ISURF to affiliates in which Company has at least 49% controlling interest. Any transfer or assignment must include all obligations under this Agreement and ISURF must be notified of the assignment within ninety (90) days of such assignment.
- 14.2 Severability - If any provision hereof is held unenforceable or void, the remaining provisions shall be enforced in accordance with their terms.
- 14.3 Entire Agreement - This Agreement contains the entire and only agreement between the parties in respect of the subject matter hereof and supersedes or cancels all previous negotiations, agreements, commitments, and writings between the parties in respect of subject matter of this Agreement. This Agreement may not be supplemented or otherwise amended in any manner except by an instrument in writing signed by the duly authorized officer of each party hereto.
- 14.4 Export Control Regulations - Company and University and ISURF agree that each shall comply with all export control regulations of the United States applicable to its technology or technical data involved in or derived from its activities or information received from the other party under this Agreement, and that each shall be responsible for obtaining all information regarding such regulations as is necessary for it to comply.

14.5 Non-Exclusive- Nothing contained in this Agreement shall be construed to create an exclusive relationship between Company and University and ISURF. University and ISURF shall retain the right to perform work of the same or different kind for others during the term of this Agreement. Company shall retain the right to cause work of the same or a different kind to be performed by its own personnel or other contractors during the term of this Agreement.

14.6 Compliance With Applicable Law and Third Party Rights- Parties agree to comply with all applicable federal, state and local laws, statutes, executive orders, rules, regulations and ordinances in its performance of the work provided for under this Agreement and the conduct of its business.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

Iowa State University

Name: [Signature]
Title: President, Iowa State University

ConocoPhillips Company

Name: Ryan M. Lance ^{upmD}
Title: Sr. Vice President, Technology

Iowa State University Research Foundation, Inc

Name: K. Klen
Title: Executive Director, ISURF & OIPTT

EXHIBIT A: RESEARCH PROJECT

This Research Project is issued pursuant to the Sponsored Projects Agreement ("Agreement") between ConocoPhillips Company ("Company") Iowa State University ("University") and Iowa State University Research Foundation ("ISURF"), dated January __, 2007. The Agreement is hereby incorporated herein by reference and expressly made a part hereof. Accordingly, the terms and conditions of such Agreement shall be applicable to the research conducted under this Research Project. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Agreement.

1. Research Project Number:
2. Principal Investigator: Robert Brown
3. Company Representative:
4. Project Leader:
5. Research Project Statement of Work:
6. Research Project Period:
7. Research Project Budget:
8. Research Project Payment Schedule:
9. Equipment Needed:
10. Additional Terms and Conditions:

In addition to Company's rights in Article 10 of the Agreement, Company reserves the right to immediately terminate this Research Project, including all subsequent payment obligations of Company, should the Project Leader become unable to perform under this Research Project and provided the parties cannot agree on an appropriate substitute Project Leader.

Reasonable best efforts shall be made to use only funds from Company to carry out the Research Projects. Intended use of other funds for Research Projects, including federal funds, may only be used by mutual consent.

This Research Project will automatically terminate upon completion of the services to be provided hereunder or as otherwise set forth in the Agreement.

IN WITNESS WHEREOF, the parties have entered into this Research Project as of the date set forth below.

Iowa State University

ConocoPhillips Company

Approved

Name: _____

Name: _____

Printed Name: Matthew Bailey

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Agreed and Understood

By signing below, the Project Leader acknowledges that s/he has read and agreed to the terms of the Sponsored Project Agreement

Name: _____

Printed Name: _____

Title: _____

Date: _____