LAW OFFICES

DANIEL R. HARDEE GREG K. HARDEE RICH M. PIÑOL DAVID R. KRACKE

JOE M. HARRINGTON JAKE HARDEE

Of Counsel: BO DAVIES MICHAEL CHRISTIAN

HARDEE, PIÑOL & KRACKE PLLC

1487 S. David Lane Boise, Idaho 83705

TELEPHONE (208) 433-3913 TELEFAX (208) 342-2170

September 29, 2025

Shannon Chollett, Administrator Minerals, Public Trust and Oil & Gas Division James Thum, Oil & Gas Program Manager Idaho Department of Lands c/o Kourtney Romine 300 N. 6th Street, Suite 103 Boise, ID 83702

> Application of Snake River Oil and Gas, LLC to integrate unleased mineral interest owners, in the spacing unit consisting of the SE ¼ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22, Township 8 North, Range 5 West, Payette County, Idaho

IOGCC Docket No: CC-2025-OGR-01-005

Dear Administrator:

Pursuant to Idaho Code § 47-320 and § 47-328, Snake River Oil and Gas, LLC ("Applicant"), hereby applies for an order integrating the mineral interests in the spacing unit consisting of the SE 1/4 of Section 15, the E 1/2 of the SW 1/4 of Section 15, and the NE 1/4 of Section 22Township 8 North, Range 5 West, Payette County, Idaho.

1. Name and address of the applicant (Idaho Code § 47-320(4)(a)):

Snake River Oil and Gas, LLC P.O. Box 500 Magnolia, AR 71754-0500

2. Description of the spacing unit to be integrated (Idaho Code § 47-320(4)(b)):

The SE 1/4 of Section 15, the E 1/2 of the SW 1/4 of Section 15, and the NE 1/4 of Section 22, Township 8 North, Range 5 West, Payette County, Idaho. A plat of the subject spacing unit, with committed tracts in yellow and uncommitted tracts in white, and tracts numbered to correspond with the list of owners, is included in **Exhibit A**, is attached hereto. The list of owners in the subject spacing unit is attached hereto as **Exhibit B**. Note that Exhibit B lists both committed and uncommitted owners.

3. Geologic statement concerning the likely presence of hydrocarbons (Idaho Code § 47-320(4)(c)):

The likely presence of hydrocarbons in the subject spacing unit was established in the proceedings in Docket No. CC-2024-OGR-01-002, OAH Case No. 25-320-OG-01. That application was unopposed and Applicant anticipates the Administrator will issue an Order prior to the hearing of this Application establishing the spacing unit. The spacing application materials are available here: https://ogcc.idaho.gov/wp-

content/uploads/2025.05.22 CC2025OGR01002 SpacingApplicationSROG.pdf. In particular, see the Declaration of David Smith attached as Exhibit D to the spacing application. Other materials related to the spacing application, including additional exhibits illustrating the presence of hydrocarbons in the spacing unit, are available here: https://ogcc.idaho.gov/administrative-hearings/docket-no-cc-2025-ogr-01-002-application-for-spacing/.

4. Statement that the proposed drill site is leased (Idaho Code § 47-320(4)(d)):

As set forth in the Declaration of Richard Brown, attached as **Exhibit C**, the proposed drill site for the initial well is located in the SE ¼ of Section 15, to the east of the Idaho Northern & Pacific Railroad line) the proposed drill site is leased from Mary Ann Miller Trust (Tract #62 on Exhibit A, Tax Parcel #08N05W159161).

5. Statement of proposed operations for the spacing unit, including the name and address for the proposed operator (Idaho Code §47-320(4)(e)):

Applicant intends to drill an initial exploratory well in the subject spacing unit. The intended well is being drilled to explore for natural gas and hydrocarbon liquids. The planned well will be drilled directionally with an offset to be determined, but currently estimated at several hundred feet, to the southwest of the surface location. The drill site will be accessed from U.S. Route 95 and NW 16th Street. Applicant will obtain any required approach or other permits from the Idaho Transportation Department and Highway District #1.

Because of the exploratory nature of the proposed activity and the composition of hydrocarbons to be produced, the specific subsequent operations currently are unknown. A gathering pipeline has been constructed in the vicinity, providing connection to processing facilities to the east of the area, and it will be utilized to produce the proposed well should the well prove to be productive. Should a productive well be developed, it is anticipated that operations may be similar to the operations found at the previously drilled and completed wells in the area, such as the Fallon #1-10, Fallon #1-11, Barlow #1-14, Barlow #2-14, and Irvin #1-19 wells. There may be limited surface equipment at the well location, with the well connected via gathering line to the existing processing facility at Highway 30.

Operations will be conducted in compliance with the operational requirements in Title 47, Chapter 3, Idaho Code, and IDAPA 20.07.02. Once the well is drilled, the operator will submit well logs and a completion report as required by IDAPA 20.07.02.340 and .341. Should the well prove productive, the operator will submit production reporting, meter oil and gas, and submit an oil/gas ratio report, as required by IDAPA 20.07.02.400-.405. The operator will comply with production, well test, production potential, completion, and other operator reporting requirements of Idaho Code § 47-324. The operator will submit well logs as required by Idaho Code § 47-324.

It is proposed that Snake River Oil and Gas, LLC, whose address is listed above, be designated as the operator for the spacing unit.

6. Proposed joint operating agreement Idaho Code §47-320(4)(f)):

A form of proposed joint operating agreement is attached hereto as **Exhibit D**. The form of joint operating agreement is the same as has been approved in previous integration proceedings, is based on a standard industry form (American Association of Professional Landmen Form 610 (1989)), and is the same form used by Applicant with its operating partners, except that the risk penalty is reduced from 500% to 300%. The same form of JOA has been approved for use in previously integrated units, including most recently in OGCC Docket No. CC-2024-OGR-01-002.

7. <u>List of all uncommitted owners in the spacing unit to be integrated under the application, including names and addresses (Idaho Code § 47-320(4)(g)):</u>

Uncommitted owners to be integrated and their last known addresses, keyed by tract number to the plat attached as **Exhibit A**, and including the tax parcel identification for each tract, the net mineral acres owned for each owner by tract, are included in the list attached as **Exhibit B**. A resume of efforts for each uncommitted tract is included in **Exhibit B**.

8. The operator has obtained consent from at least fifty-five percent (55%) of mineral interest acres (Idaho Code § 47-320(6)(a)):

Exhibit C, the Declaration of Richard Brown, attests to the fact that more than 55% (specifically, approximately 61.10%) of the mineral interest acres in the subject spacing unit have been leased. The percentage leased is also reflected on the tract list attached as **Exhibit B**.

9. An affidavit stating the highest bonus paid to a leased owner in the spacing unit prior to filing the integration application (Idaho Code §47-320(4)(i)):

Exhibit C, the Declaration of Richard Brown, sets forth that the highest bonus paid in the subject spacing unit by Applicant prior to filing the application is \$150.00 per net mineral acre.

10. A resume of efforts documenting the applicant's good faith efforts on at least two (2) separate occasions within a period of time no less than sixty (60) days to inform uncommitted owners of the applicant's intention to develop the mineral resources in the proposed spacing unit and desire to reach an agreement with uncommitted owners in the proposed spacing unit. Provided however, if any owner requests no further

contact from the applicant, the applicant will be relieved of further obligation to attempt contact to reach agreement with that owner. At least one (1) contact must be by certified U.S. mail sent to an owner's last known address. If an owner is unknown or cannot be found, the applicant must publish a legal notice of its intention to develop and request that the owner contact the applicant in a newspaper in the county where the proposed spacing unit is located (Idaho Code §47-320(4)(j));

The operator has negotiated diligently and in good faith for a period of at least one hundred twenty (120) days prior to his application for an integration order (Idaho Code §47-320(6)(b).

As set forth in the Declaration of Richard Brown attached as **Exhibit C** and in the Resume of Efforts included in **Exhibit B**, known uncommitted owners were contacted at least twice in a period of not less than 60 days, including being sent at least one certified mailing an offer to lease, and often several emails, calls, and regular mailings offering or discussing lease terms. Certified mailing receipts are voluminous and are being supplied with the Application to the Department under separate cover, and will be posted by the Department to its online docket listing for this Application, which will be accessible here: https://ogcc.idaho.gov/administrative-hearings/. A copy of the form of letter mailed to uncommitted mineral owners is attached hereto as **Exhibit E**. Gross acres were inserted in the letter as appropriate for each owner. Total lease bonus varied depending on the owner and tract size. A notice of intent to develop has been supplied to the Argus-Observer newspaper was published on September 17, 2025. An affidavit of publication for that notice is attached hereto as **Exhibit G**.

In addition to the resume of efforts set forth in **Exhibit B**, the Declaration of Richard Brown attached as **Exhibit C** and the Declaration of Wade Moore, III attached as **Exhibit F** each attest to the further efforts of Applicant to reach and negotiate with mineral interest owners in the spacing unit since early 2023, a period of well over 120 days.

11. <u>Publication of notice of Application to unknown or unlocatable owners (Idaho Code</u> § 47-320(5):

As of the date of filing of this Application, a notice of this Application to unknown or unlocatable mineral interest owners, including notice of the opportunity to respond to the application and the deadline by which a response must be filed with the Department, will have been published in the Argus-Observer, on September 24, 2025. An affidavit of publication of the notice will be supplied to the Department at the time of filing of this Application, to be posted by the Department to its online docket for this Application.

12. Proposed terms of integration (Idaho Code § 47-320(3)):

Applicant requests that the Administrator order integration in accordance with Idaho Code § 47-320(3), specifically, Applicant requests that the integrated mineral interest owners be provided with the following alternatives:

- a) Working interest owner. An owner who elects to participate as a working interest owner shall pay the proportionate share of the actual costs of drilling and operating a well allocated to the owner's interest in the spacing unit. Working interest owners who share in the costs of drilling and operating the well are entitled to their respective shares of the production of the well. The operator of the integrated spacing unit and working interest owners shall enter into an approved joint operating agreement, based on a standard industry form, such as those supplied by the American Association of Professional Landmen, with amendments to the standard form not prejudicial to working interest owners.
- b) Nonconsenting working interest owner. An owner who refuses to share in the risk and actual costs of drilling and operating the well, but desires to participate as a working interest owner, is a nonconsenting working interest owner. The operator of the integrated spacing unit shall be entitled to recover a risk penalty of up to three hundred percent (300%) of the nonconsenting working interest owner's share of the cost of drilling and operating the well under the terms set forth in the integration order. After all the costs have been recovered by the consenting owners in the spacing unit, the nonconsenting owner is entitled to his respective share of the production of the well and shall be liable for his pro rata share of costs as if the nonconsenting owner had originally agreed to pay the costs of drilling and operating the well. The operator of the integrated spacing unit and nonconsenting working interest owners shall enter into a joint operating agreement. The department shall deem the joint operating agreement based on a standard industry form, such as those supplied by the AAPL, with amendments to the standard form not prejudicial to nonconsenting working interest owners.
- c) <u>Base entitlement</u>. If an owner fails to make an election within the election period set forth in the integration order, the operator shall compensate such owner for the owner's share of production with the following just and reasonable terms, provided that nothing in this paragraph shall be deemed to prevent the operator and owners from voluntarily agreeing to different lease terms before or after the entry of an integration order:
- i) Such owner shall receive a one-eighth (1/8th) royalty of any gas, oil, or natural gas liquids produced, proportionate to the owner's interest in the integrated unit.
- ii) Royalty payments shall comply with the terms of section 47-331, Idaho Code.
- iii) The operator of an integrated spacing unit shall pay such owner the highest bonus payment per acre that the operator paid to another owner in the spacing unit prior to the filing of the integration application.
- iv) The operator shall avoid, to the maximum extent possible, any use of surface lands belonging to integrated owners. Where such use cannot be reasonably avoided, use of surface lands, and compensation for such use, shall be governed by section 47-334, Idaho Code.
- (v) The operator shall comply with the requirements of sections 47-319, 47-332, 47-333, and 47-334, Idaho Code.

In addition, pursuant to Idaho Code §47-320(6)(c), Applicant requests that all uncommitted mineral interest owners receive terms and conditions no less favorable than those set forth in Idaho Code §47-331(2), i.e., (a) a royalty of no less than twelve and one-half percent (12.5%, or 1/8th) the owner's pro rata share of the oil and gas or natural gas plant liquids produced, with payments in legal tender unless written instructions for payment in kind have been provided; and (b) royalty payable on all production sold from the unit except on that consumed for the direct operation of the producing wells and that lost through no fault of the operator.

Applicant's request for a 300% risk penalty pursuant to Idaho Code § 47-320(3)(b) is based on the following facts, which are set forth in the Declaration of Richard Brown, attached as **Exhibit** C:

- a) Applicant and its participating working interest partners bear all the expense necessary to bring organize the spacing unit, drill the well, and bring it to production, including but not limited to title and leasing, acquisition and interpretation of seismic data, integration, the drilling, testing and completion of the well, and administration of revenues and royalties for the life of the well. Expenses such as leasing, seismic exploration, and expense of integrating the subject unit are not recovered from integrated owners who elect to become nonconsenting working interest owners and are borne entirely by Applicant and its working interest partners.
- b) The requested 300% risk penalty is more favorable than the penalty for nonconsenting working interest status under Applicant's joint operating agreement with its operating partners; thus the requested risk penalty places those owners electing nonconsenting working interest status on better than equal footing with Applicant's existing operating partners.
- c) The well to be drilled in the unit in an area with limited knowledge of and experience with geology, entailing a higher degree of risk to Applicant than a well drilled in a fully developed area. Other wells drilled in the area have had a different composition of hydrocarbons than anticipated, or have been less productive than anticipated, or have encountered sand conditions less favorable than anticipated.
- d) Specifically, the initial well to be drilled will target a conventional sand as defined by interpreted seismic data. The area is not a "resource play" involving the development of a shale resource of consistent depth and thickness over a large area, making targeting more technically complex and higher risk.
- e) Because of the small and remote nature of the field in which the unit is located, well service contractors are largely unavailable locally, and a drilling rig must be sourced from out of the area, increasing mobilization and operating expense. Because of these factors a well will be significantly more expensive to drill than in a developed and currently producing area. Applicant's expectation based on prior experience in the area is that drilling cost per well will be at least \$1 million more than for a similar well drilled in a mature producing area.

The uncommitted mineral owners identified in this Application should be required to elect within thirty (30) days after issuance of the Administrator's Order which method will be pursued in the development of the proposed unit, with respect to their interest, and, in the event no election is

made, those unleased mineral owners shall be deemed to have elected to accept a bonus of \$150.00 per net mineral acre as compensation in lieu of the right to participate in the working interest in said unit, and with the royalty to be $1/8^{th}$ (base entitlement option).

The required election should be delivered to:

Snake River Oil and Gas, LLC P.O. Box 500 Magnolia, AR 71754-0500

Applicant requests that the resulting Order of the Administrator be made applicable to any unknown spouse, heir, devisee, personal representative, successor or assign of all parties subject to the Order.

Applicant respectfully submits that the foregoing terms and conditions of integration are just and reasonable, as they comply with Idaho Code § 47-320(3), and for the following reasons, as set forth in the Declaration of Richard Brown, attached as **Exhibit C**.

- a) Applicant has obtained the commitment, by voluntary lease, of approximately 61.10% of the mineral acres in the spacing unit. The proposed base entitlement 1/8th royalty and \$150 per net mineral acre bonus are as favorable as those in voluntary leases between Applicant and other mineral interest owners in the unit, and at least as favorable as those in the vast majority of voluntary leases between Applicant and mineral interest owners in the wider basin. As set forth in the Declaration of Richard Brown, the bonus and royalty are consistent with lease terms in similarly developed areas in other states.
- b) Applicant proposes that no drilling activities will occur on the surface of the integrated acres and provides that any surface activities must occur under a surface use agreement with the leased owner.
- c) The terms of the JOA are equivalent to or better than those in the form of JOA used between the Applicant and its working interest partners. While the JOA between the operating partners has a risk penalty of 500%, the proposed JOA for integrated interests is limited to 300% for owners electing nonconsenting working interest status. Thus, any integrated mineral interest owner who wishes to participate in the well will be able to do so on equal footing with other working interest owners. The same form of JOA has been approved for use in previous integration proceedings before the Department.
- d) The operator fees and interest rate included in the proposed JOA are consistent with those used elsewhere in the southwest Idaho area and are consistent with those used in other states, as set forth in the Declaration of Richard Brown.
- e) The proposed JOA utilizes the American Association of Professional Landmen ("AAPL") Model Form 610. The AAPL provides form agreements developed for use nationwide in the oil and gas industry. See https://www.landman.org. AAPL Model Form 610 Joint Operating Agreement has been in use in the oil and gas industry in one form or another since

1956, and various versions of this form continue to be widely used. See John R. Reeves and J. Matthew Thompson, The Development of the Model Form Operating Agreement: An Interpretative Accounting, 54 Okla. L. Rev. 211, 213 (2001). In fact, descendants of the original form are now the most popular JOA forms in use. See Christopher S. Kulander, Old Faves and New Raves: How Case Law Has Affected Form Joint Operating Agreements - Problems and Solutions (Part One), 1 Oil & Gas, Nat. Resources & Energy J. 1 (2015) (citing to Gary B. Conine, Property Provisions of the Operating Agreement -- Interpretation, Validity and Enforceability, 19 Tex. Tech L. Rev. 1263, 1273-74 (1988)). Model form joint operating agreements, including Form 610, simplify negotiations, standardize technical terms and provisions, and obtain consistency in legal interpretations. See Conine, 19 Tex. Tech L. Rev. at 1273. As a result of the use of model form joint operating agreements, "judicial and academic concepts developed in the context of one JOA or one dispute are increasingly viewed as generally applicable to all JOAs." Ernest Smith, The Future of Oil and Gas Jurisprudence, Joint Operating Agreement Jurisprudence, 33 Washburn L.J. 834, 835 (1994). The Utah Supreme Court, in J.P. Furlong Company v. Board of Oil, Gas and Mining, 424 P.3d 858 (Utah 2018), upheld an agreement in form similar to the industry standard joint operating agreement (AAPL Form 610) as just and reasonable. As noted above, the proposed form of JOA has been approved for use in previous integration proceedings.

- f) The proposed risk penalty is reasonable, for the reasons set forth in the Declaration of Richard Brown.
- g) As set forth in the Declaration of Richard Brown, the Applicant is not aware of anything regarding the circumstances of the unit or the proposed operations that would require additional bonding with the Department.

Pursuant to Idaho Code § 47-328(3)(b): (a) Applicant requests that the Department of Lands publish notice of the Application on its website within seven (7) calendar days of its filing; (b) Applicant will send a copy of the Application and notice of the hearing date and response deadline to known uncommitted mineral interest owners by certified mail within seven (7) days of filing of the Application, and Applicant will provide proof of the mailing to the Department upon its completion; and (c) within seven (7) days of filing of the Application, Applicant will publish a second notice of the Application to unknown or unlocatable mineral interest owners, including notice of the regularly scheduled hearing date and the response deadline, once in the Argus-Observer newspaper, and Applicant will provide the Department an affidavit of publication of such notice upon its completion.

Very truly yours,

HARDEE, PIÑOL & KRACKE, PLLC

Michael Christian

September 29, 2025 Page 9

MC:

Attachments: Exhibits A through G cc: Snake River Oil and Gas, LLC

EXHIBITS

Exhibit A: Plat map with uncommitted tracts numbered

Exhibit B: Spreadsheet listing tract owners indexed to plat, and resume of efforts

Exhibit C: Declaration of Richard Brown

Exhibit D: Proposed form of JOA Exhibit E: Form of offer letter

Exhibit F: Declaration of Wade Moore, III

Exhibit G: Affidavit of Publication of notice of intent to develop

Exhibit A
E1/2 SW1/4; SE1/2 Section 15, Township 8 North, Range 5 West
and NE1/4 Section 22, Township 8 North, Range 5 West

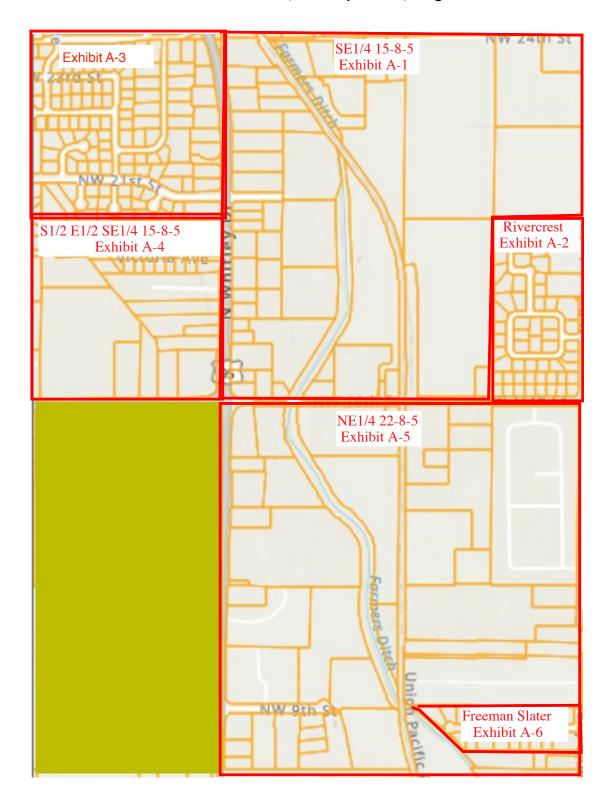


Exhibit A-1
SE ¼, Section 15, Township 8 North, Range 5 West



Exhibit A-2
Rivercrest Subdivision

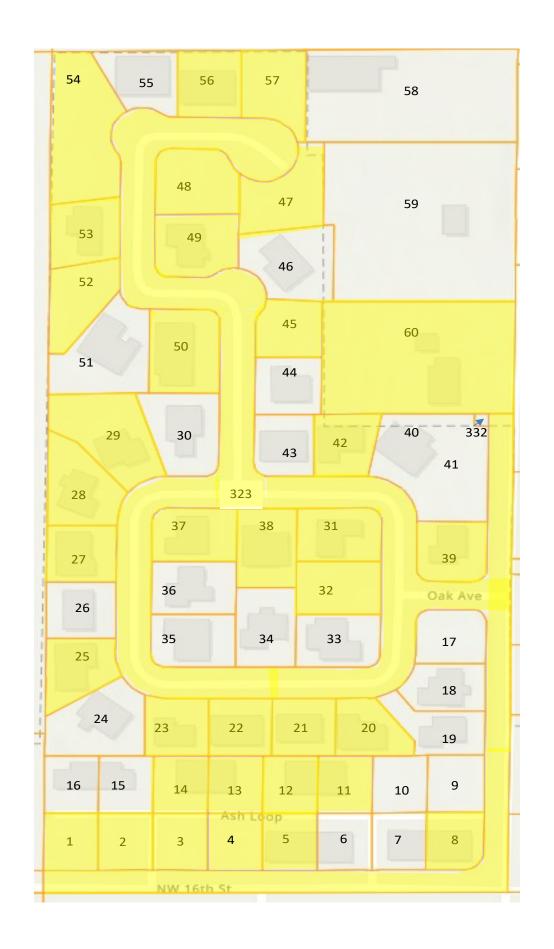


Exhibit A-3
N1/2E1/2SE1/4 Section 15, Township 8 North, Range 5 West

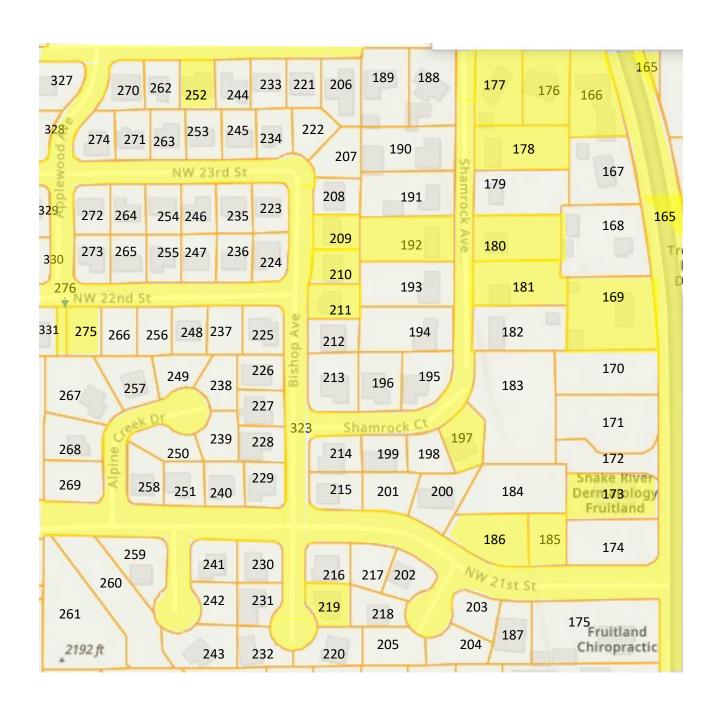


Exhibit A-4
S1/2E1/2SW1/4 Section 15, Township 8 North, Range 5 West

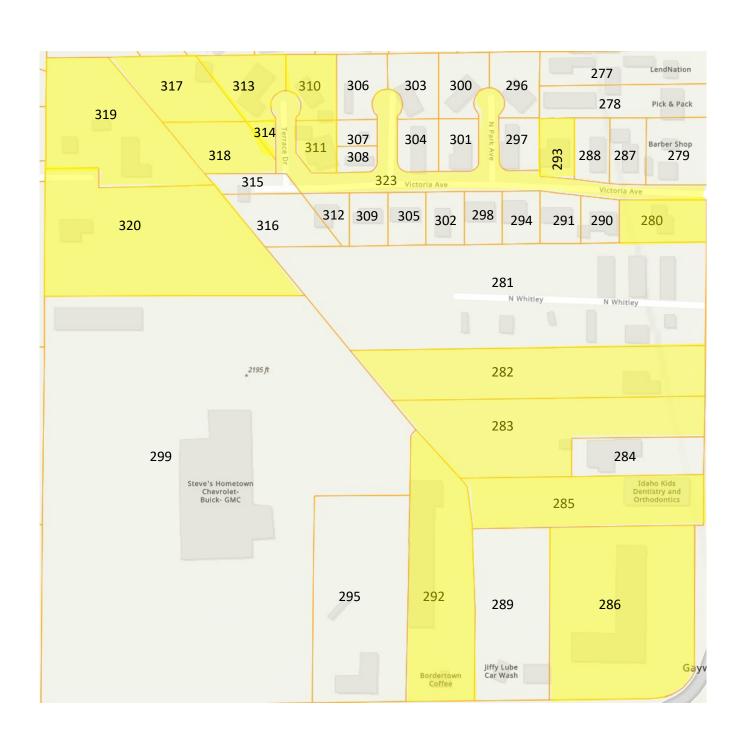


Exhibit A-5
Section 22, Township 8 North, Range 5 West

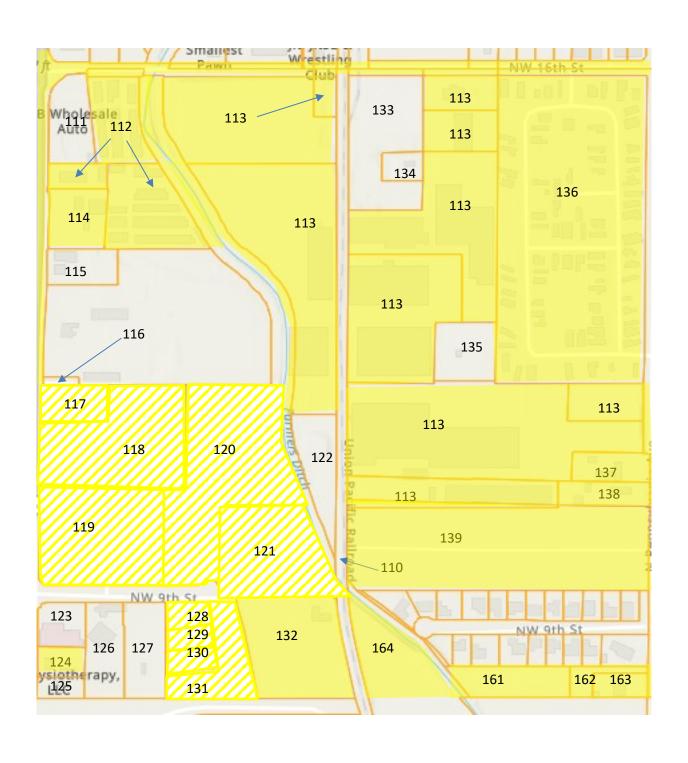


Exhibit A-6
Freeman Slater Subdivision, Section 22, Township 8 North, Range 5 West



EXHIBIT B OWNER LIST AND RESUME OF EFFORTS

					MINELL	IO I AIN	J INESU	IVIL OI L	FFURIS	
MAP #	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#1	8N5W-15-001	F38300010010	DARIN RAY & JULIEA DARLENE		0.204	0.204	0.204	410617	LEASED	
			HUFFAKER							
#2	8N5W-15-002	F38300010020	DARIN RAY & JULIEA DARLENE		0.204	0.204	0.204	410614	LEASED	
			HUFFAKER							
#3	8N5W-15-003	F38300010030	DARIN RAY & JULIEA DARLENE		0.204	0.204	0.204	410613	LEASED	
			HUFFAKER							
#4	8N5W-15-004	F38300010040	PRICKETT PROPERTIES, LLC		0.204	0.204	0.204	410612	LEASED	
			,							
#5	8N5W-15-005	F38300010050	THE DAHL FAMILY TRUST		0.204	0.204	0.204	452611	LEASED	
			U/T/A 10/31/2013		0.20					
#6	8N5W-15-006	F38300010060	SUSAN M. NEWMAN	182 ASH LOOP,	0.204	0.204			REFUSED	9/15/25 - Mailed lease Itr out via certified
"0	011011 10 000	1 000000 10000	OOO, II W. IVEVIII, IV	FRUITLAND,	0.204	0.204			KEI OOLD	7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
				ID 83619						info.
				10 03019						
		ĺ								9/29/23 CM: Spoke to Susan. She said she was not goig to sign. I gave her a lease and thank
		ĺ								ed her for her time.
										9/28/23 CM: No answer, left card again.
		ĺ								6/29/23 CM: Left note asking to call me back.
#7	8N5W 15 007	F38300010070	MOUNTAIN WEST IRA INC	13905 W. WAINWRIGHT	0.204	0.204			UNLEASED	7/30/25 - rec'd signed green card back; signed by Angela Truex on 7/24/25. 9589 0710 5270
#1	01434V-13-007	F36300010070	FBO DANITA SPARLING		0.204	0.204			UNLEASED	
		ĺ	I DO DANITA SPARLING	DRIVE						1981 9279 87
				BOISE, ID 83713						7/8/25 - mailed new lease out via certified mail
										7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
										info.
										5/6/25 CM: Attempted phone call again to speak someone who cpuld make desion on lease.
										3/13/23 CM: Spoke to rep, and she gave me
										their email and asked me to include all nessasary info and they would give it to Danita.
#8	8N5W-15-008	F38300010080	LARRY D. LEAVITT		0.349	0.349	0.349	409456	LEASED	
#9	8N5W-15-009	F38300010090	KELLY J. RHINEHART & LAURA L.	11897 W. BUTEO DR	0.204	0.204			UNLEASED	7/28/25 - rec'd signed green card back. signed by #3849 on 7/22/25
			RHINEHART, HIS WIFE	NAMPA, ID 83686						7/8/25 - mailed new lease out via certified mail.
										7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
										info.
										5/6/25 CM: Attempted phone call to Laura to try to follow up on signing the lease.
										9/7/23 CM: #3257 Spoke to Laura. She said she spoke to Ms Whitting and her son was
										supposed to get the minerals transfered into her name. never heard back. I suggested they
										sign the lease and give her the \$100 bonus. Then we could ratify the lease into her name as
										soon asa she gets the minerals into her name. She said she would call and let me know.
										7/11/23 CM: Spoke to laura about signing the lease and ratifying the lease to add Sheila later.
		ĺ								
		ĺ								initially they said yes, but then said she has an attorney working on transfering the rights and
		ĺ								they want to wait until that is done.
		ĺ								6/14/23 CM: Gave lease packet. They said they were pro oil but they think they signed the
										mineral rights back to Ms Whitting recenly. He asked for a little time to call her and confirm. He
		ĺ								said they would sign if they still own them.
		ĺ								
#10	8N5W-15-010	F38300010100	SHARON L. HARMON	177 ASH LOOP	0.160	0.160			REFUSED	9/15/25 - Mailed lease Itr out via certified
1				FRUITLAND, ID 83619						7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
										info.
		ĺ								5/26/23 CM: Sharron nodded her head yes the whole time I talked to her. At the end she just
		ĺ								said No. I told her I would mark her down as refused free money. She laughed and said OK.
		ĺ								•
		ĺ								5/10/23 CM: No answer, left card.
	<u></u>	L	<u> </u>						<u> </u>	3/14/23 CM: No answer, left card.
#11	8N5W-15-011	F38300010110	LEON MANNING & LEANNE		0.160	0.160	0.160	406308	LEASED	
			MANNING, HIS WIFE							
#12	8N5W-15-012	F38300010120	BRANT A. WATT & HILA A. WATT-		0.160	0.160	0.160	461997	LEASED	
#12										
#12			WHITE, HIS WIFE							
#13	8N5W-15-013	F38300010130	WHITE, HIS WIFE PAMELA Y. PETTIS		0.160	0.160	0.160	450597	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#14	8N5W-15-014	F38300010140	KELLY SUE WETTSTEIN & MARK WETTSTEIN		0.160	0.160	0.160	451543	LEASED	
#15	8N5W-15-015	F38300010150	GLORIA M. LOCK	285 Ash Loop, Fruitland, ID 83619 PO Box 1133, Fruitland ID 83619 5295 Sand Hollow Road, New Plymouth, ID 83655	0.160	0.160			REFUSED	9/19/25 - Mailed lease offer via certified 9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. Refused to sign lease. Gloria siad she is doing what they are so she is marked refused as well. 4/14/23 CM: Gloria said she was out of town again and forgot I was going to meet her. She said she was going to do what Dan Floyd does. 4/13/23 CM: Tried to meet Gloria. She was out of town working but said she would be back that evening. Waited till 9 oclock but she wasnt free.
#16	8N5W-15-016	F38300010160	GARY & HELEN FLOYD TRUST	297 ASH LOOP FRUITLAND, ID 83619	0.160	0.160			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/12/23 CM: Dan's wife is from Alaska and against O&G. Refused to sign lease 4/17/23 CM: Performed research and only found a quitcliam deed from Dan as Successor to the Trust. No proof of the trust or that Dan is the successor of the interest. Will need to speak to him to find more info on the Trust and disolving it. 2/27/23 Spoke to Dan Floyd, he is he heir of the previous owner and said he owns the minerals. Seemed interested, gave him a lease packet.
#17	8N5W-15-017	F38300020010	SHAWN MATTHEW CRAIG; JOHN W. & DORIS M. CRAIG FAMILY TRUST	1634 OAK AVENUE FRUITLAND, ID 83619	0.191	0.191			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/6/25 CM: Attempted phone call. 5/25/23 CM: Talked with John and Doris. They said they refuse to sign the lease. 5/10/23 CM: Spoke to John. He said he needed a little more time. Gave him a lease packet 2/28/23 CM: Spoke with Shawn, he seemed interested. Gave him a lease packet to look at.
#18	8N5W-15-018	F38300020020	DARLEEN M. WALKER & GARY LEE WALKER	1626 OAK AVENUE FRUITLAND, ID 83619	0.193	0.193			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/18/23 CM: Darleen refused to sign. 3/14/23 CM: Spoke to Darleen, gave her a lease. HOA Meeting place is her address she told me. 2/28/23 CM: No answer, left card.
#19	8N5W-15-019		MONICA M. EGGERS	128 SYCAMORE STREET FRUITLAND, ID 83619	0.203	0.203			UNLEASED	9/15/25 - Mailed lease Itr out via certified 7/24/25 - stop by, no answer. left lease packet in door. 7/10/25 - talked with Monica's husband. They weren ot opposed to a well. She works late and he will talk with her, then call and set up time to get together. I gave him a brochure and b/c. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/18/24 CM: Car was there and the garage was open. No answer at the door. Left my card. 3/14/23 CM: No answer, left card. I was in my car recoding my notes when I observed mineral owner drive past me and go into the garage. Got out and rang the ring doorbell again. Still no answer. 2/28/23 CM: No answer, left card.
#20	8N5W-15-020	F38300020040	NATHAN RAWLINSON & JENNIFER RAWLINSON		0.188	0.188	0.188	450661	LEASED	
#21	8N5W-15-021	F38300020050	SHANE LUSK & AMBER LUSK		0.190	0.190	0.190	450662	LEASED	
#22	8N5W-15-022	F38300020060	JOSE M. RIOS		0.212	0.212	0.212	409595	LEASED	
#23	8N5W-15-023	F38300020070	JONATHAN L. HENSLEY & SHANDEE L. HENSLEY		0.212	0.212	0.212	410321	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
					AONEO		LOD			
#24	8N5W-15-024	F38300020080	BEN J. JUDSON & LINDSEY EDMUNDS JUDSON	296 SYCAMORE STREET FRUITLAND, ID 83619	0.312	0.312			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 9/12/23 CM: Refused to lease. 7/11/23 CM: No Answer. 6/28/23 CM: No answer, left card. 6/6/23 CM: Spoke with Ms Judson. Gave her a lease packet. She said to come back on Friday.
#25	8N5W-15-025	F38300020090	JAY D. HOLMES & SALLY HOLMES, HIS WIFE	1633 HICKORY AVENUE FRUITLAND, ID 83619	0.220	0.220	0.220	461867	LEASED	
#26	8N5W-15-026	F38300020100	JOVANI SALDIVAR-SALGADO & ASHELY SALVIDAR	1653 HICKORY AVE FRUITLAND, ID 83619	0.202	0.202			UNLEASED	9/15/25 - Mailed lease Itr out via certified 8/6/25 - dropped of lease packet with Ashley 8/5/25 - talked with Ashley; she asked for a copy off a lease; she thought they would sign. 7/10/25 - talked with Mr. Saldivar. He did not have time to talk. I left him a brochure and b/c. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/2024 CM: atttempted visit no answer
#27	8N5W-15-027	F38300020110	SHIPLEY FAMILY TRUST		0.202	0.202	0.202	450596	LEASED	
#28	8N5W-15-028	F38300020120	EMILY STEIN & MARK A. STEIN		0.273	0.273	0.273	450921	LEASED	
#29	8N5W-15-029	F38300020130	RACHELL BLACKWELL & TODD BLACKWELL		0.357	0.357	0.357	451146	LEASED	
#30	8N5W-15-030	F38300020140	SHANNON M. CRAWFORD FAMILY TRUST	P.O. BOX 1106 FRUITLAND, ID 83619	0.287	0.287			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 4/26/23 CM: Shannon told me she was not going to participate. 4/25/23 CM: No answer, left card.
#31	8N5W-15-031	F38300030010	SHELLY GARDNER & CHRISTOPHER GARDNER, HER HUSBAND		0.228	0.228	0.228	450337	LEASED	
#32	8N5W-15-032	F38300030020	ENOS PENELOPE	1733 OAK AVE FRUITLAND, ID 83619	0.259	0.259	0.259	410618	LEASED	
#33	8N5W-15-033	F38300030030	KELBY G. BOWDEN & BRITTANY L. BOWDEN	1685 OAK AVENUE FRUITLAND, ID 83619	0.227	0.227			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 4/19/23 CM: Was told they were not interested. Gave filled out lease. 3/2
#34	8N5W-15-034	F38300030040	THE THOMAS P. & KRISTINE L. RYAN FAMILY TRUST	159 SYCAMORE STREET FRUITLAND, ID 83619	0.243	0.243			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 4/19/23 CM: Was told they were not interested. 3/15/23 CM: Took lease and my card. 3/2/23 CM: No answer, left card.
#35	8N5W-15-035	F38300030050	RICKERT S. WATKINS & KIMMIE L. WATKINS	1648 HICKORY AVENUE FRUITLAND, ID 83619	0.228	0.228			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/15/23 CM: As soon as I introduced myself he cut me off, said not interested and shut the door. 3/2/23 CM: No answer, left card.

