

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

C-E Minerals, Inc.,

Plaintiff and Counterclaim
Defendant,

vs.

CARBO Ceramics Inc.,

Defendant and Counterclaim
Plaintiff.

Civil Action No. 1:11-CV-2574-JOF

Declaration of Mark Edmunds

I, Mark Edmunds, pursuant to 28 U.S.C. § 1746, declare the following to be true and correct to the best of my personal knowledge and understanding.

1. I am over the age of 18 and competent to testify. If called to testify at any hearing I would swear to the truth of the matters set forth below.
2. I have personal knowledge of the facts recited in this declaration.
3. I am employed by CARBO Ceramics, Inc. ("CARBO") as its Vice President of Operations. I have served in this position at CARBO since April 2002.
4. In my position at CARBO, my responsibilities include ensuring that each of its manufacturing facilities have the necessary plant, equipment and supplies to profitably produce proppants. The areas of responsibility are

broad-ranging and require me to have an understanding of company-wide operations. My duties also include negotiating contracts with key suppliers, including C-E Minerals, Inc. ("C-E").

5. When I arrived at CARBO in 2002, CARBO's flagship manufacturing facility was located in Eufaula, Alabama. Its supply of kaolin clay – the primary raw material used for manufacturing ceramic proppants – was being provided almost exclusively by C-E pursuant to a 1995 Raw Materials Requirements Agreement ("1995 Agreement"). A true and correct copy of the 1995 Agreement is attached to this declaration as Exhibit 1.
6. The 1995 Agreement was originally set to expire on December 31, 2003. During the course of the 1995 Agreement, C-E supplied as much as 98% of all the kaolin clay used in our Eufaula plant. Virtually all of the kaolin supplied by C-E during that period of time came from C-E's Alabama mines and contained a suitable alumina content and low levels of contaminants – which are essential to CARBO's manufacturing of ceramic proppants.
7. In the 1995 Agreement, which was drafted by C-E, C-E included a provision that effectively prevented CARBO from competing in the

manufacture and sale of “calcined clay.” Specifically, the 1995 Agreement states:

Notwithstanding the foregoing, and without intending to limit the legal right of Carbo to enter the calcined clay business, C-E shall be entitled to terminate this Agreement on 60 days’ prior written notice to Carbo in the event that (i) Carbo shall have commenced, in direct competition with C-E, the manufacture in Alabama or Georgia of calcined clay for general sale to the refractory or other related industry and (ii) Carbo shall not have substantially ceased such manufacturing activities within 30 days after written request therefor by C-E.

8. Because C-E was virtually the exclusive supplier of kaolin for CARBO’s Eufaula plant, the provisions of the 1995 Agreement effectively prevented CARBO from competing in the market for calcined clay. Termination of the 1995 Agreement on 60 days’ notice would have shut down CARBO’s plant as it could not have replaced the kaolin that C-E supplied on such short notice.
9. “Calcined clay” is a product manufactured from kaolin by heating kaolin to drive out water and volatile materials. Calcined clay is used as a raw material in several industries. CARBO does not, and has not, manufactured calcined clay for general sale to the refractory or other related industry. At the time the 1995 Agreement was entered, however, CARBO did manufacture and sell a product known as “foundry media” to industrial users. Foundry media is a finished product, not an industrial

raw material. Foundry media is created by adding other materials to clay, forming the clay into pellets and sintering them. I understand that C-E was fully aware that CARBO manufactured and sold foundry media at the time the 1995 Agreement was executed.

10. By 2002, when I arrived at CARBO, C-E was reporting that supplying kaolin from its Alabama mines that meet CARBO's manufacturing specifications and requirements was becoming more difficult and costly and that its reserves were diminishing. C-E suggested to CARBO that it test and explore the use of new, lower alumina content kaolin clays mined from Georgia, that would then be blended with higher alumina kaolin from Alabama to create acceptable kaolin for manufacturing lightweight ceramic proppants.

11. The manufacture of ceramic proppants is highly technical and requires specialized knowledge ("know-how"), including the materials, equipment, and processes needed to create quality proppants in a cost effective and profitable manner. CARBO has been an innovator in this regard and holds a number of patents related to the manufacture of proppants.

12. Manufacturing lightweight ceramic proppants requires kaolin clay as the primary ingredient. Not all clay, however, is created equal or is

appropriate for manufacturing ceramic proppants. Alumina content is an important factor, as are other more subtle issues, such as the inherent particle size of dissolved platelets, the presence of trace contaminants and the clay's mineralogy.

13. Consequently, CARBO rigorously tests the clay that it purchases before employing it in its factories to produce ceramic proppants in commercial quantities. This includes laboratory testing for alumina and contaminants as well as test runs of the clay in actually manufacturing small quantities of ceramic proppants.

14. The quality of kaolin clays can vary widely from location to location. A high percentage of clay, when tested, fails to measure up to the requirements for manufacturing quality ceramic proppants.

15. The process for testing, analyzing and qualifying a new field of clay reserves is a time-consuming and costly process. This involves drilling holes from many different sites or stockpiles, pulling clay cores, analyzing 3' to 5' segments, laboratory testing and production testing.

16. CARBO has compiled years of proprietary data and know-how concerning which specific clays, mined from particular areas, make suitable candidates for ceramic proppants and which specific clays are unsuitable. It also has acquired proprietary information and knowledge

regarding what to test for, how to optimally blend clays which are less than ideal candidates with other clays so that quality lightweight ceramic proppants can be manufactured.

17.CARBO considers this type of information to be confidential and proprietary because it provides CARBO with a significant competitive advantage over other manufacturers.

18.CARBO estimates that it would take a new entrant into the ceramic proppants business a minimum of three (3) years to become a commercially viable competitor if it started the entry process without the benefit of this type of confidential and proprietary information and manufacturing know-how. Besides learning the basic manufacturing processes, locating an appropriate site, constructing a factory and the normal matters attendant with any new manufacturing facility, such an entrant would have to find an appropriate source of kaolin supply and then replicate the type of testing and trial and error that CARBO has expended many years acquiring. In short, developing a profitable, ore-based proppant manufacturing facility is a multi-year proposition.

19.If a competitor acquired and used this confidential and proprietary information and know-how, it would not only speed the process of entry,

it would impair CARBO's competitive advantages and allow a competitor to "free ride" on CARBO's efforts.

20. During 2002, while this discussion about the use of Georgia clays supplied by C-E to CARBO was underway, I knew that a new round of qualification testing and experimentation would be required. CARBO's experience with Alabama clays had already provided it with a wealth of valuable information about those clays but testing, experimenting and blending the Georgia clays promised to create an entirely new set of confidential and proprietary information for CARBO.

21. When CARBO undertook to test clay reserves from Georgia for suitability in producing lightweight ceramic proppants, that process of fully qualifying these clays took a couple of years of analysis.

22. The 1995 Agreement required that all clays supplied by C-E meet certain specifications and be from Barbour or Henry County, Alabama deposits so the introduction or substitution of new Georgia clays also introduced the need for negotiations to amend the 1995 Agreement.

23. In October 2002, I attended a meeting in Irving, Texas along with Mark Pearson (CARBO's former president) and Mike Pierce, C-E's Vice President of Sales. During that meeting, we expressed to C-E our concerns about the proposed substitution of Georgia clays and the type of

testing and qualification that would be required. We also outlined some parameters and issues concerning an extension of the 1995 Agreement.

