

# Contract Analysis Report

Document: MSA-APEX-0417 · Master Service Agreement · Apex Completion Services LLC

**100/100**

RISK SCORE

**13**

CLAUSES FLAGGED

**6**

PROTECTIONS  
MISSING

**Rules +  
AI**

ANALYZER

Found 13 concerning clauses, 6 of them high-severity. Prioritize the high-severity items in negotiation before signing. Six standard buyer protections also appear to be absent from this contract. The four clauses below are a representative sample of the full report.

This is a sample export from Stipula. It is a negotiation aid, not legal advice.

## FLAGGED CLAUSES

### **HIGH** Take-or-pay minimum

"Customer commits to a take-or-pay minimum of forty thousand (40,000) barrels per month; deficiency payments are due for any shortfall."

**Why it matters:** Take-or-pay minimums bill you for volume you never use, a fixed cost dressed as a variable one, painful when activity drops.

**NEGOTIATE** Lower the baseline volume, carry unused volume forward into later periods, and win the right to reset the minimum at renewal based on actual usage.

### **HIGH** Auto-renewal + long cancellation notice

"This Agreement will automatically renew for successive twelve (12) month periods unless written notice is given ninety (90) days prior to the end of the term."

**Why it matters:** A 90-day window is easy to miss, and then you're locked in for another year.

**NEGOTIATE** Strike auto-renewal or require mutual written consent; drop the notice window to 30 days and add a reminder 90 days out.

### **HIGH** Uncapped price escalation + fuel surcharge

"Contractor may increase the rates at each renewal by notice. A fuel surcharge shall apply to all field services and may be adjusted as fuel costs vary."

**Why it matters:** The vendor can raise prices at renewal with no ceiling, and the fuel surcharge is an open-ended pass-through you can't audit.

**NEGOTIATE** Cap annual increases at the lesser of 5% or CPI; tie any fuel surcharge to the DOE on-highway diesel index with a downward adjustment when prices fall.

MEDIUM

## Standby at full day rate

"Standby time, including waiting on weather or Customer readiness, shall be billed at the full applicable day rate."

**Why it matters:** Idle time you don't control, including weather, is billed like active work.

**NEGOTIATE** Cap standby at 50% of the operating rate and exclude contractor-caused delay; require written approval beyond a set number of hours.

### MISSING BUYER PROTECTIONS

ABSENT

#### Price-increase cap

**Why it matters:** Without a cap, the vendor can raise prices arbitrarily at renewal.

**Ask for:** "Any fee increase shall not exceed the lesser of 5% or CPI per year."

ABSENT

#### Termination for convenience

**Why it matters:** You have no clean exit if the arrangement stops working.

**Ask for:** A termination-for-convenience right with 30 days' notice and a pro-rated refund.

ABSENT

#### Audit rights on field tickets and invoices

**Why it matters:** Field-ticket and invoice errors are endemic at volume; without audit rights you cannot verify billing or recover overcharges.

**Ask for:** The right to audit records, field tickets, and invoices for 24 months, with any overbilling refunded promptly with interest.

ABSENT

#### Data return and deletion on exit

**Ask for:** A full machine-readable export at no charge and certified deletion within 30 days of termination.

ABSENT

#### SLA / service commitment

**Ask for:** A measurable service commitment with credits and a termination right for chronic failures.

ABSENT

#### Security-breach notification

**Ask for:** Notice of any incident affecting your data within 72 hours, with details and remediation steps.