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#36	8N5W-15-036	F38300030060	TYSEN W. KLAFKE & KELLY A. KLAFKE	1718 HICKORY AVENUE FRUITLAND, ID 83619	0.229	0.229			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/16/23 CM: Tysen told me he spoke to his attorney and was advised not to sign. 5/10/23 CM: Gave lease to look at. Seemed interested. 3/2/23 CM: Talked to the house sitter. She said they would be back next week. Gave her a lease packet and my card to give them.
#37	8N5W-15-037		TERRY & SUSAN OFT FAMILY TRUST		0.230	0.230	0.230	450601	LEASED	
#38	8N5W-15-038	F3830003080	MIGUEL A. SALDIVAR & OTILIA SALDIVAR		0.243	0.243	0.243	405214	LEASED	
#39	8N5W-15-039	F38300040010	KATIA R. COX		0.212	0.212	0.212	450919	LEASED	
#40	8N5W-15-040	F3830004003A	CLOUDLAND LLC	125 BEECH STREET FRUITLAND, ID 83619	0.240	0.240			REFUSED	9/15/25 - Mailed lease Itr out via certified 9/12/25 - per Butch, they also control Creekside HOA, and they are a Hard No.
#41	8N5W-15-041	F3830004003A	CLOUDLAND LLC	125 BEECH STREET FRUITLAND, ID 83619	0.302	0.302			REFUSED	9/15/25 - Mailed lease Itr out via certified 9/12/25 - per Butch, they also control Creekside HOA, and they are a Hard No. 7/15/25: Spoke to Mrs. Robb and they do not want to participate.
#42	8N5W-15-042	F38300040040	RONALD D. JUDD & FLORA A. JUDD		0.190	0.190	0.190	450918	LEASED	
#43	8N5W-15-043	F38300040050	HANNAH MURRY & WILLIAM MURRY	7740 RUDDER AVE BOISE, ID 83709	0.188	0.188			UNLEASED	9/15/25 - Mailed lease Itr out via certified 7/8/25 - Mailed new lease to new address: 7740 Rudder, Ave, Boise, ID 83709 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 9/8/23 CM: Mailed out lease Packet. 6/1/23 CM: #6699 Talked to Will. He said he was currently in Iraq. He said he would be back in a few months. I asked for his current address so I could mail him the paperwork for him to look at when he returned to the US. Added address to report. 5/26/23 CM: No answer, card still in door. Got a number from a neighbor.
#44	8N5W-15-044	F38310010010	JORDAN R. HEINTZ & JOSEPH T. HEINZ	1792 WALNUT AVENUE FRUITLAND, ID 83619	0.242	0.242			UNLEASED	9/15/25 - Mailed lease Itr out via certified 8/5/25 - stopped by and talked with their son; left a b/c asked him to give it to his parents. 7/24/25 - stopped by, no answer. Left lease packet in door
#45	8N5W-15-045	F38310010020	GREER FAMILY REVOCABLE TRUST		0.188	0.188	0.188	450339	LEASED	
#46		F38310010030	JEFFREY B. BERRY & LISA G. BERRY	1820 WALNUT AVENUE FRUITLAND, ID 83619	0.267	0.267			REFUSED	9/15/25 - Mailed lease Itr out via certified 7/10/25 - I talked with Jeffrey. he thought they would sign but wanted to talk with wife first. I left him a brochure and b/c. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/26/23 CM; Jeffery refused to sign the lease. Said he would call if he changes his mind. 5/16/23 CM: Jeff told me he is still thinking about signing and wanted to talk to a few neighbors first. Gave me his number and asked me to text him next week. 5/10/23 CM: Talked to Jeff. he said he wasnt sure if he wanted to do it. I answered all of his questions. he said give him some time and come back.
#47		F38310010040	MARSHALL J. JOHNSON & MAURNEY K. JOHNSON		0.416	0.416	0.416		LEASED	
#48		F38310010050	KEVIN JAY ELDREDGE		0.264	0.264	0.264	452236	LEASED	
#49	8N5W-15-049	F38310010060	TIFFANY ARMSTRONG		0.257	0.257	0.257	451542	LEASED	
#50	8N5W-15-050	F38310020010	RONALD R. ROBERTSON & SUSAN A. ROBERTSON		0.300	0.300	0.300	451089	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#51	8N5W-15-051	F38310020020	SUMMERTIME RESIDENTAL	4850 CURLEW LN	0.371	0.371			UNLEASED	9/15/25 - mailed lease ltr via certified
			PROPERTIES, LLC	EAGLE, ID 83616						8/13/25 - recorded release 8//1/25 - per Richard and Wade, this lease was released this past week. Old Lease #452232
										7/28/25 - talked with Dianna Luoma; she would like her lease to be released. They were signed
										by her husband, who does not have authority to sign.
#52	8N5W-15-052	F38310020030	GARY & JORAL GARDNER	1815 WALNUT AVE FRUITLAND, ID 83619	0.259	0.259	0.259	410616	LEASED	
#53	8N5W-15-053	F38310020040	ALEXANDRIA SANDERS	FRUITLAND, ID 63619	0.223	0.223	0.223		LEASED	
#54	8N5W-15-054	F3831002006A	SUANNE KEELEE BAKER & JEREMY JOHN BAKER		0.480	0.480	0.480	450930	LEASED	
#55	8N5W-15-055	F38310020070	TERRY K. HURRLE &	1865 WALNUT AVENUE	0.207	0.207			REFUSED	9/15/25 - Mailed lease Itr out via certified
			JONI K. HURRLE	FRUITLAND, ID 83619						7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info.
										3/2/23 CM: Very rude. Came out and said
										cant you see the no solicitors sign? I told her I wasn't selling anything, in fact I was there to
										give her money. She just shut the door. Left my card.
#56	8N5W-15-056	F38310020080	RUDY BENECKE &		0.241	0.241	0.241	409842	LEASED	
#57	8N5W-15-057	F38310020090	WALDTRAUD BENECKE GEORGE & REBECCA LONG	1877 WALNUT AVE	0.277	0.277	0.277	410615	LEASED	
#31			GLONGE & NEBECCA LONG	FRUITLAND, ID 83619	0.211	0.277	0.211	410013	LLAGED	
#58	8N5W-15-058	08N05W159020	ADDIE SINGLTON	373 NE 4 AVENUE ONTARIO, OR 97914	1.000	1.000			UNLOCAT	8/5/25 - Butch called Mike Singleton of Vale, OR. he has no relation to Addie.
				ONTARIO, OR 97914						8/1/25 - Butch talked with Laua Singleton Spence of Payette, she is not relation to Addie; 8/5/25 - RTSbad address. 373 NE 4 Ave. Ontario, OR 97914
										7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
										info.
										5/9/23 CM: Perforemd extensive research. Used Ancestry.com, could not find a living relative. 5/4/23 CM: Executed lease. When I turned it in I was told the minerals were reserved. Addie
										Singleton reserved all minerals in WD 163442 dated June 18 1976.
#59	8N5W-15-059	08N05W159081	THE GARY & SHAWLANGE CHAO	41621 MISSION CREEK	1.570	1.570			UNLEASED	7/9/25 - mailed new lease out via certified mail.
			LIVING TRUST DATED 12/29/65	DR						7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
				FREMONT, CA 94539						info.
										9/8/23 CM: Mailed out lease Packet. 6/6/23 CM: #6659 LVM: #0218 Busy.
										6/1/23 CM: #6659 LVM; #0218 LVM.
#60	8N5W-15-060	08N05W159131	DENNIS NEWMAN & ANDREA NEWMAN		1.100	1.100	1.100	450143	LEASED	
#61	8N5W-150-61	F00000159441	MARY ANN MILLER TRUST		0.720	0.720	0.720	450660	LEASED	
#62	8N5W-15-062	08N05W159161	MARY ANN MILLER TRUST		17.020	17.020	17.020	450660	LEASED	

MAP	# TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
		08N05W157650			1.990	1.990			REFUSED	9/15/25 - Mailed lease Itr out via certified
#63	810W-13-003	0011000	JOHN M. & JEAN D SANDQUIST TRUST	2750 ALDEN ROAD, UNIT 26 FRUITLAND, ID 83619	1.550	1.330			IXET GGEB	7/15/25 - Halked with John. They are going to put their house up for sale. Not going to sign a lease 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 8/2024 CM: Notified property sold to Endurance but kept homesite 1/2024 CM: Agreed to meet to discuss lease possibility 12/2023 CM: Still discussing lease 11/2023 CM: Contacted about leasing and called son out of state. 8/12/23 CM: Spoke to John again. He said he prayed about it and decieded not to sign adn just wait to be integrated.
										Asked me to still come by and chat. 5/9/23 CM: Spoke with John. He was nice about it. He said his kids dont want him to do it before they get it all after they pass. I explined the concept of a lease as apposed to buying and that the kids would still inherit the minerals. He sadi his sister just died and he has too much on his plate. Told me it was a no for now but to
#64	8N5W-15-064	08N05W157241	ENDURANCE HOLDINGS, LLC	1977 EAST OVERLAND ROAD MERIDIAN, ID 83642	16.010	16.010			UNLEASED	4/2/25 CM: Found a possible adddress and according to the SOS may be owned by CBH homes. 3/28/25 CM: Called number listed assistant would not let me speak with anyone. 8/24/24 CM: Changed ownership 8/12/23 CM: Spoke to John again. He said he prayed about it and decieded not to sign adn just wait to be integrated. Asked me to still come by and chat. 5/9/23 CM: Spoke with John. He was nice about it. He said his kids dont want him to do it before they get it all after they pass. I explined the concept of a lease as apposed to buying and that the kids would still inherit the minerals. He sadi his sister just died and he has too much on his plate. Told me it was a no for now but to check back with him in a couple of months. 6/10/25 - Richard and Ysabel met with Corey & Katie. 6/11/25 - Richard emailed them thanking them for their time yesterday, and explaining the lease, integration, leasing process. 7/9/25 - followup email from Richard 7/17/25 - followup email from Richard 8/26/25 - Rec'd email from Katie Miller (Land Development Manager) saying they will not sign, and are fine to be integrated 8/26/25 - Richard thanked them for responding and advised them they will be on the integration list.
										9/8/25 - RBWe had repeated meetings, phone calls and email starting from June 2025 and continued through August 2025 which culminated in a final email on August 26, 2025 advising us that they had elected not to lease and reguested that we integrate them 9/15/25 - mailed lease letter via certified
#65		08N05W157221	LARRY L. MORRIS	8185 N. PENNSYLVANIA AVE FRUITLAND, ID 883619	2.000	2.000			REFUSED	9/15/25 - Mailed lease Itr out via certified 5/14/25 N/A left B/C in door 10/17/23 CM: Refused to lease. 9/8/23 CM: Mailed out lease Packet. 3/6/23 CM: Initially knocked and no one answered, so I left my card in the door. Upon walking to my vehicle a woman came out of the house and said they were not messing with that crap. I said, may I ask why? She yelled because we are not messing with that crap! I responded, OK, let us know if you change your mind.
#66	8N5W-15-066	08N05W157350	DOUGLAS DORSING & CONNIE DORSING		20.000	20.000	20.000	455083	LEASED	
#67		F3540005000A	TRULA BUTLER		1.610	1.610	1.610	406634	LEASED	
#68	8N5W-15-068	03540006000D	BARBARA ADY		1.100	1.100	1.100	405985	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#69	8N5W-15-069	31400000010	BARBARA ADY		1.070	1.070	1.070	405985	LEASED	
#70	8N5W-15-070	03540006000C	BARBARA ADY		1.250	1.250	1.250	405985	LEASED	
#71	8N5W-15-071	03540006000B	JULIE R. FUGATE TRUST	1861 NW 24 STREET	1.060	1.060			REFUSED	9/15/25 - Mailed lease Itr out via certified
				FRUITLAND, ID 83619						7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info.
										10/17/23 CM: Refused to lease.
										5/4/23 CM: She told me that she had my card and she would call me when she is ready. 3/6/23 CM: Took lease and said OK, but by the look she gave me im not sure.
										,
#72	8N5W-15-072	03540006000A	JACK B. WALKER &	1875 NW 24 STREET	1.000	1.000			REFUSED	9/15/25 - Mailed lease Itr out via certified
			WENDY J. WALKER	FRUITLAND, ID 83619						7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
										info. 5/26/23 CM: Was told by Wendy, they were not interested. Said I would mark them down as
										refused.
										3/6/23 CM: No answer, left card.
#73		F3840000001B	BARRY K. BLUME & AMY JENSEN		0.770	0.770	0.770	452717	LEASED	
#74	8N5W-15-074	F3840000001C	THE BODY FACTORY, LLC		0.520	0.520	0.520	404998	LEASED	
#75		03540006000E	BARBARA ADY		1.140	1.140	1.140	405985	LEASED	
#76	8N5W-15-076	31400000020	BARBARA ADY		1.640	1.640	1.640	405985	LEASED	
#77	8N5W-15-077	F3840000002B	AJ ROBINSON PROPERTIES, LLC	2250 N. WHITLEY DRIVE FRUITLAND, ID 83619	0.852	0.852			UNLEASED	9/15/25 - Mailed lease Itr out via certified 7/21/25 - Met with Gerry, They want \$500/ac. They will wait for integration. Attorney advised
				I NOTILAND, ID 65019						him not to sign.
										7/8/25 - called Gary and L/M 7/1/25 - Butch stopped by business and asked for Gerry. He was out of the office, left b/c.
										4/2/25 CM: Recieved a call from Jerry. His attorney advised to wait for integration. I countered
										with a better offer than the terms he would gwt by being integrated. He said he would think
										about it and get back to me. 3/25/25 CM: Brought lease packet, jerry was not there. Asked me to leave it and they had
										notaries there to notarize the lease. Siad to come back at 11. Came back and Jerry was not
										there. Called me and said he wanted to run it by his lawyer. 3/24/25 CM: Spoke to owner Jerry. He was agreeable to lease. Asked me to bring him the lease
										at 9 am the following morning.
#78	8N5W-15-078	F3840000002C	JACK S. JONES & KATHY J. JONES		0.660	0.660	0.660	404997	LEASED	
#79	8N5W-15-079	F3840000002A	AJ ROBINSON PROPERTIES, LLC	2250 N. WHITLEY DRIVE	0.790	0.790			UNLEASED	9/15/25 - Mailed lease Itr out via certified
				FRUITLAND, ID 83619						7/21/25 - Met with Gerry. They want \$500/ac. They will wait for integration. Attorney advised him not to sign.
										7/8/25 - called Gary and L/M
										7/1/25 - Butch stopped by business and asked for Gerry. He was out of the office, left b/c. 4/2/25 CM: Recieved a call from Jerry. His attorney advised to wait for integration. I countered
										with a better offer than the terms he would gwt by being integrated. He said he would think
										about it and get back to me.
										3/25/25 CM: Brought lease packet, jerry was not there. Asked me to leave it and they had notaries there to notarize the lease. Siad to come back at 11. Came back and Jerry was not
										there. Called me and said he wanted to run it by his lawyer.
										3/24/25 CM: Spoke to owner Jerry. He was agreeable to lease. Asked me to bring him the lease at 9 am the following morning.
V22	ONEW := ac	00510000000	DOUGLAG BORGING		7.0	7.0-2	7.6=0	455001		
#80	8N5W-15-080	03540006000F	DOUGLAS DORSING & CONNIE DORSING		7.970	7.970	7.970	455083	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
					AONEO	OWN	LOD			
#81	8N5W-15-081	F3840000004B	HANSEN'S HOLDINGS, LLC	32501 HWY 95 PARMA, ID 83660	1.289	1.289			UNLEASED	7/10/25 - stop by Mr. Hansen's house. He wasn't home. Left a b/c with his daughter. She said she would give it to him 8/21/25 - stopped by Hanson home. Left b/c in door. 9/15/25 - Mailed lease Itr out via certified
#82	8N5W-15-082	F3840000004A	BARRY K. BLUME & AMY JENSEN		0.880	0.880	0.880	452717	LEASED	
#83	8N5W-15-083	F3840000006B	DON GROSS & ANNE GROSS, HIS WIFE		1.240	1.240	1.240	409843	LEASED	
#84	8N5W-15-084	F3840000008A	DON GROSS & ANNE GROSS, HIS WIFE		1.870	1.870	1.870	409843	LEASED	
#85	8N5W-15-085	F384000011A	CHESTER G. BOREN & SANDRA K. BOREN	2089 N. 6TH STREET PAYETTE, ID 83661	1.230	1.230			UNLEASED	9/15/25 - Mailed lease Itr out via certified 7/14/25 - talked with Chester and they changed their mind and are not going to sign. 7/11/25 talked with Chester. Went over lease and he agreed to sign. wants his daughter there so she knows what is happening. 5/2024 CM: still discussing lease 10/28/23 CM: At first Mr Boren said no, but said to give him more time. 9/18/23 CM: Spoke to Chester. He took a lease and siad he needed to think about it. 9/13/23 CM: Knocked, no answer, left card.
#86	8N5W-15-086	F3840000006A	GRANTS PETROLEUM, INC		3.930	3.930	3.930	451541	LEASED	
#87	8N5W-15-087	F3540002000A	DICKINSON FROZEN FOODS, INC	1205 E. IRON EAGE DR, STE B EAGLE, ID 83616	4.000	4.000			REFUSED	9/15/25 - Mailed lease Itr out via certified 9/8/25 - Beginning in April of 2025, Chris Mathews had repeated phone and email communication with Elizabeth Oberan with Oregon Potato Co. which is the parent company of Dickinson Foods regarding leasing their mineral interest. Those conversations and email communication continued up until Chris' death in June. Richard Brown picked up those negotiations immediately and was advised via email on June 30th that Oregon Potato/Dickinson had decided they were not interested in leasing and should be integrated. Richard Brown sent two more email requests in July and August to request further negotiations. He received no response. 6/30/25 - Elizabeth replied saying she is sorry to hear about Chris. The owner of their company has decided not to lease at this time, but to keep them informed as things develop. 6/30/25 - Richard Brown emailed Elizabeth to tell her about Chris's passing, and try to talk with her about the lease again. 5/15/25 - Chris talked with Elizabeth Oberan and emailed a lease to her. (elizabeth.oberan@oregonpotato.com) 4/2/25 CM: Went back by to see Scott. Was busy, left cover letter and my card. 3/24/25 CM: Was informed they had a new descision maker named Scott. Scott wasnt there, left my card. 8/30/23 CM: Went back to corporate, asked for an alternate person to speak with regarding the lease. Was told he was the only one. She told me to come back tomorrow and the would see what they could do regarding getting an answer. 6/23/23 CM: Todd was out of the office. Left my card. 5/25/23 CM: Went back to corporate and they declined to sign the lease. 8/30/23 CM: Went back to corporate, asked for an alternate person to speak with regarding the lease. Was told he was the only one. She told me to come back tomorrow and the would see what they could do regarding getting an answer. 6/23/23 CM: Went back to corporate, asked for an alternate person to speak with regarding the lease. Was told he was the only one. She told me to come back tomorrow and the would see what

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#88	8N5W-15-088	F35400020001	DICKINSON FROZEN FOODS, INC	1205 E. IRON EAGE DR, STE B EAGLE, ID 83616	3.390	3.390			REFUSED	9/15/25 - Mailed lease Itr out via certified 9/8/25 - Beginning in April of 2025, Chris Mathews had repeated phone and email communication with Elizabeth Oberan with Oregon Potato Co. which is the parent company of Dickinson Foods regarding leasing their mineral interest. Those conversations and email communication continued up until Chris' death in June. Richard Brown picked up those negotiations immediately and was advised via email on June 30th that Oregon Potato/Dickinson had decided they were not interested in leasing and should be integrated. Richard Brown sent two more email requests in July and August to request further negotiations. He received no response. 6/30/25 - Elizabeth replied saying she is sorry to hear about Chris. The owner of their company has decided not to lease at this time, but to keep them informed as things develop. 6/30/25 - Richard Brown emailed Elizabeth to tell her about Chris's passing, and try to talk with her about the lease again. 5/15/25 - Chris talked with Elizabeth Oberan and emailed a lease to her. (elizabeth.oberan@oregonpotato.com) 4/2/25 CM: Went back by to see Scott. Was busy, left cover letter and my card. 3/24/25 CM: Went back by to see Scott. Was busy, left cover letter and my card. 3/24/25 CM: Went back to corporate, asked for an alternate person to speak with regarding the lease. Was told he was the only one. She told me to come back tomorrow and the would see what they could do regarding getting an answer. 6/23/23 CM: Met Plant Manager Todd. He took a filled out lease 9/13/23 CM: Spoke with Corporate, asked for an alternate person to speak with regarding the lease. Was told he was the only one. She told me to come back tomorrow and the would see what they could do regarding getting an answer. 6/23/23 CM: Met Plant Manager Todd. He took a filled out lease and cover letter. Siad he would look it over.
#89	8N5W-15-089	F32910010040 F32910010044	SKY INVESTMENTS, LLC PIONEER TITLE CO. OF ADA COUNTY	POB 950 FRUITLAND, ID 83619 8151 W RIFLEMAN ST BOISE ID 83704	1.060	1.060			UNLEASED	9/8/25 - mailed lease Itr via certified. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact Info. 7/2/25 - per Butch "Rodney, I was going over Sky investments properties. They have divided parcel F32910010040, map # 89, Into two parcels. The new parcel is under Pioneer Title Company, # F32910010044, 0.3530 acres. We had the original acreage at 1.060 acres the two new parcel total 0.7370 acres not sure what happen to the additional acreage. The reception # 455578 that's what I have found to date". 5/6/25 CM: Attempted phone call to Jesse 9/15/23 CM: Heard back from Jesse. He said he spoke to his partner at the location. They are dividing the property and decided to wait until that was done before deciding to lease of or not. I stressed the lease was not for anything on the surface, but was only for the minerals 5000 feet below. I stressed that we would not be on the property. He asked me to give it 2-3 months and call back. 9/14/23 CM: Drove to Main office and was told he was at the Downtown Boise office. Drove to Downtown office, but Jesse was already gone for the day. 8/30/23 CM: Spoke to Jesse, he said they were most likely going to sign. He said he needed to speak to his person at the property, because they are planing on dividing it into three lots and selling two of them. I suggested he go ahead and sign the lease and depending on if they reserve the minerals or not. If reserved they would get all of the royalties, or upon transfer of title, we would ratify the lease to add them based on thier protion of the minerals owned . He said the person on the property was out until after Labor day weeken and he would let me know.

MAP	# TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#90	8N5W-15-090	F32910010050	DICKINSON FROZEN FOODS, INC	1205 F IRON FAGE DR	0.690	0.690			REFUSED	9/15/25 - Mailed lease Itr out via certified
,,,,,	0.1011 10 000	. 02010010000		STE B	0.000	0.000				9/8/25 - Beginning in April of 2025, Chris Mathews had repeated phone and email
				EAGLE, ID 83616						communication with Elizabeth Oberan with Oregon Potato Co. which is the parent company of
										Dickinson Foods regarding leasing their mineral interest. Those conversations and email communication continued up until Chris' death in June. Richard Brown picked up those
										negotiations immediately and was advised via email on June 30th that Oregon
										Potato/Dickinson had decided they were not interested in leasing and should be integrated.
										Richard Brown sent two more email requests in July and August to request further
										negotiations. He received no response. 6/30/25 - Elizabeth replied saying she is sorry to hear about Chris. The owner of their
										company has decided not to lease at this time, but to keep them informed as things develop.
										6/30/25 - Richard Brown emailed Elizabeth to tell her about Chris's passing, and try to talk with
										her about the lease again. 5/15/25 - Chris talked with Elizabeth Oberan and emailed a lease to her.
										(elizabeth.oberan@oregonpotato.com)
										4/2/25 CM: Went back by to see Scott. Was busy, left cover letter and my card.
										3/24/25 CM: Was informed they had a new descision maker named Scott. Scott wasnt there, left my card.
										8/30/23 CM: Went back to corporate, asked for an alternate person to speak with regarding the
										lease. Was told he was the only one. She told me to come back tomorrow and the would see
										what they could do regarding getting an answer. 6/23/23 CM: Todd was out of the office. Left my card.
										5/25/23 CM: Not Plant Manager Todd. He took a filled out lease
										9/13/23 CM: Spoke with Corporate and they declined to sign the lease.
										8/30/23 CM: Went back to corporate, asked for an alternate person to speak with regarding the
										lease. Was told he was the only one. She told me to come back tomorrow and the would see what they could do regarding getting an answer.
										6/23/23 CM: Todd was out of the office. Left my card.
										5/25/23 CM: Met Plant Manager Todd. He took a filled out lease and cover letter. Siad he would
										look it over.
#91	8N5W-15-091	F32910010030	BWR HOLDING COMPANY, LLC	15254 BALD EAGLE AVE	0.790	0.790			UNLEASED	7/22/25 - RTSbad address. moved left no forwarding address. unable to forward
"				CALDWELL, ID 83607						7/9/25 - mailed lease out via certified mail.
										7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
										info. 2/2024 CM: Attempted to visit at address no answer
										10/2023 CM: Still trying to make contact
										3/17/23 CM: Drove to address. There were very large security gates around the small
										neighborhood. Waited for someone to come and open the gate. I called #5495 Still not available; #3863 LVM. No one came so I left.
										3/14/23 CM: #5495 Not Available; #3863 LVM; #1738 Wrong number; #0950 Wrong number.
										3/14/23 Performed additional research and found possibe numbers for the owner Jeffrey.
										Added numbers to report. 3/14/23 CM: #0924 Wrong number.
#92	8N5W-15-092	F32910010060	ZACHARY C. MILLS		0.900	0.900	0.900	451145	LEASED	
#93	8N5W-15-093	F32910010020	BANK OF THE CASCADES	P.O. BOX 30918	0.950	0.950			UNLEASED	7/25/25 - rec'd signed green card back; signed by ???? on 7/15/25.
				BILLINGS, MT 59116						7/10/25 - mailed lease out via certified
										7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info.
										4/2024 CM: mailed offer letter 2/2024 CM: Attempted contact by phone
										3/13/23 CM: #3572 Wrong number. Will need more research.
										3/9/23 CM: Performed additional research and found the owners phone number. Added to
										report.
#94	8N5W-15-094	F32910010070	ZACHARY C. MILLS		0.930	0.930	0.930	451145	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#95	8N5W-15-095	F32910010010	RYAN D. HILLAM	1820 N. WHITLEY DRIVE FRUITLAND, ID 83619	0.420	0.420			UNLEASED	9/15/25 - mailed lease Itr via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
				TROTTEAND, ID 65019						info.
										7/1/25 - Butch stopped by Ryan's office but he was gone for the day. 9/2024 CM: Stopped by no one available
										9/25/23 CM: Spoke with Ryan. Gave him a cover letter, lease and W9. He was sceptical and had
										many questions about the dangers. When I left he said he would check into it and let me know. 9/19/23 CM: No answer, must have left early.
										9/11/23 CM: Took lease and pamplet.
#96	8N5W-15-096	F329100100A0	RYAN D. HILLAM	1820 N. WHITLEY DRIVE	0.440	0.440			UNLEASED	9/15/25 - mailed lease Itr via certified
				FRUITLAND, ID 83619						7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info.
										7/1/25 - Butch stopped by Ryan's office but he was gone for the day.
										9/2024 CM: Stopped by no one available 9/25/23 CM: Spoke with Ryan. Gave him a cover letter, lease and W9. He was sceptical and had
										many questions about the dangers. When I left he said he would check into it and let me know. 9/19/23 CM: No answer, must have left early.
										9/11/23 CM: Took lease and pamplet.
#97	8N5W-15-097	F32910010080	FRUITLAND COMMERCIAL DEVELOPMENT, LLC		0.910	0.910	0.910	452234	LEASED	
#98	8N5W-15-098	F3540002000D	T&M PROPERTIES, LLC		0.265	0.265	0.265	450915	LEASED	
#99	8N5W-15-099	F3540002000E	RICE ENTERPRISES, LLC		0.335	0.335	0.335	458306	LEASED	
#100	8N5W-15-100	F3540002000F	ECKHARDT PROPERTES, LLC	1706 N. WHITLEY FRUITLAND, ID 83619	1.306	1.306			REFUSED	9/15/25 - mailed lease Itr via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact
				TROTTEAND, ID 65019						info.
										8/23/23 CM: Cheri sent me a text and said she was going to follow her attorneys advise and wait for Integration.
										7/11/23 CM: Cheri told me to come back Monday and she will have an answer.
										6/12/23 CM: Cheri told me she sent the paper work to her attorney but is still waiting on his response.
										6/7/23 CM: Went to business. Was told she still had not spoken with her attorney. Asked me to try again tomorrow.
#101	8N5W-15-101	F3540002000K	IDEAL LENDING, INC		0.374	0.374	0.374	449604	LEASED	Ly again contribut.
		F3540002000H	WOODGRAIN, INC		0.423	0.423	0.423	461929	LEASED	
			·							
	8N5W-15-103		LISA O'NEIL		0.600	0.600	0.600	452718	LEASED	
#104	8N5W-15-104	F3540002000J	RICE ENTERPRISES, LLC		4.348	4.348	4.348	458306	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
					AONEO	OWN	LOD			
#105	8N5W-15-105	F3540001000A	DICKINSON FROZEN FOODS, INC	1205 E. IRON EAGE DR, STE B EAGLE, ID 83616	8.380	8.380			UNLEASED	9/15/25 - Mailed lease Itr out via certified 9/8/25 - Beginning in April of 2025, Chris Mathews had repeated phone and email communication with Elizabeth Oberan with Oregon Potato Co. which is the parent company of Dickinson Foods regarding leasing their mineral interest. Those conversations and email communication continued up until Chris' death in June. Richard Brown picked up those negotiations immediately and was advised via email on June 30th that Oregon Potato/Dickinson had decided they were not interested in leasing and should be integrated. Richard Brown sent two more email requests in July and August to request further negotiations. He received no response. 6/30/25 - Elizabeth replied saying she is sorry to hear about Chris. The owner of their company has decided not to lease at this time, but to keep them informed as things develop. 6/30/25 - Richard Brown emailed Elizabeth to tell her about Chris's passing, and try to talk with her about the lease again. 5/15/25 - Chris talked with Elizabeth Oberan and emailed a lease to her. (elizabeth.oberan@oregonpotato.com) 4/2/25 CM: Went back by to see Scott. Was busy, left cover letter and my card. 3/24/25 CM: Went back by to see Scott. Was busy, left cover letter and my card. 8/30/23 CM: Went back to corporate, asked for an alternate person to speak with regarding the lease. Was told he was the only one. She told me to come back tomorrow and the would see what they could do regarding getting an answer. 6/23/23 CM: Todd was out of the office. Left my card. 5/25/23 CM: Met Plant Manager Todd. He took a filled out lease 9/13/23 CM: Spoke with Corporate and they declined to sign the lease. 8/30/23 CM: Went back to corporate, asked for an alternate person to speak with regarding the lease. Was told he was the only one. She told me to come back tomorrow and the would see what they could do regarding getting an answer. 6/23/23 CM: Todd was out of the office. Left my card. 5/25/23 CM: Met Plant Manager Todd. He took a filled out lease and cover letter. Siad he would
	8N5W-15-106		FUTURE PROPERTIES, LLC WALTER L. BUTLER &	1990 S. COLE ROAD BOISE, ID 83709 1890 E. DUNWOODY CT MERIDIAN, ID 83646	3.080	3.080	0.646	405307	UNLEASED	8/5/25 - RTSbad address1990 S. Cole Rd, Boise, ID 83709 7/9/25 - mailed lease out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 9/3/25 CM: Spoke to Tyler, he said he was not sure becuase he didnt want any incomberances on his porperty. I explained it would not be, he said he would let me know. 8/2024 CM: STopped by to speak to someone who can make decisions on leasing 8/30/23 CM: Tyler was not there. Associate said he would let him know I came by. 6/13/23 CM: #8580 Tyler said he wasnt the descision maker. Said he will follow up with them today and let me know. 6/8/23 CM: #8580 Called and spoke to an associate. He said he would relay my request to call me back.
	8N5W-15-107 8N5W-15-108		DELORES J. BUTLER TCN PRO, LLC	6300 SE 4 AVENUE	0.646	0.646	0.646	461868	LEASED	
#100	GINGVV-10-100	1 004000 1000B	TOW FILO	NEW PLYMOUTH, ID 83655	0.430	0.430	0.430	401000	LEMSED	
	8N5W-15-109		TCN PRO, LLC	6300 SE 4 AVENUE NEW PLYMOUTH, ID 83655	0.561	0.561	0.561	461868	LEASED	
#110	8N5W-15-110	08N05W159180	ANADARKO LAND CORP.	1201 Lake Robbins Dr. The Woodlands, TX 77380	5.000	5.000			UNLEASED	9/15/25 - mailed lease Itr via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/6/25 CM: Sent lease via certified mail. 3/5/25 CM: Was previously the railroad.

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#111	8N5W-22-001	F00000220780	AUTO ZONE PARTS , INC.	123 SOUTH FRONT ST, MEMPHIS, TN 38103	2.340	2.340			UNLEASED	9/15/25 - mailed lease Itr via certified 8/13/25 - recorded release 8/13/25 - per Richard and Wade, this lease was released this past week. Old Lease #452232 7/28/25 - talked with Dianna Luoma; she would like her lease to be released. They were signed by her husband, who does not have authority to sign.
#112	8N5W-22-002	F00000220760; F00000220790; F00000220791; F00000220881	RICE ENTERPRISES, LLC		5.659	5.659	5.659	458306	LEASED	
#113	8N5W-22-003	F00000220630; F00000220620; 08N05W220720; F000002201f0; F00000220171; 08N05W220322; 08N05W220341; F000000221830; F00000221000; F00000221990	WOODGRAIN MILLWORK, INC DAME BROTHERS PENN SOUTH, LLC		44.280	44.280	44.280	446467	LEASED	
#114	8N5W-22-004	F00000220943	MIKE C. DAVIS & CHERYL DAVIS		1.480	1.480	1.480	405723	LEASED	
#115	8N5W-22-005	F00000220961	THE FRANKLIN GROUP, INC	9222 WEST BARNES DR BOISE, ID 83709	1.030	1.030			UNLEASED	9/15/25 - mailed lease itr via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/2025 CM: Stopped by local office no one available 11/2024 CM: Stopped by to discuss leasing and asked for the person who could make that decision. 8/2024 CM: Trying to get in contact with correct person
		F00000220922; F00000221000	FRANK LAND LIVESTOCK, LLC	9222 W. BARNES DRIVE BOISE, ID 83709	11.510	11.510			REFUSED	9/15/25 - mailed lease Itr via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 4/9/25 CM: Recieved an email from Rick Lierz, letting me know they were not interested in leasing. 4/2/25 CM: Went to the Fruitland Location and spoke to the manager. he said he would give the owners the information. 3/26/25 CM: Sent a lease packet via emai. 8/23/24 CM: #5569 Spoke to Andrea. She is the owners assistant. She said she was sending the info to the owner Levi. She said he may not be interested but she would pass along what I said and my information to him.
#117	8N5W-22-007	F00000221380	GERALD FRED BENNETT		0.955	0.080	0.080	409845	LEASED	
#117	8N5W-22-007	F00000221380	STEPHEN L. BENNETT		0.955	0.080	0.080	409846	LEASED	
#117	8N5W-22-007	F00000221380	LAURENCE HARVEY OLLUM		0.955	0.040	0.040	409847	LEASED	
#117		F00000221380	MARJEAN RANICE SILVERNAIL		0.955	0.040	0.040	409844	LEASED	
#117	8N5W-22-007	F00000221380	RCG-R2B, LLC		0.955	0.239	0.239	406930	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#117	8N5W-22-007	F00000221380	CAROL ANN MARCY MCLEAN ESTATE	HEIRS & ADDRESS UNKNOWN	0.955	0.119			UNLEASED	5/13/25: Reseached via Ancestry.com; Peoplefinders.com, and google.com. Descendants of Carol Ann Marcy McLean could possibly be: Breanna Mclean Froemke, 1048 E. 16th St, Lafayette, OR 97127; Derek Oliver Mclean, 8103 53rd Dr NE, Marsville, WA 98270; Donal P. Mclean, 220 K St, Cheney, WA 99004. 6/5/25: mailed certified letters out to Breanna Mclean Froemake, Derek Oliver Mclean, and Donal P. Mclean. I asked for confirmation of heirship on Carol Ann Marcy Mclean. 6/10/25: Donal Mclean green card signed 6/12/25: Breanna Mclean Froemake green card signed 6/13/26: Derek McLean (derek.omclean@hotmail.com) emailed me saying he received my letter. He had questions to better understand the situation. Nature of our interest, percentage of interest in unit, documents needed for verification of heirship on Carol Mclean, expectations / next steps, financial implications, any additional information. I emailed him back thanking him for the reply, and with answers to his questions. 6/14/25: Derek Oliver Mclean green card signed. Have not received information establishing heirship for Carol Ann Marcy McClean decendants. 9/22/25 mailed Derek McLean, Donal McLean, Breanna Froemake. Still have not received heirship information.
#117	8N5W-22-007	F00000221380	MARK DOUGLAS ABLIN (CHARLES D. ABLIN HEIR)	4715 NE 15TH ST VANCOUVER, WA 98661	0.955	0.040	0.040		LEASED	
#117	8N5W-22-007	F00000221380	STEVEN ABLIN (CHARLES D. ABLIN HEIR)	206 NE 126TH AVE VANCOUVER, WA 98684	0.955	0.040			UNLEASED	5/8/25: searched Ancestry.com paid subscription for obituary for James Ablin. Found that he is also known as Jimmie Charles Ablin, dec 1985, at 44, obit place is Vancouver, WA. Death place Spokane, WA. married to Ann L. Ablin, maiden name Odegard. She died 2001. cemetery is Evergreen Memorial Gardens. Children are as follows: Mark Ablin, Steven Ablin, Kristiann Hilbert. Found Mark and Jeannie Ablin on facebook, but not the others. 5/8/25: Mailed letters out explaining about their mineral interest and the future plans for drilling and setting up unit to the following: 1. Mark Douglas Ablin (Jeannie, h/w), 4715 NE 15th St, Vancouver, WA 98661. 2. Steven Ablin, 206 NE 126th Ave, Apt 69, Vancouver, WA 98665. 5/15/25: Talked with Kristiann Baker, sister of Steve Ablin. She is in regular contact with her brother, Mark, but she nor Mark, have not talked with Steve in many years. She doesn't have an address for him. 5/22/25: RTSbad address206 NE 126th Ave, Apt 69, Vancouver, WA 98684 9/15/25 - mailed lease letter via certified
#117	8N5W-22-007	F00000221380	KRISTIANN BAKER (CHARLES D. ABLIN HEIR	6451 RANKIN DR VANCOUVER, WA 98665	0.955	0.040	0.040		LEASED	
#117	8N5W-22-007		IVAN LEE RICHARDSON	5954 WOODARD AVE FREELAND, WA 98249	0.955	0.239			UNLEASED	5/2025 CM: Contacted Ivan and Tyler Richardson (son) about leasing his family interest. 4/2025 CM: located owner in a retirement home and his son. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 7/10/25 - mailed llease out via certified mail 7/24/25 - rec'd signed green card back. Signed by V.R. 9589 0710 5270 1981 9293 94 8/19/25 mailed lease offer by regular mail 9/22/2025 mailed lease offer by regular mail
	8N5W-22-008		GERALD FRED BENNETT		5.208	0.434	0.434	409845	LEASED	
#118	8N5W-22-008 8N5W-22-008		STEPHEN L. BENNETT LAURENCE HARVEY OLLUM		5.208	0.434	0.434	409846 409847	LEASED LEASED	
#118	8N5W-22-008		MARJEAN RANICE SILVERNAIL		5.208	0.217	0.217	409844	LEASED	
#118	8N5W-22-008		RCG-R2B, LLC		5.208	1.302	1.302	406930	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
	8N5W-22-008		CAROL ANN MARCY MCLEAN ESTATE	8103 53rd Dr NE MARYSVILLE, WA 98270	5.208	0.651			UNLEASED	Same as for #117.
	8N5W-22-008		MARK DOUGLAS ABLIN (CHARLES D. ABLIN HEIR)	4715 NE 15TH ST VANCOUVER, WA 98661	5.208	0.217	0.217		LEASED	
	8N5W-22-008		STEVEN ABLIN (CHARLES D. ABLIN HEIR)	206 NE 126TH AVE VANCOUVER, WA 98684	5.208	0.217			UNLEASED	Same as for #117.
#118	8N5W-22-008	F00000221350	KRISTIANN BAKER (CHARLES D. ABLIN HEIR	6451 RANKIN DR VANCOUVER, WA 98665	5.208	0.217	0.217		LEASED	
#118	8N5W-22-008	F00000221350	IVAN LEE RICHARDSON	5954 WOODARD AVE FREELAND, WA 98249	5.208	1.302			UNLEASED	Same as for #117.
#119	8N5W-22-009	F00000221355	GERALD FRED BENNETT		4.936	0.411	0.411	409845	LEASED	
#119	8N5W-22-009	F00000221355	STEPHEN L. BENNETT		4.936	0.411	0.411	409846	LEASED	
#119	8N5W-22-009	F00000221355	LAURENCE HARVEY OLLUM		4.936	0.206	0.206	409847	LEASED	
#119	8N5W-22-009	F00000221355	MARJEAN RANICE SILVERNAIL		4.936	0.206	0.206	409844	LEASED	
#119	8N5W-22-009	F00000221355	RCG-R2B, LLC		4.936	1.234	1.234	406930	LEASED	
#119			CAROL ANN MARCY MCLEAN ESTATE	8103 53rd Dr NE MARYSVILLE, WA 98270	4.936	0.617			UNLEASED	Same as for #117.
#119	8N5W-22-009	F00000221355	MARK DOUGLAS ABLIN (CHARLES D. ABLIN HEIR)	4715 NE 15TH ST VANCOUVER, WA 98661	4.936	0.206	0.206		LEASED	
		F00000221355	STEVEN ABLIN (CHARLES D. ABLIN HEIR)	206 NE 126TH AVE VANCOUVER, WA 98684	4.936	0.206			UNLEASED	Same as for #117.
		F00000221355	KRISTIANN BAKER (CHARLES D. ABLIN HEIR	6451 RANKIN DR VANCOUVER, WA 98665	4.936	0.206	0.206		LEASED	
	8N5W-22-009		IVAN LEE RICHARDSON	5954 WOODARD AVE FREELAND, WA 98249	4.936	1.234			UNLEASED	Same as for #117.
#120	8N5W-22-010	08N05W221220	GERALD FRED BENNETT		6.363	0.530	0.530	409845	LEASED	
#120		08N05W221220	STEPHEN L. BENNETT		6.363	0.530	0.530	409846	LEASED	
#120	8N5W-22-010	08N05W221220	LAURENCE HARVEY OLLUM		6.363	0.265	0.265	409847	LEASED	
#120	8N5W-22-010	08N05W221220	MARJEAN RANICE SILVERNAIL		6.363	0.265	0.265	409844	LEASED	
#120	8N5W-22-010	08N05W221220	RCG-R2B, LLC		6.363	1.591	1.591	406930	LEASED	
			CAROL ANN MARCY MCLEAN ESTATE	8103 53rd Dr NE MARYSVILLE, WA 98270	6.363	0.795				Same as for #117.
		08N05W221220	MARK DOUGLAS ABLIN (CHARLES D. ABLIN HEIR)	4715 NE 15TH ST VANCOUVER, WA 98661	6.363	0.265	0.265		LEASED	
#120	8N5W-22-010	08N05W221220	STEVEN ABLIN (CHARLES D. ABLIN HEIR)	206 NE 126TH AVE VANCOUVER, WA 98684	6.363	0.265			UNLEASED	Same as for #117.
#120	8N5W-22-010	08N05W221220	KRISTIANN BAKER (CHARLES D. ABLIN HEIR	6451 RANKIN DR VANCOUVER, WA 98665	6.363	0.265	0.265		LEASED	