24. At the conclusion of the October 2002 meeting with C-E, we invited C-E to put together a proposal of deal terms for a three-year extension of the 1995 Agreement. On January 20, 2003, C-E sent CARBO its written outline of a proposal for a new supply agreement. A true and correct copy of C-E's written proposal is attached to this declaration as Exhibit 2.

25. In C-E's January 20, 2003 letter, Mr. Pierce noted that C-E had agreed to review all commercial considerations of the 1995 Agreement and "respond with a firm offer." He also acknowledged that C-E, through its long-term supply relationship with CARBO, had developed a "partnership" with CARBO which it desired to continue long term. Additionally, rather than simply extending the 1995 Agreement by three years, as had been discussed, C-E proposed replacing the existing contract entirely ("we would like to 'redo' the contract with a new agreement") with a seven-year agreement.

26. Besides requesting substantial price increases immediately for Alabama clays (even though the prices for 2003 were already set in the 1995 Agreement, as amended), C-E's January 2003 proposal asked CARBO

“to consider the following: Carbo Ceramics and C-E Minerals would agree to ‘non compete’ clauses (Carbo in the refractories business and C-E Minerals in the Proppants’ business).”

27. On March 28, 2003, I was copied on a letter that CARBO’s Mark Pearson sent to C-E in response to C-E’s January 20, 2003 proposal, a true and correct copy of which is attached to this declaration as Exhibit 3.

28. Our response suggested a three-year extension of the 1995 Agreement, with a relaxation of the minimum amounts that CARBO would be required to purchase from C-E and maintenance of the existing pricing structure for Alabama clays.

29. Eventually, through further negotiations with C-E, we did execute a new Raw Materials Requirements Agreement on June 1, 2003 (“2003 Agreement”), a true and correct copy of which is attached to this declaration as Exhibit 4.

30. The 2003 Agreement was, in fact, a new seven-year agreement as proposed by C-E, rather than a three-year extension suggested by CARBO. The 2003 Agreement also included a paragraph reflecting the mutual non-compete provision identified in C-E’s January 20, 2003 letter to CARBO. It states:

5. NON-COMPETE

Without intending to limit the legal rights of either party, CARBO and C-E agree as follows: that CARBO will not enter into direct competition with C-E in the manufacture of calcined clay for general sale to refractory or other related industry, and that C-E will not enter into competition with CARBO in the manufacture or sale of ceramic proppants. This agreement will endure for 3 years after the expiration of this contract.

31. In agreeing to the 2003 Agreement, including the non-compete provision known as Section 5, CARBO was motivated by the following concerns.

- a. First, CARBO was undertaking an agreement in which a significant percentage the kaolin supplied could be coming from Georgia clays that were being tested, analyzed, qualified and blended with Alabama clays. This multi-year process would generate significant confidential and proprietary information about the suitability of Georgia clays for manufacturing ceramic proppants which would have to be shared with C-E unavoidably and out of necessity. With C-E already present in Georgia, there was a real risk that C-E could and would enter the ceramic proppants business in competition with CARBO and free-ride on the information and knowledge it gained from CARBO, using this confidential and proprietary information to negate CARBO's competitive advantages gained over years of experience and at great analytical cost.

- b. Second, no manufacturer wants to purchase materials and supplies from its competitors, if it can avoid it. Such a situation creates a misalignment of priorities and loyalties. CARBO desires that its suppliers work with it in a symbiotic way, as “partners” to create long-term, mutually beneficial relationships. This is precisely what CARBO thought it had with C-E for the many years they did business together.
- c. Third, this was a long-term agreement (7 years) and if C-E were to begin manufacturing and selling ceramic proppants during the term of the agreement in competition with CARBO, there was a real risk that C-E, while wearing its “supplier” hat, would give preference to itself while wearing its “competitor” hat. C-E would have both the ability and motive to give itself preference for the highest quality of clays and in the timely delivery of clays in relation to CARBO. CARBO would then be stuck with a supplier who, short of an outright breach that gave rise to termination, could give the best kaolin to C-E and reduce both the quality of clays and quality of service to CARBO in order to gain a competitive advantage over CARBO as a proppant

manufacturer. CARBO would have to endure such poor supplier service for up to 7 years.

32. These fears and concerns were more than hypothetical. In fact, both types of problems later became evident. For example, in late 2005 and early 2006, during a time when C-E requested price increases in excess of the adjustments called for under the 2003 Agreement, it was more than coincidence that the quality of C-E's deliveries and service was markedly reduced and the prior standards of performance were ignored by C-E.

33. A good example is the 2003 Agreement's provisions that required the parties to "communicate regularly" and for C-E to "use its best efforts to ensure availability" of conforming products. Over time, there was a developed practice and standard of performance. However, during the pricing dispute in 2006, C-E issued a series of "edicts" in February 2006 wherein it deviated from the practice of daily deliveries (suddenly refusing to deliver on Saturdays) and delivering wet clay from the Threatt mine after rain had fallen and rendered it unsuitable for use in CARBO's Eufaula factory.

34. When CARBO confronted C-E's Scot Graddick about this deliberate attempt to "screw us up" Mr. Graddick responded that these new edicts were not just coming from him, but that "this goes to the top" and that

nothing in the 2003 Agreement prevented C-E from acting as it did. In short, CARBO was convinced that C-E was creating these problems as means of gaining leverage in the price negotiations.

35. During this same pricing dispute, C-E asserted that CARBO had been in violation of the mutual non-compete provision (Section 5) by virtue of its sale of foundry media – attempting to use Section 5 as leverage to obtain price increases over and above what the 2003 Agreement provided for. CARBO explained to C-E the distinctions between calcined clay and foundry media (see above) and pointed out that C-E was not only aware of CARBO's foundry media sales long before the 2003 Agreement, C-E's parent company (Imery's) was a long time customer of CARBO's foundry media. Although C-E did not pursue any further this claim that CARBO had violated the non-compete, C-E did invoke Section 5 against us and attempted to use it as leverage during the price negotiations in December 2005 and early 2006.

36. After negotiations, the parties reached a tentative agreement that would have allowed C-E a price increase above the amount to which it would have been entitled to under the 2003 Agreement in exchange for a reduction in the minimum purchases required by CARBO. C-E then informed CARBO that it changed its mind and would not sign an

amended agreement. C-E formally withdrew its request for a contract amendment. A true and correct copy of the July 15, 2006 letter that I received from C-E's Bernd Durstberger is attached to this declaration as Exhibit 5.

37. In that July 15, 2006 letter, C-E stated "We will of course honor our contractual obligations under the existing supply agreement." In the next paragraph, as a "side note," Mr. Durstberger restated C-E's recently-expressed position that Section 5 of the 2003 Agreement "as a practical matter is of no consequence" and that Section 5 "has not been in force since the inception of the supply agreement." He then closed with the statement the C-E no longer intended to abide by Section 5.

38. In response, I sent a letter to Mr. Durstberger on July 21, 2006 in which I "firmly disagreed" with his assertions about Section 5 and reiterated that Section 5 was valid, legal and enforceable. I warned C-E that CARBO would enforce Section 5 if C-E breached this mutual obligation. I concluded that that we expected C-E to abide by the 2003 Agreement and that we welcomed his affirmation that C-E would honor its obligations under the 2003 Agreement. A true and correct copy of my letter to Mr. Durstberger is attached to this declaration as Exhibit 6.

