

Aug. 2, 2013, 3:04 PM

No. 2035 P. 2

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August 2, 2013

Via Facsimile: 361.299.6015 and
Certified Mail, Return Receipt Requested

Sand Storage, LLC
P.O. Box 9102
Corpus Christi, Texas 78469-9102
Attn: Manager

Re: Frac Sand Handling and Storage Agreement dated August 22, 2011 (the "Agreement"),
by and between Sand Storage, LLC ("Sand Storage") and Trican Well Service, L.P.
("Trican")

Dear Sir or Madame:

Reference is hereby made to the Agreement. Any capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.

In accordance with Section 8 of the Agreement, the purpose of this letter is to provide Sand Storage with formal notice of its failure to perform its obligations under the Agreement. Specifically, Sand Storage has failed to (i) suitably equip the Silos and maintain equipment for storage of Trican's Frac Sand, as required pursuant to Section 2(b) of the Agreement; and (ii) store Trican's Frac Sand in a manner to avoid spillage and damage thereto, as required pursuant to Section 2(e) of the Agreement. Descriptions of the circumstances surrounding such failures are as follows: (x) the Silos recently leaked when it rained and, as a result, the Frac Sand contained therein got wet causing Trican to have to dry the sand prior to utilizing; (y) the inside of the 40/70 Silo has deteriorated to the point that concrete from the interior has shed into the Frac Sand contained therein, resulting in contamination and causing Trican to have to screen and re-sieve the last 4 truckloads of 40/70 sand that were removed from that Silo to remove chunks of concrete; and (z) 419,000 lbs. of 100 mesh Frac Sand was discovered missing at the beginning of the year and, more recently, 318,000 lbs. of 40/70 was discovered missing (collectively, the "Lost Sand") as of July, both believed to be the result of spillage caused by an ineffective bucket leg conveyor used by Sand Storage for transloading the Frac Sand.

As you can imagine, these failures have already resulted in loss of time and added expense for Trican. Accordingly, please be advised that Trican intends to terminate the Agreement immediately for default, as its right under Section 8 of the Agreement, unless the parties are able to resolve these issues to their mutual satisfaction within fifteen (15) days from the date of this letter. Additionally, Trican is hereby making a demand in the amount of \$37,330.50 for the reimbursement of the Lost Sand. Please remit payment within thirty (30) days to avoid further legal action.

Thank you for your attention to this matter. We look forward to hearing from you.

Forrest D. Gordon, Attorney

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