MAP#		PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#120	8N5W-22-010	08N05W221220	IVAN LEE RICHARDSON	5954 WOODARD AVE FREELAND, WA 98249	6.363	1.591			UNLEASED	Same as for #117.
#121	8N5W-22-011	08N05W221250	GERALD FRED BENNETT		3.199	0.267	0.267	409845	LEASED	
#121	8N5W-22-011	08N05W221250	STEPHEN L. BENNETT		3.199	0.267	0.267	409846	LEASED	
#121	8N5W-22-011	08N05W221250	LAURENCE HARVEY OLLUM		3.199	0.133	0.133	409847	LEASED	
#121	8N5W-22-011	08N05W221250	MARJEAN RANICE SILVERNAIL		3.199	0.133	0.133	409844	LEASED	
#121	8N5W-22-011	08N05W221250	RCG-R2B, LLC		3.199	0.800	0.800	406930	LEASED	
#121	8N5W-22-011	08N05W221250	CAROL ANN MARCY MCLEAN ESTATE	8103 53rd Dr NE MARYSVILLE, WA 98270	3.199	0.400			UNLEASED	Same as for #117.
#121	8N5W-22-011	08N05W221250	MARK DOUGLAS ABLIN (CHARLES D. ABLIN HEIR)	4715 NE 15TH ST VANCOUVER, WA 98661	3.199	0.133	0.133		LEASED	
#121	8N5W-22-011	08N05W221250	STEVEN ABLIN (CHARLES D. ABLIN HEIR)	206 NE 126TH AVE VANCOUVER, WA 98684	3.199	0.133			UNLEASED	Same as for #117.
#121	8N5W-22-011	08N05W221250	KRISTIANN BAKER (CHARLES D. ABLIN HEIR	6451 RANKIN DR VANCOUVER, WA 98665	3.199	0.133	0.133		LEASED	
#121	8N5W-22-011	08N05W221250	IVAN LEE RICHARDSON	5954 WOODARD AVE FREELAND, WA 98249	3.199	0.800			UNLEASED	Same as for #117.
#122	8N5W-22-012	F00000221340	CITY OF FRUITLAND	P.O. BOX 324 FRUITLAND, ID 83619	2.080	2.080			REFUSED	9/15/25 - mailed lease itr via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. Multiple meetings in person, by phone, by mail, and city council meetings by Richard and Wade from 2022-2025. City council voted not to lease in 2024. Will not lease
#123	8N5W-22-013	F00000221570	TODD H. HEINZ	4925 CANAL LANE FRUITLAND, ID 83619	0.875	0.875			REFUSED	9/15/25 - mailed lease Itr via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 8/31/23 CM: Finally caght up with Todd. He said he is going to hold off for now. I asked him to call me if he changed his mind. 6/27/23 CM: Met with Todd and his wife. Answered many questions. They said to try back in two weeks. 6/22/23 CM: #5575 LVM.
#124	8N5W-22-014	F00000221610	GCL PROPERTIES, LLC		0.579	0.579	0.579	451545	LEASED	
#125	8N5W-22-015	F00000221620	RIGGINS PROPERTIES, LLC	6055 ELMORE ROAD FRUITLAND, ID 83619	0.459	0.459			UNLEASED	9/15/25 - mailed lease itr via certified 8/4/25 - stopped by and talked with house guest; Donna wasn't there. Ieft a lease packet at the door. 7/10/25 - stopped by Donna Gill's house & talked with her about lease. She said she would think about it. I gave her a b/c 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 2/2025 CM: Attempted to stop by address no one available 10/2024 CM: Researched phone number and attepted to stop by adress

MAD #	TDAGT	DAROEL	IMINEDAL OWNED	ADDDEOG	00000	NET	NET	INOT	OTATUO	DEGUME OF FEFORE
MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#126		F00000221630	GEMINI PROPERTY HOLDINGS LLC	1639 W. ASHTON HILL LOOP, ASHTON, ID 83420	1.540	1.540			UNLEASED	8/5/25 - RTS on Chris letter, P.O. Box 622, Fruitland, ID 83619 7/31/25 - received signature card. 7/24/25 - mailed lease packet via certified mail return signature requested. 7/16/25 - stopped by attorney's office (Mr. Hrizuk); the recepionest would not give me their contact info. left b/c; she said she would forward the info. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 1/14/24 CM: Wetn to property. They sold thier personal home and the current owner didnt know how to get a hold of them. 11/25/23 CM: Went to the Smith Adrress, seemed interested I signing. Gave them the paperwork and said I would return. 10/16/23 CM: Went to business address. Was told Reece was not the owner, but only the registered agent. Was told Jim and Anita Smith were real owners and I needed to contact them.
#127	8N5W-22-017	F00000221635	JASON EIGUREN	7229 ELMORE ROAD FRUITLAND, ID 83619	1.648	1.648			REFUSED	9/15/25 - mailed lease Itr via certified 8/25/25 - talked with Jason Eiguren; still not interested 8/12/25 - talked with Jason in lenght; he is going to think about it. 8/11/25 - called Jason, no answer, left message 7/14/25 - talked with Jason. he is not going to sign unless we sponsor his son for Nationals Final Rodeo. 7/2/25 - Butch talked with Jason on phone. Jason does not think it is enough money. He was upset about the reservation of minerals. He also mentioned a pipeline across his property. 12/2/23 CM: Spoke to Jason, he disagreed that they only owned 1.65 and the minerals were not reserved. Refused to lease. 10/12/23 CM: Spoke to Jane. She had many questions. I answered all and she seemed satisfied with my responses. She said Jason was out, but would give him the lease and cover letter, also gave a pamplet. She gave me Jasons number and said to try back at the end of the month. Said they would be in Texas at the beginning of October.
#128		F00000221775	KORU PROPERTIES C.B. SHEETS HEIRS BELOW	800 W. MAIN #1460 BOISE, ID 83702	1.648	0.824			UNLEASED	9/22/25 - mailed lease offer letter 7/25/25 - rec'd signed green card back; signed by Jade Etuly on 7/21/25; 7/10/25 - mailed lease out via certified mail 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/2025 CM: unable to make contact with anyone left card 2/2024 CM: Followed up and no response 11/9/23 CM: Went back to address, was told they gave the paperwork to them. Never heard back. 9/14/23 CM: Went to address and gave Lease and cover letter to front desk. I let her know that I came by seveal month prior and never heard back. Asked if they would touch base with me. 3/30/23 CM: Spoke to a lady at the address that told me Koru was a client of theirs.Took lease packet. She said she would place the lease packet and my card in their box.
#128	01/3/V-22-018	FUUUUUZZ11/5	C.D. SHEETS HEIRS BELUW		1.040	0.024			UNLEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#128	8N5W-22-018	F00000221775	DEELA COX	15450 COUNTY ROAD 6 WAUSEON, OH 43567	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Gene Leroyce Kruse, being and heir of Esther Kruse. Found that he died 4/2/2022. I could not find heirship information online for Gene. 5/9/25 - Mailed letters out to all relatives and, known heirs at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/16/25 - Jim Schmidt called with questions about my letter to him. He said he will talk/email with all relatives and tell them to call me if they are interested in leasing. He is an heir of Betty Schmidt whom is an heir of C.B. Sheets. He seems to stay in touch with a lot the heirs, and had a lot of information on them. 6/7/25 - Deela's sister, Tiffany Kruse, emailed me asking for information about what's going on. She had been contacted by a relative. I explained the plans Tiffany said she would coordinate with Deela. 6/9/25 - I emailed Tiffany an oil and gas lease for her and for Deela. kruset.22@gmail.com 6/19/25 - I emailed Tiffany for update on lease status 6/20/25 - She replied thanking her for the reminder. She and Deela will review the weekend and get back to me asap. 7/15/25 - sent email asking for status of lease 7/23/25 - Tiffany replied saying they are still reviewing 7/28/25 - I emailed asking for mailing address 9/12/25 - I emailed asking for mailing address 9/12/25 - mailed lease letter via certified
#128	8N5W-22-018	F00000221775	TIFFANY D. KRUSE	15450 COUNTY ROAD 6 WAUSEON, OH 43567	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Gene Leroyce Kruse, being and heir of Esther Kruse. Found that he died 4/2/2022. I could not find heirship information online for Gene. 5/9/25 - Mailed letters out to all relatives and, known heirs at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/16/25 - Jim Schmidt called with questions about my letter to him. He said he will talk/email with all relatives and tell them to call me if they are interested in leasing. He is an heir of Betty Schmidt whom is an heir of C.B. Sheets. He seems to stay in touch with a lot the heirs, and had a lot of information on them. 6/7/25 - Deela's sister, Tiffany Kruse, emailed me asking for information about what's going on. She had been contacted by a relative. I explained the plans Tiffany said she would coordinate with Deela. 6/9/25 - I emailed Tiffany an oil and gas lease for her and for Deela. kruset.22@gmail.com 6/19/25 - I emailed Tiffany for update on lease status 6/20/25 - She replied thanking her for the reminder. She and Deela will review the weekend and get back to me asap. 7/15/25 - sent email asking for status of lease 7/23/25 - Tiffany replied saying they are still reviewing 7/28/25 - I emailed asking for mailing address 9/12/25 - I emailed asking for mailing address 9/12/25 - mailed lease letter via certified
#128	8N5W-22-018	F00000221775	VICKI KRUSE	76494 ROAD 420 COZAD, NE 69130	1.648		0.003		LEASED	
#128	8N5W-22-018	F00000221775	TERRY KRUSE, JR	310 SADDIE RD WHITE SETTLEMENT, TX 76108	1.648		0.003		LEASED	
			TRICIA KRUSE	76494 ROAD 420 COZAD, NE 69130	1.648		0.003		LEASED	
		F00000221775	JON KRUSE	4273 RD 761 COZAD, NE 69130	1.648		0.003		LEASED	
#128	8N5W-22-018	F00000221775	CODY KRUSE (TERRY LAVERNE KRUSE HEIR)	76494 ROAD 420 COZAD, NE 69130	1.648		0.003		LEASED	

MAP i	# TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#128	8N5W-22-018	F00000221775	QUENTIN KRUSE	76378 ROAD 421 COZAD, NE 69130	1.648		0.015		LEASED	
#128	8N5W-22-018	F00000221775	SANDY TABOR & MARVIN TABOR, HER HUSBAND		1.648		0.015		LEASED	
#128	8N5W-22-018	F00000221775	ANGIE KRUSE HEIRS	1421 AVE A GOTHENBURG, NE 69138	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Gary Lynn Kruse, being a descendant of Esther Kruse. Found that he died 9/17/2008 in Gothenburg, NE. Survived by his wife, Angie Kruse, and 4 children. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 6/2/25 - Shane Kruse, son, called with questions. He confirmed address for his mom, and siblings. He said he will sign lease and return it. Shane said Triston's lease to his mom's house. He is over there a lot. 6/4/25 - mailed lease out. 7/28/25 - mailed lease out via certified 8/4/25 - delivered 9:11 am to an individual at the address above. 8/15/25 - rec'd signed green card back; signed by Elvelyn Goings. 7019 2970 0000 4285 4822 8/25/25 - Shane Kruse called and said his mother, Angle Kruse, died 8/4/25. He will advise his sister and brother to sign and return again. I explained the integration process to him. He will relay info to them. Children are Shane Kruse, Triston Kruse, Kendall Drake, Brittany A. Kruse; see separate efforts or lease status for them.
#128	8N5W-22-018	F00000221775	SHANE KRUSE (GARY LYNN KRUSE HEIR)	1519 CENTER AVE O'NEILL, NE 68763	1.648		0.015		LEASED	
#128	8N5W-22-018	F00000221775	TRISTON KRUSE	1421 AVE A GOTHENBURG, NE 69138	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Gary Lynn Kruse, being a descendant of Esther Kruse. Found that he died 9/17/2008 in Gothenburg, NE. Survived by his wife, Angie Kruse, and 4 children. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - Original letter came back as undeliverable. Bad address. 1313 Heritage Ln, Cozad, NE 69130. 6/2/25 - Shane Kruse, son, called with questions. He confirmed address for his mom, and siblings. He said he will sign lease and return it. Shane said Triston's lease to his mom's house. He is over there a lot. 6/4/25 - mailed lease out. 7/28/25 - mailed lease out via certified 8/19/25 - mailed lease out via certified 8/25/25 - Shane Kruse called and said his mother, Angle Kruse, died 8/4/25. He will advise his sister and brother to sign and return again. I explained the integration process to him. He will relay info to them. 9/22/25 - mailed lease offer letter
#128	8N5W-22-018	F00000221775	KENDALL DRAKE KRUSE	1421 AVE A GOTHENBURG, NE 69138	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Gary Lynn Kruse, being a descendant of Esther Kruse. Found that he died 9/17/2008 in Gothenburg, NE. Survived by his wife, Angie Kruse, and 4 children. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - Original letter came back as undeliverable. Bad address. 1313 Heritage Ln, Cozad, NE 69130. 6/2/25 - Shane Kruse, son, called with questions. He confirmed address for his mom, and siblings. He said he will sign lease and return it. Shane said Triston's lease to his mom's house. He is over there a lot. 6/4/25 - mailed lease out. 7/28/25 - mailed lease out via certified 8/11/25 - rec'd signed green card back; signed by Angie Kruse

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#128	8N5W-22-018	F00000221775	BRITTANY A. KRUSE	1421 AVE A GOTHENBURG, NE 69138	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Gary Lynn Kruse, being a descendant of Esther Kruse. Found that he died 9/17/2008 in Gothenburg, NE. Survived by his wife, Angie Kruse, and 4 children. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - Original letter came back as undeliverable. Bad address. 105 W 16th St, Lot 4, Gothenburg, NE 69138 6/2/25 - Shane Kruse, son, called with questions. He confirmed address for his mom, and siblings. He said he will sign lease and return it. Shane said Triston's lease to his mom's house. He is over there a lot. 6/4/25 - mailed lease out. 7/28/25 - mailed lease out via certified 8/5/25 - Rec'd signed green card back; signed by Angie Kruse. 9589 0710 5270 1981 9282 12 8/25/25 - Shane Kruse called and said his mother, Angie Kruse, died 8/4/25. He will advise his sister and brother to sign and return again. I explained the integration process to him. He will relay info to them. 9/22/25 - mailed lease offer letter
#128		F00000221775	KATHRINE S. GRAY- GOOS (GEORGIA KATHLEEN BARTLETT HEIR)	920 ARTHUR ST HOLDREGE, NE 68949	1.648		0.015		LEASED	
#128	8N5W-22-018	F00000221775	MONA MEYER	25909 N 155TH LN SURPRISE, AZ 85387	1.648		0.015		LEASED	
#128	8N5W-22-018	F00000221775	PAM HOUCHIN	12990 EVERGREEN RD RIVERDALE, NE 68870	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Georgia Kathleen Bartlett. Found that she died 6/17/2000, age 66 in Cozad, NE. Was married to Wayne whom is dec'd. She is buried in Lincoln, NE. Couldn't find any information on children. 5/16/25 - Jim Schmidt, a relative that rec'd one our letters about heirship, called me. He asked questions abouth the mineral rights. He provided me a lot of information on his relatives. He did know that Georgia had 5 children total. 4 girls by first husband (Kathy, Mona, Pam, Cindy whom was dec'd) and 1 boy by Wayne (Michael). He didn't have addresses, but said he would try to contact some of them. 6/4/25 - Kathrine Goos (akaKathy) emailed me asking for more information on the mineral rights. (kathyg54@live.com). A relative had contacted her. I emailed her back explaining how she acquired these mineral rights. She provided me names and addresses for her sisters. 6/4/25 - I mailed a lease out. Address provided by, Kathrine Goos, her sister 7/21/25 - rec'd signed green card back, signed by Pam 9/22/25 - mailed lease offer letter

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#128	8N5W-22-018	F00000221775	KRISTINA PAPE	6200 W ROKKEBY RD DENTON, NE 68339	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Georgia Kathleen Bartlett. Found that she died 6/17/2000, age 66 in Cozad, NE. Was married to Wayne whom is dec'd. She is buried in Lincoln, NE. Couldn't find any information on children. 5/16/25 - Jim Schmidt, a relative that rec'd one our letters about heirship, called me. He asked questions abouth the mineral rights. He provided me a lot of information on his relatives. He did know that Georgia had 5 children total. 4 girls by first husband (Kathy, Mona, Pam, Cindy whom was dec'd) and 1 boy by Wayne (Michael). He didn't have addresses, but said he would try to contact some of them. 6/4/25 - Kathrine Goos (akaKathy) emailed me asking for more information on the mineral rights. (kathyg54@live.com). A relative had contacted her. I emailed her back explaining how she acquired these mineral rights. She provided me names and addresses for her sisters. 6/4/25 - I mailed a lease out. Address provided by, Kathrine Goos, her sister 6/13/25 - She emailed me the heir of her dec'd sister, Cindy, being Kristina Paper, along with her address and email. 6/16/25 - mailed lease out certified to Kristian, being granddaughter of Georgia Kathleen Bartlett 7/2/25 - delivered; individual picked up at postal facility; 7/2/25 at 7:04 am 9/22/25 - mailed lease offer letter
#128	8N5W-22-018	F00000221775	MICHAEL BARTLETT	76379 ROAD 418 COZAD, NE 69130	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Georgia Kathleen Bartlett. Found that she died 6/17/2000, age 66 in Cozad, NE. Was married to Wayne whom is dec'd. She is buried in Lincoln, NE. Couldn't find any information on children. 5/16/25 - Jim Schmidt, a relative that rec'd one our letters about heirship, called me. He asked questions abouth the mineral rights. He provided me a lot of information on his relatives. He did know that Georgia had 5 children total. 4 girls by first husband (Kathy, Mona, Pam, Cindy whom was dec'd) and 1 boy by Wayne (Michael). He didn't have addresses, but said he would try to contact some of them. 6/4/25 - Kathrine Goos (akaKathy) emailed me asking for more information on the mineral rights. (kathyg54@live.com). A relative had contacted her. I emailed her back explaining how she acquired these mineral rights. She provided me names and addresses for her sisters. No mention of Michael 6/13/25 - I emailed Kathrine asking for informaton on Michael. 6/13/25 - found an address on peoplefinders.com paid subscription. Mailed lease to 76379 Road 418, Cozad, NE 69130. not sure if this in the correct Michael 7/16/25 - mailed lease out via certified mail 7/28/25 - rec'd signed green card back signed by Mike Bartlett, 7/21/25 9/22/25 - mailed lease offer letter
#128	8N5W-22-018	F00000221775	ORVILLE SCHMIDT	1117 8TH ST COZAD, NE 69130	1.648		0.037		LEASED	
#128	8N5W-22-018	F00000221775	DAN SCHMIDT	11555 200TH GRETNA, NE 68028	1.648		0.037		LEASED	
#128	8N5W-22-018	F00000221775	JIM SCHMIDT	11810 210TH ST GRETNA, NE 68028	1.648		0.037		LEASED	
#128	8N5W-22-018	F00000221775	SCOTT SCHMIDT	63 SECTON LINE RD CRAWFORD, NE 69339	1.648		0.037		LEASED	
			DARLA AUFDENKAMP	2323 BELLWOOD DR, LOT 32 GRAND ISLAND, NE 68801	1.648		0.037		LEASED	
		F00000221775	TORREY SHEETS	2221 SERENA AVE CLOVIS, CA 93619	1.648		0.025		LEASED	
#128	8N5W-22-018	F00000221775	TRACEE CRAWFORD	7014 USTICK RD BOISE, ID 83740	1.648		0.025		LEASED	
		F00000221775	TAWNYA PEARSON	105 DAVIS FILER, ID 83328	1.648		0.025		LEASED	
#128	8N5W-22-018	F00000221775	LAWRENCE J. "BUTCH" SHEETS	5392 WOODSIDE DR ROCK HILL, SC 29732	1.648		0.037		LEASED	

MAP #	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#128	8N5W-22-018	F00000221775	LOREN DEAN SHEETS	424 14TH ST GRAND ISLAND, NE 68801	1.648		0.037		LEASED	
#128	8N5W-22-018	F00000221775	LONNIE RAY SHEETS	6420 MONTCLAIR ST PAHRUMP, NV 89061	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Lawrence Ray Sheets Sheets. Found that he died 3/12/2007 in Cozad, NE. Buried in Arnold, NE, Berryman Funeral Home in Cozad. 5 children. one died as an infant (Vonda Rayne Sheets) 5/9/25 - Mailed letters out to all relatives and, known heirs at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - Lonnie Sheets, brother, emailed me about the letter he and his siblings rec'd. Wanted to confirm that we had all the original heirs correct. 5/23/25 - I emailed him back with the addresses we had for the heirs of Lawence Ray Sheets. Also confirmed we had one of the original heirs of C.B. incorrect. 6/2/25 - mailed leases out regular mail. 6/10/25 - emailed follow up to Lonnie asking about leases 6/11/25 - Lonnie emailed me (cc siblingsButch, Dean, Connie) with questions. confirm heirship of both wifes of C.B. Sheets, well drilling status, royalty distribution process, asking about higher terms, etc. He had conference call with all sibling. All will be signing and returning. 6/11/25 - Lonnie emailed me addresses for heirs of Leonard Lee Sheets 7/28/25 - mailed lease out via certified 8/11/25 - rec'd signed green card back; signed by Katherine M. Sheets 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	CONNIE RAIE MORRILL (LAWRENCE RAY SHEETS HEIR)	1427 12TH AVE MITCHELL, NE 69357	1.648		0.037		LEASED	
#128	8N5W-22-018	F00000221775	SANDY SHEETS	1014 1ST ST, APT 1 MILFORD, NE 68405	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Loyal "Dobe" Edwin Sheets. Found that he died 5/15/2006 in Cozad, NE. Age 66. wife, Sandy Sheets. 2 daughters: Shawna & Tami 5/9/25 - Mailed letters out to all relatives and, known heirs at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 6/6/25 - Mailed certified lease package. 9589 0710 5270 1981 9278 33 6/14/25 - certified delivered & signed by Tami Walkowaik. 6/20/25 - I rec'd signed green card back 9/22/25 - mailed lease offer letter
#128	8N5W-22-018	F00000221775	SHAWNA FREDERICKSEN	465 F ST MILFORD, NE 68405	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Loyal "Dobe" Edwin Sheets. Found that he died 5/15/2006 in Cozad, NE. Age 66. wife, Sandy Sheets. 2 daughters: Shawna & Tami 5/9/25 - Mailed letters out to all relatives and, known heirs at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 6/6/25 - mailed lease out via certified 7/1/25 - rec'd signed green card back; signed by Shawna Fredericksen 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	TAMI WALKOWIAK	405 COTTONWOOD MILFORD, NE 68405	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Loyal "Dobe" Edwin Sheets. Found that he died 5/15/2006 in Cozad, NE. Age 66. wife, Sandy Sheets. 2 daughters: Shawna & Tami 5/9/25 - Mailed letters out to all relatives and, known heirs at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 6/9/25 - mailed lease out via certified 6/23/25 - rec'd signed green card back; signed by Tami Walkowiak on 6/16/25 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	RODNEY SHEETS	P.O. BOX 15 ELWOOD, NE 68937	1.648		0.025		LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
					7.0.1.20					
#128	8N5W-22-018	F00000221775	JOY SHEETS	211 19TH ST GOTHENBURG, NE 69138	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Earl Wayne Sheets. Found that he died 7/18/2016 in Cozad, NE. Age 75. 3 children: Rodney, Joy, Patricia. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - RTSbad address, 211 10th St, Gothenburg, NE 69138 6/3/25 - Rodney and his attorney called me. They rec'd my orig letter about heirship and the Snake River spacing documents from the commission. had general questions about what is going on. He confirmed that his sitste Patricia Sheets rec'd paperwork. He will get me a good address for Joy. 6/4/25 - mailed lease out to Rodney and Patricia 8/19/25 - mailed bonus check to Rodney Sheets and asked for address for Joy 9/15/25 - mailed lease letter via certified
#128	8N5W-22-018	F00000221775	PATRICIA SHEETS	2624 CENTRAL AVE, APT 1 KEARNEY, NE 68847	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Earl Wayne Sheets. Found that he died 7/18/2016 in Cozad, NE. Age 75. 3 children: Rodney, Joy, Patricia. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 6/3/25 - Rodney and his attorney called me. They rec'd my orig letter about heirship and the Snake River spacing documents from the commission. had general questions about what is going on. He confirmed that his sitste Patricia Sheets rec'd paperwork. He will get me a good address for Joy. 6/4/25 - mailed lease out to Rodney and Patricia 8/19/25 - mailed lease out via certified 9/3/25 - rec'd signed green card; signed by Patricia R. Sheets on 8/27/25 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	SANDRA SHEETS KEISWETTER	1015 AVE D COZAD, NE 69130	1.648		0.015		LEASED	
#128	8N5W-22-018	F00000221775	SUSAN SHEETS KISSELL	1688 CODY ST LAKEWOOD, CO 80215	1.648		0.015		LEASED	
		F00000221775	DAVID SHEETS	23811 ANNA CT RAPID CITY, SD 57702	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Roger Leon Sheets. Found that he died 5/20/1996 in Cozad, NE. Widow is Sandra Sheets Keiswtter (last name now) children: Susan Kissell, David Sheets, Amy Sheets Bezerra, andd Shelly 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 6/6/25 - mailed lease out via certified mail 7/7/25 - rec'd signed green card back; signed by David R. Sheets, 6/25/25 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	AMY SHEETS BEZERRA	5261 E. 128TH WAY THORNTON, CO 80241	1.648		0.015		LEASED	
		F00000221775	SHELLI SHEETS GILL	76310 ROAD 420 COZAD, NE 69130	1.648		0.015		LEASED	
#128	8N5W-22-018	F00000221775	CAROLYN SHEETS	810 20TH ST, APT 34 GOTHENBURG, NE 69138	1.648		0.019		LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#128	8N5W-22-018	F00000221775	ALLEN SHEETS, JR	110 28TH ST KEARNEY, NE 68847	1.648				UNLOCAT	5/8/25 - searched Ancestry.com paid subscription for obituary for Allen Glen Sheets. Found that he died 12/15/2012 in Dawson, NE. age 66. Widow is Carolyn sheets children: Allen Sheets, Jr, Curtis Sheets, Wynetta Brown 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - RTSbad address76480 Rd 419, Cozad, NE 69130 6/10/25 - mailed lease out via certified mail to 110 28th St, Kearney, NE 68847 7/2/25 - RTSbad address110 28th St, Kearney, NE 68847 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	CURTIS SHEETS	45220 ROAD 791 ANSLEY, NE 68814	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Allen Glen Sheets. Found that he died 12/15/2012 in Dawson, NE. age 66. Widow is Carolyn sheets children: Allen Sheets, Jr, Curtis Sheets, Wynetta Brown 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - RTSbad address76480 Rd 419, Cozad, NE 69130 6/10/25 - mailed lease out via certified mail 8/14/25 - mailed lease out via certified 9/5/25 - rec'd signed green card back; signed by Arlene Sheets on 8/20/25 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	WYNETTA BROWN	41721 ROAD 769 GOTHENBURG, NE 69138	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Allen Glen Sheets. Found that he died 12/15/2012 in Dawson, NE. age 66. Widow is Carolyn sheets children: Allen Sheets, Jr, Curtis Sheets, Wynetta Brown 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - RTSbad address76480 Rd 419, Cozad, NE 69130 6/10/25 - mailed lease out 8/19/25 - mailed lease out via certified 9/3/25 - rec'd signed green card back; signed by Wynetta Brown on 8/28/25. 9/22/25 mailed lease offer letter
#128	8N5W-22-018	F00000221775	CAROL SHEETS HYLTON	1017 HARWICH DR CHESAPEAKE, VA 23322	1.648		0.075		LEASED	
#128	8N5W-22-018	F00000221775	CARL BURDEN SHEETS	2626 WOODY DR BOISE, ID 83703	1.648				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for C.B. Sheets. Found that he died 1976 in Boise, ID. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/23/25 - During my email correspondence with Lonnie Sheets, he advised me that Carl Burden Sheets is the only heir of C.B. Sheets and Alice Sheets being his second marriage. All the other heirs are from C.B. Sheets and Etta Marie Sheets in his first marriage. 5/23/25 - research peoplefinders.com, and found address of 2626 Woody Dr, Boise, ID. Mailed lease out regular mail. 6/10/25 - mailed lease out via certified mail 6/12/25 - per email from Lonnie Sheets, he advised me that he asking around about Carl. He said that he talked with Tracee Crawford, and she could not find any evidence that Carl Sheets has children, nor could find that he was married. Research and did not find an obituary for him in the Boise, ID area. 6/24/25 - rec'd signed green card back; signed by Carl B. Sheets (9589 01710 5270 1981 9278 57). no date on card 9/22/25 mailed lease offer letter

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
WIAF #	INACI	FAROLL	WINNERAL OWNER	ADDRESS	ACRES	OWN	LSD	11431	314103	RESUME OF EFFORTS
#129	8N5W-22-019	F00000221770	KORU PROPERTIES	800 W. MAIN #1460	0.401	0.201			UNLEASED	Same as for #128
				BOISE, ID 83702						
#129	8N5W-22-019	F00000221770	C.B. SHEETS HEIRS BELOW		0.401	0.201			UNLEASED	
#129	8N5W-22-019	F00000221770	DEELA COX	15450 COUNTY ROAD 6	0.401				UNLEASED	Same as for #128
				WAUSEON, OH 43567						
#129	8N5W-22-019	F00000221770	TIFFANY D. KRUSE	15450 COUNTY ROAD 6	0.401				UNLEASED	Same as for #128
				WAUSEON, OH 43567						
#129	8N5W-22-019	F00000221770	VICKI KRUSE	76494 ROAD 420	0.401		0.001		LEASED	
				COZAD, NE 69130						
#129	8N5W-22-019	F00000221770	TERRY KRUSE, JR	310 SADDIE RD	0.401		0.001		LEASED	
				WHITE SETTLEMENT, TX 76108						
#129	8N5W-22-019	F00000221770	TRICIA KRUSE	76494 ROAD 420	0.401		0.001		LEASED	
#129	8N5W-22-010	F00000221770	JON KRUSE	COZAD, NE 69130 4273 RD 761	0.401		0.001		LEASED	
#125	014044-22-010	1 00000221110	JOH KIKOGE	COZAD, NE 69130	0.401		0.001		LLAGED	
#129	8N5W-22-019	F00000221770	CODY KRUSE (TERRY LAVERNE	76494 ROAD 420	0.401		0.001		LEASED	
			KRUSE HEIR)	COZAD, NE 69130						
#129	8N5W-22-019	F00000221770	QUENTIN KRUSE	76378 ROAD 421	0.401		0.004		LEASED	
#129	ONIEW 22 040	F00000221770	SANDY TABOR & MARVIN TABOR,	COZAD, NE 69130	0.401		0.004		LEASED	
#129	0110717-22-019	F00000221770	HER HUSBAND	KIMBALL, NE 69145	0.401		0.004		LEASED	
#129	8N5W-22-019	F00000221770	ANGIE KRUSE	1421 AVE A GOTHENBURG, NE	0.401				UNLEASED	Same as for #128
				69138						
#129	8N5W-22-019	F00000221770	SHANE KRUSE (GARY LYNN KRUSE HEIR)	1519 CENTER AVE O'NEILL, NE 68763	0.401		0.004		LEASED	
#129	8N5W-22-019	F00000221770	TRISTON KRUSE	1421 AVE A	0.401				UNLEASED	Same as for #128
				GOTHENBURG, NE						
#129	8N5W-22-019	F00000221770	KENDALL DRAKE KRUSE	69138 1421 AVE A	0.401				UNLEASED	Same as for #128
				GOTHENBURG, NE						
#120	8N5W-22-010	F00000221770	BRITTANY A. KRUSE	69138 1421 AVE A	0.401				UNLEASED	Same as for #128
#125	014044-22-010	1 00000221770	BRITTANT A. RROSE	GOTHENBURG, NE	0.401				UNLLAGED	Same as 101 #120
"400	01/5/1/ 00 040	F0000001770	WATURNIE O ORAY OOOO	69138	0.404		0.004			
#129	8N5W-22-019	F00000221770	KATHRINE S. GRAY- GOOS (GEORGIA KATHLEEN BARTLETT	920 ARTHUR ST HOLDREGE, NE 68949	0.401		0.004		LEASED	
			HEIR)	,						
#129	8N5W-22-019	F00000221770	MONA MEYER	25909 N 155TH LN SURPRISE, AZ 85387	0.401		0.004		LEASED	
#129	8N5W-22-019	F00000221770	PAM HOUCHIN	12990 EVERGREEN RD	0.401				UNLEASED	Same as for #128
				RIVERDALE, NE 68870						
#129	8N5W-22-019	F00000221770	KRISTINA PAPE	6200 W ROKKEBY RD	0.401				UNLEASED	Same as for #128
#120	ONIEW 22 040	F00000224770	MICHAEL BARTLETT	DENTON, NE 68339	0.404				LINI FACED	Comp. on fav.#420
#129	014244-77-0140	F00000221770	WIIGHAEL DARTLETT	76379 ROAD 418 COZAD, NE 69130	0.401				UNLEASED	Same as for #128
#129	8N5W-22-019	F00000221770	ORVILLE SCHMIDT	1117 8TH ST	0.401		0.009		LEASED	
#129	8N5W-22-019	F00000221770	DAN SCHMIDT	COZAD, NE 69130 11555 200TH	0.401		0.009		LEASED	
				GRETNA, NE 68028						
#129	8N5W-22-019	F00000221770	JIM SCHMIDT	11810 210TH ST GRETNA, NE 68028	0.401		0.009		LEASED	
#129	8N5W-22-019	F00000221770	SCOTT SCHMIDT	63 SECTON LINE RD	0.401		0.009		LEASED	
				CRAWFORD, NE 69339						

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#129	8N5W-22-019	F00000221770	DARLA AUFDENKAMP	2323 BELLWOOD DR,	0.401		0.009		LEASED	
				LOT 32 GRAND ISLAND, NE						
"400	0115141 00 040	50000001770	TORREY OUE TO	68801	0.404		0.000			
#129	8N5W-22-019	F00000221770	TORREY SHEETS	2221 SERENA AVE CLOVIS, CA 93619	0.401		0.006		LEASED	
#129	8N5W-22-019	F00000221770	TRACEE CRAWFORD	7014 USTICK RD BOISE, ID 83740	0.401		0.006		LEASED	
#129	8N5W-22-019	F00000221770	TAWNYA PEARSON	105 DAVIS FILER, ID 83328	0.401		0.006		LEASED	
#129	8N5W-22-019	F00000221770	LAWRENCE J. "BUTCH" SHEETS	5392 WOODSIDE DR ROCK HILL, SC 29732	0.401		0.009		LEASED	
#129	8N5W-22-019	F00000221770	LOREN DEAN SHEETS	424 14TH ST	0.401		0.009		LEASED	
				GRAND ISLAND, NE 68801						
#129	8N5W-22-019	F00000221770	LONNIE RAY SHEETS	6420 MONTCLAIR ST PAHRUMP, NV 89061	0.401				UNLEASED	Same as for #128
#129	8N5W-22-019	F00000221770	CONNIE RAIE MORRILL	1427 12TH AVE	0.401		0.009		LEASED	
			(LAWRENCE RAY SHEETS HEIR)	MITCHELL, NE 69357						
#129	8N5W-22-019	F00000221770	SANDY SHEETS	1014 1ST ST, APT 1 MILFORD, NE 68405	0.401				UNLEASED	Same as for #128
#129	8N5W-22-019	F00000221770	SHAWNA FREDERICKSEN	465 F ST MILFORD, NE 68405	0.401				UNLEASED	Same as for #128
#129	8N5W-22-019	F00000221770	TAMI WALKOWIAK	405 COTTONWOOD MILFORD, NE 68405	0.401				UNLEASED	Same as for #128
#129	8N5W-22-019	F00000221770	RODNEY SHEETS	P.O. BOX 15 ELWOOD, NE 68937	0.401		0.006		LEASED	
#129	8N5W-22-019	F00000221770	JOY SHEETS	211 19TH ST	0.401				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#129	8N5W-22-019	F00000221770	PATRICIA SHEETS	2624 CENTRAL AVE, APT 1	0.401				UNLEASED	Same as for #128
				KEARNEY, NE 68847						
#129	8N5W-22-019	F00000221770	SANDRA SHEETS KEISWETTER	11015 AVE D COZAD, NE 69130	0.401		0.004		LEASED	
#129	8N5W-22-019	F00000221770	SUSAN SHEETS KISSELL	1688 CODY ST LAKEWOOD, CO 80215	0.401		0.004		LEASED	
#129	8N5W-22-019	F00000221770	DAVID SHEETS	23811 ANNA CT RAPID CITY, SD 57702	0.401				UNLEASED	Same as for #128
#129	8N5W-22-019	F00000221770	AMY SHEETS BEZERRA	5261 E. 128TH WAY THORTON, CO 80241	0.401		0.004		LEASED	
#129	8N5W-22-019	F00000221770	SHELLI SHEETS GILL	76310 ROAD 420 COZAD, NE 69130	0.401		0.004		LEASED	
#129	8N5W-22-019	F00000221770	CAROLYN SHEETS	810 20TH ST, APT 34 GOTHENBURG, NE	0.401		0.005		LEASED	
				69138						
#129	8N5W-22-019	F00000221770	ALLEN SHEETS, JR	76480 ROAD 419 COZAD, NE 69130	0.401				UNLOCAT	Same as for #128
#129	8N5W-22-019	F00000221770	CURTIS SHEETS	45220 ROAD 791	0.401				UNLEASED	Same as for #128
#129	8N5W-22-019	F00000221770	WYNETTA BROWN	ANSLEY, NE 68814 41721 769	0.401				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#129	8N5W-22-019	F00000221770	CAROL SHEETS HYLTON	1017 HARWICH DR CHESAPEAKE, VA 23322	0.401		0.018		LEASED	
#129	8N5W-22-019	F00000221770	CARL BURDEN SHEETS	2626 WOODY DR BOISE, ID 83703	0.401				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	KORU PROPERTIES	800 W. MAIN #1460 BOISE, ID 83702	0.424	0.212			UNLEASED	Same as for #128
				DOISE, ID 03/02					I	<u>l</u>