39. The first half of 2006 was the first time C-E ever claimed that Section 5 was not in force. In fact, just seven months earlier, in December 2005, C-E was incorrectly accusing CARBO of violating Section 5. I also found that the statement by C-E (that it did not intend to abide by the non-compete provision) to be inconsistent with its statement in the paragraph above that it intended to “honor our contractual obligations.”

40. In any event, the 2003 Agreement was amended by the parties in 2007 – after C-E’s July 2006 letter was sent – without any changes to Section 5. A true and correct copy of the 2007 addendum to the 2003 Agreement is attached to this declaration as Exhibit 7.

41. Under the circumstances surrounding the negotiation of the 2003 Agreement, CARBO would not have agreed to the new contract and paid the higher prices for the Alabama clays and accepted lower quality clays from Georgia without Section 5 to protect CARBO against unfair competition from C-E arising from the confidential and proprietary information that C-E was receiving about the Georgia clay and CARBO’s know-how.

42. The 2003 Agreement provided for C-E to supply CARBO with clays from Andersonville, Georgia. Without the 2003 Agreement (including

Section 5), CARBO would not have purchased and used those Georgia clays.

43.As a direct result of the 2003 Agreement (and Section 5) there was an increase in trade between CARBO's Alabama plant and C-E's Georgia mining. During the 7-year period of the 2003 Agreement, CARBO purchased tens of thousands of tons of kaolin mined in Georgia, with a value in the hundreds of thousands of dollars.

44.CARBO's decision to rely on the non-compete provisions (Section 5) of the 2003 Agreement, instead of a confidentiality or non-disclosure agreement with C-E is due to the fact that non-competes are much easier to monitor and determine whether another person is in compliance. Confidentiality provisions, by contrast, are difficult to monitor or enforce.

45.One of the inherent weaknesses of relying only on confidentiality agreements is that people who sign them can apparently forget that they have done so – creating a risk that they will violate them, intentionally or unintentionally. A perfect example, is C-E's Vice President of Operations, Paul Hall. He has signed a declaration under penalty of perjury attesting that no one ever communicated to him or others at C-E that he was receiving confidential or proprietary information or asked

him to treat the information he received from CARBO as confidential and not disclose it.

46. However, Mr. Hall appears to have forgotten the fact the he *personally signed confidentiality agreements* in which he expressly acknowledged that CARBO deemed any information which gives CARBO “an opportunity to obtain an advantage over competitors” -- including information about its “manufacturing processes, facilities layout, equipment, products, management, marketing and corporate strategies” -- to be Proprietary Information. In the agreements that he signed, Mr. Hall agreed he would not disclose such information to anyone else. Attached to this declaration as Exhibit 8 are true and correct copies of confidentiality agreements signed by C-E’s Paul Hall in 2005, which were maintained in the ordinary course of business in CARBO’s files.

47. Additionally, Mr. Hall’s confidentiality agreements applied to all of C-E.

Paragraph 3 of the confidentiality agreements states:

The agreements in this document I make not only for myself, individually, but also on behalf of any party identified below that I represent or that employs me. Accordingly, this document shall be binding upon me and any such party.


Immediately below Mr. Hall’s name and signature is the name of his employer, “C-E Minerals.” As an officer and executive of C-E, he should be able to bind the company.

48. Mr. Hall signed such confidentiality agreements on behalf of C-E Materials on at least two separate occasions. That he now does not recall anyone from CARBO ever communicating the confidential and proprietary nature of the information he was receiving from CARBO and does not now recall efforts (i.e., confidentiality agreements) by CARBO to keep that information confidential, underscores the difficulty and ineffectiveness of confidentiality agreements as a mechanism to prevent unfair competition and free-riding behavior by suppliers like C-E who turn into competitors.

49. A non-compete provision, by contrast, is much easier to monitor for compliance. For C-E to compete by manufacturing and selling proppants would require a manufacturing facility and a presence in the marketplace, that would be highly visible. Thus, it is much easier for CARBO to discover that C-E is manufacturing and selling proppants in violation of a non-compete than discovering if C-E or Mr. Hall were even aware of or complying with a confidentiality agreement. Indeed, through my correspondence and discussions with C-E in 2005 and 2006, it was abundantly clear to me that C-E was keenly aware of the existence of Section 5 and its prohibition on competing with CARBO by manufacturing or selling ceramic proppants. C-E did not forget Section

5, as Mr. Hall apparently forgot about the two confidentiality and nondisclosure agreements he personally signed and in a representative capacity for C-E.

I declare under penalty of perjury that the foregoing is true and correct.



Mark Edmunds

Executed on October 12, 2011
Houston, Texas
United States of America

Exhibit 1 to
Declaration of Mark Edmunds

RAW MATERIAL REQUIREMENTS AGREEMENT

THIS AGREEMENT made as of November 21, 1995, between C-E Minerals Inc., a corporation organized and existing under the laws of the state of Delaware and having an office at 901 East Eighth Avenue, King of Prussia, Pennsylvania 19406 (hereinafter "C-E"), and Carbo Ceramics Inc., a corporation organized and existing under the laws of the state of Delaware and having an office at 600 East Las Colinas Boulevard, Irving, Texas 75039 ("Carbo").

WITNESSETH:

Carbo desires to purchase a supply of kaolin, a naturally occurring mineral more particularly described (and meeting the specifications set forth) in Appendix A hereto (the "Product"), for use in the manufacture of ceramic proppants.

C-E is able and desires to supply Carbo with such Product on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, the parties agree as follows:

1. TERM

The term of this Agreement shall be eight (8) years commencing January 1, 1996 and ending December 31, 2003. Notwithstanding the foregoing, and without intending to limit the legal right of Carbo to enter the calcined clay business, C-E shall be entitled to terminate this Agreement on 60 days' prior written notice to Carbo in the event that (i) Carbo shall have commenced, in direct competition with C-E, the manufacture in Alabama or Georgia of calcined clay for general sale to the refractory or other related industry, and (ii) Carbo shall not have substantially ceased such manufacturing activities within 30 days after written request therefor by C-E.

2. QUANTITY

A. During the term of this Agreement, C-E shall make available for sale to Carbo and Carbo shall have the right to purchase from C-E up to 200,000 net tons per year of the Product.

B. In each year during the term of this Agreement other than 1996, subject to Paragraph 2.A hereof, Carbo shall be obligated to purchase from C-E, as a minimum, eighty percent (80%) of its actual annual requirements of the Product during such year for its operations in Eufaula, Alabama.

3. DELIVERY

- A. Carbo shall advise C-E within thirty (30) days after the execution of this Agreement of the tonnage of its projected 1996 purchases, and shall thereafter advise C-E on or before October 1 of each year, beginning October 1, 1996, of the tonnage of the Product it projects to purchase during the next calendar year. Carbo shall use reasonable business efforts to advise C-E promptly in the event of any change in its annual purchase projections for any year.
- B. C-E and Carbo shall communicate regularly, and C-E shall use its best efforts, to ensure the availability of Product for sale hereunder on an "as needed" basis. Carbo shall use its best efforts (to the extent feasible) to space evenly its actual purchase orders for Product, and C-E shall (subject to paragraph 2.A hereof) be obligated to fill such orders. Each such purchase order shall be subject to all of the terms and conditions of this Agreement.
- C. Delivery of the Product shall be F.O.B. open truck, C-E's mine stockpile in Barbour and/or Henry Counties, Alabama ("C-E's Mine"), or other deposits mutually agreed upon. Carbo shall be responsible for the scheduling of and payment for transport of Product from C-E's Mine (or such other deposits mutually agreed upon).
- D. Risk of loss and title pass to Carbo upon delivery to Carbo's designated carrier at C-E's Mine, or other deposits mutually agreed upon.