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
IVIAP #	IRACI	PARCEL	MINERAL OWNER	ADDRESS	ACRES	OWN	LSD	INST	STATUS	RESUME OF EFFORTS
#130	8N5W-22-020	F00000221765	C.B. SHEETS HEIRS BELOW		0.424	0.212			UNLEASED	
#130	ONEW 22 020	F00000221765	DEELA COX	15450 COUNTY ROAD 6	0.424				UNLEASED	Same as for #128
#130	6N5W-22-020	F00000221765	DEELA COX	WAUSEON, OH 43567	0.424				UNLEASED	Sallie as 101 #120
					2.121					
#130	8N5W-22-020	F00000221765	TIFFANY D. KRUSE	15450 COUNTY ROAD 6 WAUSEON, OH 43567	0.424				UNLEASED	Same as for #128
				W/100E011; 01140007						
#130	8N5W-22-020	F00000221765	VICKI KRUSE	76494 ROAD 420	0.424		0.001		LEASED	
#130	8N5W-22-020	F00000221765	TERRY KRUSE, JR	COZAD, NE 69130 310 SADDIE RD	0.424		0.001		LEASED	
				WHITE SETTLEMENT,						
#130	8N5W-22-020	F00000221765	TRICIA KRUSE	TX 76108 76494 ROAD 420	0.424		0.001		LEASED	
<i>11</i> 100				COZAD, NE 69130			0.001		LLAGLD	
#130	8N5W-22-020	F00000221765	JON KRUSE	4273 RD 761	0.424		0.001		LEASED	
#130	8N5W-22-020	F00000221765	CODY KRUSE (TERRY LAVERNE	COZAD, NE 69130 76494 ROAD 420	0.424		0.001		LEASED	
			KRUSE HEIR)	COZAD, NE 69130						
#130	8N5W-22-020	F00000221765	QUENTIN KRUSE	76378 ROAD 421	0.424		0.004		UNLEASED	
<i>"</i> 100				COZAD, NE 69130			0.004			
#130	8N5W-22-020	F00000221765		408 HIGH SCHOOL ST	0.424		0.004		LEASED	
			HER HUSBAND	KIMBALL, NE 69145						
#130	8N5W-22-020	F00000221765	ANGIE KRUSE	1421 AVE A	0.424				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#130	8N5W-22-020	F00000221765	SHANE KRUSE (GARY LYNN	1519 CENTER AVE	0.424		0.004		LEASED	
#400	ONEW 00 000	E0000000470E	KRUSE HEIR)	O'NEILL, NE 68763	0.404				LINII E A OED	0
#130	8N5W-22-020	F00000221765	TRISTON KRUSE	1421 AVE A GOTHENBURG, NE	0.424				UNLEASED	Same as for #128
				69138						
#130	8N5W-22-020	F00000221765	KENDALL DRAKE KRUSE	1421 AVE A GOTHENBURG, NE	0.424				UNLEASED	Same as for #128
				69138						
#130	8N5W-22-020	F00000221765	BRITTANY A. KRUSE	1421 AVE A	0.424				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#130	8N5W-22-020	F00000221765	KATHRINE S. GRAY- GOOS	920 ARTHUR ST	0.424		0.004		LEASED	
			(GEORGIA KATHLEEN BARTLETT HEIR)	HOLDREGE, NE 68949						
#130	8N5W-22-020	F00000221765	MONA MEYER	25909 N 155TH LN	0.424		0.004		LEASED	
#130	8N5W-22 020	F00000221765	PAM HOUCHIN	SURPRISE, AZ 85387 12990 EVERGREEN RD	0.424				UNLEASED	Same as for #128
#130	01N3VV-22-020	F00000221765	PAW HOOCHIN	RIVERDALE, NE 68870	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	KRISTINA PAPE	6200 W ROKKEBY RD	0.424				UNLEASED	Same as for #128
				DENTON, NE 68339						
#130	8N5W-22-020	F00000221765	MICHAEL BARTLETT	76379 ROAD 418 COZAD, NE 69130	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	ORVILLE SCHMIDT	1117 8TH ST	0.424		0.010		LEASED	
			DAN COUNTRY	COZAD, NE 69130	0.404		0.010			
#130	8N5W-22-020	F00000221765	DAN SCHMIDT	11555 200TH GRETNA, NE 68028	0.424		0.010		LEASED	
#130	8N5W-22-020	F00000221765	JIM SCHMIDT	11810 210TH ST	0.424		0.010		LEASED	
#130	8N5W-22-020	F00000221765	SCOTT SCHMIDT	GRETNA, NE 68028 63 SECTON LINE RD	0.424		0.010		LEASED	
,, 100	311011 22-020		SSSTT SOLIMIDT	CRAWFORD, NE 69339	0.724		0.010		LLAULD	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#130	8N5W-22-020	F00000221765	DARLA AUFDENKAMP	2323 BELLWOOD DR,	0.424		0.010		LEASED	
				LOT 32 GRAND ISLAND, NE						
"400	0115141 00 000	50000001705	TORREY OUE TO	68801	0.404		0.000			
#130	8N5W-22-020	F00000221765	TORREY SHEETS	2221 SERENA AVE CLOVIS, CA 93619	0.424		0.006		LEASED	
#130	8N5W-22-020	F00000221765	TRACEE CRAWFORD	7014 USTICK RD BOISE, ID 83740	0.424		0.006		LEASED	
#130	8N5W-22-020	F00000221765	TAWNYA PEARSON	105 DAVIS FILER, ID 83328	0.424		0.006		LEASED	
#130	8N5W-22-020	F00000221765	LAWRENCE J. "BUTCH" SHEETS	5392 WOODSIDE DR ROCK HILL, SC 29732	0.424		0.010		LEASED	
#130	8N5W-22-020	F00000221765	LOREN DEAN SHEETS	424 14TH ST	0.424		0.010		LEASED	
				GRAND ISLAND, NE 68801						
#130	8N5W-22-020	F00000221765	LONNIE RAY SHEETS	6420 MONTCLAIR ST PAHRUMP, NV 89061	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	CONNIE RAIE MORRILL	1427 12TH AVE	0.424		0.010		LEASED	
			(LAWRENCE RAY SHEETS HEIR)	MITCHELL, NE 69357						
#130	8N5W-22-020	F00000221765	SANDY SHEETS	1014 1ST ST, APT 1 MILFORD, NE 68405	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	SHAWNA FREDERICKSEN	465 F ST MILFORD, NE 68405	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	TAMI WALKOWIAK	405 COTTONWOOD MILFORD, NE 68405	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	RODNEY SHEETS	P.O. BOX 15 ELWOOD, NE 68937	0.424		0.006		LEASED	
#130	8N5W-22-020	F00000221765	JOY SHEETS	211 19TH ST	0.424				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#130	8N5W-22-020	F00000221765	PATRICIA SHEETS	2624 CENTRAL AVE, APT 1	0.424				UNLEASED	Same as for #128
				KEARNEY, NE 68847						
#130	8N5W-22-020	F00000221765	SANDRA SHEETS KEISWETTER	11015 AVE D COZAD, NE 69130	0.424		0.004		LEASED	
#130	8N5W-22-020	F00000221765	SUSAN SHEETS KISSELL	1688 CODY ST LAKEWOOD, CO 80215	0.424		0.004		LEASED	
#130	8N5W-22-020	F00000221765	DAVID SHEETS	23811 ANNA CT RAPID CITY, SD 57702	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	AMY SHEETS BEZERRA	5261 E. 128TH WAY THORTON, CO 80241	0.424		0.004		LEASED	
#130	8N5W-22-020	F00000221765	SHELLI SHEETS GILL	76310 ROAD 420 COZAD, NE 69130	0.424		0.004		LEASED	
#130	8N5W-22-020	F00000221765	CAROLYN SHEETS	810 20TH ST, APT 34 GOTHENBURG, NE	0.424		0.004		LEASED	
				69138						
#130	8N5W-22-020	F00000221765	ALLEN SHEETS, JR	76480 ROAD 419 COZAD, NE 69130	0.424				UNLOCAT	Same as for #128
#130	8N5W-22-020	F00000221765	CURTIS SHEETS	45220 ROAD 791	0.424				UNLEASED	Same as for #128
#130	8N5W-22-020	F00000221765	WYNETTA BROWN	ANSLEY, NE 68814 41721 769	0.424				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#130	8N5W-22-020	F00000221765	CAROL SHEETS HYLTON	1017 HARWICH DR	0.424		0.019		LEASED	
				CHESAPEAKE, VA 23322						
#130	8N5W-22-020	F00000221765	CARL BURDEN SHEETS	2626 WOODY DR BOISE, ID 83703	0.424				UNLEASED	Same as for #128
#131	8N5W-22-021	F00000221760	KORU PROPERTIES	800 W. MAIN #1460	1.966	0.983			UNLEASED	Same as for #128
			l .	BOISE, ID 83702					1	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
IVIAP #	IRACI	PARCEL	MINERAL OWNER	ADDRESS	ACRES	OWN	LSD	INOI	STATUS	RESUME OF EFFORTS
#131	8N5W-22-021	F00000221760	C.B. SHEETS HEIRS BELOW		1.966	0.983			UNLEASED	
#131	ONIEW 22 024	F00000221760	DEELA COX	15450 COUNTY ROAD 6	1.966				UNLEASED	Same as for #128
#131	6N3VV-22-021	F00000221760	DEELA COX	WAUSEON, OH 43567	1.900				UNLEASED	Same as 101 #120
#131	8N5W-22-021	F00000221760	TIFFANY D. KRUSE	15450 COUNTY ROAD 6 WAUSEON, OH 43567	1.966				UNLEASED	Same as for #128
				WAGGEON, OTT 40007						
#131	8N5W-22-021	F00000221760	VICKI KRUSE	76494 ROAD 420	1.966		0.004		LEASED	
#131	8N5W-22-021	F00000221760	TERRY KRUSE, JR	COZAD, NE 69130 310 SADDIE RD	1.966		0.004		LEASED	
				WHITE SETTLEMENT,						
#131	8N5W-22-021	F00000221760	TRICIA KRUSE	TX 76108 76494 ROAD 420	1.966		0.004		LEASED	
#151	014044-22-021	1 00000221700	THOIA NHOOL	COZAD, NE 69130	1.500		0.004		LLAGED	
#131	8N5W-22-021	F00000221760	JON KRUSE	4273 RD 761	1.966		0.004		LEASED	
#131	8N5W-22-021	F00000221760	CODY KRUSE (TERRY LAVERNE	COZAD, NE 69130 76494 ROAD 420	1.966		0.004		LEASED	
			KRUSE HEIR)	COZAD, NE 69130						
#121	8N5W-22 024	F00000221760	QUENTIN KRUSE	76378 ROAD 421	1.966		0.018		UNLEASED	
#131	01V3VV-22-UZ1	F00000221760	QUENTIN KRUSE	COZAD, NE 69130	1.900		0.016		UNLEASED	
#131	8N5W-22-021	F00000221760	· ·	408 HIGH SCHOOL ST	1.966		0.018		LEASED	
			HER HUSBAND	KIMBALL, NE 69145						
#131	8N5W-22-021	F00000221760	ANGIE KRUSE	1421 AVE A	1.966				UNLEASED	Same as for #128
				GOTHENBURG, NE						
#131	8N5W-22-021	F00000221760	SHANE KRUSE (GARY LYNN	69138 1519 CENTER AVE	1.966		0.018		LEASED	
			KRUSE HEIR)	O'NEILL, NE 68763						
#131	8N5W-22-021	F00000221760	TRISTON KRUSE	1421 AVE A GOTHENBURG, NE	1.966				UNLEASED	Same as for #128
				69138						
#131	8N5W-22-021	F00000221760	KENDALL DRAKE KRUSE	1421 AVE A	1.966				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#131	8N5W-22-021	F00000221760	BRITTANY A. KRUSE	1421 AVE A	1.966				UNLEASED	Same as for #128
				GOTHENBURG, NE 69138						
#131	8N5W-22-021	F00000221760	KATHRINE S. GRAY- GOOS	920 ARTHUR ST	1.966		0.018		LEASED	
			``	HOLDREGE, NE 68949						
#131	8N5W-22-021	F00000221760	HEIR) MONA MEYER	25909 N 155TH LN	1.966		0.018		LEASED	
				SURPRISE, AZ 85387						
#131	8N5W-22-021	F00000221760	PAM HOUCHIN	12990 EVERGREEN RD RIVERDALE, NE 68870	1.966				UNLEASED	Same as for #128
				LINDINEE, INC 00070						
4404	ONIEW OO OO!	E00000004700	KDICTIMA DADE	6200 W BOKKERY BE	1.000				LINII EAGER	Carra da far #400
#131	oN5VV-22-021	F00000221760	KRISTINA PAPE	6200 W ROKKEBY RD DENTON, NE 68339	1.966				UNLEASED	Same as for #128
#131	8N5W-22-021	F00000221760	MICHAEL BARTLETT	76379 ROAD 418	1.966				UNLEASED	Same as for #128
#131	8N5W-22-021	F00000221760	ORVILLE SCHMIDT	COZAD, NE 69130 1117 8TH ST	1.966		0.005		LEASED	
				COZAD, NE 69130						
#131	8N5W-22-021	F00000221760	DAN SCHMIDT	11555 200TH	1.966		0.005		LEASED	
#131	8N5W-22-021	F00000221760	JIM SCHMIDT	GRETNA, NE 68028 11810 210TH ST	1.966		0.005		LEASED	
				GRETNA, NE 68028						
#131	8N5W-22-021	F00000221760	SCOTT SCHMIDT	63 SECTON LINE RD CRAWFORD, NE 69339	1.966		0.005		LEASED	
				OLUMNI OND, NE 05039						
			•	·						·

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
1417-11 11	110.01	AROLL	MINERAL OWNER	ADDITECT	ACRES	OWN	LSD		O I A I O O	RESOURE OF EFFORTS
#131	8N5W-22-021	F00000221760	DARLA AUFDENKAMP	2323 BELLWOOD DR,	1.966		0.005		LEASED	
				LOT 32						
				GRAND ISLAND, NE 68801						
#131	8N5W-22-021	F00000221760	TORREY SHEETS	2221 SERENA AVE	1.966		0.030		LEASED	
11404	0115111 00 001	50000001700	TRACES ORANGEORS	CLOVIS, CA 93619	4.000		0.000			
#131	8N5W-22-021	F00000221760	TRACEE CRAWFORD	7014 USTICK RD BOISE, ID 83740	1.966		0.030		LEASED	
#131	8N5W-22-021	F00000221760	TAWNYA PEARSON	105 DAVIS	1.966		0.030		LEASED	
				FILER, ID 83328						
#131	8N5W-22-021	F00000221760	LAWRENCE J. "BUTCH" SHEETS	5392 WOODSIDE DR	1.966		0.045		LEASED	
#121	ONEW 22 021	F00000221760	LOREN DEAN SHEETS	ROCK HILL, SC 29732 424 14TH ST	1.966		0.045		LEASED	
#131	6N3W-22-021	F00000221700	LOREN DEAN SHEETS	GRAND ISLAND, NE	1.900		0.045		LEASED	
				68801						
#131	8N5W-22-021	F00000221760	LONNIE RAY SHEETS	6420 MONTCLAIR ST	1.966				UNLEASED	Same as for #128
"101	0115144 00 004	50000001700	CONTRACTOR DATE MODELL	PAHRUMP, NV 89061	4.000		0.045			
#131	8N5W-22-021	F00000221760	CONNIE RAIE MORRILL (LAWRENCE RAY SHEETS HEIR)	1427 12TH AVE	1.966		0.045		LEASED	
			(LAWRENCE RAY SHEETS HEIR)	MITCHELL, NE 09357						
#131	8N5W-22-021	F00000221760	SANDY SHEETS	1014 1ST ST, APT 1	1.966				UNLEASED	Same as for #128
				MILFORD, NE 68405						
#131	8N5W-22-021	F00000221760	SHAWNA FREDERICKSEN	465 F ST	1.966				UNLEASED	Same as for #128
#131	8N5W-22-021	F00000221760	TAMI WALKOWIAK	MILFORD, NE 68405 405 COTTONWOOD	1.966				UNLEASED	Same as for #128
,, 101	011011 22 021	1 00000221700	Trum Writeriown II	MILFORD, NE 68405	1.000				ONLLAGED	Curio do 101 // 120
#131	8N5W-22-021	F00000221760	RODNEY SHEETS	P.O. BOX 15	1.966		0.030		LEASED	
11404	0115141 00 004	50000001700	IOV OUESTO	ELWOOD, NE 68937	4.000					0
#131	8N5W-22-021	F00000221760	JOY SHEETS	211 10TH ST GOTHENBURG, NE	1.966				UNLEASED	Same as for #128
				69138						
#131	8N5W-22-021	F00000221760	PATRICIA SHEETS	2624 CENTRAL AVE,	1.966				UNLEASED	Same as for #128
				APT 1						
#121	9NEW 22 021	F00000221760	SANDRA SHEETS KEISWETTER	KEARNEY, NE 68847 11015 AVE D	1.966		0.018		LEASED	
#131	6N3W-22-021	F00000221700	SANDRA SHEETS REISWETTER	COZAD. NE 69130	1.900		0.016		LEASED	
#131	8N5W-22-021	F00000221760	SUSAN SHEETS KISSELL	1688 CODY ST	1.966		0.018		LEASED	
				LAKEWOOD, CO 80215						
#131	ONEW 22 024	F00000221760	DAVID SHEETS	23811 ANNA CT	1.966				UNLEASED	0
#131	6N5W-22-021	F00000221760	DAVID SHEETS	RAPID CITY, SD 57702	1.900				UNLEASED	Same as for #128
#131	8N5W-22-021	F00000221760	AMY SHEETS BEZERRA	5261 E. 128TH WAY	1.966		0.018		LEASED	
				THORTON, CO 80241						
#131	8N5W-22-021	F00000221760	SHELLI SHEETS GILL	76310 ROAD 420	1.966		0.018		LEASED	
#131	8N5W-22 021	F00000221760	CAROLYN SHEETS	COZAD, NE 69130 810 20TH ST, APT 34	1.966		0.022		LEASED	
#131	014044-22-021	1 00000221700	OAROLIN SILLIS	GOTHENBURG, NE	1.900		0.022		LLAGED	
				69138						
#131	8N5W-22-021	F00000221760	ALLEN SHEETS, JR	76480 ROAD 419	1.966				UNLOCAT	Same as for #128
#404	ONIEW 00 001	E00000004700	CUPTIC CUEFFC	COZAD, NE 69130	1.000				LINII EAGER	Same as far #430
#131	8N5W-22-021	F00000221760	CURTIS SHEETS	45220 ROAD 791 ANSLEY, NE 68814	1.966				UNLEASED	Same as for #128
				/ ITOLL 1, INL 000 14						ı

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#131	8N5W-22-021	F00000221760	WYNETTA BROWN	41721 769 GOTHENBURG, NE 69138	1.966				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for Allen Glen Sheets. Found that he died 12/15/2012 in Dawson, NE. age 66. Widow is Carolyn sheets children: Allen Sheets, Jr, Curtis Sheets, Wynetta Brown 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/22/25 - RTSbad address76480 Rd 419, Cozad, NE 69130 6/10/25 - mailed lease out 8/19/25 - mailed lease out via certified 9/3/25 - rec'd signed green card back; signed by Wynetta Brown on 8/28/25.
#131	8N5W-22-021	F00000221760	CAROL SHEETS HYLTON	1017 HARWICH DR CHESAPEAKE, VA 23322	1.966		0.089		LEASED	
#131	8N5W-22-021	F00000221760	CARL BURDEN SHEETS	2626 WOODY DR BOISE, ID 83703	1.966				UNLEASED	5/8/25 - searched Ancestry.com paid subscription for obituary for C.B. Sheets. Found that he died 1976 in Boise, ID. 5/9/25 - Mailed letters out to all relatives and, known descendants at the time, explaining about the mineral interest of C.B. Sheets and the future plans for drilling / setting up unit in the Fruitland, ID area. I asked them to provide heirship information and confirm on all relatives. 5/23/25 - During my email correspondence with Lonnie Sheets, he advised me that Carl Burden Sheets is the only heir of C.B. Sheets and Alice Sheets being his second marriage. All the other heirs are from C.B. Sheets and Etta Marie Sheets in his first marriage. 5/23/25 - research peoplefinders.com, and found address of 2626 Woody Dr, Boise, ID. Mailed lease out regular mail. 6/10/25 - mailed lease out via certified mail 6/12/25 - per email from Lonnie Sheets, he advised me that he asking around about Carl. He said that he talked with Tracee Crawford, and she could not find any evidence that Carl Sheets has children, nor could find that he was married. Research and did not find an obituary for him in the Boise, ID area. 6/24/25 - rec'd signed green card back; signed by Carl B. Sheets (9589 01710 5270 1981 9278 57). no date on card
#132	8N5W-22-022	F00000221790	WILTON L. EDDY & KATHLEEN EDDY, HIS WIFE		4.120	4.120	4.120	406929	LEASED	
#133	8N5W-22-023	F00000220180	TESORO LOGISTICS NORTHWEST PIPELINE, LLC	19100 RIDGEWOOD PARKWAY SAN ANTONIO, TX 78259	4.130	4.130			UNLEASED	7/24/25 - rec'd signed green card back. signed by C. Prior on 7/16/25 7/10/24 - Mailed lease out via certifed 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/22/23 CM: Recieved an email response that they do not own the minerals and have no record of Tesoro. 5/19/23 CM: Sent email 5/19/23 CM: Recived a text with Glen's email asking to corspond that way. 5/19/23 CM: #8993 LVM, sent text.
#134	8N5W-22-024	F00000220190	TESORO LOGISTICS NORTHWEST PIPELINE, LLC	19100 RIDGEWOOD PARKWAY SAN ANTONIO, TX 78259	0.010	0.010			UNLEASED	7/24/25 - rec'd signed green card back. signed by C. Prior on 7/16/25 7/10/24 - Mailed lease out via certifed 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/22/23 CM: Recieved an email response that they do not own the minerals and have no record of Tesoro. 5/19/23 CM: Sent email 5/19/23 CM: Recived a text with Glen's email asking to corspond that way. 5/19/23 CM: #8993 LVM, sent text.
#135	8N5W-22-025	F00000220440	CITY OF FRUITLAND	P.O. BOX 324 FRUITLAND, ID 83619	1.486	1.486			REFUSED	9/15/25 - mailed lease out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. Will not lease per city council meeting decisions.

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#136		F00000220000	100 NW PROPERTIES, LLC		20.000	20.000	20.000	458627	LEASED	
#137	8N5W-22-027	F00000221940	STEVEN K. O'BRAY & DEANNA L. O'BRAY		0.540	0.540	0.540	450489	LEASED	
#138	8N5W-22-028	F00000221920	DAVID O'BRAY & MARLA O'BRAY		0.910	0.910	0.910	450916	LEASED	
#139	8N5W-22-029	F00000222100	PENN SOUTH, LLC		10.272	10.272	10.272	446467	LEASED	
#140		F3320001012A	SUSAN E. WINSTON & JACK H. WINSTON	309 NW 9TH STREET FRUITLAND, ID 83619	0.390	0.390			REFUSED	9/15/25 - mailed lease out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/14/23 CM: Refused to sign. 3/27/23 CM: Seemed interested. Took lease packet and my card.
#141		F33200010110	DAVID R. PERCY & SUSAN PEARCY		0.270	0.270	0.270	408819	LEASED	
#142		F33200010100	JARED TAGGERT & VIRGINIA L. TAGGART		0.320	0.320	0.320	450487	LEASED	
#143		F33200010090	JUDY TAYLOR & RAYMOND TAYLOR		0.320	0.320	0.320	452235	LEASED	
#144		F33200010080	BRUCE E. BUCHANAN & SANDRA J. BUCHANAN		0.230	0.230	0.230	451547	LEASED	
#145	8N5W-22-035	F33200010070	KATHRYN D. STINNETT	205 NW 9TH STREET FRUITLAND, ID 83619	0.230	0.230			UNLEASED	9/15/25 - mailed lease out via certified 8/5/25 - talked with Katheryn' son. Left a b/c ask to have her call me. 7/10/25 - talked with Ms. Stinnett's son. I gave him a brochure and b/c. He said he would let his mom know. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info.
#146	8N5W-22-036	F33200010060	MATT L. GARNER & BRIANNE N. GARNER		0.230	0.230	0.230	452970	LEASED	
#147	8N5W-22-037	F33200010050	GAIL J. MASSEY TRUST	201 NW 9TH STREET FRUITLAND, ID 83619	0.230	0.230			UNLEASED	9/15/25 - mailed lease out via certified 7/10/25 - talked to Ms. Massey's son, Dave. He said he as told not to sign a lease without taking it to an attorney first. A very polite person, but don't think they will sign. (she is 91) 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/28/23 CM: No answer, left card.
#148	8N5W-22-038	F3320001040	GILBERTO PRECIADO		0.230	0.230	0.230	453757	LEASED	
#149	8N5W-22-039	F3320001030	MARLIN & LEORA CASTEEL TRUST		0.230	0.230	0.230	452233	LEASED	
#150	8N5W-22-040	F33200010020	SHANE DEFOREST	103 NW 9TH STREET FRUITLAND, ID 83619	0.230	0.230			REFUSED	9/15/25 - mailed lease out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 10/13/23 CM: Refused to sign. Works for BLM. 9/20/23 CM: Wife took lease and pamplet and said to come back in a couple of weeks. 3/28/23 CM: No answer, left card.
			ROYCE LARSEN & JEANNE ROYCE	901 N. PENNSYLVANIA AVE FRUITLAND, ID 83619	0.230	0.230				9/15/25 - mailed lease out via certified 7/15/25 - went to house no answer; left letter and b/c in door. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info.
#152	8N5W-22-042	F3320002006A	FREEMAN-SLATTER PARK & IRRIGATION	302 NW. 9 ST, FRUITLAND, ID 83619	0.190	0.190			UNLEASED	9/15/25 - mailed lease out via certified 7/14/25 - called Travis Lewis and left message. He is supposedly the head of HOA. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/28/23 CM: Cant find tract.

MAP#		PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#153	8N5W-22-043	F33200020050	SALVADOR RODRIGUEZ	304 NW 9 ST, FRUITLAND, ID 83619	0.240	0.240			UNLEASED	9/15/25 - mailed lease out via certified 8/5/25 - rang doorbell. No answer; left b/c in door. 7/15/25 - went to house no answer; left letter and b/c in door. 7/17/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 3/27/23 CM: No answer, left card. Were multiple forclosure notices attached to the door
#154	8N5W-22-044	F33200020040	TRAVIS J. LEWIS & RECHELLE K. LEWIS	302 NW. 9 ST, FRUITLAND, ID 83619	0.360	0.360			REFUSED	9/15/25 - mailed lease out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 10/26/23 CM: Refused to lease. 3/28/23 CM: Spoke to Travis. He is the HOA President. Seemed good.
#155	8N5W-22-045		DAVID M. HOWE & BARBARA J. HOWE, HIS WIFE		0.360	0.360	0.360	453418	LEASED	
#156	8N5W-22-046	F33200020020	KYLE CHAPMAN		0.230	0.230	0.230	451546	LEASED	
#157	8N5W-22-047	F332000201B0	WARRREN SHEPARD & SALLYANN SHEPARD		0.230	0.230	0.230	450338	LEASED	
#158	8N5W-22-048	F332000201A0	KATHRYN MICHELLE GEORGE & ORVAL EUGENE GEORGE, HER HUSBAND	106 NW. 9 ST, FRUITLAND, ID 83619	0.240	0.240			UNLEASED	9/15/25 - mailed lease out via certified 7/10/25 - no one answered. I left a letter and b/c in the door. They have 2 big dogs. 15 minutes later the letter was gone so someone was in the house. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 11/17/23 CM: Spoke to the husband. He said he had been gone hunting and would look the lease over and let me know. 10/13/23 CM: No answer. 9/18/23 CM: Spoke to Kristina. Gave her a lease and pamplet. Said I would come back in a couple of weeks.
#159	8N5W-22-049	F00000222330	MEGAN E. KLEFMAN & NATHAN KLEFMAN	104 NW. 9 ST, FRUITLAND, ID 83619	0.240	0.240			REFUSED	9/15/25 - mailed lease out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/17/24 CM: Refused 11/28/23 CM: Gave filled out lease and pamplet. 3/28/23 CM: No answer, left card.
#160	8N5W-22-050	F00000222320	JIMMY D. NOYES	807 N. PENNSYLVANIA AVE FRUITLAND, ID 83619	0.610	0.610			REFUSED	9/15/25 - mailed lease out via certified 7/10/25 - talked with Jimmy. he said he told Chris he was not interested and he is still a no. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 1/3/24 CM: Spoke to Jimmy, still couldn't decide if he wanted to sign. 11/2/23 CM: Jimmy was still thinking about the lease. 9/20/23 CM: Spoke with Jimmy. Nice guy, very knoledgeable abou dogs. Took lease and Pamplet and said he would look at it and to come back in a couple of weeks.
#161	8N5W-22-051	F00000222290	SCOTT D. ETHINGTON & WENDY ETHINGTON		1.470	1.470	1.470	450488	LEASED	
#162	8N5W-22-052	F00000222300	SCOTT D. ETHINGTON & WENDY ETHINGTON		0.460	0.460	0.460	450488	LEASED	
#163	8N5W-22-053	F00000222310	JUSTIN R. GIBB & ELIZABETH J. GIBB		0.540	0.540	0.540	410322	LEASED	
#164	8N5W-22-054	08N05W227350	MYRON J. LITTLE		3.140	3.140	3.140	405533	LEASED	
#165			STATE OF IDAHO, HIGHWAY		10.410	10.410	10.410	600627 600628	LEASED	
#166	8N5W-15-111	F3220002003A	WILSON TRUST ARCH & LINDA FAMILY		0.416	0.416	0.416	394614	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#167	8N5W-15-112	F3220002005A	ANGELA CHAVEZ & JESUS CHAVEZ	300 NE 8TH ST FRUITLAND, ID 83619	0.510	0.510			UNLEASED	9/15/25 - mailed lease out via certified
			JESUS CHAVEZ	FROTTLAND, ID 63019						7/19/25 - stopped by Angela's house; no one home; left b/c in door 5/22/25 N/A left B/C in door
										4/19/25 N/A Left B/C in door
										3/21/25 Mailed letter, brochure and B/C 3/13/25 Mailed letter
#168	8N5W-15-113	F3220002006A	BUHRLEY BUILDINGS, LLC	742 W. CHERRY LN MERIDIAN, ID 83646	0.630	0.630			UNLEASED	9/9/25 - rec'd signed green card back 9/3/25 - mailed lease letter via certified mail
				MENDIAN, ID 03040						4/15/25 mailed rease letter via certified mail
										3/21/25 Mailed letter, brochure and B/C 3/13/25 Mailed letter
#169	8N5W-15-114	F3220002007A	RANDY FRATES & CONNIE FRATES		0.728	0.728	0.728	460006	LEASED	
#170	8N5W-15-115	F3220002008B	ERNEST W. CHANDLER, JR &	774 HALE RD	0.477	0.477			UNLEASED	9/15/25 - mailed lease out via certified
			JULIE A. CHANDLER	WEISER, ID 83672						8/25/25 - stopped by Chandler's house. left b/c in door
										8/1/25 - per Tim Davis, this tract has been divided in half. His office manager told me she has recorded it. Doesn't show up on county website yet. I have meeting with him and his wife next
										week to sign.
										5/15/25 turned over to Chris
										3/21/25 Mailed letter, brochure and B/C 3/13/25 Mailed letter
#171	8N5W-15-116	F3184001008A	NICK AND KIM HARTLEY REAL	2175 N. WHITLEY DR	0.554	0.554			UNLEASED	9/9/25 - rec'd signed green card back
			ESTATE LLC	FRUITLAND, ID 83619						9/3/25 - mailed lease letter via certified mail
										4/22/25 Mailed lease packet 3/21/25 Mailed letter, brochure and B/C
										3/13/25 Mailed letter
#172	8N5W-15-117	F3184001009A	RYWEST HOMES, INC	P.O. BOX 950	0.267	0.267			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						9/10/25 - met with Tim. he's for it but his wife is not. he is going to talk with her one more time and let me know
										8/29/25 - called Tim's office to set a meeting. he thought we cound get it done this week and
										he would call me back
										8/1/25 - called Tim's office to set up meeting; he thought wwe cound get it done this week and he would call me back
										7/17/25 - met with Tim; he wants to talk with wife. he think he will sign
										7/8/25 - called Tim's office. he's gone for the week. 7/7/25 - mailed letter about Chris's death
										7/2/25 - called Tims office but he was gone for the weekend
										6/26/25 Stop by his office they went to summer camp with their kids
										5/15/25 turned over to Chris 3/21/25 Mailed letter, brochure and B/C
										3/13/25 Mailed letter
#173	8N5W-15-118	F3184001007A	BROCK A. ANDERSON & LAYNE C. ANDERSON		0.431	0.431	0.431	460500	LEASED	
#174	8N5W-15-119	F3184001006A	SOO YOUNG PROPERTIES, LLC	339 W. IOWA AVE	0.427	0.427			UNLEASED	9/9/25 - rec'd signed green card back
				NAMPA, ID 83686						9/3/25 - mailed lease letter via certified mail 4/15/25 mailed a lease packet
										3/21/25 Mailed a lease packet 3/21/25 Mailed letter, brochure and B/C
										3/13/25 Mailed letter
#175	8N5W-15-120	F3540004000H	VALS HEALTH SYSTEMS	2007 N WHITLEY DR	0.770	0.770			UNLEASED	9/15/25 - mailed lease out via certified
			SOCIETY	FRUITLAND, ID 83619						8/15/25 - dropped off copy of lease and letter for them to emaili Dr. Owens. 8/12/25 - talked with office manager. she has not heard anything from Dr. Owens.
										6/9/25 Stop by the office Mr. Vincent was not
										available
										5/29/25 Stop by Mr. Vincent's office to see if he had questions or concerns 5/15/25 Drop off a lease & W-9 at Mr. Vincent's office
										5/14/25 Talked with George Vincent he would like to see a lease.
				1						

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#176	8N5W-15-121	F32200020020	WILSON TRUST ARCH & LINDA FAMILY	2134 MAPLE CT FRUITLAND, ID 83619 804 NW 24TH ST FRUITLAND, ID 83619	0.380	0.380	0.380	394614	LEASED	
#177	8N5W-15-122	F32200020010	EARLENE WALSTON		0.300	0.300	0.300	459981	LEASED	
#178	8N5W-15-123	F32200020120	LYNN STONE & MYRNA STONE		0.440	0.440	0.440	459982	LEASED	
#179	8N5W-15-124	F32200020110	LYNNORA GROSS	2302 SHAMROCK CT FRUITLAND, ID 83619	0.430	0.430			UNLEASED	9/15/25 - mailed lease out via certified 5/3/25 N/A left B/C in door 4/1/25 N/A left letter in door 3/10/25 Talked with Lynnora, left her a B/C, Brochure and copy of a lease.
#180	8N5W-15-125	F32200020100	DENISE COOK		0.400	0.400	0.400	460637	LEASED	
#181	8N5W-15-126	F32200020090	DYLAN PATTEN & EMMALE HODGKINSON		0.430	0.430	0.430	460141	LEASED	
#182	8N5W-15-127	F32200020080	REFUGIO GONZALEZ & MARIA GONZALEZ	2202 SHAMROCK CT FRUITLAND, ID 83619	0.440	0.440			UNLEASED	9/15/25 - mailed lease out via certified 4/1/25 N/A left letter in door 3/10/25 talked with Maria, she dosn't speek english left her a B/C, brochyre and copy of a lease.
#183	8N5W-15-128	F3184001001A	RYWEST HOMES, INC	P.O. BOX 950 FRUITLAND, ID 83619	0.906	0.906			UNLEASED	Same as for #172
#184	8N5W-15-129	F3184001003A	TIIMOTHY SCOTT & LISA CHRISTINE DAVIS	P.O. BOX 950 FRUITLAND, ID 83619	0.498	0.498			UNLEASED	9/15/25 - mailed lease out via certified 9/10/25 - met with Tim. he's for it but his wife is not. he is going to talk with her one more time and let me know 8/29/25 - called Tim's office to set a meeting. he thought we cound get it done this week and he would call me back 8/1/25 - called Tim's office to set up meeting; he thought wwe cound get it done this week and he would call me back 7/17/25 - met with Tim; he wants to talk with wife. he think he will sign 7/8/25 - called Tim's office. he's gone for the week. 7/17/25 - mailed letter about Chris's death 7/2/25 - called Tim soffice but he was gone for the weekend 6/26/25 Stop by his office they went to summer camp with their kids 5/15/25 turned over to Chris 3/21/25 Mailed letter, brochure and B/C 3/13/25 Mailed letter
#185	8N5W-15-130	F3184001005A	SCOTT CAPPS & MELINDA CAPPS		0.208	0.208	0.208	462120	LEASED	
#186		F3184001004A	STELLAR INVESTMENT PROPERTIES, LLC		0.365	0.365	0.365	460140	LEASED	
#187	8N5W-15-132	F31850020010	MICHAEL D. HUTTON & TERRI L. HUTTON, HIS WIFE		0.240	0.240			LEASED	
#188	8N5W-15-133	F32200010020	RONALD CRAIG & HAYLEY CRAIG	PO Box 960 FRUITLAND, ID 83619	0.380	0.380			UNLEASED	9/19/25 - mailed lease out via certified 6/2/25 mailed lease packet 4/4/25 Mailed letter with a B/C 3/18/25 N/A left letterr in door 3/7/25 N/A left B/C in door
		F32200010010	JULIA D. MONROE	904 NW 24TH STREET FRUITLAND, ID 83619	0.380	0.380			UNLEASED	9/15/25 - mailed lease out via certified 5/1/25 N/A left B/C in door 4/5/25 left B/C & brochure with a male person 3/18/25 N/A left letterr in door 3/7/25 N/A left B/C in door
#190	8N5W-15-135	F32200010030	KEITH L. & DELORES A. MCGEHEE	2307 SHAMROCK CT FRUITLAND, ID 83619	0.440	0.440			REFUSED	9/15/25 - mailed lease out via certified 5/3/25 Rodney turned us down 3/18/25 talked with Delores, whatever her son Rodney desides is what she'll do. 3/10/25 Talked with Delores, she is widowed. Left her a B/C, brochure and a copy of a lease.

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#191	8N5W-15-136	F32200010040	RODNEY E. & CARMA J.	2303 SHAMROCK CT	0.440	0.440			REFUSED	9/15/25 - mailed lease out via certified
			MCGEHEE	FRUITLAND, ID 83619						Talked with Rodney, They had a bad experience
										with Alta Mesa said no 4/23/25 N/A left B/C in door
										4/1/25 N/A left brochure and B/C in door
										3/18/25 talked with Rodney he is reviewing the lease,
										3/10/25 N/A left B/C in door
#192	8N5W-15-137	F32200010050	JEFFREY W. & JENNY D. RUDD		0.440	0.440	0.440	460842	LEASED	
#193	8N5W-15-138	F32200010060	2209 SHAMROCK CT TRUST	P.O. BOX 873 BOISE, ID 83701	0.440	0.440			UNLEASED	9/15/25 - mailed lease out via certified
				BOISE, ID 83701						5/19/25 mailed lease packet 5/14/25 Talked with Mr. Harsh he would like to sell his minerals
										4/4/25 Mai;ed letter to PO box
										4/1/25 N/A left letter in door
										3/10 Met the daughter left her a B/C, brochuer and a copy of the lease
#194	8N5W-15-139	F32200010070	YNNET BAXTER & GRANT	2205 SHAMROCK CT	0.440	0.440			UNLEASED	9/15/25 - mailed lease out via certified
			BAXTER	FRUITLAND, ID 83619						5/3/25 N/A Left B/C in door, someone was in the house
										4/1/25 N/A left letter in door
										3/10/25 Met their daughter, left her a B/C, brochure and a copy of a lease
#195	8N5W-15-140	F31860020030	MARK A. & AMBER M. BERGER	977 SHAMROCK CT	0.270	0.270	 		UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						4/5/25 talked with mom left brochure & B/C
										3/20/25 N/A left letter in door
										3/10/25 N/A left B/C in door
#196	8N5W-15-141	F31860020020	SANDIE DICKINSON	981 SHAMROCK CT FRUITLAND, ID 83619	0.260	0.260			UNLEASED	9/15/25 - mailed lease out via certified 4/5/25 Left Brochure, B/C with daughter
				11101127442, 12 00010						3/10/25 Left B/C in door
#197	8N5W-15-142	F31860010050	JUSTIN M. ROBINSON		0.220	0.220	0.220	460692	LEASED	
#198	8N5W-15-143	F31860010040	CARMEN PEREZ	973 SHAMROCK CT	0.170	0.170			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/3/25 New floor going in owner not home left
										B/C 4/1/25 N/A left brochure and B/C in door
										3/17/25 N/A left letter in door
#199	8N5W-15-144	F31860010030	LUIS & YOLANDA JUAREZ	980 SHAMROCK CT	0.170	0.170			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/3/25 Talked with renters they just moved in
										4/1/25 N/A left brochure and B/C in door 3/17/25 N/A left letter in door
#000	ONEW 45 445	504050040050	DODEDT D. MENDEZ	005 NW 040T OTDEET	0.000	0.000			= 4.0=0	
#200	6N5W-15-145	F31850010050	ROBERT D. MENDEZ	935 NW 21ST STREET FRUITLAND, ID 83619	0.280	0.280			UNLEASED	9/15/25 - mailed lease out via certified 8/23/25 - garage door open. Rang door bell. Left b/c in door
										5/3/25 N/A left B/C in door
										4/8/25 Talked with renter Mr. Mendez lives in unit 939 Left letter and B/C in door
										3/17/25 N/A garage door open, someone in the house, left letter in door
#201	8N5W-15-146	F31850010060	LAYTON P. & GLORIA MCDOWALL		0.220	0.220			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						8/23/25 - garage door open. rang door bell. left b/c in door 8/13/25 - pull up to McDowall's house, was getting out of my pick up and they drove off.
										5/3/25 N/A Left B/C in door
										4/8/25 Talked with Gloria They have not made a decision
										3/17/25 Left letter, B/C and brochure with Gloria, want's to talk with her husband
#202	QNI5\N/ 15 147	F31850020060	RONALD CARROLL & SHERYL	P.O. BOX 175	0.180	0.180			UNLEASED	9/9/25 - rec'd signed green card back
#202	01N0VV-10-14/	1 3 1030020000	SEELIGER	PAYETTE, ID 83661	0.100	0.100			UNLLASED	9/3/25 - rec d signed green card back 9/3/25 - mailed lease letter via certified mail
										5/21/25 mailed lease packet
										4/17/25 mailed 2nd letter with brochure
										4/4/25 Mailed letter

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#203	8N5W-15-148	F31850020020	MARVIN YODER	183 STROHM RD SHIPPENSBERG, PA 17257	0.180	0.180			UNLEASED	9/3/25 - mailed lease out via certified 4/23/25 mailed lease packet 4/17/25 mailed 2nd letter with brochure 4/4/25 Mailed letter with B/C
#204	8N5W-15-149	F31850020030	J NUNO CONSTRUCTION	27620 PETOLLA RD WILDER, ID 83676	0.210	0.210			UNLEASED	9/3/25 - mailed lease letter via certified mail 5/19/25 mailed lease packet 4/17/25 mailed 2nd letter with brochure 4/4/25 mailed letter
#205	8N5W-15-150	F31850020040	MARVIN YODER	183 STROHM RD SHIPPENSBERG, PA 17257	0.240	0.240			UNLEASED	9/3/25 - mailed lease out via certified 4/23/25 mailed lease packet 4/17/25 mailed 2nd letter with brochure 4/4/25 Mailed letter with B/C
#206	8N5W-15-151	F30700020010	JASON R. & CHRISTINA A. PETT	1000 NW 24TH ST FRUITLAND, ID 83619	0.250	0.250			REFUSED	9/15/25 - mailed lease out via certified 3/7/25 Talked with Christina, she said no
#207	8N5W-15-152	F30710020150	MARCOS CISNEROS JUAREZ	2270 BISHOP AVE FRUITLAND, ID 83619	0.200	0.200			UNLEASED	9/15/25 - mailed lease out via certified 5/23/25 having a garage sale didn't want to talk 4/8/25 N/A left brochure & B/C in door 3/10/25 left B/C, brochure and a copy of the lease with his wife
#208	8N5W-15-153	F30710020160	TODD P. DICKARD & LISA M. DICKARD	2250 BISHOP AVE FRUITLAND, ID 83619	0.170	0.170			UNLEASED	9/15/25 - mailed lease out via certified 4/8/25 N/A left brochure & B/C in door 3/20/25 N/A left letter in door 3/10/25 N/A left B/C in door
#209	8N5W-15-154	F30710020170	WENDY K. ADAMSEN		0.170	0.170	0.170	454786	LEASED	
#210	8N5W-15-155	F30720020180	JAMES R. & MARION P. EULBERG		0.170	0.170	0.170	459980	LEASED	
#211	8N5W-15-156	F30720020190	PHILIP & HELEN DILER NYCUM JOINTS REVOCABLE TRUST		0.180	0.180	0.180	454784	LEASED	
#212	8N5W-15-157	F30720020200	EZRA LEO & ABIGAIL ASHTON	2144 BISHOP AVE FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 6/6/25 sent a follow up email to Ezra to see if he made a decision 4/3/25 emailed ezra to see if he had made a decision or had questions, no answer 3/21/25 Ezra called, emailed copy of lease& brochure 3/20/25 Left information with renter 3/10/25 N/A left B/C in door
#213	8N5W-15-158	F31860020010	BARBARA J. BAKE	985 SHAMROCK CT FRUITLAND, ID 83619	0.300	0.300			REFUSED	9/15/25 - mailed lease out via certified 3/10/25 Barbara said she was selling her house, wasn't interested, left her a brochure, B/C and a copy of the lease
#214	8N5W-15-159	F31860020020	MARLO DEE BOYD	2138 BISHOP AVE FRUITLAND, ID 83619	0.200	0.200			UNLEASED	9/15/25 - mailed lease out via certified 5/3/25 N/A Left B/C in door 4/1/25 N/A heard voices left B/C in door 3/17/25 Left letter, B/C and brochure with Marlo
#215	8N5W-15-160	F31860010010	JUBENAL & EMILIA RODRIGUEZ	2136 BISHOP AVE FRUITLAND, ID 83619	0.200	0.200			REFUSED	9/15/25 - mailed lease out via certified 3/17/25 left letter, B/C and brochure with their son, they do not speak english.
#216	8N5W-15-161	F31850020080	JAY & LISA WISE	2088 TIMBER CREEK DR FRUITLAND, ID 83619	0.190	0.190			REFUSED	9/15/25 - mailed lease out via certified 4/19/25 Talked with Lisa left brochure & B/C 3/26/25 Left letter, B/C and brochure with their son

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
	110.01	AROLL	minerale officer	ADDICEGO	ACRES	OWN	LSD		OTATOS	TRESSINE OF EFFORTS
#217	8N5W-15-162	F31850020070	ROCHELLE R. & DONALD G.	8926 MOUNTAIN HOME	0.180	0.180			UNLEASED	9/3/25 - mailed lease letter via certified mail
#217	014344-13-102	1 3 1030020070	DAVIS	CT	0.100	0.100			UNLLASED	5/22/25 Mailed lease letter via certified mail
				ELK GROVE, CA 95624						4/10/25 talked with Rochelle she will be in Fruitland on May 15th and would like to get together
										4/4/25 Mailed letter
#218	8N5W-15-163	E31850020050	REMBELSKI PROPERTIES, LLC	2027 COPPER CREEK	0.200	0.200	.		UNLEASED	9/15/25 - mailed lease out via certified
#210	014344-13-103	1 3 1030020030	NEWBELSKI FROFERINES, EEG	DR	0.200	0.200			UNLEASED	6/2/25 mailed lease packet
				FRUITLAND, ID 83619						4/19/25 N/A left brochure & B/C in door
										3/26/25 Left letter in door and talked with renter
#040	ONITIM 45 404	F040F0000000	ANDREA LYNN & PATRICK		0.400	0.400	0.400	460037	LEASED	
#219	8N5W-15-164	F31850020090	WAYNE OLP		0.180	0.180	0.180	460037	LEASED	
#220	8N5W-15-165	F31850020100	WILLIAM D. & MEGAN M. HOOD	2072 TIMBER CREEK DR	0.240	0.240			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/23/25 N/A left B/C in door
										4/19/25 Talked with Megan left brochure & B/C
										3/26/25 N/A left letter in door
#221	8N5W-15-166	F30700020020	JOYCE L. GREEN	1002 NW 24TH STREET	0.180	0.180			REFUSED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619	******					3/7/25 Slammed door and made clear not interested
#222	8N5W-15-167	F30700020140	SAUL & ERICA TRISTAN	1045 NW 23RD STREET	0.180	0.180			UNLEASED	3/10/25 N/A left B/C in Door
				FRUITLAND, ID 83619						3/20/25 N/A left letter in door
										4/8/25 Talked with Saul order lease
										4/11/25 called left message 4/22/25 called left message
										5/31/25 stop by no one home
										7/19/25 - stopped by tristan's house; no one home; left b/c in door
										7/26/25 - stopped by house, left b/c in door
										8/13/25 - called and left message
										8/21/25 - stopped by their house. left letter and b/c in door
										9/15/25 - mailed lease out via certified
#223	8N5W-15-168	F30710040060	ANTHONY R. OGBURN	1050 NW 23RD STREET	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/14/25 N/A left B /C in door
										4/23/25 N/A left brochure and B/C in door
										3/27/25 N/A left brochure and B/C in door
										3/17/25 N/A left letter in door
#224	8N5W-15-169	F30720040070	MARLOW H. & NORMA J. TRICK	1025 NW 22ND STREET	0.180	0.180			REFUSED	9/15/25 - mailed lease out via certified
"	0.1011 10 100			FRUITLAND, ID 83619	0.100	0.100				5/14/25 Katherine will not sign
										3/17/25 This Katherine Obray's mother so as Katherine goes so does this property
							L			
#225	8N5W-15-70	F30720030140	MARTIN M. & MARINA R. GARCIA	1022 NW 22ND STREET	0.200	0.200			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/14/25 talked to Martin he is going to talk with his family and let me know
										4/19/25 N/A left B/C in door
										4/1/25 N/A left brochure and B/C in door
										3/12/25 N/A left letter in door
							L			
#226	8N5W-15-171	F31860030150	RONALD & VANESSA WILSON		0.170	0.170			REFUSED	3/12/25 talked with Mr. Wilson absolutely not
				FRUITLAND, ID 83619						9/15/25 - mailed lease out via certified
#227	8N5W-15-172	F31860030140	MATTHEW SCOTT & KAYLEE	2139 BISHOP AVE	0.170	0.170		 	REFUSED	3/12/25 Mr. Potter would not open his door,
		1	POTTER	FRUITLAND, ID 83619						just kept shaking his head and saying no.
										9/15/25 - mailed lease out via certified
"655	01514/ 15 15	50400000000	2024444455455	0405 BIOLIOT .: :=	0.4==	0.4==				
#228	8N5W-15-173	F31860030130	DORAN WHEELER	2135 BISHOP AVE	0.170	0.170			REFUSED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						4/1/25 talked with Mr Wheeler, he is not interested
										3/12/25 N/A left letter in door
										S. S
	-		•	•			•	•	•	•

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
					AGNEG	o	200			
#229	8N5W-15-174	F31860030120	RUSSELL & LAURA ROBERTS TRUST	1075 NW 21ST ST FRUITLAND, ID 83619	0.190	0.190			REFUSED	9/15/25 - mailed lease out via certified 4/19/25 Talked to Russell not interested 4/1/25 N/A left letter in door 3/12/25 Left B/C, brochure and a clopy of the lease with Laura.
#230	8N5W-15-175	F31850020130	MARC C. & TANYA D. WARD	2089 TIMBER CREEK DR FRUITLAND, ID 83619	0.190	0.190			UNLEASED	9/15/25 - mailed lease out via certified 5/23/25 N/A left B/C in door 4/19/25 left brochure & B/C with daughter 3/26/25 N/A left letter in door
#231	8N5W-15-176	F31850020120	LARRY W. & KAY F. HALEY FAMILY TRUST		0.180	0.180	0.180		LEASED	
#232	8N5W-15-177	F31850020110	MARICRUZ & SERGIO MORALES	2063 TIMBER CREEK DR FRUITLAND, ID 83619	0.190	0.190			UNLEASED	9/15/25 - mailed lease out via certified 5/23/25 N/A left B/C in door 4/17/25Talked with Maricruz , no decision, want,s to talk with husband, left B/C 3/26/25 left B/C, brochure and lease with Maricruz
#233	8N5W-15-178	F30700020030	JODI A. MANTZ	1004 NW 24TH ST FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 5/1/25 N/A left B/C in door 4/5/25 Left B/C with her sister 3/18/25 N/A left letter in door 3/7/25 N/A left B/C in door
#234	8N5W-15-179	F30710020130	MARC F. & MICHELLE E. FRENCH	1051 NW 23RD ST FRUITLAND, ID 83619	0.175	0.175			REFUSED	9/15/25 - mailed lease out via certified 3/20/25 "NO" 3/10/25 N/A left B/C in door
#235	8N5W-15-180	F30710040050	JOSHUA & KELSI JO DUCKWORTH	1052 NW 23RD ST FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 5/14/25 N/A left B/C in door 4/23/25 talked with Kelsi still no decision left brochure & B/C 3/27/25 left B/C and brochure with Kelsi, she wants to talk with her husband 3/17/25 N/A left letter in door
#236	8N5W-15-181	F30720040080	KATHERINE M. OBRAY	1029 NW 22ND ST FRUITLAND, ID 83619	0.180	0.180			REFUSED	9/15/25 - mailed lease out via certified 5/14/25 Katherine will not sign 4/23/25 Talked with Katherine she has not decided, wants to talk with her brother 3/27/25 talked with Katherine still no decision 3/17/25 left letter and brochure with Katherine
#237	8N5W-15-182	F30720030130	KENNETH L. & DEVA S. ELORDI FAMILY TRUST	P.O. BOX 395 MCDERMITT, NV 89421	0.180	0.180			REFUSED	9/3/25 - mailed lease letter via certified mail 5/20/25 Mailed lease packet 4/17/25 Mailed 2nd letter with brochure 4/4/25 Mailed letter with a B/C
#238	8N5W-15-183	F31860030060	WHITLEY L. & PETER GIVEN ANDERSON	2168 ALPINE CREEK CIR FRUITLAND, ID 83619	0.190	0.190			REFUSED	9/19/25 - mailed lease out via certified 5/14/25 talked with Peter will not sign 4/19/25 Met with Peter talked about his lease, want,s to talk with wife 4/1/25 N/A left brochure and B/C in door 3/12/25 N/A left letter in door
			BILLY JAY & LAURA A. GRAU	2166 ALPINE CREEK CIR FRUITLAND, ID 83619	0.190	0.190			UNLEASED	9/19/25 - mailed lease out via certified 5/14/25 N/A left B/C in door 4/19/25 N/A left b/C in door 4/1/25 Left brochure and B/C with mother 3/12/25 N/A left letter in door
#240	8N5W-15-185	F31860030110	SHAD WESTOVER	1077 NW 21ST STREET FRUITLAND, ID 83619	0.190	0.190			UNLEASED	9/15/25 - mailed lease out via certified 5/14/25 N/A left B/C on the barrel 4/19/25 N/A left brochure & B/C in door 4/1/25 N/A left letter in door at the Tara Ct address 3/12/25 talked with renters left them a B/C

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#241	8N5W-15-186	F31860040010	RILEY HILL	P.O. BOX 428	0.200	0.200			UNLEASED	9/9/25 - rec'd signed green card back
#241	014044-10-100	1 3 10000400 10	THEET THEE	ONTARIO, OR 97914	0.200	0.200			UNLLAGED	9/3/25 - mailed lease letter via certified mail
										5/19/25 mailed lease packet
										4/17/25 mailed 2nd letter with brochure 4/4 Mailed letter
										4/4 Maried letter
#242	8N5W-15-187	F31860040020	AMANDA MACHUCA & JAIME P. MARTINEZ	2060 SPRING CREEK	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
			MARTINEZ	DR FRUITLAND, ID 83619						5/23/25 N/A left B/C in door 4/19/25 N/A Left brochure & B/C in door
				,						3/26/25 N/A left letter in door
#242	8N5W-15-188	F34960040030	DEREK THOMPSON & ALICIA	2056 SPRING CREEK	0.300	0.300			UNLEASED	9/15/25 - mailed lease out via certified
#243	8N5VV-15-188	F31860040030	NICOLE THOMPSON & ALICIA	DR	0.300	0.300			UNLEASED	7/24/25 - talked with Derek, they have not made a decision
				FRUITLAND, ID 83619						7/19/25 - called Dered, no answer; went by his house; no one home; left b/c in door
										5/31/25 Called left message
										5/23/25 Order lease packet
										4/19/25 N/A left B/C in door 3/26/25 left B/C, brochure and lease with Alicia
#244	8N5W-15-189	E30700030040	NATHAN STEVENSON	1006 NW 24TH STREET	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
#244	011211-109	F30700020040	NATHAN STEVENSON	FRUITLAND, ID 83619	0.160	0.160			UNLEASED	5/1/25 N/A left B/C in door
				,						4/5/25 N/A left B/C in door
										3/18/25 N/A left a letter in door
										3/7/25 Left B/C & Brochure with Kayla
#245	8N5W-15-190	F30710020120	LINDA H. & DAVID P. MIHALIC	1053 NW 23RD STREET	0.180	0.180			REFUSED	3/10/25 Hard no
				FRUITLAND, ID 83619						9/15/25 - mailed lease out via certified
#246	8N5W-15-191	F30710040040	JOE LEE LANGDON SR	1054 NW 23RD STREET	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/14/25 N/A Left B/C in Door
										4/23/25 N/A left B/C in door 3/27/25 left B/C he is still thinking about it
										3/17/25 left letter brochure and B/C with Joe he wants to read over the material.
#247	8N5W-15-192	F30720040090	GREGORY D. CATES & JASMINE	1031 NW 22ND ST	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
			E. ACOR (purchase from Caleb	FRUITLAND, ID 83619						8/23/25 - stopped by house; no one is ever here. left a letter and b/c in door
			Campbell April 2025)							8/13/25 - stopped by house; sprinklers running in front yard and no one around
										7/26/25 - went by house, sprinkler was running, no one around. left b/c in door 7/19/25 - stopped by house; still has cabinets in front yard and no one around
										7/15/25 - stopped by house. Owner still has cabinets in front yard. No one around. Left b/c in
										front door.
										4/11/25 Talked with Caleb they accepted an offer on the property and will not sign.
										3/26/25 Meet with Caleb Campbell they will sign a lease when they get back from their mission.
#248	8N5W-15-193	F30720030120	EZEQUIEL CISNEROS &		0.180	0.180			REFUSED	9/15/25 - mailed lease out via certified
			GABRIELA GONZALEZ	1030 NW 22ND ST						4/19/25 talked with Gabriela not interested
				FRUITLAND, ID 83619						4/1/25 N/A left brochure and B/C in door
40.10	ONIEW 15 10:	F04000000055	DDANDY L & IAMES D DOC: T	0470 ALDINE ODEEK	0.400	0.400			UNU E 4 0 E F	3/12/25 N/A left letter in door
#249	ชเง5งง-15-194	F31860030050	BRANDY L. & JAMES R. POOLE	2170 ALPINE CREEK DR FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 5/14/25 kids looking out the window on one
										came to the door
										4/19/25 N/A left B/C in door
										4/1/25 N/A left brochure and B/C in door
#250	8N5W-15-194	F31860030080	VANESSA TELLEY &	2164 ALPINE CREEK	0.190	0.190			REFUSED	3/12/25 N/A left letter in door 9/15/25 - mailed lease out via certified
#200	01424A-13-124	1 0 1000000000	JASON R. TELLY	DRIVE	0.190	0.190			KEFUSED	4/19/25 talked to Jason not interested
				FRUITLAND, ID 83619						4/1/25 N/A left brochure and B/C in door
										3/12/25 N/A left letter in door
			I .							

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#251	8N5W-15-196	F31860030100	DARLA JEAN STARR	1205 TARA CT	0.180	0.180			UNLEASED	9/19/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/14/25 N/A left B/C on the barrel
				1081 NW 21ST STREET						4/19/25 N/A left brochure & B/C in door
				FRUITLAND, ID 83619						4/1/25 N/A left letter in door at the Tara Ct address 3/12/25 talked with renters left them a B/C
										5/12/25 tarked with felicis left them a 5/5
#252	8N5W-15-197	F30700020050	NATHAN BORSELLA & MIRIAM JOAN BORSELLA		0.180	0.180	0.180	460142	LEASED	
#253	8N5W-15-198	F30710020110	CODY JENNINGS &	POB 196	0.180	0.180			UNLEASED	9/3/25 - mailed lease out via certified
			COURTNEY PEDEN	OXBOW, OR 97840						5/21/25 Mailed lease packet
										4/17/25 Mailed 2nd letter with brochure 4/4/25 Mailed letter
										3/10/25 N/A
#25/	8N5W-15-199	F30710040030	SCOTT W. BATES	1056 NW 23RD STREET	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
#254	814344-13-133	1 307 10040030	COOTT W. BATES	FRUITLAND, ID 83619	0.100	0.100			UNLLAGED	5/14/25 N/A left B/C in door
										4/23/25 N/A left broshure & B/C in door
										3/27/25 N/A left B/C in door
										3/17/25 N/A Left letter in door
#255	8N5W-15-200	F30720040100	KEVIN M. CAMPBELL &	1033 NW 22ND STREET	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
			DEBORAH A. CAMPBELL	FRUITLAND, ID 83619						5/14/25 N/A Left B/C in door 4/23/25 N/A left brochure & B/C in door
										3/27/25 N/A left brochure & B/C in door
										3/17/25 N/A left letter in door
#256	8N5W-15-201	F30720030110	GONZALO N. LIERA &	1034 NW 22ND STREET	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
			VIRGINIA LIERA	FRUITLAND, ID 83619						5/14/25 N/A left B/C in door
										4/19/25 N/A left B/C in door
										4/1/25 N/A left B/C in door 3/12/25 Talked with grand daughter, left a letter, Brochure and B/C, grandma doesn't speek
										english
#257	8N5W-15-202	F31860030040	DOUGLAS M.KIMBALL &	2169 ALPINE CREEK	0.250	0.250			UNLEASED	9/15/25 - mailed lease out via certified
			KIM D. KIMBALL	DR.						5/14/25 N/A left B/C in door
				FRUITLAND, ID 83619						4/19/25 N/A left B/C in door 4/1/25 left brochure and B/C with Mr. Kimball
										3/12/25 left letter in doorN/A
#258	8N5W-15-203	F31860030090	RYON SIRUCEK	1083 NW 21ST STREET FRUITLAND, ID 83619	0.200	0.200			UNLEASED	9/15/25 - mailed lease out via certified
				PROTILAND, ID 63019						5/14/25 talked with Kenneth he would like to review a lease
										4/19/25 N/A left B/C in door
										4/1/25 N/A left brochure and B/C in door
										3/12/25 N/A Left letter in door
#259	8N5W-15-204	F31860040040	AMY J. AND MICHAEL EDL SOLD TO	603 POPPY DR	0.300	0.300			UNLEASED	9/15/25 - mailed lease out via certified
			DIEP VU & TRANG BUI	FRUITLAND, ID 83619						5/23/25 House still empty 4/19/25 house is empty with for sale sign in yard
										3/26/25 left B/C, brochure and letter with their son
#260	8N5W-15-205	F31860040050	CREEKSIDE HOMEOWNER'S	P.O. BOX 845	0.580	0.580			REFUSED	9/22/25 - mailed lease offer via certified
			ASSOCIATION	FRUITLAND, ID 83619						9/15/25 - mailed lease out via certified
l										7/15/25 Spoke to Mrs. Robb, they do not want to participate
l										4/19/25 went by 125 Beech N/A 4/5/25 Cloud Land LLC and Creekside HOA, turned over to Chris in his area
										4/4/25 N/A left B/C, brochure and letter in door
#261	8N5W-15-206	F3540004000K	CREEKSIDE HOMEOWNER'S	P.O. BOX 845	0.710	0.710			REFUSED	9/22/25 - mailed lease offer via certified
			ASSOCIATION	FRUITLAND, ID 83619						9/15/25 - mailed lease out via certified
l										7/15/25 Spoke to Mrs. Robb they do not want to participate
										4/19/25 went by 125 Beech N/A 4/5/25 Cloud Land LLC and Creekside HOA, turned over to Chris in his area
										4/4/25 N/A left B/C, brochure and letter in door

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#262	8N5W-15-207	F30700020060	RIGOBERTO ZUNIGA & EVANGELINA ZUNIGA	1010 NW 24TH STREET FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 3/18/25 Talked with daughter left her the letter, asker if she would set us up a meeting to go over the lease. 3/7/25 Left B/C & Brochure with Evangelina, she doesn't speek english.
#263	8N5W-15-208	F30710020100	JOSE H. ESCOBEDO & REYNA J. GONZALEZ	1057 NW 23RD STREET FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 5/23/25 Heard voices N/A left B/C in door 4/8/25 N/A left brochure & B/C in door 3/18/25 N/A left letter in door 3/10/25 left B/C in Door
#264	8N5W-15-209	F30710040020	DENNIS BAUGHMAN & ALANA BAUGHMAN	1058 NW 23RD STREET FRUITLAND, ID 83619	0.180	0.180			REFUSED	3/17/2025 Talked with Alana they are not interested 9/15/25 - mailed lease out via certified
#265	8N5W-15-210	F30720040110	JOSEPH DANIEL WALKER	1037 NW 22ND STREET FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/21/25 - rang door bell. Left letter and b/c in door 5/14/25 Wants a lease 4/23/25 Talked with daughter her dad is still out of town 3/27/25 Left B/C with daughter he is still in Texas 3/17/25 left letter and brochure with Joseph, he was leaving for Texas
#266	8N5W-15-211	F30720030100	TRINA BETH STREMPKE & KYLE FRANK STREMPKE	1038 NW 22ND STREET FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 5/14/25 N/A left B/C in door 4/19/25 Talked with Kyle left him info & B/C 4/1/25 N/A left brochure and B/C in door 3/12/25 N/A left letter in door
#267	8N5W-15-212	F31860030030	TREE LINE MEADOW, LLD	2163 ALPINE CREEK DRIVE FRUITLAND, ID 83619	0.420	0.420			UNLEASED	9/15/25 - mailed lease out via certified 5/14/25 garage was open on one came to the door 4/19/25 N/A left B/C in door 4/1/25 same boy answered left letter and B/C 3/12/25 Young boy answered the door, left B/C, brochure and a copy of the lease.
#268	8N5W-15-213	F31860030020	CLINTON R.PHILLIPS & KATHRYN R. PHILLIPS	2161 ALPINE CREEK DRIVE FRUITLAND, ID 83619	0.260	0.260			REFUSED	9/15/25 - mailed lease out via certified 4/19/25 Daughter slammed door in my face 4/1/25 N/A left a brochure and B/C in door 3/12/25 N/A left letter in door
#269	8N5W-15-214	F31860030010	ELIZABETH CHAVEZ & RAUL CHAVEZ, JR.	1111 NW 21ST STREET FRUITLAND, ID 83619	0.250	0.250			UNLEASED	9/15/25 - mailed lease out via certified 5/14/25 N/A garage was open on one came to the door 4/19/25 N/A left B/C in door 4/1/25 N/A left brochure and B/C in door 3/12/25 N/A left letter in door
#270	8N5W-15-215	F30700020070	MELANIE THOMAS & TIMOTHY THOMAS	1012 NW 24TH STREET FRUITLAND, ID 83619	0.200	0.200			UNLEASED	9/15/25 - mailed lease out via certified 8/13/25 - talked with Tim as he was heading to Seattle and doesn't have time to sign. 7/19/25 - called Tim; he was in the airport 4/11/25 stopped by wife's at work 3/27/25 Wife's still out of town 3/13/25 Talked with Tim his wife's out of town 3/7/25 Talked with Tim he agreed to sign
#271	8N5W-15-216	F30710020090	MARIO AZURIN & PRISCILLA AZURIN	1059 NW 23RD STREET FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/21/25 - stopped by their house; left letter and b/c in door 7/19/25 - stopped by Mario's house; no one home; left b/c in door 5/23/25 order lease 4/8/25 N/A left brochure & B/C in door 3/20/25 N/A left letter in door 3/10/25 N/A left B/C in door

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#272	8N5W-15-217	F30710040010	MICHIEL K. LOVE & CASSANDRA L. LOVE	1060 NW 23RD STREET FRUITLAND, ID 83619	0.180	0.180			REFUSED	9/15/25 - mailed lease out via certified
			CASSANDRA L. LOVE	FROTTLAND, ID 63019						4/23/25 talked with Micheil not interested 3/27/25 N/A left B/C in door
										3/17/25 N/A left letter in door
#273	8N5W-15-218	F30720040120	ROSS D. HUBLER	1039 NW 22ND STREET	0.190	0.190			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619						5/14/25 Talked with his mom undecided
										4/23/25 N/A left brochure and B/C in door 3/27/25 N/A left B/C in door
										3/17/25 N/A left b/C in door
#27/	8N5W-15-219	F30710020080	MARY LOU MCBRYDE &	2310 APPLEWOOD	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified
#214	8N3W-13-219	1 307 10020000	JAMES MCBRYDE	AVENUE	0.100	0.100			UNLEASED	5/13/25 - Malled lease out via certified
				FRUITLAND, ID 83619						4/5/25 N/A left B/C in door
										3/10/25 Left brochure, letter and B/C with James
#275	8N5W-15-220	F30720030090	PATRICIA J. GALLOWAY		0.180	0.180	0.180	454785	LEASED	
									LEASED	
#276	8N5W-15-221	F30720030080	BISHOP RANCH HOMEOWNER'S ASSOCIATION		0.050	0.050	0.050	460283	LEASED	
#277	8N5W-15-222	F3540003000A	WHITLEY PROPERTIES, LLC	1540 7TH AVENUE N.	0.500	0.500			REFUSED	9/15/25 - mailed lease out via certified
				PAYETTE, ID 83661						8/13/25 - talked with Vincent and he is not going to sign. 7/30/25 - stopped by office. left b/c
										7/24/25 - called the office, Vincent wasn't in, left message to call me.
										7/8/25 - called Vincent's office. He was on another line. he didn't call me back.
										7/2/25 Stop by the office Vincent had left of the holidays 6/9/25 Stop by the office Mr. Vincent was not
										available
										5/29/25 Stop by Mr. Vincent's office to see if he had questions or concerns
										5/15/25 Drop off a lease & W-9 at Mr. Vincent's office
										5/14/25 Talked with George Vincent he would like to see a lease.
#278	8N5W-15-223	F3540003000X	WHITLEY PROPERTIES, LLC	1540 7TH AVENUE N.	0.500	0.500			REFUSED	9/15/25 - mailed lease out via certified
			ĺ	PAYETTE, ID 83661						8/13/25 - talked with Vincent and he is not going to sign.
										7/30/25 - stopped by office. left b/c
										7/24/25 - called the office, Vincent wasn't in, left message to call me. 7/8/25 - called Vincent's office. He was on another line. he didn't call me back.
										7/2/25 Stop by the office Vincent had left of the holidays
										6/9/25 Stop by the office Mr. Vincent was not
										available 5/29/25 Stop by Mr. Vincent's office to see if he had questions or concerns
										5/15/25 Drop off a lease & W-9 at Mr. Vincent's office
										5/14/25 Talked with George Vincent he would like to see a lease.
#279	8N5W-15-224	F3540003000U	WHITLEY PROPERTIES, LLC	1540 7TH AVENUE N. PAYETTE, ID 83661	0.420	0.420			REFUSED	9/15/25 - mailed lease out via certified 8/13/25 - talked with Vincent and he is not going to sign.
				,						7/30/25 - stopped by office. left b/c
										7/24/25 - called the office, Vincent wasn't in, left message to call me.
										7/8/25 - called Vincent's office. He was on another line. he didn't call me back. 7/2/25 Stop by the office Vincent had left of the holidays
										6/9/25 Stop by the office Wr. Vincent was not
										available
										5/29/25 Stop by Mr. Vincent's office to see if he had questions or concerns
										5/15/25 Drop off a lease & W-9 at Mr. Vincent's office 5/14/25 Talked with George Vincent he would like to see a lease.
#280	8N5W-15-225	F3540003000S	RCG, INC.		0.330	0.330	0.330	461367	LEASED	

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#281	8N5W-15-226	F3540003000R	SKY INVESTMENTS, LLC	POB 950 FRUITLAND, ID 83619	3.693	3.693			UNLEASED	9/15/25 - mailed lease out via certified 9/10/25 - met with Tim. he's for it but his wife is not. he is going to talk with her one more time and let me know 8/29/25 - called Tim's office to set a meeting. he thought we cound get it done this week and he would call me back 8/1/25 - called Tim's office to set up meeting; he thought wwe cound get it done this week and he would call me back 7/17/25 - met with Tim; he wants to talk with wife. he think he will sign 7/8/25 - called Tim's office. he's gone for the week. 7/7/25 - mailed letter about Chris's death 7/2/25 - called Tims office but he was gone for the weekend 6/26/25 Stop by his office they went to summer camp with their kids 5/15/25 turned over to Chris 3/21/25 Mailed letter, brochure and B/C 3/13/25 Mailed letter
		F3540003000Q	DWIGHT HOOLEY SR. & ESTER HOOLEY 2019 TRUST		1.550	1.550	1.550	461599	LEASED	
#283	8N5W-15-228	F3540003000P	DWIGHT HOOLEY SR. & ESTER HOOLEY 2019 TRUST		1.511	1.511	1.511	461599	LEASED	
#284	8N5W-15-229	F3540003000N	LUXURY NAIL SPA, INC	603 POPPY DRIVE FRUITLAND, ID 83619	0.451	0.451			UNLEASED	9/15/25 - mailed lease out via certified 7/18/25 - talked to a Mare Blue representing Diep Vu; he asked for more bonue and 1/4th royalty. i ask what he wants for bonus and told her a 1/4th royalty would not happen. 7/16/25 - stopped by shop, talked with Diep Vu, left lease packet 7/15/25 - stopped by their shop. Owner was out. I left b/c and told them I would stop by a later date. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info.
#285	8N5W-15-230	F354000300M	WHITLEY LAND HOLDINGS, LLC		1.072	1.072	1.072	461501	LEASED	
#286	8N5W-15-231	F3540003000Z	VISTA VIEW, LLC		2.240	2.240	2.240		LEASED	
#287	8N5W-15-232	F3540003000V	ESPERANZA M.HERRERA & JUAN G. HERRERA	211 GRIZZLY DRIVE FRUITLAND, ID 83619	0.200	0.200			UNLEASED	9/15/25 - mailed lease out via certified 7/17/25 - dropped off lease packet 7/15/25 - talked with niece of the Herrera's. Her aunt & uncle live in Colorado. her parents manage the property for them. i will put together a lease packet and she will make sure they get it. 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 5/31/25 N/A left 2nd letter in door 5/7/25 N/A left letter & B/C in door
#288	8N5W-15-233	F38200020010	JESSIE M. MARTINEZ & REBECCA MARTINEZ	804 VICTORIA AVENUE FRUITLAND, ID 83619	0.170	0.170			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - no answer; left second letter & b/c in door. 5/31/25 Talked with Rebecca left her with a brochure info and B/C she want'd to talk it over with her husband 5/7/25 N/A Left letter and B/C in Door

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
					7.0.1.20	· · · · ·				
#289	8N5W-15-234	F3540003000K	FRUITLAND 16TH STREET, LLC	903 N. 16TH STREET FRUITLAND, ID 83619	1.160	1.160			UNLEASED	9/15/25 - mailed lease letter via certified 9/9/25 - Scott had not made his mind up but would let me know 9/9/25 - Scott had not made his mind up but would let me know 9/8/25 - talked with Scott. he would like an additional \$1000 to cover cost of his attorney 9/4/25 - talked with Scott. he is going to meet with his attorney 9/3/25 - texted Scott to see about picking up the lease 8/28/25 - talked with Scott. he is signing and dropping lease off at the Jiffy Lube. 8/26/25 - talked wiwth Scott DeChambeau. he will signed if we sho him we have over 55% leased. 8/8/25 - there was lady in from yard; she went inside as I approached her. she didn't answer the door. 8/7/25 - talked with Scott DeChambeau, he was not going to sign. He did not like the fact that all the information came from the state. since i grew up ther and went to school with his older brother, he is going to talk with his attorney and get back to me. 8/6/25 - talked with manager. He gave me number of owner; 7/16/25 - talked with manager, left him lease packet, he will give to his owners.
#290	8N5W-15-235	F3540003000W	ALICIA ALLMER	807 VICTORIA AVENUE FRUITLAND, ID 83619	0.200	0.200			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - closed gate; left b/c in gate 5/31/25 N/A left 2nd letter in gate 5/71/25 Closed gate left letter & B/C in gate
#291	8N5W-15-236	F32800020020	MELISSA GEORGE	806 VICTORIA AVENUE FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - no answer; left b/c in door 5/31/25 N/A Left 2nd letter & B/C in door 5/7/25 Talked with Melissa, she works from home gave her a Letter, brochure & B/C
#292	8N5W-15-237	F3540003000J	DEBBIE LASHER-HARDY TRUST	1322 S. WATERMARK EAGLE, ID 83616	1.438	1.438	1.438	461201	LEASED	
#293	8N5W-15-238	F32800010130	KAMERON AVRY FRANSEN & REILY DAWN WALKER	·	0.180	0.180	0.180	460691	LEASED	
#294	8N5W-15-239	F328200020030	DUANE E. BRIGHTWELL & PAMELA K. BRIGHTWELL	910 VICTORIA AVENUE FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - no answer; left b/c in door 5/31/25 N/A left 2nd letter & B/C in door 5/7/25 N/A left letter & B/C in door
#295	8N5W-15-240	F3540003000I	VISTA INVESTMENT PROPERTY, LLC (Jared Scott, Mgr)	3672 E. ALTA RIDGE CT. BOISE, ID 83716	1.745	1.745			UNLEASED	7/11/25 - mailed lease out via certified mail. 7/23/25 - rec'd signed green card back; signed by Jared Scott on 7/19/25. 9589 0710 5270 1981 9294 31 8/8/25 - Michelle called and she wants me to email her new lease. They are going to sign but she messed up the signature page. emailed her new lease 8/19/25 - i emailed her for follow up. 9/3/25 - mailed lease letter via certified mail 9/9/25 - rec'd signed green card back
#296	8N5W-15-241	F38200010010	GERMAN FAVELA ORZCO & QUEZADA ANA ISELA MARQUEZ	905 VICTORIA AVENUE FRUITLAND, ID 83619	0.270	0.270			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - lot of card; nobody; left b/c in door 5/31/25 N/A left letter & B/C in door 5/7/25 Talked with German wants to wait until his wife is home next week
#297	8N5W-15-242	F38200010120	JOHN TIMOTHY & MILAGRO SHIRTS	2605 APPLEWOOD AVENUE FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 5/31/25 a lady was working in the yard as I walk up she goes into the house and doesn't answer, left letter in door 5/7/25 Could hear someone saying get the door no one came,
#298	8N5W-15-243	F38200020040	PABLO M.GARZA & PABLO M. GARZA, II	912 VICTORIA AVENUE FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - no answer; left b/c in door 5/31/25 Talked with Pablo left letter & Brochure & B/C for him to review 5/7/25 N/A left letter & B/C in door

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#299	8N5W-15-244	F3540003000H	HOMETOWN, LLC	1011 NW 16TH STREET FRUITLAND, ID 83619	11.023	11.023			REFUSED	9/15/25 - mailed lease out via certified 7/7/25 - Mailed letter about the death of Chris Matthews. Provided Kristy and Richard's contact info. 4/2024-5/2025 CM: per leasing reports made serveral contacts in person at the dealership. Spoke to the owner and owner was against leasing. Received a hard NO refusal to lease.
#300	8N5W-15-245	F38200010020	SETH CHRISTIAN TATE & SYLVIA TATE	907 VICTORIA AVENUE FRUITLAND, ID 83619	0.270	0.270			REFUSED	9/15/25 - mailed lease out via certified 8/8/25 - talke with Seth; he refused 5/31/25 there was talking inside the house N/A left letter in door 5/7/25 N/A left letter & B/C in door
#301	8N5W-15-246	F38200010110	JEAN RUBENS GEDEON	3270 N. MITCHELL AVENUE BOISE, ID 83704	0.180	0.180			UNLEASED	9/3/25 - mailed lease letter via certified mail 8/5/25 - RTSbad address3270 N. Mitchell Ave, Boise, ID 83704 7/10/25 - mailed lease out via certified mail 5/31/25 talked to renters 5/7/25 House for sale, N/A left letter & B/C in door
#302	8N5W-15-247	F38200020050	ALEXANDER D. HARRIS & AMANDA M. HARRIS	914 VICTORIA AVENUE FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - no answer; left b/c in door 5/31/25 N/A left 2nd letter & B/C in door 5/7/25 N/A left letter & B/C in door
#303	8N5W-15-248	F38200010030	CONSTANCE SHARON FORTIN	915 VICTORIA AVENUE FRUITLAND, ID 83619	0.270	0.270			REFUSED	9/15/25 - mailed lease out via certified 5/7/25 talked with Connie, at 80 she didn't want to mess with it. She did take a B/C & brochure
#304	8N5W-15-249	F38200010100	GLORIA M. LOCK	285 Ash Loop, Fruitland, ID 83619 PO Box 1133, Fruitland ID 83619 5295 Sand Hollow Road, New Plymouth, ID 83655	0.180	0.180			UNLEASED	9/22/25 mailed lease offer via certified 9/15/25 - mailed lease out via certified 8/8/25 - left b/c in gate 7/15/25 - went to house, no answer. Left letter and b/c in door. 5/31/25 left 2nd letter & B/C in gate 5/7/25 Gate closed German shepard do not enter, left letter & B/C in gate
#305	8N5W-15-250	F38200020060	SECRETARY OF HOUSING & URBAN DEVELOPMENT	14002 E 21ST ST. SUITE 300 TULSA, OK 74134	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - still can't get passed fence; left b/c in gate 5/31/25 Left 2nd letter & B/C in gate. Doesn't look like any one stays here 5/7/25 N/A left letter & B/C in door
#306	8N5W-15-251	F38200010040	KENNETH M. SMITH & CONNIE S. FORTIN	915 VICTORIA AVENUE FRUITLAND, ID 83619	0.270	0.270			REFUSED	9/15/25 - mailed lease out via certified 5/7/25 talked with Connie, at 80 she didn't want to mess with it. She did take a B/C & brochure
#307	8N5W-15-252	F3820001009A	HELEN Y. WATKINS	1005 VICTORIA AVENUE FRUITLAND, ID 83619	0.100	0.100			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - left b/c in gate 5/31/25 left 2nd letter & B/C in gate 5/7/25 Left letter & B/C in gate
#308	8N5W-15-253	F3820001009B	ROBERT FORTIN & JODI HAWKINS	3610 N. PARADISE LANE WASILLA, AK 99623	0.090	0.090			UNLEASED	8/7/25 - RM rec'd a signed green card back; signed by Rob Fortin on 7/31/25. date ?? Butch - rec'd lease packet back from Robert Fortin. It went unclaimed at the post office 6/25/25 RM - Mailed a lease packet certified signature requested 5/7/25 Butch - talked with his mom, he is in Alaska working, she will forward the info
#309	8N5W-15-254	F38200020070	JUAN I. REYES	1004 VICTORIA AVENUE FRUITLAND, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 8/8/25 - left b/c in gate 5/31/25 left 2nd letter & B/C in gate 5/7/25 Closed gate no one around left letter & B/C in gate