4. PRICE

- A. The price for the Product purchased from C-E shall be \$15.00 (January 1, 1996 base) per net ton F.O.B. open truck at C-E's Mine, or other deposits mutually agreed upon.
- B. The price shall be adjusted on January 1 of each year, beginning January 1, 1997, using the previous September's Producer Price Index ("PPI") for all commodities, published by the U.S. Department of Labor, Bureau of Labor Statistics. (An example of the calculation intended to be performed by the parties is set forth in Appendix B hereto.) If, during the term of this Agreement, the PPI should increase or decrease by an amount in excess of 8% in any calendar year, the parties shall meet to negotiate an equitable price adjustment for each subsequent year during such term.

If the PPI is discontinued and substantially the same basic data is used to compile a similar index, such similar index shall be used. If the PPI is discontinued and no such similar index shall be compiled, the parties shall negotiate in good faith in order to agree upon another substitute index. If such negotiations do not result in timely agreement as to a substitute index, the matter shall be submitted to arbitration as provided in Paragraph 11.

5. PAYMENT

Payment for the Product sold and delivered hereunder shall be net thirty (30) days from date of invoice.

6. ASCERTAINMENT OF WEIGHT

The weight of the Product delivered shall be determined by weighing on state-certified scales acceptable to both parties. C-E and Carbo shall maintain all required certification documentation on file at all times at the site of such scales.

7. WARRANTY

C-E warrants that the Product when delivered F.O.B. Carbo's truck at C-E's Mine (or other deposits mutually agreed upon) will (a) conform to the typical chemical and physical properties for such Products listed in any applicable product data sheet issued by C-E, and (b) allow Carbo to blend to the specifications contained in Appendix A hereto for every 1,000 tons of Product so delivered.

8. FORCE MAJEURE

- A. The term "Force Majeure" as used herein shall mean acts of God, natural calamities, acts of the public enemy, blockades, insurrections, strikes, slowdowns or differences with workmen, riots, wars, disorders, civil disturbances, fires, explosions, storms, floods, landslides, washouts, labor or material shortages, boycotts, breakdowns or damage to plants, equipment or facilities, interruptions to transport, embargoes, acts of military authorities, acts of local or federal governmental agencies or regulatory bodies, courts actions, arrests and constraints and, without limitation by enumeration, any other cause or causes not reasonably within the control and without the fault or negligence of the party affected which wholly or partly prevents the mining, processing, loading or transportation of Product by C-E or the receiving, transporting, accepting or using of Product by Carbo.
- B. If because of Force Majeure, either party hereto is unable to carry out its obligations under this Agreement and if such party shall promptly give to the other notice by telex or telephone of such Force Majeure, including a complete description thereof, then the obligation of the party giving such notice shall be suspended to the extent made necessary by Force Majeure and during its continuance; provided, however, that the party giving such notice shall use its best efforts to eliminate such Force Majeure insofar as possible with a minimum of delay. No event of Force Majeure shall relieve Carbo of its obligation to make payments due for Product delivered by C-E under this Agreement. Deficiencies in deliveries or acceptance of Product caused by an event of Force Majeure shall only be made up by mutual consent.

9. ENTIRE AGREEMENT

This written instrument contains the entire agreement between the parties hereto concerning the subject matter hereof, and there are no other understandings or agreements between said parties or either of them in respect hereto. No change, addition to or waiver of the terms and provisions hereof shall be binding upon either party unless approved in writing by an authorized representative of such party, and no modifications shall be effected by the acknowledgment or acceptance of forms containing other or different terms and conditions. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

10. ASSIGNMENT

This Agreement shall be binding on the legal successors of the parties hereto, but shall not otherwise be assignable by either party without the written consent of the other.

11. APPLICABLE LAW

This Agreement and the language used herein shall be construed and enforced in accordance with the laws of the State of Alabama. Any disputes arising hereunder will be submitted to arbitration (single arbitrator) held in Montgomery, Alabama, and be subject to the rules of the American Arbitration Association applying local procedural and substantive law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

C-E MINERALS INC.

By 
CARBO CERAMICS INC.

By 

APPENDIX A

Specifications for Kaolin

Quality Specification (on a calcined basis)

Al₂O₃ Content

Weekly Avg.	-	51.5% ± 1%
Min. Ind. Sample	-	45%
Max. Ind. Sample	-	65%

Fe₂O₃ Content

Max.	-	3%
Typical	-	1.5%

All Product to consist of Barbour or Henry County deposits, or other deposits mutually agreed upon.

APPENDIX B

Example of Yearly Price Adjustment

* 1996 base price \$15.00

* "Producer Price Index" (All commodities)

Estimated September 1995 = 128.9

Estimated September 1996 = 130.6

* Escalation for calendar 1997 Price:

$$\frac{130.6}{128.9} = 1.013$$

* New price in calendar 1997:

$$1996 \text{ Price } (\$15.00) \times \text{Escalator } 1.013 = 1997 \text{ Price } (\$15.195)$$

Exhibit 2 to
Declaration of Mark Edmunds

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C-E MINERALS

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P.2



> Michael K. Pierce
Vice President - Sales

January 20, 2003

Mr. C. Mark Pearson
Carbo Ceramics
6565 MacArthur Boulevard
Suite 1050
Irving, TX 75039

Dear Mark,

First of all, Happy New Year from all of us at C-E Minerals to everyone at Carbo Ceramics! We hope you have a happy and safe 2003.

During our meeting in October, C-E Minerals advised that we would review all commercial considerations of our supply agreement and respond with a firm offer. It is important to C-E Minerals to continue the partnership we have developed with Carbo Ceramics and we sincerely would like to be your raw material supplier for the long term. With this in mind, we would like you to consider the following:

- Although our current agreement runs through the end of 2003, we would like to "redo" the contract with a new agreement that begins February 1, 2003. If this is acceptable, we would propose a 7-year agreement that runs through February 1, 2010.
- Tonnage to be supplied would be between 100,000-240,000 net tons per year.
- Carbo Ceramics would continue to agree to purchase 80% of the raw materials needed at Bufala operation from C-E Minerals.
- Carbo Ceramics and C-E Minerals would agree to "non compete" clauses (Carbo in the refractories business and C-E Minerals, the Proppants' business).

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- Pricing – As you are aware there are cost savings for C-E Minerals/Carbo for using Andersonville clays vs. Eufaula clays. We have determined that the optimum percentage ratio would be 40% Andersonville clays and 60% Eufaula clays. The following price offering acknowledges that cost savings and allows Carbo Ceramics the freedom to determine the amount of Andersonville clays they can use. The proposed price schedule effective February 1, 2003:

Eufaula (FOB Mine) \$18.25/NT

Andersonville (Del'd) \$15.50/NT

- All other terms and conditions of our existing contract such as price increases or decreases being based on the PPI, etc. would remain intact.

Mark, based on a consumption of 160,000 tons per year, if you were able to use 40% Andersonville clays and 60% Eufaula your delivered cost would be the same for 2003 as your current cost for 100% Eufaula material in 2002.

If we are able to agree on this contract extension, C-E Minerals would view this as merely a beginning to furthering our relationship. With the basic agreement in place, we could continue to discuss various high alumina products and other commercial offerings we might be able to produce on an on-going basis. Agreements on these materials could be handled separately or incorporated into the agreement as time goes on.

Please review our proposal and we look forward to hearing your comments.

Sincerely yours,



Mike Pierce

MKP/lms

cc: Paul Hall
Tim McCarthy

Exhibit 3 to
Declaration of Mark Edmunds



March 28, 2003

C. Mark Pearson
President & Chief Executive Officer

Mike Pierce
Vice President - Sales
C-E Minerals
901 East 8th Avenue
King of Prussia, PA 19406

Dear Mike:

Thank you for the clarification of the cost structure for local Eufaula clays. We did not realize the degree to which these reserves have been compromised as a source of low cost clay to our facility. Unfortunately, the use of Andersonville clay at low alumina levels provides no competitive advantage to our operations over the alternative supplies available to us from our reserves in Wilkinson County, Georgia. Ore reserves in Wilkinson County are proving to be of higher alumina content than the materials which have been supplied from Andersonville.

In order to continue our long standing relationship while providing for increasing supply of ore from our alternative sources we propose:

- Extending our current contract for Eufaula clays for 3 years with the current pricing structure. The 3 year extension will begin upon expiration of the current contract.
- Tonnage to be supplied would be between 80000-240000 net tons per year.
- CARBO Ceramics would agree to purchase minimum volumes of CE clay for our Eufaula plant as follows:

2004 - 60% of needed volume

2005 - 50% of needed volume

2006 - 40% of needed volume

CARBO Ceramics Inc.
Suite 1050
6565 MacArthur Blvd.
Irving, Texas 75039
Telephone 972/409-1198
Fax 972/401-0705

- Provision to take up to 80% of our required volumes from CE as local Eufaula clay.



The reduction in demand for Eufaula ores, as we continue to demonstrate increasing volumes of alternative clay, should relieve the shortage of low cost local clays which was noted in your proposal. We may have a continued interest in the potential supply of higher or lower alumina bearing ores for future products that may result from our research efforts, given that the ores could be supplied with competitive pricing.

I propose that we next meet at CARBO Ceramics' Irving, Texas office to discuss the ore supply arrangements further.

Best regards,

A handwritten signature in black ink that reads "Mark".

C. Mark Pearson
President and Chief Executive Officer

CMP/jkh

cc: Dave Kessler
Mark Edmunds
Paul Vitek

Exhibit 4 to
Declaration of Mark Edmunds



> Michael K. Pierce
Vice President - Sales

June 30, 2003

Mr. Mark L. Edmunds
Vice President, Operations
Carbo Ceramics Inc.
Suite 1050
6565 MacArthur Boulevard
Irving, Texas 75039

Dear Mark:

Enclosed please find a fully executed Raw Material Requirements Agreement for your files.

Thank you for your cooperation and we look forward to many years of continued business.

Sincerely yours,

A handwritten signature in black ink that reads 'Mike'.

Mike Pierce
Vice President -- Sales

MKP/lms

Enclosure

RAW MATERIAL REQUIREMENTS AGREEMENT

THIS AGREEMENT made as of June 1st, 2003, between C-E Minerals Inc., a corporation organized and existing under the laws of the state of Delaware and having an office at 901 East Eighth Avenue, King of Prussia, Pennsylvania 19406 (hereinafter "C-E"), and CARBO Ceramics Inc., a corporation organized and existing under the laws of the state of Delaware and having an office at 6565 MacArthur Blvd., Suite 1050, Irving, Texas 75039-2461 (hereinafter "CARBO").

WITNESSETH:

CARBO desires to purchase a supply of kaolin, a naturally occurring mineral more particularly described (and meeting the specifications set forth) in Appendix A hereto (the "Product", also sometimes called "clay" or "ore"), for use in the manufacture of ceramic proppants.

C-E is able and desires to supply CARBO with such Product on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, the parties agree as follows:

1. **TERM**

The term of this Agreement shall be seven (7) years commencing January 1, 2004 and ending December 31, 2010.

2. **QUANTITY**

- A. During the term of this Agreement, C-E shall make available for sale to CARBO each year and CARBO shall have the right to purchase from C-E each year up to 200,000 net tons of the Product.
- B. In each year during the term of this Agreement, subject to Paragraph 2.A hereof, CARBO shall be obligated to purchase from C-E, as a minimum, seventy percent (70%) of its actual annual requirements of the Product during such year for its operations in Eufaula, Alabama.
- C. CARBO may specify that up to 25% of the Product provided pursuant to this Agreement come from the Andersonville local low Alumina ores (approximately 47% Alumina). For the quantity of ores provided from Andersonville from time to time C-E shall provide sufficient quantities of ores from other locations to enable CARBO to blend the ores to achieve the specifications set out on Appendix A. Notwithstanding the aforementioned ore source specifications, the ores delivered to the CARBO Eufaula Plant will meet the product specifications (See Appendix A) on average for each 1,000 Tons delivered.

3. **DELIVERY**

- A. CARBO shall advise C-E on or before October 1 of each year, beginning October 1, 2003, of the tonnage of the Product it projects to purchase during the next calendar year for use at its Eufaula Plant. Such projections shall be estimates only and CARBO shall not be committed to accept deliveries of such amounts. CARBO shall use reasonable business efforts to advise C-E promptly in the event of any change in its annual purchase projections for any year.
- B. C-E and CARBO shall communicate regularly, and C-E shall use its best efforts to ~~ensure the availability of Product for sale hereunder on an "as needed" basis.~~ CARBO shall use its best efforts (to extent feasible) to space evenly its actual purchase orders for Product, and C-E shall (subject to paragraph 2.A hereof) be obligated to fill such orders. Each such purchase order shall be subject to all of the terms and conditions of this Agreement.
- C. Delivery of the Product as supplied from Eufaula local C-E Mines shall be F.O.B. open truck, C-E's mine stockpile in Barbour and/or Henry Counties, Alabama ("C-E's Mines"), or other deposits mutually agreed upon. CARBO shall be responsible for the scheduling of and payment for transport of Product from C-E's Local Mines (or such other deposits mutually agreed upon). Product as supplied from C-E Andersonville deposits shall be delivered, at C-E's expense, by C-E arranged trucks to CARBO's Eufaula Plant ore storage location.
- D. Risk of loss and title for local C-E clays pass to CARBO upon delivery to CARBO's designated carrier at C-E's mine, or other deposits mutually agreed upon. Risk of loss and title for C-E Andersonville clays pass to CARBO upon delivery and unload at CARBO's Eufaula Plant ore storage.
- E. CE agrees to continue the practice of stockpiling a "wet weather" reserve for CARBO under the terms and at the location described in Appendix C.