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS	NET	NET	INST	STATUS	RESUME OF EFFORTS
					ACRES	OWN	LSD			
#310	8N5W-15-255	F38200010050	BRUCE J. AND DONNA A.COWGILL		0.270	0.270	0.270	460739	LEASED	
			FAMILY TRUST							
#311	8N5W-15-256	F38200010080	BRUCE J. AND DONNA A.COWGILL FAMILY TRUST		0.180	0.180	0.180	460739	LEASED	
#312	8N5W-15-257	F38200020080	JANET L. PRESHER	1006 N. VICTORIA AVENUE	0.130	0.130			REFUSED	9/15/25 - mailed lease out via certified 6/24/25 Talked with Janet she will not sign a
				FRUITLAND, ID 83619						lease
										5/31/25 Talked with Janet she just got back from Canada and didn't want to talk 5/7/25 talked with Janet she will sign when she gets back from Canada
#313	8N5W-15-258	F38200010060	DON AND ANNE GROSS TRUST		0.330	0.330	0.330	459864	LEASED	
#314	8N5W-15-259	F38200010070	DON AND ANNE GROSS TRUST		0.100	0.100	0.100	459864	LEASED	
#315	8N5W-15-260	F3540003000F	JANET L. PRESHER	1006 N. VICTORIA	0.170	0.170			REFUSED	Same as for #312
				AVENUE FRUITLAND, ID 83619						
#316	8N5W-15-261	F3540003000G	JANET L. PRESHER	1006 N. VICTORIA AVENUE FRUITLAND, ID 83619	0.450	0.450			REFUSED	Same as for #312
#317	8N5W-15-262	F3540003000B	DON AND ANNE GROSS TRUST	TROTTEAND, ID 03019	0.440	0.440	0.440	459864	LEASED	
#318	8N5W-15-263	F3540003000D	DON AND ANNE GROSS TRUST		0.380	0.380	0.380	459864	LEASED	
#319	8N5W-15-264	F3540003000C	RUSS FREITAG & KENDRA DAWN FREITAG		1.280	1.280	1.280	459914	LEASED	
#320	8N5W-15-265	F3540003000E	RUSSELL R.FREITAG &		2.170	2.170	2.170	459913	LEASED	
#321	8N5W-15-266	F32910010042	JOANNE LE FREITAG SKY INVESTMENTS, LLC	PO BOX 950	0.327	0.327			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619- 0950						9/10/25 - met with Tim. he's for it but his wife is not. he is going to talk with her one more time and let me know
				0000						8/29/25 - called Tim's office to set a meeting. he thought we cound get it done this week and
										he would call me back 8/1/25 - called Tim's office to set up meeting; he thought wwe cound get it done this week and
										he would call me back
										7/17/25 - met with Tim; he wants to talk with wife. he think he will sign 7/8/25 - called Tim's office. he's gone for the week.
										7/7/25 - mailed letter about Chris's death
										7/2/25 - called Tims office but he was gone for the weekend 6/26/25 Stop by his office they went to summer camp with their kids
										5/15/25 turned over to Chris 3/21/25 Mailed letter, brochure and B/C
										3/13/25 Mailed letter
#322	8N5W-15-267	F32910010040	SKY INVESTMENTS, LLC	PO BOX 950	0.384	0.384			UNLEASED	9/15/25 - mailed lease out via certified
				FRUITLAND, ID 83619-						9/10/25 - met with Tim. he's for it but his wife is not. he is going to talk with her one more time
				0950						and let me know 8/29/25 - called Tim's office to set a meeting. he thought we cound get it done this week and
										he would call me back
										8/1/25 - called Tim's office to set up meeting; he thought wwe cound get it done this week and he would call me back
										7/17/25 - met with Tim; he wants to talk with wife. he think he will sign 7/8/25 - called Tim's office. he's gone for the week.
1										7/7/25 - mailed letter about Chris's death
										7/2/25 - called Tims office but he was gone for the weekend 6/26/25 Stop by his office they went to summer camp with their kids
										5/15/25 turned over to Chris
										3/21/25 Mailed letter, brochure and B/C 3/13/25 Mailed letter
1										S. S

MAP#	TRACT	PARCEL	MINERAL OWNER	ADDRESS	GROSS ACRES	NET OWN	NET LSD	INST	STATUS	RESUME OF EFFORTS
#323		8N5W-15/22- 268	HWY DISTRICT NO. 1	3890 NW 1ST AVENUE NEW PLYMOUTH, ID 83655	21.374	21.374	21.374	462621	LEASED	
#324	8N5W-22-055		FARMERS CO-OP IRRIGATION CO., LTD.		0.110	0.110	0.110		LEASED	
#325			FARMERS CO-OP IRRIGATION CO., LTD.		0.050	0.050	0.050		LEASED	
#326	8N5W-15-269	F3540002000M	RICE ENTERPRISES, LLC		0.260	0.260	0.260	458306	LEASED	
#327	8N5W-15-270	F30700010070	Jimmie Lee Davis & Crystal Budge		0.230	0.230	0.230		LEASED	
#328	8N5W-15-271		Michael A. Gomez & Charlene D. Gomez	1121 NW 23rd St. Fruitland, ID 83619	0.421	0.421			UNLEASED	9/15/25 - mailed lease out via certified 3/26/25 N/A left letter in door 3/7/25 left B/C in door. Hammering in garage no one came to door
#329	8N5W-15-272		Raul Cruz Gonzalez & Martha Gonzalez	1120 NW 23rd St. Fruitland, ID 83619	0.210	0.210			UNLEASED	9/15/25 - mailed lease out via certified 4/5/25 N/A left letter in door 3/7/25 left B/C in door, someone home
#330	8N5W-15-273		Cassandra Odell & Gian B. Alvarado Diaz	2237 Applewood Ave. Fruitland, ID 83619	0.180	0.180			UNLEASED	9/15/25 - mailed lease out via certified 5/3/25 N/A heard voices left B/C in door 4/17/25 Talked to Diaz no decison yet 3/26/25 left B/C, brochure and lease with Cassandra
#331	8N5W-15-274		Robert Adams	1150 NW 22nd St. Fruitland, ID 83619	0.180	0.180			UNLEASED	9/3/25 - mailed lease letter via certified mail 5/20/25 Mailed lease packet. 4/17/25 Mailed 2nd letter with brochure 4/7/25 Mailed letter with B/C
#332		F00000159147	FARMERS MUTUAL TELEPHONE		0.010	0.010	0.010		LEASED	

400.010 244.993 61.25%

NET LSD

*Additional efforts not reflected above: Chris Matthews mailed all then-known owners in SE 15 and NE 22 in January 2024 (254 addresses)

^{**}Some leases have not been recorded yet.

BEFORE THE IDAHO DEPARTMENT OF LANDS

In the Matter of Application of Snake River Oil)	
and Gas, LLC, for an Order Integrating the)	Docket No. CC-2025-OGR-01-005
Mineral Interests in the Spacing Unit)	
Consisting of the SE ¼ of Section 15, the E ½ of)	
the SW ¼ of Section 15, and the NE ¼ of Section)	
22, Township 8 North, Range 5 West, Boise)	
Meridian, Payette County, Idaho	
)	
SNAKE RIVER OIL AND GAS, LLC,)	
Applicant.	
)	
)	

DECLARATION OF RICHARD BROWN

- I, Richard Brown, declare under penalty of perjury under the laws of the State of Idaho:
- 1. I am over 18 years of age and competent to testify to the matters set forth in this Declaration, which I make based on my personal knowledge.
- 2. I am the manager of Applicant Snake River Oil and Gas, LLC ("Snake River"). I am also a partner in Weiser-Brown Oil Co., the sole member of Snake River. I have supervised the effort to lease mineral interests in the proposed spacing unit consisting of the SE ¼ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22, Township 8 North, Range 5 West, Payette County, Idaho.
- 3. Snake River has support from more than fifty-five percent (55.0%) of the mineral interest acres in the subject spacing unit (specifically, approximately 61.10%, as reflected on the plat map attached to the Application as Exhibit A and the tract list attached to the Application as

Exhibit B). Snake River is an "owner" for purposes of Idaho Code § 47-320(a) and § 47-310(23) by virtue of its status as mineral lessee within the spacing unit.

- 4. The proposed drill site is on a tract leased from Mary Ann Miller Trust (tract #62 on Exhibit A, tax parcel # 08N05W159161) and will be compliant with setback requirements set forth in Idaho Code § 47-319. Drilling activities will not occur on the surface of lands to be integrated.
- 5. The highest bonus payment made to lease mineral interest owners in the subject spacing unit prior to filing this integration application is \$150 per net mineral acre. Only one large acreage mineral interest owner in the unit is leased at greater than 1/8 royalty. All the other one hundred and seventy-five (175) plus leases in the spacing unit have a 1/8 royalty.
- 6. The Applicant has made good faith efforts to lease the mineral interests in the subject spacing unit. Pursuant to Idaho Code §47-320(4)(j) and Idaho Code § 47-320(6)(b):
- a. Included in Exhibit B attached to the Application is a Resume of Efforts describing the efforts made with respect to each uncommitted mineral owner in the spacing unit by landmen working in the subject spacing unit, including myself, Travis Boney, Wade Moore III, Butch Clancy, Chris Matthews, and Rodney May. Snake River's land team engaged in ongoing leasing efforts in the subject spacing unit area beginning in 2022 as to the SE ¼ of Section 15 and the NE ¼ of Section 22, and beginning in early March 2025 as to the E ½ of the SW ¼ of Section 15. The resume reflects at least two contacts within not less than 60 days with each known uncommitted mineral owner.
- b. At least one of the contacts with known uncommitted mineral interest owners was by certified mail. This is reflected in the Resume of Efforts included in Exhibit B. Copies of the certified mailing receipts are being provided to the Idaho Department of Lands under

separate cover at the time of filing of the Application and will be available on the Department's online docket with the other Application materials.

- c. In addition to the efforts reflected in Exhibit B to the Application, our landman Chris Matthews mailed a lease offer letter by regular mail to all known uncommitted owners in the SE ¼ of Section 15 and the NE ¼ of Section 22 in January 2024. He emailed me on January 20, 2024 to let me know the mailing, to 254 recipients, had been completed.
- d. Wade Moore and I also met with homeowners' association leaders and members in multiple subdivisions in the spacing unit in 2024 and 2025.
- e. A copy of the form of offer letter mailed by our landmen to uncommitted mineral owners is attached to the Application as Exhibit E. Gross acres were inserted in the letter as appropriate for each owner. Economic terms varied depending on the owner and tract but included a bonus of \$150 per net mineral acre and a bonus of 1/8, and a primary term of five (5) years with an option to extend the term an additional three (3) years for a payment of \$150 per acre.
- f. By the time of filing of the Application, unknown or unlocatable mineral interest owners in the unit will have been noticed by publication in the Argus Observer newspaper twice; once via a notice of intent to develop the unit area and request to negotiate with mineral owners, which will be published Wednesday, September 17, and once via a notice of the application, which will be published in the Argus Observer on Wednesday, September 24. Both notices have already been delivered to the newspaper for publication. Affidavits of publication for these notices will be filed with the Idaho Department of Lands at the time of filing of the Application and will be available on the Department's online docket along with the other Application materials.

- g. As set forth in more detail in the Declaration of Wade Moore, III, attached as Exhibit F to the Application, in June 2025 our landman Chris Matthew suddenly fell ill and tragically passed away. I know that before then Chris intensively worked to contact and negotiate with uncommitted mineral owners in the SE ¼ of Section 15 and the NE ¼ of Section 22 for over two years, beginning in February 2023, and before him our landman Travis Boney worked the area through 2022. I personally spoke with Chris at least weekly regarding his efforts in the area from February 2023 until early June 2025. As noted above, he mailed all known uncommitted owners in the area in early 2024. When Chris became ill in early June of this year, leasing efforts in the area were immediately taken over by Wade Moore, Butch Clancy, Rodney May, and me. We made every effort to contact and attempt to lease every known uncommitted mineral interest owner in the spacing unit.
- h. Applicant has negotiated diligently and in good faith for a period of at least 120 days prior to the filing of the Application, as set forth above, as set forth in the Resume of Efforts included in Exhibit B, and as set forth in the Declaration of Wade Moore, III, also filed with the Application.
- 7. All uncommitted mineral interest owners will receive terms and conditions no less favorable than those set forth in Idaho Code §47-331(2), i.e., (a) a royalty of no less than twelve and one-half percent (12.5%, or 1/8th) the owner's pro rata share of the oil and gas or natural gas plant liquids produced, with payments in legal tender unless written instructions for payment in kind have been provided; and (b) royalty payable on all production sold from the unit except on that consumed for the direct operation of the producing wells and that lost through no fault of the operator.

- 8. Pursuant to Idaho Code § 47-320(3)(b), Applicant has requested that the order integrating the uncommitted mineral interests in the unit provide for a risk penalty of 300% for those interest owners electing to become nonconsenting working interest owners. This risk penalty is appropriate given the following facts:
- a. Applicant and its operating partners have borne or are bearing all of the expense necessary to drill the well and bring it to production, including but not limited to title and leasing, acquisition and interpretation of seismic data, the expense of integrating the mineral interest in the unit, drilling, testing and completion of the well, the expense of transportation and processing, and administration of revenues and royalties for the life of the well.
- b. The requested 300% risk penalty is more favorable than the 500% penalty for nonconsenting working interest status under Applicant's joint operating agreement with its operating partners. Thus, the requested risk penalty places those owners electing nonconsenting working interest status on better than equal footing with Applicant's existing operating partners.
- c. The well to be drilled in the spacing unit is in an area of limited knowledge of and experience with subsurface geology, entailing higher risk to Applicant than a well drilled in a fully developed area. While productive wells have been completed to the south and southeast, there has been significant variability in sand quality, reservoir quality and product composition from that anticipated in pre-drill planning.
- d. The well to be drilled in the spacing unit, as with all the wells in the basin, targets a conventional sand. The area is not a "resource play" involving the development of a shale resource of consistent depth and thickness over a large area, making targeting more technically complex and higher risk.

- e. Because of the frontier nature of the play in which the unit is located, well service contractors are largely unavailable locally, and a drilling rig and other well services must be sourced from out of the area, increasing expense. Because of these factors a well will be more expensive to drill and operate than in a developed and currently producing area.
- f. Because of ongoing localized opposition to oil and gas development in general, there is a significant risk that this application will be subject to opposition by an organized opposition group or individuals facilitated by it, and that the Order of the Administrator will be challenged by such group or individuals. Multiple units and wells have already been the subject of litigation by the localized opposition. Both would increase the expense of bringing a well to production, and that expense is borne entirely by the Applicant.
- 9. The base entitlement royalty of 1/8 proposed by Applicant is the same as the royalty paid to the one hundred seventy-five (175) plus leased owners except one large acreage owner in the subject spacing unit, as noted above, and the same as is payable to all but a small handful of leased owners in southwest Idaho.
- 10. With the exception of the reduced risk penalty for integrated owners, the proposed form of JOA attached as Exhibit D to the Application is the same form, based on AAPL Form 610 (1989), used by Applicant with its operating partners. The requested risk penalty for integrated owners is actually less than the risk penalty used between the operating partners. The operator fees and interest rate included in the proposed JOA are consistent with those used by Applicant elsewhere in the southwest Idaho area (and have been approved in previous integration proceedings) and are consistent with those used by Applicant's member in its operations in other states.

11. I declare under penalty of perjury under the laws of the State of Idaho that the foregoing is true and correct to the best of my knowledge.

Dated this 19th day of September 2025.

Richard Brown

EXHIBIT D

A.A.P.L. FORM 610 - 1989

MODEL FORM OPERATING AGREEMENT

DATED		
	, the Effective	Date
OPERATOR SNAKE RIVER OIL AND GAS, LLC		
CONTRACT AREA		
COUNTY OR PARISH OF PAYETTE	, STATE OF	IDAHO

OPERATING AGREEMENT

COPYRIGHT 1989 - ALL RIGHTS RESERVED AMERICAN ASSOCIATION OF PETROLEUM LANDMEN, 4100 FOSSIL CREEK BLVD. FORT WORTH, TEXAS, 76137, APPROVED FORM.

A.A.P.L. NO. 610 – 1989

TABLE OF CONTENTS

<u>Article</u>	<u>Title</u>	Page
I.	<u>DEFINITIONS</u>	1
II.	<u>EXHIBITS</u>	1
III.	INTERESTS OF PARTIES	
	A. OIL AND GAS INTERESTS:	
	B. INTERESTS OF PARTIES IN COSTS AND PRODUCTION:	
***	C. SUBSEQUENTLY CREATED INTERESTS:	
IV.		
	A. TITLE EXAMINATION:	
	B. LOSS OR FAILURE OF TITLE:	3
	1. Failure of Title	3
	2. Loss by Non Payment or Erroneous Payment of Amount Due	
	3. Other All Losses.	
T 7	4. Curing Title	
V.		
	A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR:	
	B. RESIGNATION OR REMOVAL OF OPERATOR AND SELECTION OF SUCCESSOR: .	4
	Resignation or Removal of Operator	4
	2. Selection of Successor Operator	
	3. Effect of Bankruptcy	
	C. EMPLOYEES AND CONTRACTORS:	
	D. RIGHTS AND DUTIES OF OPERATOR:	
	1. Competitive Rates and Use of Affiliates	
	2. Discharge of Joint Account Obligations	
	3. Protection from Liens	4
	4. Custody of Funds	
	5. Access to Contract Area and Records	
	6. Filing and Furnishing Governmental Reports	
	7. Drilling and Testing Operations	د
	8. Cost Estimates	
	9. Insurance	
VI.	DRILLING AND DEVELOPMENT	5
	A. INITIAL WELL:	5
	B. SUBSEQUENT OPERATIONS:	5
	1. Proposed Operations	
	Operations by Less Than All Parties	
	÷ ,	
	3. Stand-By Costs	
	4. Deepening	
	5. Sidetracking	
	6. Order of Preference of Operations	8
	7. Conformity to Spacing Pattern	9
	8. Paying Wells	
	C. COMPLETION OF WELLS; REWORKING AND PLUGGING BACK:	
	1. Completion	
	2. Rework, Recomplete or Plug Back	
	D. OTHER OPERATIONS:	
	E. ABANDONMENT OF WELLS:	
	1. Abandonment of Dry Holes	9
	2. Abandonment of Wells That Have Produced	
	3. Abandonment of Non-Consent Operations	
	F. TERMINATION OF OPERATIONS:	
	G. TAKING PRODUCTION IN KIND:	
	(Option 1) Gas Balancing Agreement	
	(Option 2) No Gas Balancing Agreement	11
VII.	EXPENDITURES AND LIABILITY OF PARTIES	11
	A. LIABILITY OF PARTIES:	
	B. LIENS AND SECURITY INTERESTS:	
	C. ADVANCES:	
	D. DEFAULTS AND REMEDIES:	
	1. Suspension of Rights	
	2. Suit for Damages	
	3. Deemed Non-Consent	13
	4. Advance Payment	
	5. Costs and Attorneys' Fees	
	E. RENTALS, SHUT-IN WELL PAYMENTS AND MINIMUM ROYALTIES:	13 12
****	F. TAXES:	
VIII.	ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST	
	A. SURRENDER OF LEASES:	
	B. RENEWAL OR EXTENSION OF LEASES:	14
	C. ACREAGE OR CASH CONTRIBUTIONS:	

TABLE OF CONTENTS

	D. ASSIGNMENT; MAINTENANCE OF UNIFORM INTEREST:	. 15
	E. WAIVER OF RIGHTS TO PARTITION:	. 15
	F. PREFERENTIAL RIGHT TO PURCHASE:	. 15
IX.	INTERNAL REVENUE CODE ELECTION	. 15
X.	CLAIMS AND LAWSUITS	. 15
XI.	FORCE MAJEURE	. 16
XII.	NOTICES	. 16
XIII.	TERM OF AGREEMENT	
XIV.	COMPLIANCE WITH LAWS AND REGULATIONS	. 16
	A. LAWS, REGULATIONS AND ORDERS:	. 16
	B. GOVERNING LAW:	. 16
	C. REGULATORY AGENCIES:	. 16
XV.	MISCELLANEOUS	
	A. EXECUTION:	.17
	B. SUCCESSORS AND ASSIGNS:	. 17
	C. COUNTERPARTS:	. 17
	D. SEVERABILITY	. 17
XVI.	OTHER PROVISIONS	. 17

OPERATING AGREEMENT 1 2 I THIS AGREEMENT, entered into by and between SNAKE RIVER OIL AND GAS, LLC 3 hereinafter designated and referred to as "Operator," and the signatory party or parties other than Operator, 4 sometimes hereinafter referred to individually as "Non-Operator," and collectively as "Non-Operators." WITNESSETH: 5 WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land 6 7 identified in Exhibit "A," and the parties hereto have reached an agreement to explore and develop these Leases and/or Oil 8 and Gas Interests for the production of Oil and Gas to the extent and as hereinafter provided, NOW, THEREFORE, it is agreed as follows: 10 ARTICLE I. DEFINITIONS 11 As used in this agreement, the following words and terms shall have the meanings here ascribed to them: 12 13 A. The term "AFE" shall mean an Authority for Expenditure prepared by a party to this agreement for the purpose of 14 estimating the costs to be incurred in conducting an operation hereunder. B. The term "Completion" or "Complete" shall mean a single operation intended to complete a well / as a producer of Oil 15 16 and Gas in one or more Zones, including, but not limited to, the setting of production casing, perforating, well stimulation 17 and production testing conducted in such operation. 18 C. The term "Contract Area" shall mean all of the lands, Oil and Gas Leases and/or Oil and Gas Interests intended to 19 be developed and operated for Oil and Gas purposes under this agreement. Such lands, Oil and Gas Leases and Oil and Gas Interests are described in Exhibit "A." 20 21 D. The term "Deepen" shall mean a single operation whereby a well is drilled to an objective Zone below the deepest Zone in which the well was previously drilled, or below the Deepest Zone proposed in the associated AFE., whichever is the lesser 22 23 24 E. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the 25 cost of any operation conducted under the provisions of this agreement. 26 F. The term "Drilling Unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal 27 body having authority. If a Drilling Unit is not fixed by any such rule or order, a Drilling Unit shall be the drilling unit 28 as established by the pattern of drilling in the Contract Area unless fixed by express agreement of the Drilling Parties. 29 30 G. The term "Drillsite" shall mean the Oil and Gas Lease or Oil and Gas Interest on which a proposed well is to be 31 located. 32 H. The term "Initial Well" shall mean the well required to be drilled by the parties hereto as provided in Article VI.A. 33 I. The term "Non-Consent Well" shall mean a well in which less than all parties have conducted an operation as 34 provided in Article VI.B.2. 35 J. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a 36 proposed operation. 37 K. The term "Oil and Gas" shall mean oil, gas, casinghead gas, gas condensate, and/or all other liquid or gaseous 38 hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is 39 specifically stated. 40 L. The term "Oil and Gas Interests" or "Interests" shall mean unleased fee and mineral interests in Oil and Gas in tracts of land lying within the Contract Area which are owned by parties to this agreement. 41 M. The terms "Oil and Gas Lease," "Lease" and "Leasehold" shall mean the oil and gas lease, oil and gas lease options, farmouts, seismic options, seismic permits, fee mineral interests or other interests in oil, gas and other minerals; provided however, the term shall not include Oil and Gas Interests as defined above oil and gas leases or interests therein 42 43 44 covering tracts of land lying within the Contract Area which are owned by the parties to this agreement. 45 N. The term "Plug Back" shall mean a single operation whereby a deeper Zone is abandoned in order to attempt a Completion in a shallower Zone. 46 47 O. The term "Recompletion" or "Recomplete" shall mean an operation whereby a Completion in one Zone is abandoned 48 in order to attempt a Completion in a different Zone within the existing wellbore. 49 P. The term "Rework" shall mean an operation conducted in the wellbore of a well after it is Completed to secure, 50 restore, or improve production in a Zone which is currently open to production in the wellbore. Such operations include, but 51 are not limited to, well stimulation operations but exclude any routine repair or maintenance work or drilling, Sidetracking, 52 Deepening, Completing, Recompleting, or Plugging Back of a well. Q. The term "Sidetrack" shall mean the directional control and intentional deviation of a well from vertical so as to 53 change the bottom hole location unless done to straighten the hole or drill around junk in the hole to overcome other 54 55 mechanical difficulties. 56 R. The term "Zone" shall mean a stratum of earth containing or thought to contain a common accumulation of Oil and 57 Gas separately producible from any other common accumulation of Oil and Gas. 58 Unless the context otherwise clearly indicates, words used in the singular include the plural, the word "person" includes 59 natural and artificial persons, the plural includes the singular, and any gender includes the masculine, feminine, and neuter. 60 ARTICLE II. 61 EXHIBITS 62 The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof: A. Exhibit "A," shall include the following information: 64 (1) Description of lands subject to this agreement. 65 (2) Restrictions, if any, as to depths, formations, or substances, 66 (3) Parties to agreement with addresses and telephone numbers for notice purposes, 67 (4) Percentages or fractional interests of parties to this agreement, 68 (5) Oil and Gas Leases and/or Oil and Gas Interests subject to this agreement, 69 (6) Burdens on production. 70 x B. Exhibit "B," Form of Lease. Reporting Requirements 71 x C. Exhibit "C," Accounting Procedure. x D. Exhibit "D," Insurance. 73 x E. Exhibit "E," Gas Balancing Agreement. 74 x F. Exhibit "F," Non-Discrimination and Certification of Non-Segregated Facilities.

If any provision of any exhibit, except Exhibits "E," and "F"—and—"G," is inconsistent with any provision contained in the body of this agreement, the provisions in the body of this agreement shall prevail.

ARTICLE III.

INTERESTS OF PARTIES

A. Oil and Gas Interests:

1 | 2

17 |

68 |

If any party owns an Oil and Gas Interest in the Contract Area, that Interest shall be treated for all purposes of this agreement and during the term hereof as if it were covered by / the-form of Oil and Gas Lease attached hereto as Exhibit "B," and the owner thereof shall be deemed to own both royalty interest in such lease and the interest of the lessee thereunder.

B. Interests of Parties in Costs and Production:

Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties as their interests are set forth in Exhibit "A." In the same manner, the parties shall also own all production of Oil and Gas from the Contract Area subject, however, to the payment of royalties and other burdens on production as described hereafter.

Regardless of which party has contributed any Oil and Gas Lease or Oil and Gas Interest on which royalty or other burdens may be payable and except as otherwise expressly provided in this agreement, each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area up to, but not in excess of, burdens on production as set out in Exhibit "A" and shall indemnify, defend and hold the other parties free from any liability therefor. Except as otherwise expressly provided in this agreement, if any party has contributed hereto any Lease or Interest which is burdened with any royalty, overriding royalty, production payment or other burden on production in excess of the amounts stipulated above, such party so burdened shall assume and alone bear all such excess obligations and shall indemnify, defend and hold the other parties hereto harmless from any and all claims attributable to such excess burden. However, so long as the Drilling Unit for the productive Zone(s) is identical with the Contract Area, each party shall pay or deliver, or cause to be paid or delivered, all burdens on production from the Contract Area due under the terms of the Oil and Gas Lease(s) which such party has contributed to this agreement, and shall indemnify, defend and hold the other parties free from any liability therefor.

No party shall ever be responsible, on a price basis higher than the price received by such party, to any other party's lessor or royalty owner, and if such other party's lessor or royalty owner should demand and receive settlement on a higher price basis, the party contributing the affected Lease shall bear the additional royalty burden attributable to such higher price.

Nothing contained in this Article III.B. shall be deemed an assignment or cross-assignment of interests covered hereby, and in the event two or more parties contribute to this agreement jointly owned Leases, the parties' undivided interests in said Leaseholds shall be deemed separate leasehold interests for the purposes of this agreement.

C. Subsequently Created Interests:

If any party has contributed hereto a Lease or Interest that is burdened with an assignment of production given as security for the payment of money, or if, after the date of this agreement, any party creates an overriding royalty, production payment, net profits interest, assignment of production or other burden payable out of production attributable to its working interest hereunder, such burden shall be deemed a "Subsequently Created Interest." Further, if any party has contributed hereto a Lease or Interest burdened with an overriding royalty, production payment, net profits interests, or other burden payable out of production created prior to the date of this agreement, and such burden is not shown on Exhibit "A," such burden also shall be deemed a Subsequently Created Interest to the extent such burden causes the burdens on such party's Lease or Interest to exceed the amount stipulated in Article III.B. above.

The party whose interest is burdened with the Subsequently Created Interest (the "Burdened Party") shall assume and alone bear, pay and discharge the Subsequently Created Interest and shall indemnify, defend and hold harmless the other parties from and against any liability therefor. Further, if the Burdened Party fails to pay, when due, its share of expenses chargeable hereunder, all provisions of Article VII.B. shall be enforceable against the Subsequently Created Interest in the same manner as they are enforceable against the working interest of the Burdened Party. If the Burdened Party is required under this agreement to assign or relinquish to any other party, or parties, all or a portion of its working interest and/or the production attributable thereto, said other party, or parties, shall receive said assignment and/or production free and clear of said Subsequently Created Interest, and the Burdened Party shall indemnify, defend and hold harmless said other party, or parties, from any and all claims and demands for payment asserted by owners of the Subsequently Created Interest.

ARTICLE IV.

TITLES

A. Title Examination:

Title examination shall be made on the Drillsite of any proposed well prior to commencement of drilling operations and, if a majority in interest of the Drilling Parties so request or Operator so elects, title examination shall be made on the entire Drilling Unit, or maximum anticipated Drilling Unit, of the well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable Leases. Each party contributing Leases and/or Oil and Gas Interests to be included in the Drillsite or Drilling Unit, if appropriate, shall furnish to Operator all abstracts (including federal lease status reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or made available to Operator by the parties, but necessary for the examination of the title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each Drilling Party. Costs incurred by Operator in procuring abstracts, fees paid outside attorneys for title examination (including preliminary, supplemental, shut-in royalty opinions and division order title opinions) and other direct charges as provided in Exhibit "C" shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A." Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above functions.

Each party-Operator shall / be responsible for securing curative matter and pooling amendments or agreements required in connection with Leases or Oil and Gas Interests contributed by such each party. Operator shall be responsible for the preparation and recording of pooling designations or declarations and communitization agreements as well as the conduct of hearings before governmental agencies for the securing of spacing or pooling orders or any other orders necessary or appropriate to the conduct of operations hereunder. This shall not prevent any party from appearing on its own behalf at such hearings. Costs incurred by Operator, including fees paid to outside attorneys, which are associated with hearings before governmental agencies, and which costs are necessary and proper for the activities contemplated under this agreement, shall be direct charges to the joint account and shall not be covered by the administrative overhead charges as provided in Exhibit "C."

Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above functions.

No well shall be drilled on the Contract Area until after (1) the title to the Drillsite or Drilling Unit, if appropriate, has been examined as above provided, and (2) the title has been approved by the examining attorney or title has been and accepted by all of the Operator Drilling Parties in such well.

B. Loss or Failure of Title:

- 1. Failure of Title: Should any Oil and Gas Interest or Oil and Gas Lease be lost through failure of title, which results in a reduction of interest from that shown on Exhibit "A," the party credited with contributing the affected Lease or Interest (including, if applicable, a successor in interest to such party) shall have ninety (90) days from final determination of title failure to acquire a new lease or other instrument curing the entirety of the title failure, which acquisition will not be subject to Article VIII.B., and failing to do so, this agreement, nevertheless, shall continue in force as to all remaining Oil and Gas Leases and Interests; and,
- (a) The party credited with contributing the Oil and Gas Lease or Interest affected by the title failure (including, if applicable, a successor in interest to such party) shall bear alone the entire loss and it shall not be entitled to recover from Operator or the other parties any development or operating costs which it may have previously paid or incurred, but there shall be no additional liability on its part to the other parties hereto by reason of such title failure;
- (b) There shall be no retroactive adjustment of expenses incurred or revenues received from the operation of the Lease or Interest which has failed, but the interests of the parties contained on Exhibit "A" shall be revised on an acreage basis, as of the time it is determined finally that title failure has occurred, so that the interest of the party whose Lease or Interest is affected by the title failure will thereafter be reduced in the Contract Area by the amount of the Lease or Interest failed;
- (c) If the proportionate interest of the other parties hereto in any producing well previously drilled on the Contract Area is increased by reason of the title failure, the party who bore the costs incurred in connection with such well attributable to the Lease or Interest which has failed shall receive the proceeds attributable to the increase in such interest (less costs and burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well attributable to such failed Lease or Interest:
- (d) Should any person not a party to this agreement, who is determined to be the owner of any Lease or Interest which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid to the party or parties who bore the costs which are so refunded;
- (e) Any liability to account to a person not a party to this agreement for prior production of Oil and Gas which arises by reason of title failure shall be borne severally by each party (including a predecessor to a current party) who received production for which such accounting is required based on the amount of such production received, and each such party shall severally indemnify, defend and hold harmless all other parties hereto for any such liability to account;
- (f) No charge shall be made to the joint account for legal expenses, fees or salaries in connection with the defense of the Lease or Interest claimed to have failed, but if the party contributing such Lease or Interest hereto elects to defend its title it shall bear all expenses in connection therewith; and
- (g) If any party is given credit on Exhibit "A" to a Lease or Interest which is limited solely to ownership of an interest in the wellbore of any well or wells and the production therefrom, such party's absence of interest in the remainder of the Contract Area shall be considered a Failure of Title as to such remaining Contract Area unless that absence of interest is reflected on Exhibit "A."
- 2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, any rental, shut-in well payment, minimum royalty or royalty payment, or other payment necessary to maintain all or a portion of an Oil and Gas Lease or interest is not paid or is erroneously paid, and as a result a Lease or Interest terminates, there shall be no monetary liability against the party who failed to make such payment. Unless the party who failed to make the required payment secures a new Lease or Interest covering the same interest within ninety (90) days from the discovery of the failure to make proper payment, which acquisition will not be subject to Article VIII.B., the interests of the parties reflected on Exhibit "A" shall be revised on an acreage basis, effective as of the date of termination of the Lease or Interest involved, and the party who failed to make proper payment will no longer be credited with an interest in the Contract Area on account of ownership of the Lease or Interest which has terminated. If the party who failed to make the required payment shall not have been fully reimbursed, at the time of the loss, from the proceeds of the sale of Oil and Gas attributable to the lost Lease or Interest, calculated on an acreage basis, for the development and operating costs previously paid on account of such Lease or Interest, it shall be reimbursed for unrecovered actual costs previously paid by it (but not for its share of the cost of any dry hole previously drilled or wells previously abandoned) from so much of the following as is necessary to effect reimbursement:
- (a) Proceeds of Oil and Gas produced prior to termination of the Lease or Interest, less operating expenses and lease burdens chargeable hereunder to the person who failed to make payment, previously accrued to the credit of the lost Lease or Interest, on an acreage basis, up to the amount of unrecovered costs;
- (b) Proceeds of Oil and Gas, less operating expenses and lease burdens chargeable hereunder to the person who failed to make payment, up to the amount of unrecovered costs attributable to that portion of Oil and Gas thereafter produced and marketed (excluding production from any wells thereafter drilled) which, in the absence of such Lease or Interest termination, would be attributable to the lost Lease or Interest on an acreage basis and which as a result of such Lease or Interest termination is credited to other parties, the proceeds of said portion of the Oil and Gas to be contributed by the other parties in proportion to their respective interests reflected on Exhibit "A"; and,
- (c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or becomes, the owner of the Lease or Interest lost, for the privilege of participating in the Contract Area or becoming a party to this agreement.
- 3. Other-All Losses: All losses of Leases or Interests committed to this agreement, other than those set forth in Articles IV.B.1. and IV.B.2. above, shall be joint losses and shall be borne by all parties in proportion to their interests shown on Exhibit "A." This shall include but not be limited to the loss of any Lease or Interest through failure to develop or because express or implied covenants have not been performed (other than performance which requires only the payment of money), and the loss of any Lease by expiration at the end of its primary term if it is not renewed or extended. There shall be no readjustment of interests in the remaining portion of the Contract Area on account of any joint loss.
- 4. <u>Curing Title</u>: In the event of a Failure of Title under Article IV.B.1. or a loss of title under Article IV.B.2. above, any Lease or Interest acquired by any party hereto (other than the party whose interest has failed or was lost) during the ninety (90) day period provided by Article IV.B.1. and Article IV.B.2. above covering all or a portion of the interest that has failed or was lost shall be offered at cost to the party whose interest has failed or was lost, and the provisions of Article VIII.B. shall not apply to such acquisition.

ARTICLE V. OPERATOR

A. Designation and Responsibilities of Operator:

1 2

14 |

21 | 22 |

SNAKE RIVER OIL AND GAS, LLC shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. In its performance of services hereunder for the Non-Operators, Operator shall be an independent contractor not subject to the control or direction of the Non-Operators except as to the type of operation to be undertaken in accordance with the election procedures contained in this agreement. Operator shall not be deemed, or hold itself out as, the agent of the Non-Operators with authority to bind them to any obligation or liability assumed or incurred by Operator as to any third party. Operator shall conduct its activities under this agreement as a reasonable prudent operator, in a good and workmanlike manner, with due diligence and dispatch, in accordance with good oilfield practice, and in compliance with applicable law and regulation, but in no event shall it have any liability as Operator to the other parties for losses sustained or liabilities incurred except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed only for good cause by the affirmative vote of Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator; such vote shall not be deemed effective until a written notice has been delivered to the Operator by a Non-Operator detailing the alleged default and Operator has failed to cure the default within thirty (30) days from its receipt of the notice or, if the default concerns an (exclusive inclusive of Saturdays and Sundays and U.S. Federal holidays) operation then being conducted, within forty-eight (48) hours / of its receipt of the notice. For purposes hereof, "good cause" shall mean not only gross negligence or willful misconduct but also the material breach of or inability to meet the standards of operation contained in Article V.A. or material failure or inability to perform its obligations under this agreement.

Subject to Article VII.D.1., such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

- 2. Selection of Successor Operator: Upon the resignation or removal of Operator under any provision of this agreement, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed or is deemed to have resigned fails to vote or votes only to succeed itself, the successor Operator shall be selected by the affirmative vote of the party or parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed or resigned. The former Operator shall promptly deliver to the successor Operator all records and data relating to the operations conducted by the former Operator to the extent such records and data are not already in the possession of the successor operator. Any cost of obtaining or copying the former Operator's records and data shall be charged to the joint account.
- 3. Effect of Bankruptcy: If Operator becomes insolvent, bankrupt or is placed in receivership, it shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. If a petition for relief under the federal bankruptcy laws is filed by or against Operator, and the removal of Operator is prevented by the federal bankruptcy court, all Non-Operators and Operator shall comprise an interim operating committee to serve until Operator has elected to reject or assume this agreement pursuant to the Bankruptcy Code, and an election to reject this agreement by Operator as a debtor in possession, or by a trustee in bankruptcy, shall be deemed a resignation as Operator without any action by Non-Operators, except the selection of a successor. During the period of time the operating committee controls operations, all actions shall require the approval of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A." In the event there are only two (2) parties to this agreement, during the period of time the operating committee controls operations, a third party acceptable to Operator, Non-Operator and the federal bankruptcy court shall be selected as a member of the operating committee, and all actions shall require the approval of two (2) members of the operating committee without regard for their interest in the Contract Area based on Exhibit "A."