4. **PRICE**

- A. The price for the Product purchased from C-E shall be: \$ 15.00 per net ton delivered to CARBO from C-E Andersonville deposits and \$17.75 per net ton F.O.B. C-E local Eufaula mines or other local deposits as agreed upon.
- B. The prices shall be adjusted on January 1 of each year, beginning January 1, 2005, using the previous September's Producer Price Index ("PPI") for kaolin and ball clay, published by the US Department of Labor, Bureau of Labor Statistics. (An example of the calculation intended to be performed by the parties is set forth in Appendix B hereto.) If, during the term of this Agreement, the PPI should increase or decrease by an amount in excess of 8% in any calendar year, the parties

shall meet to negotiate an equitable price adjustment for each subsequent year during such term. In the event the parties cannot agree on a price adjustment within thirty (30) days after the applicable PPI change, either party may terminate this Agreement by written notice to the other.

If the PPI is discontinued and substantially the same basic data is used to compile a similar index, such similar index shall be used. If the PPI is discontinued and no such similar index shall be compiled, the parties shall negotiate in good faith in order to agree upon another substitute index. If such negotiations do not result in timely agreement as to a substitute index either party may terminate this Agreement by written notice to the other.

5. **NON-COMPETE**

Without intending to limit the legal rights of either party, CARBO and C-E agree as follows: that CARBO will not enter into direct competition with C-E in the manufacture of calcined clay for general sale to refractory or other related industry, and that C-E will not enter into competition with CARBO in the manufacture or sale of ceramic proppants. This agreement will endure for 3 years after the expiration of this contract.

6. **PAYMENT**

Payment for conforming Product sold and delivered hereunder shall be net thirty (30) days from date of invoice. Invoices shall be sent on a monthly basis. Invoices shall include a copy of the weight-ticket covering the Product being invoiced.

7. **ASCERTAINMENT OF WEIGHT**

The weight of the Product delivered shall be determined by weighing on state-certified scales acceptable to both parties. C-E and CARBO shall maintain all required certification documentation on file at all times at the site of such scales.

8. **WARRANTY**

C-E warrants that the Product when delivered will conform to the specifications contained in Appendix A hereto for every 1,000 tons of Product so delivered. C-E warrants that the Product delivered hereunder shall be free of contaminants and other foreign substances rendering the Product unsuitable for the economic use of Owner.

9. **INDEMNIFICATION**

To the fullest extent permitted by law, C-E shall indemnify and hold harmless CARBO, and agents and employees of CARBO from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of

this Agreement, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Product itself) including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions or breach of this Agreement by C-E or anyone directly or indirectly employed by C-E or anyone for whose acts C-E may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by the negligence of a party indemnified hereunder.

10. **INSURANCE**

~~C-E shall purchase from and maintain in a company or companies lawfully authorized to do~~ business in the State of Alabama such insurance as will protect C-E and CARBO from claims which may arise out of or result from C-E's operations under this Agreement and for which C-E may be legally liable, whether such operations be by C-E or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

C-E shall maintain worker's compensation in at least the minimum amount stipulated under the Alabama's worker's compensation statutes, including Employers Liability. Such insurance policy shall include a waiver of any right of subrogation of the insurers thereunder against CARBO and of any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any person or entity insured under any such policy.

11. **NOTICE**

All notices under this Contract required or permitted to be given by CARBO to C-E and all payments to be made by CARBO to C-E hereunder shall be delivered personally to C-E or sent to C-E at the address set out at the beginning of this Agreement, or at such other address as C-E may hereafter furnish in the manner provided herein to CARBO.

All notices herein required or permitted to be given by C-E to CARBO shall be sent by registered or certified United States mail, return receipt requested, addressed to CARBO at CARBO Ceramics Inc., Attn. Paul G. Vitek, 6565 MacArthur Boulevard, Suite 1050, Irving, TX 75039, or at such other address as CARBO may hereafter furnish in the manner provided herein to C-E.

12. **FORCE MAJEURE**

- A. The term "Force Majeure" as used herein shall mean acts of God, natural calamities, acts of the public enemy, blockades, insurrections, strikes, slowdowns or differences with workmen, riots, wars, disorders, civil disturbances, fires, explosions, storms, floods, landslides, washouts, labor or material shortages, boycotts, breakdowns or damage to plants, equipment or facilities, interruptions to

transport, embargoes, acts of military authorities, acts of local or federal governmental agencies or regulatory bodies, court actions, arrests and constraints and, without limitation by enumeration, any other cause or causes not reasonably within the control and without the fault or negligence of the party affected which wholly or partly prevents the mining, processing, loading or transportation of Product by C-E or the receiving, transporting, accepting or using of Product by CARBO.

- B. If because of Force Majeure, either party hereto is unable to carry out its obligations under this Agreement and if such party shall promptly give to the other ~~notice by telex or telephone of such Force Majeure, including a complete description thereof,~~ then the obligation of the party giving such notice shall be suspended to the extent made necessary by Force Majeure and during its continuance; provided, however, that the party giving such notice shall use its best efforts to eliminate such Force Majeure insofar as possible with a minimum of delay. No event of Force Majeure shall relieve CARBO of its obligation to make payments due for Product delivered by C-E under this Agreement. Deficiencies in deliveries or acceptance of Product caused by an event of Force Majeure shall only be made up by mutual consent.

13. **ENTIRE AGREEMENT**

This written instrument contains the entire agreement between the parties hereto concerning the subject matter hereof, and there are no other understandings or agreements between said parties or either of them in respect hereto. No change, addition to or waiver of the terms and provision hereof shall be binding upon either party unless approved in writing by an authorized representative of such party, and no modifications shall be effected by the acknowledgment or acceptance of forms containing other or different terms and conditions. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

14. **ASSIGNMENT**

This Agreement shall be binding on the legal successors of the parties hereto, but shall not otherwise be assignable by either party without the written consent of the other.

15. **APPLICABLE LAW**

This Agreement and the language used herein shall be construed and enforced in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

C-E MINERALS INC.

By Michael K. Pierce

Name: Michael K. Pierce

Title: Vice President of Sales

CARBO CERAMICS INC.

By Mark Edmunds

Name: Mark Edmunds

Title: Vice President, Operations

APPENDIX A

SPECIFICATIONS FOR KAOLIN

QUALITY SPECIFICATIONS (on a calcined basis)
(Average Over 1,000 T Delivered)

Al₂O₃ Content

Weekly Average	51.0% \pm 1
Minimum Individual Sample	45.0%
Maximum Individual Sample	65.0%

Fe₂O₃ Content

Maximum	3.0%
Typical	1.5%

APPENDIX B

1. Annual Adjustment of Base Price Per Ton (example):

Base Price Per Ton	\$ 16.00
Average Monthly PPI for Kaolin and Ball Clay for 2003	133.4
Average Monthly PPI for Kaolin and Ball Clay for 2004	130.3
Percentage Change	(2.32%)
Revised Base Price Per Ton	\$ 15.63

APPENDIX C

Replacing the side agreement between Robin Dozier of CE Minerals and Tom Palamara of CARBO Ceramics Inc.:

OBJECTIVE

To provide ore availability to CARBO Ceramics Inc. during periods of wet weather (which can prevent hauling from the mine sites). CE Minerals will store a mutually agreed upon tonnage of appropriate alumina content raw materials for CARBO Ceramics Inc. at the former A.P. Green plant site.

PRICE

CE Minerals will invoice CARBO Ceramics Inc. for half of the contract price of the ores when stockpiled, the remaining half of the contract price is to be invoice upon delivery; plus shipping and handling cost incurred by CE Minerals for the following:

1. Loading of ores at the various stockpile locations. (\$0.50 per ton)
2. Trucking of ores from the various stockpile locations to the former A.P. Green plant site. Rates are as follows:

Distance (Miles)	Rate (\$) Per Ton
1	0.97
2	1.33
3	1.42
4	1.50
5	1.57
6	1.65
7	1.74
8	1.82
9	1.90
10	1.97

Mileage will be rounded to the nearest mile and rates interpolated where required.

3. Weighing of the trucks on certified scales at the former A.P. Green plant site and pushing up the piles. (\$0.50 per ton)

1591165-2

Exhibit 5 to
Declaration of Mark Edmunds



July 15, 2006

Mark L. Edmunds
Vice President, Operations
CARBO Ceramics Inc.
Suite 1050
6565 MacArthur Blvd.

VIA FACSIMILE: 1-972-401-0705 (original document sent by courier)

RE: Contract Amendment Discussions

Dear Mark:

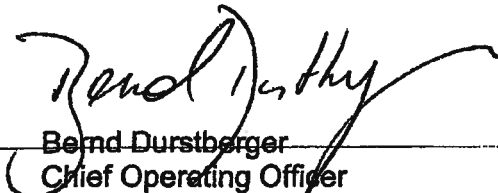
I wanted to follow-up concerning our discussions concerning a possible amendment to the supply agreement between Carbo Ceramics and C-E Minerals. Please note that since our latest phone conversation Meredith Lackey had not heard back from Ms. Bruder concerning the remaining legal issue in conjunction with above amendment.

As you well know, many months have now transpired since our first request for a contract amendment (which we had sought due to the dramatic energy increase experienced in our mining operations). We recently re-evaluated our tentative agreement (which you had graciously agreed to accept) consisting of a sales price increase in essence in exchange for a decreased purchase commitment from Carbo's side (plus the redefinition of certain operational practices). Due to the passage of time, we have internally reached the conclusion that this proposed agreement simply does not make economic sense for C-E Minerals anymore. We weighed the inherent long-term volume loss vs. the immediate energy cost relief, and being only months away from an expected regular inflation adjustment (for 2007 and beyond), the numbers just did not work out. In summary, I wish to inform you that we herewith formally withdraw our request for a contract amendment. We will of course honor our contractual obligations under the existing supply agreement, as I am certain will Carbo Ceramics, and we look forward to many years of continuing our mutually beneficial business relationship.

On a side note, and as I have repeatedly mentioned to you in recent phone conversations, it remains C-E's position that Paragraph 5 of the current supply agreement as a practical matter is of no consequence and has not been in force since the inception of the supply agreement. Therefore, I wish to reiterate that

C-E Minerals does not intend to abide by the covenant appearing in
aforementioned paragraph.

Best regards,



Bernd Durstberger
Chief Operating Officer
C-E Minerals, Inc.

Exhibit 6 to
Declaration of Mark Edmunds



July 21, 2006

VIA FACSIMILE AT (770) 225-7901 FOLLOWED BY UPS NEXT DAY AIR SERVICE

Mr. Bernd Durstberger
Chief Operating Officer
C-E Minerals, Inc.
100 Mansell Court East
Suite 615
Roswell, GA 30076

RE: Your correspondence of July 15, 2006

Dear Bernd:

We received your letter dated July 15, 2006, regarding the contract amendment discussions (a copy of which is attached hereto for reference). We firmly disagree with the opinion stated in your letter regarding Paragraph 5 of the Raw Material Requirements Agreement, dated June 1, 2003 (the "Agreement"). CARBO Ceramics Inc. believes that the rights and obligations described in Paragraph 5 are valid, legal, and enforceable.

As such, we reserve all rights to enforce the mutually agreed upon rights and obligations described in Paragraph 5, and C-E Minerals should fully expect that CARBO Ceramics would do so in the event of a breach of this provision of the Agreement. Thus, I take your statement in the second paragraph of your letter that C-E Minerals "...will of course honor our contractual obligations under the existing supply agreement..." at face value and fully expect C-E to honor its commitments. I, too, look forward to C-E performing to both the letter and spirit of the contract for the remainder of the contract term, as will CARBO Ceramics.

I have enjoyed our discussion of these past few months, and look forward to further dialogue in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark L. Edmunds", written over a horizontal line.

Mark L. Edmunds
Vice President, Operations

CARBO Ceramics Inc.
Suite 1050
6565 MacArthur Blvd.
Irving, Texas 75039
Telephone 972/401-0090
Fax 972/401-0705

CONFIDENTIAL

CARBOP00000412

Exhibit 7 to
Declaration of Mark Edmunds

EXECUTED

**2007 PRICING ADDENDUM
TO RAW MATERIALS REQUIREMENT AGREEMENT**

This 2007 Pricing Addendum to Raw Materials Requirement Agreement ("2007 Pricing Addendum") is made and entered into this 20th day of November, 2007 by and between C-E Minerals, Inc. ("C-E") and CARBO Ceramics Inc. ("CARBO") as an addendum to the Raw Material Requirements Agreement between C-E and CARBO dated June 1, 2003 (the "Agreement").

WHEREAS, the parties entered into the Agreement providing for the purchase and sale of kaolin ore (the "Product") at agreed-upon prices; and

WHEREAS, the Agreement provides for an equitable price adjustment where the Producer Price Index ("PPI") increases or decreases in excess of 8% in any calendar year; and

WHEREAS, the PPI increased in excess of 8% for 2007, and the parties have met and agreed on an equitable price increase and a new pricing structure for 2008, 2009, and 2010 (the remainder of the contract term); and

WHEREAS, the parties desire to memorialize the new pricing structure by this 2007 Pricing Addendum;

NOW THEREFORE, the parties agree to amend the Agreement as follows:

1. **Definitions.** Unless provided otherwise herein, all capitalized terms have the definitions attributed to them in the Agreement.
2. **Paragraph 2.C. (QUANTITY)** of the Agreement is replaced in its entirety with the following:

CARBO may specify that up to 25% of the Product provided pursuant to this Agreement come from "Coates-type" low Alumina ores. For the quantity of "Coates-type" ores provided from time to time, C-E shall provide sufficient quantities of ores from other locations to enable CARBO to blend the ores to achieve the specifications set out in Appendix A. Notwithstanding the aforementioned ore source specifications, the ores delivered to the CARBO Eufaula Plant will meet the product specifications (see Appendix A) on average for each 1,000 Tons delivered.

Continued

3. **Paragraph 4.** of the Agreement is replaced in its entirety with the following:

PRICE

The price for the Product purchased from C-E shall be \$23.83 per net ton for the calendar year 2008, \$24.83 per net ton for the calendar year 2009 and \$25.83 per net ton for the calendar year 2010, F.O.B. C-E's local Eufaula mines or other local deposits as agreed upon. The price for "Coates-type" Product shall be \$21.93 per net ton for the calendar year 2008, \$22.93 per net ton for the calendar year 2009 and \$23.93 per net ton for the calendar year 2010, delivered to Carbo's plant. C-E's local Eufaula mines or other local deposits as agreed upon.

C-E and CARBO agree that there shall be no price increases or decreases based on the development of the PPI during the remainder of the Term.

4. **Appendix B** to the Agreement is hereby omitted in its entirety.
5. **Term of Agreement.** The Term of the Agreement remains unchanged.

This 20th day of November, 2007.

C-E MINERALS, INC.

By: Michael K. Pierce

Print Name: Michael K. Pierce

Title: V.P. Sales

Date: 11/26/07

CARBO CERAMICS, INC.

By: Mark Edmunds

Print Name: MARK EDMUNDS

Title: V.P. of Operations

Date: 11/20/2007

Exhibit 8 to
Declaration of Mark Edmunds



36 Arch Drive
Eufaula, AL 36027
(Owner)

RECORD OF VISITATION OF INVITEES, CONTRACTORS, LICENSEES, VENDORS AND OTHERS

I understand that the party identified above as the owner or lessee ("Owner") is the owner or lessee of the building and facilities identified above and of the land under and around the building or facilities (all of which, collectively, are referred in this document as the "Owner's Property").

I am asking for permission to enter the Owner's Property. To induce Owner to authorize such entry, I agree to the following terms and conditions:

1. **Confidentiality:** Without the prior written consent of Owner in each case, neither I nor anyone that I represent or that I am employed by will disclose to any other party or remove from Owner's Property, in any manner whatsoever, "Proprietary Information" (which as used in this document, means all information that constitutes intellectual property, trade secrets and other confidential information which gives Owner or its affiliates an opportunity to obtain an advantage over competitors who do not know or use such information, including without limitation information about the manufacturing processes, facilities layout, equipment, products, management, marketing and corporate strategies of Owner and its affiliates). I understand that I may be permitted to observe Proprietary Information, or that Proprietary Information may be disclosed to me during or because of my entry upon the Owner's Property. I agree that I will not create any notes, data, reference materials, sketches, drawings, photographs, memoranda, documentation or records of any kind concerning Proprietary Information without the prior written consent of Owner. I also understand and acknowledge that if Proprietary Information is not kept confidential, Owner or its affiliates may suffer substantial damages. Owner shall be entitled, without limiting other available remedies, to an injunction or other equitable relief to prevent or stop any breach or threatened breach of this confidentiality provision.

2. **Assumption of Risk:** I assume all risk associated with my entry upon the Owner's Property and hereby waive, release, covenant not to sue, and forever discharge Owner and its affiliates, directors, officers and employees (all of which are referred to, collectively, in this document as the "Released Parties") from any liability, property damage or other loss I may suffer during, because of, arising out of or resulting from my entry upon the Owner's Property. Further, I and anyone that I represent or that I am employed by must indemnify, defend, and hold harmless each and every Released Party from and against any liability, claims, demands, actions, damages, expenses (including, without limitation, attorney fees) incurred or suffered because of, arising out of or resulting from (a) my entry upon the Owner's Property, (b) my acts or omissions while on the Owner's Property, or (c) any breach of the confidentiality provisions above. The releases and indemnities contained in this paragraph are intended to protect the Released Parties against matters for which they may be strictly liable or which may be caused by their own negligence. Accordingly, the releases and indemnities shall not be impaired by any actual or alleged strict liability or negligence on the part of any released party.

3. **Miscellaneous:** The agreements in this document I make not only for myself individually, but also on behalf of any party identified below that I represent or that employs me. Accordingly, this document shall be binding upon me and upon any such party. This agreement shall be governed by the laws of the state of Texas, without regard to its conflict law principles. You consent to Texas as the site of jurisdiction and agree that any action pertaining to this agreement will only be brought in the U.S. District Court in Dallas, Texas.

Date Signed: 2/3/05

Date(s) of Visitation: 2/3/05

Printed Name of Individual: Jose U. Hall

Signature of Individual: [Signature]

Name of the Party the Individual represents or that employs the individual, if any:

C-E Minerals

Signature of CARBO Ceramics Inc. Representative: [Signature]



36 Arch Drive
Eufaula, AL 36027 (Owner)

**RECORD OF VISITATION OF INVITEES,
CONTRACTORS, LICENSEES, VENDORS AND OTHERS**

I understand that the party identified above as the owner or lessee ("Owner") is the owner or lessee of the building and facilities identified above and of the land under and around the building or facilities (all of which, collectively, are referred in this document as the "Owner's Property").

I am asking for permission to enter the Owner's Property. To induce Owner to authorize such entry, I agree to the following terms and conditions:

1. **Confidentiality:** Without the prior written consent of Owner in each case, neither I nor anyone that I represent or that I am employed by will disclose to any other party or remove from Owner's Property, in any manner whatsoever, "Proprietary Information" (which as used in this document, means all information that constitutes intellectual property, trade secrets and other confidential information which gives Owner or its affiliates an opportunity to obtain an advantage over competitors who do not know or use such information, including without limitation information about the manufacturing processes, facilities layout, equipment, products, management, marketing and corporate strategies of Owner and its affiliates). I understand that I may be permitted to observe Proprietary Information, or that Proprietary Information may be disclosed to me during or because of my entry upon the Owner's Property. I agree that I will not create any notes, data, reference materials, sketches, drawings, photographs, memoranda, documentation or records of any kind concerning Proprietary Information without the prior written consent of Owner. I also understand and acknowledge that if Proprietary Information is not kept confidential, Owner or its affiliates may suffer substantial damages. Owner shall be entitled, without limiting other available remedies, to an injunction or other equitable relief to prevent or stop any breach or threatened breach of this confidentiality provision.

2. **Assumption of Risk:** I assume all risk associated with my entry upon the Owner's Property and hereby waive, release, covenant not to sue, and forever discharge Owner and its affiliates, directors, officers and employees (all of which are referred to, collectively, in this document as the "Released Parties") from any liability, property damage or other loss I may suffer during, because of, arising out of or resulting from my entry upon the Owner's Property. Further, I and anyone that I represent or that I am employed by must indemnify, defend, and hold harmless each and every Released Party from and against any liability, claims, demands, actions, damages, expenses (including, without limitation, attorney fees) incurred or suffered because of, arising out of or resulting from (a) my entry upon the Owner's Property, (b) my acts or omissions while on the Owner's Property, or (c) any breach of the confidentiality provisions above. The releases and indemnities contained in this paragraph are intended to protect the Released Parties against matters for which they may be strictly liable or which may be caused by their own negligence. Accordingly, the releases and indemnities shall not be impaired by any actual or alleged strict liability or negligence on the part of any released party.

3. **Miscellaneous:** The agreements in this document I make not only for myself individually, but also on behalf of any party identified below that I represent or that employs me. Accordingly, this document shall be binding upon me and upon any such party. This agreement shall be governed by the laws of the state of Texas, without regard to its conflict law principles. You consent to Texas as the site of jurisdiction and agree that any action pertaining to this agreement will only be brought in the U.S. District Court in Dallas, Texas.

Date Signed: 3/8/05

Date(s) of Visitation: _____

Printed Name of Individual (must be legible):

Pavel V. Harp

Signature of Individual:

A handwritten signature in dark ink, appearing to read "Pavel V. Harp", written over a horizontal line.

Name of the COMPANY the Individual represents or that employs the Individual, if any:

C.E. Minors

Signature of CARBO Ceramics Inc. Representative:

A handwritten signature in dark ink, appearing to read "Tor Spence", written over a horizontal line.