C. Employees and Contractors:

The number of employees or contractors used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined by Operator, and all such employees or contractors shall be the employees or contractors of Operator.

D. Rights and Duties of Operator:

- 1. Competitive Rates and Use of Affiliates: All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature. All work performed or materials supplied by affiliates or related parties of Operator shall be performed or supplied at competitive rates, pursuant to written agreement, and in accordance with customs and standards prevailing in the industry.
- 2. <u>Discharge of Joint Account Obligations</u>: Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses incurred in the development and operation of the Contract Area pursuant to this agreement and shall charge each of the parties hereto with their respective proportionate shares upon the expense basis provided in Exhibit "C." Operator shall keep an accurate record of the joint account hereunder, showing expenses incurred and charges and credits made and received.
- 3. <u>Protection from Liens</u>: Operator shall pay, or cause to be paid, as and when they become due and payable, all accounts of contractors and suppliers and wages and salaries for services rendered or performed, and for materials supplied on, to or in respect of the Contract Area or any operations for the joint account thereof, and shall keep the Contract Area free from

liens and encumbrances resulting therefrom except for those resulting from a bona fide dispute as to services rendered or materials supplied.

- 4. <u>Custody of Funds</u>: Operator shall hold for the account of the Non-Operators any funds of the Non-Operators advanced or paid to the Operator, either for the conduct of operations hereunder or as a result of the sale of production from the Contract Area, and such funds shall remain the funds of the Non-Operators on whose account they are advanced or paid until used for their intended purpose or otherwise delivered to the Non-Operators or applied toward the payment of debts as provided in Article VII.B. Nothing in this paragraph shall be construed to establish a fiduciary relationship between Operator and Non-Operators for any purpose other than to account for Non-Operator funds as herein specifically provided. Nothing in this paragraph shall require the maintenance by Operator of separate accounts for the funds of Non-Operators unless the parties otherwise specifically agree.
- 5. Access to Contract Area and Records: Operator shall, except as otherwise provided herein, permit each Non-Operator or its duly authorized representative, at the Non-Operator's sole risk and cost, full and free access at all reasonable times to all operations of every kind and character being conducted for the joint account on the Contract Area and to the records of operations conducted thereon or production therefrom, including Operator's books and records relating thereto. Such access rights shall not be exercised in a manner interfering with Operator's conduct of an operation hereunder and shall not obligate Operator to furnish any geologic or geophysical data of an interpretive nature unless the cost of preparation of such interpretive data was charged to the joint account. Operator will furnish to each Non-Operator upon request copies of any and all reports and information obtained by Operator in connection with production and related items, including, without limitation, meter and chart reports, production purchaser statements, run tickets and monthly gauge reports, but excluding purchase contracts and pricing information to the extent not applicable to the production of the Non-Operator seeking the information. Any audit of Operator's records relating to amounts expended and the appropriateness of such expenditures shall be conducted in accordance with the audit protocol specified in Exhibit "C."
- 6. Filing and Furnishing Governmental Reports: Operator will file, and upon written request promptly furnish copies to each requesting Non-Operator not in default of its payment obligations, all operational notices, reports or applications required to be filed by local, State, Federal or Indian agencies or authorities having jurisdiction over operations hereunder. Each Non-Operator shall provide to Operator on a timely basis all information necessary to Operator to make such filings.
- 7. <u>Drilling and Testing Operations</u>: The following provisions shall apply to each well drilled hereunder, including but not limited to the Initial Well:
- (a) Operator will promptly advise Non-Operators of the date on which the well is spudded, or the date on which drilling operations are commenced.
- (b) Operator will send to Non-Operators such reports, test results and notices regarding the progress of operations on the well as the Non-Operators shall reasonably request, including, but not limited to, daily drilling reports, completion reports, and well logs.
- (c) Operator shall adequately test all Zones encountered which may reasonably be expected to be capable of producing Oil and Gas in paying quantities as a result of examination of the electric log or any other logs or cores or tests conducted becaused as
- 8. <u>Cost Estimates:</u> Upon request of any Consenting Party, Operator shall furnish estimates of current and cumulative costs incurred for the joint account at reasonable intervals during the conduct of any operation pursuant to this agreement. Operator shall not be held liable for errors in such estimates so long as the estimates are made in good faith.
- 9. <u>Insurance:</u> At all times while operations are conducted hereunder, Operator shall comply with the workers compensation law of the state where the operations are being conducted; provided, however, that Operator may be a self-insurer for liability under said compensation laws in which event the only charge that shall be made to the joint account shall be as provided in Exhibit "C." Operator shall also carry or provide insurance for the benefit of the joint account of the parties as outlined in Exhibit "D" attached hereto and made a part hereof. Operator shall require all contractors engaged in work on or for the Contract Area to comply with the workers compensation law of the state where the operations are being conducted and to maintain such other insurance as Operator may require.

In the event automobile liability insurance is specified in said Exhibit "D," or subsequently receives the approval of the parties, no direct charge shall be made by Operator for premiums paid for such insurance for Operator's automotive equipment.

ARTICLE VI. DRILLING AND DEVELOPMENT

51	A. Initial Well:	
52	On or before the day of,, Operator shall commence the drilling of the Init	ial
53	Well at the following location.	
54		
55		
56		
57		
58		
59		
60		
61	and shall thereafter continue the drilling of the well with due diligence to	
62		

The drilling of the Initial Well and the participation therein by all parties is obligatory, subject to Article VI.C.1. as to participation in Completion operations and Article VI.F. as to termination of operation and Article XI as to occurrence of force majeure.

B. Subsequent Operations:

1. Proposed Operations: If any party hereto should desire to drill any well on the Contract Area other than the Initial Well, or if any party should desire to Rework, Sidetrack, Deepen, Recomplete or Plug Back a dry hole or a well no longer capable of producing in paying quantities in which such party has not otherwise relinquished its interest in the proposed objective Zone under this agreement, the party desiring to drill, Rework, Sidetrack, Deepen, Recomplete or Plug Back such a well shall give written notice of the proposed operation to the parties who have not otherwise relinquished their interest in such objective Zone

under this agreement and to all other parties in the case of a proposal for Sidetracking or Deepening, specifying the work to be performed, the location, proposed depth, objective Zone and the estimated cost of the operation. The parties to whom such a notice is delivered shall have thirty (30) days after receipt of the notice within which to notify the party proposing to do the work whether they elect to participate in the cost of the proposed operation. If a drilling rig is on location, notice of a proposal to Rework, Sidetrack, Recomplete, Plug Back or Deepen may be given by telephone and the response period shall be limited to forty-eight (48) hours, exclusive inclusive of Saturday, Sunday and / legal holidays. Failure of a party to whom such notice is delivered to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation.

Any proposal by a party to conduct an operation conflicting with the operation initially proposed shall be delivered to all parties within the time and in the manner provided in Article VI.B.6.

If all parties to whom such notice is delivered elect to participate in such a proposed operation, the parties shall be contractually committed to participate therein provided such operations are commenced within the time period hereafter set forth, and Operator shall, no later than ninety (90) days after expiration of the notice period of thirty (30) days (or as promptly as practicable after the expiration of the forty-eight (48) hour period when a drilling rig is on location, as the case may be), actually commence the proposed operation and thereafter complete it with due diligence at the risk and expense of the parties participating therein; provided, however, said commencement date may be extended upon written notice of same by Operator to the other parties, for a period of up to thirty (30) additional days if, in the sole opinion of Operator, such additional time is reasonably necessary to obtain permits from governmental authorities, surface rights (including rights-ofway) or appropriate drilling equipment, or to complete title examination or curative matter required for title approval or If the actual operation has not been commenced within the time provided (including any extension thereof as specifically permitted herein or in the force majeure provisions of Article XI) and if any party hereto still desires to conduct said operation, written notice proposing same must be resubmitted to the other parties in accordance herewith as if no prior proposal had been made. Those parties that did not participate in the drilling of a well for which a proposal to Deepen or Sidetrack is made hereunder shall, if such parties desire to participate in the proposed Deepening or Sidetracking operation, reimburse the Drilling Parties in accordance with Article VI.B.4. in the event of a Deepening operation and in accordance with Article VI.B.5. in the event of a Sidetracking operation.

2. Operations by Less Than All Parties:

62 I

(a) <u>Determination of Participation</u>. If any party to whom such notice is delivered as provided in Article VI.B.1. or VI.C.1. (Option No. 2) elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this Article, the party or parties giving the notice and such other parties as shall elect to participate in the operation shall, no later than ninety (90) days after the expiration of the notice period of thirty (30) days (or as promptly as practicable after the expiration of the forty-eight (48) hour period when a drilling rig is on location, as the case may be) actually commence the proposed operation and complete it with due diligence. Operator shall perform all work for the account of the Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is a Non-Consenting Party, the Consenting Parties shall either: (i) request Operator to perform the work required by such proposed operation for the account of the Consenting Parties, or (ii) designate one of the Consenting Parties as Operator to perform such work. The rights and duties granted to and imposed upon the Operator under this agreement are granted to and imposed upon the party designated as Operator for an operation in which the original Operator is a Non-Consenting Party. Consenting Parties, when conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms and conditions of this agreement.

If less than all parties approve any proposed operation, the proposing party, immediately after the expiration of the applicable notice period, shall advise all Parties of the total interest of the parties approving such operation and its recommendation as to whether the Consenting Parties should proceed with the operation as proposed. Each Consenting Party, within forty-eight (48) hours (exclusive inclusive of Saturday, Sunday, and / legal-holidays) after delivery of such notice, shall advise the proposing party of its desire to (i) limit participation to such party's interest as shown on Exhibit "A" or (ii) carry only its proportionate part (determined by dividing such party's interest in the Contract Area by the interests of all Consenting Parties in the Contract Area) of Non-Consenting Parties' interests, or (iii) carry its proportionate part (determined as provided in (ii)) of Non-Consenting Parties' interests together with all or a portion of its proportionate part of any Non-Consenting Parties' interests that any Consenting Party did not elect to take. Any interest of Non-Consenting Parties that is not carried by a Consenting Party shall be deemed to be carried by the party proposing the operation if such party does not withdraw its proposal. Failure to advise the proposing party within the time required shall be deemed an election under (i). In the event a drilling rig is on location, notice may be given by telephone, mail, facsimile/ and the time permitted for such a response shall not exceed a total of forty-eight (48) hours (exclusive inclusive of Saturday, Sunday and the time permitted for such a response shall not exceed a total of forty-eight (48) hours (exclusive inclusive of Saturday, Sunday and the time permitted for such a response period. If 100% subscription to the proposed operation is obtained, the proposing party shall promptly notify the Consenting Parties of their proportionate interests in the operation and the party serving as Operator shall commence such operation within the period p

(b) Relinquishment of Interest for Non-Participation. The entire cost and risk of conducting such operations shall be borne by the Consenting Parties in the proportions they have elected to bear same under the terms of the preceding paragraph. Consenting Parties shall keep the leasehold estates involved in such operations free and clear of all liens and encumbrances of every kind created by or arising from the operations of the Consenting Parties. If such an operation results in a dry hole, then subject to Articles VI.B.6. and VI.E.3., the Consenting Parties shall plug and abandon the well and restore the surface location at their sole cost, risk and expense; provided, however, that those Non-Consenting Parties that participated in the drilling, Deepening or Sidetracking of the well shall remain liable for, and shall pay, their proportionate shares of the cost of plugging and abandoning the well and restoring the surface location insofar only as those costs were not increased by the subsequent operations of the Consenting Parties. If any well drilled, Reworked, Sidetracked, Deepened, Recompleted or Plugged Back under the provisions of this Article results in a well capable of producing Oil and/or Gas in paying quantities, the Consenting Parties shall Complete and equip the well to produce at their sole cost and risk, and the well shall then be turned over to Operator (if the Operator did not conduct the operation) and shall be operated by it at the expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, Reworking, Sidetracking, Recompleting, Deepening or Plugging Back of any such well by Consenting Parties in accordance with the provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the Consenting Parties shall own and be entitled to receive, in proportion to their respective interests, all of such Non-Consenting Party's interest in the well and share of production therefrom or, in the case of a Reworking, Sidetracking,

14 _|

Deepening, Recompleting or Plugging Back, or a Completion pursuant to Article VI.C.1. Option No. 2, all of such Non-Consenting Party's interest in the production obtained from the operation in which the Non-Consenting Party did not elect to participate. Such relinquishment shall be effective until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not sold (after deducting applicable ad valorem, production, severance, and excise taxes, royalty, overriding royalty and other interests not excepted by Article III.C. payable out of or measured by the production from such well accruing with respect to such interest until it reverts), shall equal the total of the following:

(i) 200.0 % of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including but not limited to stock tanks, separators, treaters, pumping equipment and piping), plus 100% of each such Non-Consenting Party's share of the cost of operation of the well commencing with first production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that interest which would have been chargeable to such Non-Consenting Party had it participated in the well from the beginning of the operations; and

(ii) 500.300.0 % of (a) that portion of the costs and expenses of drilling, Reworking, Sidetracking, Deepening, Plugging Back, testing, Completing, and Recompleting, after deducting any cash contributions received under Article VIII.C., and of (b) that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections), which would have been chargeable to such Non-Consenting Party if it had participated therein.

Notwithstanding anything to the contrary in this Article VI.B., if the well does not reach the deepest objective Zone described in the notice proposing the well for reasons other than the encountering of granite or practically impenetrable substance or other condition in the hole rendering further operations impracticable, Operator shall give notice thereof to each Non-Consenting Party who submitted or voted for an alternative proposal under Article VI.B.6. to drill the well to a shallower Zone than the deepest objective Zone proposed in the notice under which the well was drilled, and each such Non-Consenting Party shall have the option to participate in the initial proposed Completion of the well by paying its share of the cost of drilling the well to its actual depth, calculated in the manner provided in Article VI.B.4. (a). If any such Non-Consenting Party does not elect to participate in the first Completion proposed for such well, the relinquishment provisions of this Article VI.B.2. (b) shall apply to such party's interest.

(d) <u>Recoupment Matters.</u> During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all ad valorem, production, severance, excise, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to Non-Consenting Party's share of production not excepted by Article III.C.

In the case of any Reworking, Sidetracking, Plugging Back, Recompleting or Deepening operation, the Consenting Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all such equipment shall remain unchanged; and upon abandonment of a well after such Reworking, Sidetracking, Plugging Back, Recompleting or Deepening, the Consenting Parties shall account for all such equipment to the owners thereof, with each party receiving its proportionate part in kind or in value, less cost of salvage.

Within ninety (90) days after the completion of any operation under this Article, the party conducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to the well, and an itemized statement of the cost of drilling, Sidetracking, Deepening, Plugging Back, testing, Completing, Recompleting, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being reimbursed as provided above, the party conducting the operations for the Consenting Parties shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of the well, together with a statement of the quantity of Oil and Gas produced from it and the amount of proceeds realized from the sale of the well's working interest production during the preceding month. In determining the quantity of Oil and Gas produced during any month, Consenting Parties shall use industry accepted methods such as but not limited to metering or periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited against the total unreturned costs of the work done and of the equipment purchased in determining when the interest of such Non-Consenting Party shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-Consenting Party.

If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest the amounts provided for above, the relinquished interests of such Non-Consenting Party shall automatically revert to it as of 7:00 a.m. on the day following the day on which such recoupment occurs, and, from and after such reversion, such Non-Consenting Party shall own the same interest in such well, the material and equipment in or pertaining thereto, and the production therefrom as such Non-Consenting Party would have been entitled to had it participated in the drilling, Sidetracking, Reworking, Deepening, Recompleting or Plugging Back of said well. Thereafter, such Non-Consenting Party shall be charged with and shall pay its proportionate part of the further costs of the operation of said well in accordance with the terms of this agreement and Exhibit "C" attached hereto.

3. Stand-By Costs: When a well which has been drilled or Deepened has reached its authorized depth and all tests have been completed and the results thereof furnished to the parties, or when operations on the well have been otherwise terminated pursuant to Article VI.F., stand-by costs incurred pending response to a party's notice proposing a Reworking,

Sidetracking, Deepening, Recompleting, Plugging Back or Completing operation in such a well (including the period required under Article VI.B.6. to resolve competing proposals) shall be charged and borne as part of the drilling or Deepening operation just completed. Stand-by costs subsequent to all parties responding, or expiration of the response time permitted, whichever first occurs, and prior to agreement as to the participating interests of all Consenting Parties pursuant to the terms of the second grammatical paragraph of Article VI.B.2. (a), shall be charged to and borne as part of the proposed operation, but if the proposal is subsequently withdrawn because of insufficient participation, such stand-by costs shall be allocated between the Consenting Parties in the proportion each Consenting Party's interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all Consenting Parties.

Ior Deepening

In the event that notice for a Sidetracking operation is given while the drilling rig to be utilized is on location, any party

In the event that notice for a Sidetracking operation is given while the drilling rig to be utilized is on location, any party may request and receive up to five (5) additional days after expiration of the forty-eight hour response period specified in Article VI.B.1. within which to respond by paying for all stand-by costs and other costs incurred during such extended response period; Operator may require such party to pay the estimated stand-by time in advance as a condition to extending the response period. If more than one party elects to take such additional time to respond to the notice, standby costs shall be allocated between the parties taking additional time to respond on a day-to-day basis in the proportion each electing party's interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all the electing parties.

4. <u>Deepening:</u> If less than all parties elect to participate in a drilling, Sidetracking, or Deepening operation proposed pursuant to Article VI.B.1., the interest relinquished by the Non-Consenting Parties to the Consenting Parties under Article VI.B.2. shall relate only and be limited to the lesser of (i) the total depth actually drilled or (ii) the objective depth or Zone of which the parties were given notice under Article VI.B.1. ("Initial Objective"). Such well shall not be Deepened beyond the Initial Objective without first complying with this Article to afford the Non-Consenting Parties the opportunity to participate in the Deepening operation.

In the event any Consenting Party desires to drill or Deepen a Non-Consent Well to a depth below the Initial Objective, such party shall give notice thereof, complying with the requirements of Article VI.B.1., to all parties (including Non-Consenting Parties). Thereupon, Articles VI.B.1. and 2. shall apply and all parties receiving such notice shall have the right to participate or not participate in the Deepening of such well pursuant to said Articles VI.B.1. and 2. If a Deepening operation is approved pursuant to such provisions, and if any Non-Consenting Party elects to participate in the Deepening operation, such Non-Consenting party shall pay or make reimbursement (as the case may be) of the following costs and expenses.

- (a) If the proposal to Deepen is made prior to the Completion of such well as a well capable of producing in paying quantities, such Non-Consenting Party shall pay (or reimburse Consenting Parties for, as the case may be) that share of costs and expenses incurred in connection with the drilling of said well from the surface to the Initial Objective which Non-Consenting Party would have paid had such Non-Consenting Party agreed to participate therein, plus the Non-Consenting Party's share of the cost of Deepening and of participating in any further operations on the well in accordance with the other provisions of this Agreement; provided, however, all costs for testing and Completion or attempted Completion of the well incurred by Consenting Parties prior to the point of actual operations to Deepen beyond the Initial Objective shall be for the sole account of Consenting Parties.
- (b) If the proposal is made for a Non-Consent Well that has been previously Completed as a well capable of producing in paying quantities, but is no longer capable of producing in paying quantities, such Non-Consenting Party shall pay (or reimburse Consenting Parties for, as the case may be) its proportionate share of all costs of drilling, Completing, and equipping said well from the surface to the Initial Objective, calculated in the manner provided in paragraph (a) above, less those costs recouped by the Consenting Parties from the sale of production from the well. The Non-Consenting Party shall also pay its proportionate share of all costs of re-entering said well. The Non-Consenting Parties' proportionate part (based on the percentage of such well Non-Consenting Party would have owned had it previously participated in such Non-Consent Well) of the costs of salvable materials and equipment remaining in the hole and salvable surface equipment used in connection with such well shall be determined in accordance with Exhibit "C." If the Consenting Parties have recouped the cost of drilling, Completing, and equipping the well at the time such Deepening operation is conducted, then a Non-Consenting Party may participate in the Deepening of the well with no payment for costs incurred prior to reentering the well for Deepening

The foregoing shall not imply a right of any Consenting Party to propose any Deepening for a Non-Consent Well prior to the drilling of such well to its Initial Objective without the consent of the other Consenting Parties as provided in Article VI.F.

- 5. <u>Sidetracking:</u> Any party having the right to participate in a proposed Sidetracking operation that does not own an interest in the affected wellbore at the time of the notice shall, upon electing to participate, tender to the wellbore owners its proportionate share (equal to its interest in the Sidetracking operation) of the value of that portion of the existing wellbore to be utilized as follows:
- (a) If the proposal is for Sidetracking an existing dry hole, reimbursement shall be on the basis of the actual costs incurred in the initial drilling of the well down to the depth at which the Sidetracking operation is initiated.
- (b) If the proposal is for Sidetracking a well which has previously produced, reimbursement shall be on the basis of such party's proportionate share of drilling and equipping costs incurred in the initial drilling of the well down to the depth at which the Sidetracking operation is conducted, calculated in the manner described in Article VI.B.4(b) above. Such party's proportionate share of the cost of the well's salvable materials and equipment down to the depth at which the Sidetracking operation is initiated shall be determined in accordance with the provisions of Exhibit "C."

6. Order of Preference of Operations. Any reference to Article VI.B.6 in this Agreement is hereby deleted and in lieu inserted Article XVI.A Except as otherwise specifically provided in this agreement, if any party desires to propose the conduct of an operation that conflicts with a proposal that has been made by a party under this Article VI, such party shall have fifteen (15) days from delivery of the initial proposal, in the case of a proposal to drill a well or to perform an operation on a well where no drilling rig is on location, or twenty four (24) hours, exclusive of Saturday, Sunday and legal holidays, from delivery of the initial proposal, if a drilling rig is on location for the well on which such operation is to be conducted, to deliver to all parties entitled to participate in the proposed operation such party's alternative proposal, such alternate proposal to contain the same information required to be included in the initial proposal. Each party receiving such proposals shall elect by delivery of notice to Operator within five (5) days after expiration of the proposal period, or within twenty-four (24) hours (exclusive of Saturday, Sunday and legal holidays) if a drilling rig is on location for the well that is the subject of the proposals, to participate in one of the competing proposals. Any party not electing within the time required shall be deemed not to have voted. The proposal receiving the vote of parties owning the largest aggregate percentage interest of the parties voting shall have priority over all other competing proposals; in the case of a tie vote, the

10

16 17 18

15

23 24

31

38

43 45 46

47 48

49

50

67

68

73

74

initial proposal shall prevail. Operator shall deliver notice of such result to all parties entitled to participate in the operation within five (5) days after expiration of the election period (or within twenty-four (24) hours, exclusive of Saturday, Sunday and legal holidays, if a drilling rig is on location). Each party shall then have two (2) days (or twenty four (24) hours if a rig is on location) from receipt of such notice to elect by delivery of notice to Operator to participate in such operation or to relinquish interest in the affected well pursuant to the provisions of Article VI.B.2.; failure by a party to deliver notice within such period shall be deemed an election not to participate in the prevailing proposal.

- 7. Conformity to Spacing Pattern. Notwithstanding the provisions of this Article VI.B.2., it is agreed that no wells shall be proposed to be drilled to or Completed in or produced from a Zone from which a well located elsewhere on the Contract or has been approved as an exception to the then-existing spacing pattern for such zone by the appropriate agency Area is producing, unless such well conforms to the then-existing well spacing pattern for such Zone /.
- 8. Paying Wells. No party shall conduct any Reworking, Deepening, Plugging Back, Completion, Recompletion, or Sidetracking operation under this agreement with respect to any well then capable of producing in paying quantities except with the consent of all parties that have not relinquished interests in the well at the time of such operation.

C. Completion of Wells; Reworking and Plugging Back:

1. Completion: Without the consent of all parties, no well shall be drilled, Deepened or Sidetracked, except any well drilled, Deepened or Sidetracked pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the drilling, Deepening or Sidetracking sh

For all vertical wells and wells not considered Horizontal Wells,
Option No. 2: / Aall necessary expenditures for the drilling, Deepening or Sidetracking and testing of the well. When such well has reached its authorized depth, and all logs, cores and other tests have been completed, and the results thereof furnished to the parties, Operator shall give immediate notice to the Non-Operators having the right to participate in a Completion attempt whether or not Operator recommends attempting to Complete the well, together with Operator's AFE for Completion costs if not previously provided. The parties receiving such notice fifteen (15) days, or, if a rig is on location, U.S. Federal shall have / forty-eight (48) hours (exclusive inclusive of Saturday, Sunday and / legal holidays) in which to elect by delivery of notice to Operator to participate in a recommended Completion attempt or to make a Completion proposal with an accompanying AFE. Operator shall deliver any such Completion proposal, or any Completion proposal conflicting with Operator's proposal, to the other parties entitled to participate in such Completion in accordance with the procedures specified in Article VI.B.6. Election to participate in a Completion attempt shall include consent to all necessary expenditures for the Completing and equipping of such well, including / necessary tankage and/or surface including, but not limited to, pipelines, flow lines, meters and meter sites, taps and tap sites.

facilities / but excluding any stimulation operation not contained on the Completion AFE. Failure of any party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the Completion attempt; provided, that Article XVI.AB.6. shall control in the case of conflicting Completion proposals. If one or more, but less than all of the parties, elect to attempt a Completion, the provision of Article VI.B.2. hereof (the phrase "Reworking, Sidetracking, Deepening, Recompleting or Plugging Back" as contained in Article VI.B.2. shall be deemed to include "Completing") shall apply to the operations thereafter conducted by less than all parties; provided, however, that Article VI.B.2. shall apply separately to each separate Completion or Recompletion attempt undertaken hereunder, and an election to become a Non-Consenting Party as to one Completion or Recompletion attempt shall not prevent a party from becoming a Consenting Party in subsequent Completion or Recompletion attempts regardless whether the Consenting Parties as to earlier Completions or Recompletion have recouped their costs pursuant to Article VI.B.2.; provided further, that any recoupment of costs by a Consenting Party shall be made solely from the production attributable to the Zone in which the Completion attempt is made. Election by a previous Non-Consenting party to participate in a subsequent Completion or Recompletion attempt shall require such party to pay its proportionate share of the cost of salvable materials and equipment installed in the well pursuant to the previous Completion or Recompletion attempt, insofar and only insofar as such materials and equipment benefit the Zone in which such party participates in a In addition Operator shall make a reasonable attempt to test those formations identified on the log Completion attempt. / or logs as potentially capable of producing oil or gas.

2. Rework, Recomplete or Plug Back: No well shall be Reworked, Recompleted or Plugged Back except a well Reworked, Recompleted, or Plugged Back pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the Reworking, Recompleting or Plugging Back of a well shall include all necessary expenditures in conducting such operations and Completing and equipping of said well, including necessary tankage and/or surface facilities.

Operator shall not undertake any single project reasonably estimated to require an expenditure in excess of

D. Other Operations:

Dollars (\$ 50,000.00 Fifty Thousand and no/100) except in connection with the drilling, Sidetracking, Reworking, Deepening, Completing, Recompleting or Plugging Back of a well that has been previously authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden emergency, whether of the same or different nature, Operator may take such steps and incur such expenses as in its opinion are required to deal with the emergency to safeguard life and property but Operator, as promptly as possible, shall report the emergency to the other parties. If Operator prepares an AFE for its own use, Operator shall furnish any Non-Operator so requesting an information copy thereof for any single project costing in excess of Fifty Thousand and no/100). Any party who has not relinquished its interest in a well shall have the right to propose that (\$ 50,000.00 Operator perform repair work or undertake the installation of artificial lift equipment or ancillary production facilities such as salt water disposal wells or to conduct additional work with respect to a well drilled hereunder or other similar project (but not including the installation of gathering lines or other transportation or marketing facilities, the installation of which shall be governed by separate agreement between the parties) reasonably estimated to require an expenditure in excess of the amount first set forth above in this Article VI.D. (except in connection with an operation required to be proposed under Articles VI.B.1. or VI.C.1. Option No. 2, which shall be governed exclusively be those Articles). Operator shall deliver such proposal to all parties entitled to participate therein. If within thirty (30) days thereof Operator secures the written consent of any party or parties owning at least 60.0 % of the interests of the parties entitled to participate in such operation, each party having the right to participate in such project shall be bound by the terms of such proposal and shall be obligated

E. Abandonment of Wells:

of the proposal.

1. Abandonment of Dry Holes: Except for any well drilled or Deepened pursuant to Article VI.B.2., any well which has been drilled or Deepened under the terms of this agreement and is proposed to be completed as a dry hole shall not be

to pay its proportionate share of the costs of the proposed project as if it had consented to such project pursuant to the terms

4

5

6 7 8

10

11

12

13 14

15

16

17

18

19

20 I

22

23

24

25

26 27

28

29

30

31

32

33

34

35

36

37

38

39

40 41

42

43

44

45 46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

61 62 I

63

64

65

66

67 68

69

70 71 I

72 73

74

plugged and abandoned without the consent of all parties. Should Operator, after diligent effort, be unable to contact any party, or should any party fail to reply within forty-eight (48) hours (exclusive inclusive of Saturday, Sunday and / legal holidays) after delivery of notice of the proposal to plug and abandon such well, such party shall be deemed to have consented to the proposed abandonment. All such wells shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of the parties who participated in the cost of drilling or Deepening such well. Any party who objects to plugging and abandoning such well by notice delivered to Operator within forty-eight (48) hours (exclusive inclusive of Saturday, Sunday and / legal holidays) after delivery of notice of the proposed plugging shall take over the well as of the end of such forty-eight (48) hour notice period and conduct further operations in search of Oil and/or Gas subject to the provisions of Article VI.B.; failure of such party to provide proof reasonably satisfactory to Operator of its financial capability to conduct such operations or to take over the well within such period or thereafter to conduct operations on such well or plug and abandon such well shall entitle Operator to retain or take possession of the well and plug and abandon the well. The party taking over the well shall indemnify Operator (if Operator is an abandoning party) and the other abandoning parties against liability for any further operations conducted on such well except for the costs of plugging and abandoning the well and restoring the surface, for which the abandoning parties shall remain proportionately liable.

2. Abandonment of Wells That Have Produced: Except for any well in which a Non-Consent operation has been conducted hereunder for which the Consenting Parties have not been fully reimbursed as herein provided, any well which has been completed as a producer shall not be plugged and abandoned without the consent of all parties. If all parties consent to such abandonment, the well shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of all the parties hereto. Failure of a party to reply within sixty (60)thirty (30) days of delivery of notice of proposed abandonment shall be deemed an election to consent to the proposal. If, within sixty (60)thirty (30) days after delivery of notice of the proposed abandonment of any well, all parties do not agree to the abandonment of such well, those wishing to continue its operation from the Zone then open to production shall be obligated to take over the well as of the expiration of the applicable notice period and shall indemnify Operator (if Operator is an abandoning party) and the other abandoning parties against liability for any further operations on the well conducted by such parties. Failure of such party or parties to provide proof reasonably satisfactory to Operator of their financial capability to conduct such operations or to take over the well within the required period or thereafter to conduct operations on such well shall entitle operator to retain or take possession of such well and plug and abandon the well.

Parties taking over a well as provided herein shall tender to each of the other parties its proportionate share of the value of the well's salvable material and equipment, determined in accordance with the provisions of Exhibit "C," less the estimated cost of salvaging and the estimated cost of plugging and abandoning and restoring the surface.; provided, however, that in the event the estimated plugging and abandoning and surface restoration costs and the estimated cost of salvaging are higher than the value of the well's salvable material and equipment, each of the abandoning parties shall tender to the parties continuing operations their proportionate shares of the estimated excess cost. Each abandoning party shall assign to the non-abandoning parties, without warranty, express or implied, as to title or as to quantity, or fitness for use of the equipment and material, all of its interest in the wellbore of the well and related equipment, together with its interest in the Leasehold insofar and only insofar as such Leasehold covers the right to obtain production from that wellbore in the Zone then open to production. If the interest of the abandoning party is or includes and Oil and Gas Interest, such party shall execute and deliver to the nonabandoning party or parties an oil and gas lease, limited to the wellbore and the Zone then open to production, for a term of one (1) year and so long thereafter as Oil and/or Gas is produced from the Zone covered thereby, such lease to be on the form attached as Exhibit "B."

The assignments or leases so limited shall encompass the Drilling Unit upon which the well is located. The payments by, and the assignments or leases to, the assignees shall be in a ratio based upon the relationship of their respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all assignees. There shall be no readjustment of interests in the remaining portions of the Contract Area.

Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the operation of or production from the well in the Zone then open other than the royalties retained in any lease made under the terms of this Article.

may, at its sole discretion, elect request, Operator / shall continue to operate the assigned well for the account of the non-abandoning parties at the rates and charges contemplated by this agreement, plus any additional cost and charges which may arise as the result of the separate ownership of the assigned well. Upon proposed abandonment of the producing Zone assigned or leased, the assignor or lessor shall then have the option to repurchase its prior interest in the well (using the same valuation formula) and participate in further operations therein subject to the provisions hereof.

3. Abandonment of Non-Consent Operations: The provisions of Article VI.E.1. or VI.E.2. above shall be applicable as between Consenting Parties in the event of the proposed abandonment of any well excepted from said Articles; provided, however, no well shall be permanently plugged and abandoned unless and until all parties having the right to conduct further operations therein have been notified of the proposed abandonment and afforded the opportunity to elect to take over the well in accordance with the provisions of this Article VI.E.; and provided further, that Non-Consenting Parties who own an interest in a portion of the well shall pay their proportionate shares of abandonment and surface restoration cost for such well as provided in Article VI.B.2.(b).

F. Termination of Operations:

Upon the commencement of an operation for the drilling, Reworking, Sidetracking, Plugging Back, Deepening, testing, Completion or plugging of a well, including but not limited to the Initial Well, such operation shall not be terminated without consent of parties bearing 60 % of the costs of such operation; provided, however, that in the event granite or other practically impenetrable substance or condition in the hole is encountered which renders further operations impractical, Operator may discontinue operations and give notice of such condition in the manner provided in Article VI.B.1, and the provisions of Article VI.B. or VI.E. shall thereafter apply to such operation, as appropriate.

G. Taking Production in Kind:

 Option No. 1: Gas Balancing Agreement Attached have the option to
 Each party shall / take in kind of and separately dispose of its proportionate share of all Oil and Gas produced from the Contract Area, exclusive of production which may be used in development and producing operations and in preparing and treating Oil and Gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or and separate disposition by any party of its proportionate share of the production shall be borne by such party. Any party taking its share of production in kind shall be required to pay for only its proportionate share of such part of **including, without limitation, well location and ingress and egress**Operator's surface facilities / which it uses.

Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment directly from the purchaser thereof for its share of all production.

₈ I

₉ I

14 I

24 |

If any party fails to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the Oil produced from the Contract Area, Operator shall have the right, subject to the revocation at will by the party owning it, but not the obligation, to purchase such Oil or sell it to others at any time and from time to time, for the account of the non-taking party at the same price obtained for Operator's share of production under an arms length third party purchase or sales contract. Any such purchase or sale by Operator may be terminated by Operator upon at least ten (10)—thirty (30) days written notice to the owner of said production and shall be subject always to the right of the owner of the production upon at least ten (10)—thirty (30) days written notice to Operator to exercise at any time its right to take in kind, or separately dispose of, its share of all Oil. not previously delivered to a purchaser. Any purchase or sale by Operator of any other party's share of Oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year provided however, that the effective date of any such revocation may be deferred at Operator's election for a period not to exceed ninety (90) days if Operator has committed such production to a purchase contract having a term extending beyond such thirty (30) day period.

Any such sale of Oil and Gas by Operator shall be in a manner commercially reasonable under the circumstances but Operator shall have no duty to share any existing market or to obtain a price equal to that received under any existing market. The sale or delivery by Operator of a non-taking party's share of Oil and Gas under the terms of any existing contract of Operator shall not give the non-taking party any interest in or make the non-taking party a party to said contract. No purchase shall be made by Operator without first giving the non-taking party at least ten (10) days written notice of such intended purchase and the price to be paid or the pricing basis to be used.

All parties shall give timely written notice to Operator of their Gas marketing arrangements for the following month, excluding price, and shall notify Operator immediately in the event of a change in such arrangements. Operator shall maintain records of all marketing arrangements, and of volumes actually sold or transported, which records shall be made available to Non-Operators upon reasonable request.

In the event one or more parties' fail to take in kind or separately dispose of its/their proportionate share of gas, and if such parties' separate disposition of its/their share of the Gas causes split-stream deliveries to separate pipelines and/or deliveries which on a day-to-day basis for any reason are not exactly equal to a party's respective proportionate share of total Gas sales to be allocated to it, the balancing or accounting between the parties shall be in accordance with any the Gas bBalancing aAgreement between the parties hereto, / whether such an agreement is attached as Exhibit "E"-or is a separate agreement. Operator shall give notice to all parties of the first sales of Gas from any well under this agreement. If any party creates the necessity for separate measurement facilities such party shall bear all costs related to purchase, installation and maintenance of such facilities.

☐ Option No. 2: No Gas Balancing Agreement:

- Each party shall take in kind or separately dispose of its proportionate share of all Oil and Gas produced from the Contract Area, exclusive of production which may be used in development and producing operations and in preparing and treating Oil and Gas for marketing purposes and production unavoidably lost. Any extra expenditures incurred in the taking in kind or separate disposition by any party of its proportionate share of the production shall be borne by such party. Any party taking its share of production in kind shall be required to pay for only its proportionate share of such part of Operator's surface facilities which it uses.
- Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment directly from the purchaser thereof for its share of all production.
- If any party fails to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the Oil and/or Gas produced from the Contract Area, Operator shall have the right, subject to the revocation at will by the party owning it, but not the obligation, to purchase such Oil and/or Gas or sell it to others at any time and from time to time, for the account of the non-taking party. Any such purchase or sale by Operator may be terminated by Operator upon at least ten (10) days written notice to the owner of said production and shall be subject always to the right of the owner of the production upon at least ten (10) days written notice to Operator to exercise its right to take in kind, or separately dispose of, its share of all Oil and/or Gas not previously delivered to a purchaser; provided, however, that the effective date of any such revocation may be deferred at Operator's election for a period not to exceed ninety (90) days if Operator has committed such production to a purchase contract having a term extending beyond such ten (10) day period. Any purchase or sale by Operator of any other
- party's share of Oil and/or Gas shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.
- Any such sale by Operator shall be in a manner commercially reasonable under the circumstances, but Operator shall have no duty to share any existing market or transportation arrangement or to obtain a price or transportation fee equal to that received under any existing market or transportation arrangement. The sale or delivery by Operator of a non-taking party's share of production under the terms of any existing contract of Operator shall not give the non-taking party any interest in or make the non-taking party a party to said contract. No purchase of Oil and Gas and no sale of Gas shall be made by Operator without first giving the non-taking party ten days written notice of such intended purchase or sale and the price to be paid or the pricing basis to be used. Operator shall give notice to all parties of the first sale of Gas from any well under this Agreement.
- All parties shall give timely written notice to Operator of their Gas marketing arrangements for the following month, excluding price, and shall notify Operator immediately in the event of a change in such arrangements. Operator shall maintain records of all marketing arrangements, and of volumes actually sold or transported, which records shall be made available to Non-Operators upon reasonable request.

ARTICLE VII.

EXPENDITURES AND LIABILITY OF PARTIES

A. Liability of Parties:

The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the liens granted among the parties in Article VII.B. are given to secure only the debts of each severally, and no party shall have any liability to third parties hereunder to satisfy the default of any other party in the payment of any expense or obligation hereunder. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership, joint venture, agency relationship or association, or to render the parties liable as partners, co-venturers, or

principals. In their relations with each other under this agreement, the parties shall not be considered fiduciaries or to have established a confidential relationship but rather shall be free to act on an arm's-length basis in accordance with their own respective self-interest, subject, however, to the obligation of the parties to act in good faith in their dealings with each other with respect to activities hereunder.

END OF PAGE 11

B. Liens and Security Interests:

72 I

Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this agreement including but not limited to payment of expense, interest and fees, the proper disbursement of all monies paid hereunder, the assignment or relinquishment of interest in Oil and Gas Leases as required hereunder, and the proper performance of operations hereunder. Such lien and security interest granted by each party hereto shall include such party's leasehold interests, working interests, operating rights, and royalty and overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from gas imbalances or from the sale of Oil and/or Gas at the wellhead), contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.

To perfect the lien and security agreement provided herein, each party hereto shall execute and acknowledge the recording supplement and/or any financing statement prepared and submitted by any party hereto in conjunction herewith or at any time following execution hereof, and Operator is authorized to file this agreement or the recording supplement executed herewith as a lien or mortgage in the applicable real estate records and as a financing statement with the proper officer under the Uniform Commercial Code in the state in which the Contract Area is situated and such other states as Operator shall deem appropriate to perfect the security interest granted hereunder. Any party may file this agreement, the recording supplement executed herewith, or such other documents as it deems necessary as a lien or mortgage in the applicable real estate records and/or a financing statement with the proper officer under the Uniform Commercial Code.

Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement by, through or under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted by this Article VII.B. as to all obligations attributable to such interest hereunder whether or not such obligations arise before or after such interest is acquired.

To the extent that parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any party in the payment of its share of expenses, interests or fees, or upon the improper use of funds by the Operator, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by such party, plus interest as provided in "Exhibit C," has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.

If any party fails to pay its share of cost within one hundred twenty (120) days after rendition of a statement therefor by Operator, the non-defaulting parties, including Operator, shall upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so paying its share of the unpaid amount shall be secured by the liens and security rights described in Article VII.B., and each paying party may independently pursue any remedy available hereunder or otherwise.

If any party does not perform all of its obligations hereunder, and the failure to perform subjects such party to foreclosure or execution proceedings pursuant to the provisions of this agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisement of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshaling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted hereunder, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.

Each party agrees that the other parties shall be entitled to utilize the provisions of Oil and Gas lien law or other lien law of any state in which the Contract Area is situated to enforce the obligations of each party hereunder. Without limiting the generality of the foregoing, to the extent permitted by applicable law, Non-Operators agree that Operator may invoke or utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the payment to Operator of any sum due hereunder for services performed or materials supplied by Operator.

C. Advances: Advancement of estimated costs shall be in accordance with Article XVI.C

Operator, at its election, shall have the right from time to time to demand and receive from one or more of the other parties payment in advance of their respective shares of the estimated amount of the expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to each such party of an itemized statement of such estimated expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Each party shall pay to Operator its proportionate share of such estimate within fifteen (15) days after such estimate and invoice is received. If any party fails to pay its share of said estimate within said time, the amount due shall bear interest as provided in Exhibit "C" until paid. Proper adjustment shall be made monthly between advances and actual expense to the end that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

D. Defaults and Remedies:

If any party fails to discharge any financial obligation under this agreement, including without limitation the failure to make any advance under the preceding Article VII.C XVI.C. or any other provision of this agreement, within the period required for such payment hereunder, then in addition to the remedies provided in Article VII.B. or elsewhere in this agreement, the remedies specified below shall be applicable. For purposes of this Article VII.D., all notices and elections shall be delivered

only by Operator, except that Operator shall deliver any such notice and election requested by a non-defaulting Non-Operator, and when Operator is the party in default, the applicable notices and elections can be delivered by any Non-Operator. Election of any one or more of the following remedies shall not preclude the subsequent use of any other remedy specified below or otherwise available to a non-defaulting party.

1 Upon request by any party, Operator shall

1. Suspension of Rights: Any party may deliver to the party in default a Notice of Default, which shall specify the default,

- 1. Suspension of Rights: Any party may deliver to the party in default a Notice of Default, which shall specify the default, specify the action to be taken to cure the default, and specify that failure to take such action will result in the exercise of one or more of the remedies provided in this Article. If the default is not cured within thirty (30) days of the delivery of such Notice of Default, all of the rights of the defaulting party granted by this agreement may upon notice be suspended until the default is cured, without prejudice to the right of the non-defaulting party or parties to continue to enforce the obligations of the defaulting party previously accrued or thereafter accruing under this agreement. If Operator is the party in default, the Non-Operators shall have in addition the right, by vote of Non-Operators owning a majority in interest in the Contract Area after excluding the voting interest of Operator, to appoint a new Operator effective immediately. The rights of a defaulting party that may be suspended hereunder at the election of the non-defaulting parties shall include, without limitation, the right to receive information as to any operation conducted hereunder during the period of such default, the right to elect to participate in an operation proposed under Article VI.B. of this agreement, the right to participate in an operation, and the right to receive proceeds of production from any well subject to this agreement.
- 2. <u>Suit for Damages:</u> Non-defaulting parties or Operator for the benefit of non-defaulting parties may sue (at joint account expense) to collect the amounts in default, plus interest accruing on the amounts recovered from the date of default until the date of collection at the rate specified in Exhibit "C" attached hereto. Nothing herein shall prevent any party from suing any defaulting party to collect consequential damages accruing to such party as a result of the default.
- 3. <u>Deemed Non-Consent:</u> The non-defaulting party may deliver a written Notice of Non-Consent Election to the defaulting party at any time after the expiration of the thirty-day cure period following delivery of the Notice of Default, in which event if the billing is for the drilling a new well or the Plugging Back, Sidetracking, Reworking or Deepening of a well which is to be or has been plugged as a dry hole, or for the Completion or Recompletion of any well, the defaulting party will be conclusively deemed to have elected not to participate in the operation and to be a Non-Consenting Party with respect thereto under Article VI.B. or VI.C., as the case may be, to the extent of the costs unpaid by such party, notwithstanding any election to participate theretofore made. If election is made to proceed under this provision, then the non-defaulting parties may not elect to sue for the unpaid amount pursuant to Article VII.D.2.

Until the delivery of such Notice of Non-Consent Election to the defaulting party, such party shall have the right to cure its default by paying its unpaid share of costs plus interest at the rate set forth in Exhibit "C," provided, however, such payment shall not prejudice the rights of the non-defaulting parties to pursue remedies for damages incurred by the non-defaulting parties as a result of the default. Any interest relinquished pursuant to this Article VII.D.3. shall be offered to the non-defaulting parties in proportion to their interests, and the non-defaulting parties electing to participate in the ownership of such interest shall be required to contribute their shares of the defaulted amount upon their election to participate therein.

- 4. Advance Payment: If a default is not cured within thirty (30) days of the delivery of a Notice of Default, Operator, or Non-Operators if Operator is the defaulting party, may thereafter require advance payment from the defaulting party of such defaulting party's anticipated share of any item of expense for which Operator, or Non-Operators, as the case may be, would be entitled to reimbursement under any provision of this agreement, whether or not such expense was the subject of the previous default. Such right includes, but is not limited to, the right to require advance payment for the estimated costs of drilling a well or Completion of a well as to which an election to participate in drilling or Completion has been made. If the defaulting party fails to pay the required advance payment, the non-defaulting parties may pursue any of the remedies provided in the Article VII.D. or any other default remedy provided elsewhere in this agreement. Any excess of funds advanced remaining when the operation is completed and all costs have been paid shall be promptly returned to the advancing party.
- 5. Costs and Attorneys' Fees: In the event any party is required to bring legal proceedings to enforce any financial obligation of a party hereunder, the prevailing party in such action shall be entitled to recover all court costs, costs of collection, and a reasonable attorney's fee, which the lien provided for herein shall also secure.

E. Rentals, Shut-in Well Payments and Minimum Royalties:

Rentals, shut-in well payments and minimum royalties which may be required under the terms of any lease shall be paid Operator for the joint account of the parties hereto. Operator shall bill the parties hereto for their proportionate share of all such payments in accordance with the COPAS attached as Exhibit "C". by the party or parties who subjected such lease to this agreement at its or their expense. In the event two or more parties own and have contributed interests in the same lease to this agreement, such parties may designate one of such parties to make said payments for and on behalf of all such parties. Any party may request, and shall be entitled to receive, proper evidence of all such payments. In the event of failure to make proper payment of any rental, shut-in well payment or minimum royalty through mistake or oversight where such payment is required to continue the lease in force, any loss which results from such non-payment shall be borne in accordance with the provisions of Article IV.B.2.3

Operator shall notify Non-Operators of the anticipated completion of a shut-in well, or the shutting in or return to production of a producing well, at least five (5) days (excluding Saturday, Sunday, and legal holidays) prior to taking such action, or at the earliest opportunity permitted by circumstances, but assumes no liability for failure to do so. In the event of failure by Operator to so notify Non-Operators, the loss of any lease contributed hereto by Non-Operators for failure to make timely payments of any shut-in well payment shall be borne jointly by the parties hereto under the provisions of Article IV.B.3.

F. Taxes:

Beginning with the first calendar year after the effective date hereof, Operator shall render for ad valorem taxation all property subject to this agreement which by law should be rendered for such taxes, and it shall pay all such taxes assessed thereon before they become delinquent. Prior to the rendition date, each Non-Operator shall furnish Operator information as to burdens (to include, but not be limited to, royalties, overriding royalties and production payments) on Leases and Oil and Gas Interests contributed by such Non-Operator. If the assessed valuation of any Lease is reduced by reason of its being subject to outstanding excess royalties, overriding royalties or production payments, the reduction in ad valorem taxes resulting therefrom shall inure to the benefit of the owner or owners of such Lease, and Operator shall adjust the charge to such owner or owners so as to reflect the benefit of such reduction. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the joint account shall be made and paid by the parties hereto in accordance with the tax value generated by each party's working interest. Operator shall bill the other parties for their proportionate shares of all tax payments in the manner provided in Exhibit "C."

If Operator considers any tax assessment improper, Operator may, at its discretion, protest within the time and manner prescribed by law, and prosecute the protest to a final determination, unless all parties agree to abandon the protest prior to final determination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes and any interest and penalty. When any such protested assessment shall have been finally determined, Operator shall pay the tax for the joint account, together with any interest and penalty accrued, and the total cost shall then be assessed against the parties, and be paid by them, as provided in Exhibit "C."

Each party shall pay or cause to be paid all production, severance, excise, gathering and other taxes imposed upon or with respect to the production or handling of such party's share of Oil and Gas produced under the terms of this agreement.

ARTICLE VIII.

ACOUISITION, MAINTENANCE OR TRANSFER OF INTEREST

A. Surrender of Leases:

1

2

3

5

6

8

10

11

12 13

14

15

16 17

18

19

20

21

22.

24

25

26

27

28

29

30

31

32

33

34

36

37

38

39

40 41

42

43

45

46 47

48

49

50

51 52 53

54

55 56

57

58

59 60

61 62

63 64

65 66

67

68

69

70

71

72

73

35

The Leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall not be surrendered in whole or in part unless all parties consent thereto.

However, should any party desire to surrender its interest in any Lease or in any portion thereof, such party shall give written notice of the proposed surrender to all parties, and the parties to whom such notice is delivered shall have thirty (30) days after delivery of the notice within which to notify the party proposing the surrender whether they elect to consent thereto. Failure of a party to whom such notice is delivered to reply within said 30-day period shall constitute a consent to the surrender of the Leases described in the notice. If all parties do not agree or consent thereto, the party desiring to surrender shall assign, without express or implied warranty of title, all of its interest in such Lease, or portion thereof, and any well, material and equipment which may be located thereon and any rights in production thereafter secured, to the parties not consenting to such surrender. If the interest of the assigning party is or includes an Oil and Gas Interest, the assigning party shall execute and deliver to the party or parties not consenting to such surrender an oil and gas lease covering such Oil and Gas Interest for a term of one (1) year and so long a mutually agreeable form.

thereafter as Oil and/or Gas is produced from the land covered thereby, such lease to be on / the form attached hereto as Exhibit "B." Upon such assignment-or lease, the assigning party shall be relieved from all obligations thereafter accruing, but not theretofore accrued, with respect to the interest assigned or leased and the operation of any well attributable thereto, and the assigning party shall have no further interest in the assigned or leased premises and its equipment and production, other than the royalties retained in any lease made under the terms of this Article. The party assignee or lessee shall pay to the party assignor or lessor the reasonable salvage value of the latter's interest in any well's salvable materials and equipment attributable to the assigned or leased acreage. The value of all salvable materials and equipment shall be determined in accordance with the provisions of Exhibit "C," less the estimated cost of salvaging and the estimated cost of plugging and abandoning and restoring the surface. If such value is less than such costs, then the party assignor or lessor shall pay to the party assignee or lessee the amount of such deficit. If the assignment or lease is in favor of more than one party, the interest shall be shared by such parties in the proportions that the interest of each bears to the total interest of all such parties. If the interest of the parties to whom the assignment is to be made varies according to depth, then the interest assigned shall similarly reflect such variances.

Any assignment, lease or surrender made under this provision shall not reduce or change the assignor's, lessor's or surrendering party's interest as it was immediately before the assignment, lease or surrender in the balance of the Contract Area; and the acreage assigned, leased or surrendered, and subsequent operations thereon, shall not thereafter be subject to the terms and provisions of this agreement but shall be deemed subject to an Operating Agreement in the form of this agreement.

B. Renewal, or Extension or Acquisition of Leases:

(which shall include renewals and extensions)

If any party acquires, or secures a renewal or replacement of, an Oil and Gas Lease / on lands or Interest within the Contract Area then all other parties

shall be notified promptly upon such acquisition or, in the case of a replacement Lease taken before expiration of an existing Lease, promptly upon expiration of the existing Lease. The parties notified shall have the right for a period of thirty (30) days following acquired, Oil and Gas delivery of such notice in which to elect to participate in the ownership of the / renewal or replacement / Lease, insofar as such Lease affects lands within the Contract Area, by paying to the party who acquired it their proportionate shares of the acquisition cost allocated to that part of such Lease within the Contract Area, which shall be in proportion to the interest held at that time by the acquired, Oil and Gas
parties in the Contract Area. Each party who participates in the purchase of an / renewal or replacement / Lease shall be given an assignment of its proportionate interest therein by the acquiring party.

If some, but less than all, of the parties elect to participate in the purchase of an / renewal or replacement / Lease, it shall be owned by the parties who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract Area of all parties participating in the purchase of such renewal or replacement Lease. The acquisition of an / renewal or replacement / Lease by any or all of the parties hereto shall not cause a readjustment of the interests of the parties stated in Exhibit "A," but any / renewal or replacement / Lease in which less than all parties elect to participate shall not be subject to this agreement but shall be deemed subject to a separate Operating Agreement in the form of this agreement.

If the interests of the parties in the Contract Area vary according to depth, then their right to participate proportionately in **Oil and Gas** or replacement / Leases and their right to receive an assignment of interest shall also reflect such depth variances.

Oil and Gas

s of this Article shall apply to -renewal or replacement / Leases whether they are for the entire interest covered by

The provisions of this Article shall apply to -renewal or replacement the expiring Lease or cover only a portion of its area or an interest therein. Any renewal or replacement Lease taken before the expiration of its predecessor / Lease, or taken or contracted for or becoming effective within six (6) months after the expiration of the existing Lease, shall be subject to this provision so long as this agreement is in effect at the time of such acquisition or at the time the renewal or replacement Lease becomes effective; but any / Lease taken or contracted for more than six (6) months after the expiration of an existing Lease shall not be deemed a renewal or replacement Lease and shall not be subject to the provisions of this

The provisions in this Article shall also be applicable to extensions of Oil and Gas Leases.

While this agreement is in force, if any party contracts for a contribution of cash towards the drilling of a well or any other operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall be applied by it against the cost of such drilling or other operation. If the contribution be in the form of acreage, the party to whom the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the proportions said Drilling Parties shared the cost of drilling the well. Such acreage shall become a separate Contract Area and, to the extent possible, be governed by provisions identical to this agreement. Each party shall promptly notify all other parties of any acreage or cash contributions it may obtain in support of any well or any other operation on the Contract Area. The above provisions shall also be applicable to optional rights to earn acreage outside the Contract Area which are in support of well drilled

If any party contracts for any consideration relating to disposition of such party's share of substances produced hereunder, such consideration shall not be deemed a contribution as contemplated in this Article VIII.C.

D. Assignment; Maintenance of Uniform Interest:

1

3

8

10 11

12

13

15

16 17

18

20

21

22

24

25

26 27

28

29

31

32

33

34

35

36

37

38

39

40

41

42

43

45

46 47

48

49

50

52

53

54 55

57

59

60

61 62

63

64

65

66

69

71

73

For the purpose of maintaining uniformity of ownership in the Contract Area in the Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production covered by this agreement no party shall sell, encumber, transfer or make other disposition of its interest in the Oil and Gas Leases and Oil and Gas Interests embraced within the Contract Area or in wells, equipment and production unless such disposition covers either:

- 1. the entire interest of the party in all Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production; or
- 2. an equal undivided percent of the party's present interest in all Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production in the Contract Area.

Every sale, encumbrance, transfer or other disposition made by any party shall be made expressly subject to this agreement and shall be made without prejudice to the right of the other parties, and any transferee of an ownership interest in any Oil and Gas Lease or Interest shall be deemed a party to this agreement as to the interest conveyed from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party hereunder with respect to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation conducted hereunder in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. shall continue to burden the interest transferred to secure payment of any such obligations.

If, at any time the interest of any party is divided among and owned by four or more co-owners, Operator, at its discretion, may require such co-owners to appoint a single trustee or agent with full authority to receive notices, approve expenditures, receive billings for and approve and pay such party's share of the joint expenses, and to deal generally with, and with power to bind, the co-owners of such party's interest within the scope of the operations embraced in this agreement; however, all such coowners shall have the right to enter into and execute all contracts or agreements for the disposition of their respective shares of the Oil and Gas produced from the Contract Area and they shall have the right to receive, separately, payment of the sale proceeds thereof.

E. Waiver of Rights to Partition:

If permitted by the laws of the state or states in which the property covered hereby is located, each party hereto owning an undivided interest in the Contract Area waives any and all rights it may have to partition and have set aside to it in severalty its undivided interest therein.

F. Preferential Right to Purchase:

□ (Optional; Check if applicable.)

Should any party desire to sell all or any part of its interests under this agreement, or its rights and interests in the Contract Area, it shall promptly give written notice to the other parties, with full information concerning its proposed disposition, which shall include the name and address of the prospective transferee (who must be ready, willing and able to purchase), the purchase price, a legal description sufficient to identify the property, and all other terms of the offer. The other parties shall then have an optional prior right, for a period of ten (10) days after the notice is delivered, to purchase for the stated consideration on the same terms and conditions the interest which the other party proposes to sell; and, if this optional right is exercised, the purchasing parties shall share the purchased interest in the proportions that the interest of each bears to the total interest of all purchasing parties. However, there shall be no preferential right to purchase in those cases where any party wishes to mortgage its interests, or to transfer title to its interests to its mortgagee in lieu of or pursuant to foreclosure of a mortgage of its interests, or to dispose of its interests by merger, reorganization, consolidation, or by sale of all or substantially all of its Oil and Gas assets to any party, or by transfer of its interests to a subsidiary or parent company or to a subsidiary of a parent company, or to any company in which such party owns a majority of the stock.

ARTICLE IX.

INTERNAL REVENUE CODE ELECTION

If, for federal income tax purposes, this agreement and the operations hereunder are regarded as a partnership, and if the parties have not otherwise agreed to form a tax partnership pursuant to Exhibit "G" or other agreement between them, each party thereby affected elects to be excluded from the application of all of the provisions of Subchapter "K," Chapter 1, Subtitle "A," of the Internal Revenue Code of 1986, as amended ("Code"), as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Operator is authorized and directed to execute on behalf of each party hereby affected such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Treasury Regulation §1.761. Should there be any requirement that each party hereby affected give further evidence of this election, each such party shall execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. No such party shall give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Contract Area is located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K," Chapter 1, Subtitle "A," of the Code, under which an election similar to that provided by Section 761 of the Code is permitted, each party hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each such party states that the income derived by such party from operations hereunder can be adequately determined without the computation of partnership taxable income.

ARTICLE X.

CLAIMS AND LAWSUITS

Operator may settle any single uninsured third party damage claim or suit arising from operations hereunder if the expenditure Dollars (\$ 50,000.00 67 | does not exceed **Fifty Thousand and No/100**) and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, the parties hereto shall assume and take over the further handling of the claim or suit, unless such authority is delegated to Operator. All costs and expenses of handling settling, or otherwise discharging such claim or suit shall be a the joint expense of the parties participating in the operation from which the claim or suit arises. If a claim is made against any party or if any party is sued on account of any matter arising from operations hereunder over which such individual has no control because of the rights given Operator by this agreement, such party shall immediately notify all other parties, and the claim or suit shall be treated as any other claim or suit involving operations hereunder. All claims or suits involving title to any interest subject to this Agreement shall be treated as a claim or suit against all parties hereto.

ARTICLE XI. FORCE MAJEURE

1 2

If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other than the obligation to indemnify or make money payments or furnish security, that party shall give to all other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but no longer than, the continuance of the force majeure. The term "force majeure," as here employed, shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightening. The fire, storm, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable. The requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its wishes; how all such difficulties shall be handled shall be entirely within the discretion of the party concerned.

ARTICLE XII. NOTICES

All notices authorized or required between the parties by any of the provisions of this agreement, unless otherwise specifically provided, shall be in writing and delivered in person or by United States mail, courier service, telegram, telex, telecopier / or any other form of facsimile, postage or charges prepaid, and addressed to such parties at the addresses listed on Exhibit "A." All telephone or oral notices permitted by this agreement shall be confirmed immediately thereafter by written Notice (oral notice will not be considered valid notice unless written confirmation is received with in forty-eight (48) hours of such oral notice). The originating notice given under any provision hereof shall be deemed delivered only when received by the party to whom such notice is directed, and the time for such party to deliver any notice in response thereto shall run from the date the originating notice is received. "Receipt" for purposes of this agreement with respect to written notice delivered hereunder shall be actual delivery of the notice to the address of the party to be notified specified in accordance with this agreement, or to the telecopy, facsimile, or-telex machine / of such party. The second or any responsive notice shall be deemed delivered when deposited in the United States mail or at the office of the courier or telegraph service, or upon transmittal by telex, telecopy, or-facsimile, or when personally delivered to the party to be notified, provided, that when response is required within 24 or 48 hours, such response shall be given orally or by telephone, telex, telecopy, email or other facsimile within such period. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to all other parties. If a party is not available to receive notice orally or by telephone when a party attempts to deliver a notice required to be delivered within 24 or 48 hours, the notice may be delivered in writing by any other method specified herein and shall b

ARTICLE XIII.

TERM OF AGREEMENT

This agreement shall remain in full force and effect as to the Oil and Gas Leases and/or Oil and Gas Interests subject hereto for a period of six (6) months after the last Oil and Gas Lease, or extension or renewal thereof, within the Contract Area expires or is terminated. the period of time selected below; provided, however, no party hereto shall ever be construed as having any right, tittle

or interest in or to any Lease or Oil and Gas Interest contributed by any other party beyond the term of this agreement.

Option No. 1: So long as any of the Oil and Gas Leases subject to this agreement remain or are continued in force as to any part of the Contract Area, whether by production, extension, renewal or otherwise.

The termination of this agreement shall not relieve any party hereto from any expense, liability or other obligation or any remedy therefor which has accrued or attached prior to the date of such termination.

Upon termination of this agreement and the satisfaction of all obligations hereunder, in the event a memorandum of this Operating Agreement has been filed of record, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon request of Operator, if Operator has satisfied all its financial obligations.

ARTICLE XIV.

COMPLIANCE WITH LAWS AND REGULATIONS

A. Laws, Regulations and Orders:

This agreement shall be subject to the applicable laws of the state in which the Contract Area is located, to the valid rules, regulations, and orders of any duly constituted regulatory body of said state; and to all other applicable federal, state, and local laws, ordinances, rules, regulations and orders.

B. Governing Law

This agreement and all matters pertaining hereto, including but not limited to matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the law of the state in which the Contract Area is located. If the Contract Area is in two or more states, the law of the state of Idaho shall govern.

C. Regulatory Agencies:

Nothing herein contained shall grant, or be construed to grant, Operator the right or authority to waive or release any rights, privileges, or obligations which Non-Operators may have under federal or state laws or under rules, regulations or

END OF PAGE 16

 orders promulgated under such laws in reference to oil, gas and mineral operations, including the location, operation, or production of wells, on tracts offsetting or adjacent to the Contract Area.

With respect to the operations hereunder, Non-Operators agree to release Operator from any and all losses, damages, injuries, claims and causes of action arising out of, incident to or resulting directly or indirectly from Operator's interpretation or application of rules, rulings, regulations or orders of the Department of Energy or Federal Energy Regulatory Commission or predecessor or successor agencies to the extent such interpretation or application was made in good faith and does not constitute gross negligence. Each Non-Operator further agrees to reimburse Operator for such Non-Operator's share of production or any refund, fine, levy or other governmental sanction that Operator may be required to pay as a result of such an incorrect interpretation or application, together with interest and penalties thereon owing by Operator as a result of such incorrect interpretation or application.

ARTICLE XV. MISCELLANEOUS

A. Execution:

1 I

2

3

4

5

6

8

10

11

12 13

14

15 16

17

18

19 20

21 22

23

24

25

26

27 28 29

30

31

32

33 34

35 36

37

38

39

40

‡h 46

47 48

49 50

51

52 53

54

55 56

57

58 59

60 61 62

63

64

65

66 67

68 69

70

71

72

73

74

This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, an interest in the Contract Area. Operator may, however, by written notice to all Non-Operators who have become bound by this agreement as aforesaid, given at any time prior to the actual spud date of the Initial Well but in no event later than five days prior to the date specified in Article VI.A. for commencement of the Initial Well, terminate this agreement if Operator in its sole discretion determines that there is insufficient participation to justify commencement of drilling operations. In the event of such a termination by Operator, all further obligations of the parties hereunder shall cease as of such termination. In the event any Non-Operator has advanced or prepaid any share of drilling or other costs hereunder, all sums so advanced shall be returned to such Non-Operator without interest. In the event Operator proceeds with drilling operations for the Initial Well without the execution hereof by all persons listed on Exhibit "A" as having a current working interest in such well, Operator shall indemnify Non-Operators with respect to all costs incurred for the Initial Well which would have been charged to such person under this agreement if such person had executed the same and Operator shall receive all revenues which would have been received by such person under this agreement if such person had

B. Successors and Assigns:

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns, and the terms hereof shall be deemed to run with the Leases or Interests included within the Contract Area.

This instrument may be executed in any number of counterparts, each of which shall be considered an original for all

D. Severability:

For the purposes of assuming or rejecting this agreement as an executory contract pursuant to federal bankruptcy laws, this agreement shall not be severable, but rather must be assumed or rejected in its entirety, and the failure of any party to this agreement to comply with all of its financial obligations provided herein shall be a material default.

ARTICLE XVI. OTHER PROVISIONS

Notwithstanding anything herein to the contrary, if any provision of this Article XVI is in conflict with Articles I. through XV of this Operating Agreement or any Exhibit to this Operating Agreement, the provisions of this Article XVI shall govern and

PRIORITY OF OPERATIONS

- When any well has been drilled to its authorized depth, if the Consenting Parties to the drilling of such well cannot mutually agree upon the conduct of further operations, the operations proposed to be conducted shall be governed by the following sequence of priority:
 - a proposal to do additional logging, coring or testing of the open hole; then
 - **(b)** a proposal to attempt to complete the well in the objective formation; then
 - a proposal to plug the well back and to attempt a completion in a formation above or below the objective (c)
 - (d) a proposal to deepen the well; then
 - a proposal to sidetrack the well; then
 - a proposal to plug and abandon the well.

No party may propose any operation with respect to any well under this Article (i) while there is pending a prior proposal for any operation respecting such well until that proposal is withdrawn or terminates, or until the operation contemplated thereby has been completed or (ii) while there is in progress any operation on such well until such operation has been completed.

If, at the time the Consenting Parties are considering any of the above proposals, the hole is in such a condition that a prudent Operator would not conduct a proposal(s) for fear of placing the hole in jeopardy or losing the same prior to any attempt to complete the well in the objective formation, then a proposal(s) shall not be given the priority set forth above. If additional logging, coring or testing is conducted, it shall be done at the sole risk, cost and expense of the Parties participating therein, who shall be responsible for any damage to the well bore resulting from such testing, including the re-drilling of the well if necessary. The Non-Consenting Party to such additional evaluation shall not be entitled to logs, information or data resulting from such tests.

SUBSEQUENT WELL PROPOSALS В.

- Other than the Initial Well, any party may submit a proposal to drill a well ("Proposed Well") in the Contract Area. Such proposal shall be made in writing to the other party or parties and shall be accompanied by:
 - A definition of the exploration objectives, including horizons and depths;
 - **(b)** The surface and bottom hole locations for the well;
 - Land plat showing location of leases; (c)
 - (d) Other information in support of an Proposed Well proposal;
 - The estimated costs for drilling the Well, in the form of a proposed AFE therefor; and (e)

(f) Drilling Prognosis.

The receiving parties shall have a period of thirty (30) days after receipt of such Proposal in which to make their participation election in the Proposed Well by returning to the Operator its election and approved AFE. If a Party elects not to participate in the Proposed Well or fails to timely notify Operator of its election within said thirty (30) days of receipt of such Proposal, that party shall, by such election or inaction, be deemed a Non-Consenting Party and shall have forfeited, without recourse, compensation or reimbursement of costs, all of its rights, title and interests in and to the Proposed Well and all Oil & Gas Interests associated with the Proposed Well as provided in Article XVI. D, below. In the event the initial well is not drilled within the time frames provided under this Operating Agreement, the Well Proposal shall be considered as though it had never been made. Any funds forwarded to the Operator shall be returned within ten (10) business days of the expiration of the ninety (90) day period and any interest forfeited shall be returned or assigned back to the Non-Consenting Party.

8 9 10

5

6 7

> No more than four (4) well proposals may be outstanding at any one time, unless it is necessary to sooner commence drilling operations on another well to preserve one or more leases, to satisfy an express off-set well obligation, or farmout.

11

3. For the purposes of this Article XVI.B, a proposal is no longer considered outstanding when a well has been Completed, abandoned, or drilling operations are not commenced within the time period allowed for proposed operations under this Operating Agreement.

12 13 14

ADVANCEMENT OF COSTS C.

15

DRILLING COSTS

24 25

Operator shall from time to time call for and receive from Non-Operators, payment in advance of Non-Operators' share of the estimated cost to drill any well to its total depth, to conduct open hole tests, therein, prior to a completion attempt, and to plug and abandon same as a dry hole, which right will be exercised by submission to Non-Operators, of an AFE and invoice for Non-Operators' share thereof. Non-Operators shall, within thirty (30) days following receipt of Operator's Invoice and AFE, deliver to Operator, Non-Operators' share of the Invoice and approved AFE. Failure by any Non-Operator to timely deliver its share of cost and approved AFE shall constitute an election to not participate in the drilling of such well; and in the event such well is the Initial Well or Substitute Well, such Non-Operator shall be deemed to have forfeited, without recourse, all of its right, title and interest in and to the Contract Area; or in the event such well is any well other than the Initial Well or Substitute Well ("Subsequent Well") the terms of Article XVI.D shall apply. Proper adjustment shall be made between advances and actual expenses, to the end that Non-Operators will pay only its share of actual costs.

26 27

OTHER THAN DRILLING COSTS

28 29 30

Operator, at its discretion, may from time to time demand and receive from one or more of the other parties payment in advance of their respective shares of the estimated amount of the expense to be incurred in operations proposed under this Agreement Article VI. Operator shall submit to each such party, along with written notice of the proposed operation, an AFE itemizing such estimated expense, together with an invoice for its share thereof. Each party shall pay to Operator its proportionate share of such estimate within the time frame provided for delivery of notification of said Party's election to participate in the proposed operation. Failure by any Party to timely deliver its share of said estimated expense within said time frame shall constitute an election to not participate in such operations, except for in the case of elections under Article VI.E.

NON-CONSENT TO DRILL WELLS

surface access and use, related thereto.

36 37 38

35

Notwithstanding anything in this Operating Agreement to the contrary,

39

40

41

In the event any Party elects not to drill any well, the Non-Consenting Party shall, if such well is completed as an oil and/or gas well, immediately assign to the Consenting Parties, all rights, title and interests in and to the well and wellbore, including, without limitation, all production and revenues related thereto, all equipment and facilities, personal property, rights of ingress and egress,

Article VI.B.2. shall not apply to any Party's election not to join in and pay for the drilling of a well on a Contract

42 43 44

Such assignment shall convey all rights between the surface and the total depth drilled in such well, plus 100.0 feet.

In the event any well is not commenced within 90 days of proposing such well and thereafter drilled to its authorized depth, or is timely commenced and thereafter drilled to its authorized depth but is thereafter plugged and abandoned as a dry hole, no assignment by the Non-Consenting Party shall be due.

Article VI.B.2. will not apply to any operation which is necessary to perpetuate an expiring Oil and Gas Lease or interest therein or to perpetuate or earn rights in and to a lease pursuant to a farmout or other exploration agreement, including an operation required in the continuous development provision of a lease, farmout or other exploration agreement ("Required Operation''). If any Party elects not to participate in a Required Operation, the Non-Consenting Party will assign to the Consenting Parties that portion of the Contract Area(s) as set forth in Article XVI.N.3, below.

53 54 55

Nothing herein shall ever be construed so as to require an assignment of any Non-Consenting Party's interest in a producing well, or any land or lands in the contract area perpetuated thereby.

56 57 58

Any assignment shall not relieve the Non-Consenting Party from any obligation, liability or responsibility theretofore incurred.

NON-CONSENT TO COMPLETE, REWORK, RECOMPLETE, DEEPENING, SIDETRACKING OR PLUGGING

59 60 BACK OPERATION

Article VI.C.1. Option No. 2 shall apply to the completion of all wells.

61 62

The provisions of Article VI.B.2. shall apply to the Reworking, Recompleteing, Deepening, Sidetracking and Plugging Back of any well after it has been drilled to its authorized depth.

64 65 66

63

In the event a Consenting Party to the drilling and Completion of a well elects not to participate in the Reworking, Recompleting or Plugging Back operation for such well, said party shall be deemed to have relinquished to the Consenting Parties to the Reworking, Recompleting or Plugging Back operation in said well, who shall own and be entitled to receive all of such Non-Consenting Party's interest in such well, its leasehold operating rights and share of production therefrom, insofar and only insofar as it pertains to the zone or zones which are being Reworked, Recompleted or to which the well is being Plugged Back.

73

74

If pursuant to Article VI.B.2. hereto, less than all of the parties elect to participate in a proposed Reworking, Deepening or Plugging Back operation, and if such operation does not result in the production of hydrocarbons in commercial quantities, or result in a completion that ceases to produce in commercial quantities prior to the time at which the consenting parties are fully reimbursed as provided in Article VI.B.2., then, notwithstanding anything in this Operating Agreement to the contrary, the party or parties who elect not to participate in such Reworking, Deepening or Plugging Back operation shall nevertheless be responsible for their proportionate share (as set forth in Exhibit "A") of the cost to plug and abandon such well and salvage the equipment therefrom, except for the additional plugging and abandonment or salvage costs that are caused by the Reworking, Deepening or Plugging Back operation in which the party or parties did not participate and any exceptional expenses attributable to well control incidents resulting therefrom; the consenting parties shall be solely responsible for such additional costs.

F. DEFAULT

- 1. If any Party, including the Operator, fails to pay its share of any cost which it is obligated to pay under any provision of this Agreement ("Defaulting Party"), and if such default continues for a period of fifteen (15) days following delivery by any of the other Parties ("Non-Defaulting Parties") of written notice of such default to the Defaulting Party, then at any time after the expiration of such notice period, the Non-Defaulting Parties shall be entitled to the following remedies:
 - (a) The Non-Defaulting Parties may suspend by written notice, any or all of the rights of the Defaulting Party under this Agreement, without prejudice to the right of the Non-Defaulting Parties to continue to enforce the obligations of the Defaulting Party under this Agreement. The rights of a Defaulting Party that may be suspended hereunder at the election of the Non-Defaulting Parties shall include, without limitation, the right to elect to participate in any subsequent operation regarding the well to which the default relates, or any subsequent operation proposed under this Agreement; and
 - (b) The Non-Defaulting Parties may take any action to which it may be entitled or pursue any remedy to collect the amounts in default, together with all damages suffered by the Non-Defaulting Parties as a result of the default, plus interest accruing on the amounts recovered from the date of default until the date of collection at the rate specified in the Accounting Procedure together with reasonable attorney's fees and court costs related thereto; or
 - (c) The Non-Defaulting Parties may deliver a written notice to the Defaulting Party at any time after the default occurs with the following effect:
 - (i) If the billing is for the completion or recompletion of a well, the Defaulting Party will be deemed conclusively to have elected not to participate in the subject operation under Paragraph VI.B.2. above from the time of the billing, which led to the default and to be a Non-Consenting party with respect thereto, notwithstanding any election to participate theretofore made.
 - (ii) Until the delivery of such notice to the Defaulting Party, the Defaulting Party shall have the right to cure its default by paying the unpaid billing(s) plus interest at the rate set forth in the Accounting Procedure. Any interest relinquished pursuant to this Paragraph shall be owned by the Non-Defaulting Parties pursuant to Paragraph VI.B.2. above, and the Non-Defaulting Parties shall be liable to contribute its share of the defaulted amount.
 - (iii) The Operator on behalf of the Non-Defaulting Parties may reduce any and all revenues, if any, attributed to the Defaulting Party's interest by the amount in default plus any interest charges accruing on such defaulting amount as provided in the Accounting Procedure.
- 2. Notwithstanding the other provisions of this Paragraph, if a Party fails to pay part or all of its share of costs hereunder because of a legitimate disagreement as to the appropriateness of part or all of the billing(s) in question, and if such Party makes such disagreement and the grounds therefore known to the other Party in writing prior to the due date of such billing and timely tenders payment of all undisputed amounts, then such Party shall not be subject to Section 1. (a) or 1. (c) of this Paragraph.
- 3. Notwithstanding anything in this Operating Agreement to the contrary, in the event a Defaulting Party fails to pay its share of costs which it is obligated to pay under any provision of this Agreement within fifteen (15) days after Defaulting Party's receipt of notice of such failure to pay, the Operator, at its sole discretion, may withhold from a Non-Operator's production revenues related to any well Operator operates pursuant to the Exploration Agreement all accrued unpaid lease operating expenses, past due balances, and accrued unpaid expenses allocated to any well Operator operates on behalf of a Non-Operator pursuant to the Exploration Agreement.

G. OPERATIONS ON PRODUCING WELLS

- 1. No well producing in paying quantities shall be reworked, recompleted or deepened, or plugged and abandoned without the consent of all Parties, except that a well producing in paying quantities may be "fraced" or otherwise stimulated for the purposes of enhancing existing production with the consent of the parties owning or representing at least 60.0% Percentage Interest in the well.
- 2. The provisions of Article VI.B. will apply to a proposal by any Party desiring that one or more producing zones within a well be "fraced" or otherwise stimulated for purposes of enhancing existing production. Except as set forth in Paragraph 1. above, any such proposed stimulation of a producing well may be performed if so approved by the Parties owning the working interest in such well or zone. The Party electing not to participate in the stimulation effort will be deemed a Non-Consenting Party and, as to such stimulation, will be subject to the penalties otherwise provided in Article VI.B.2. (a) and (b). The Consenting Parties in the stimulation effort will not be liable in damages to the Non-Consenting Party, if, as a consequence of the attempted stimulation, the well or zone is damaged, lost or destroyed.

H. PIPELINE AND/OR GATHERING LINE CONSTRUCTION

- (a) For each well within the Contract Area, each party shall pay its proportionate share of all pipeline, gathering and related facilities costs constructed within the Contract Area.
- (b) If any Party elects, in an operation not covered by Article VI, to construct, operate or purchase, or join in the construction, operation or purchase of a pipeline and/or gathering line to transport production from, but not within, the Contract Area, then such Party shall notify the other Parties furnishing all pertinent costs and information. The Parties receiving such notice shall have the right to participate in the construction, operation and ownership of such pipeline and/or gathering line by assuming their proportionate shares of the obligations and paying the costs attributable thereto.

I. COST ALLOCATION

Notwithstanding anything to the contrary contained in the Operating Agreement or the Accounting Procedure attached hereto as Exhibit "C", the following items shall not be considered within the category of administrative overhead:

- 1. All cost and expenses for outside attorneys and oil lease brokers incurred in the acquisition of Oil and Gas Leases and examination of and curing of titles.
- 2. All outside fees for legal, geological, geophysical, engineering, drafting and reproductive services and other costs and expenses as incurred in connection with the preparation and presentation of evidence and exhibits and handling of applications to and hearings before any governmental agencies or regulatory bodies.

J. DELAY RENTALS, OPTION PAYMENTS AND LEASE EXTENTIONS

Operator shall submit to the parties reports of the monthly delay rental payments that will be due and payable on leases subject hereto at least 60 days in advance of such payments being due, together with the due dates for such payments, Operator's recommendations for the payment or non-payment thereof, and a general description of the lands covered by same. A party may elect to terminate its interest in a lease or leases by providing written notice to Operator and all other parties hereto then owning an interest in said lease or leases, to the effect that the notifying party will not participate in the next ensuing delay rental payment with respect to

17

18

26

38

39

51

52

59

60

61

62 63

such lease or leases at least 40 days in advance of such payments being due. Failure to notify Operator and such other parties of a party's election at least 40 days in advance of the rental payment due date shall be deemed an election to participate in payment of rentals. If at any time a party elects not to participate in payment of a delay rental, then the parties electing to participate in the payment shall have the right to assume their respective proportionate shares of the interest in the affected lease of the party electing not to participate by providing written notice to the other participating parties and Operator within 10 days after receipt of the notice of a party's election not to participate. Failure to provide such notice shall be deemed an election not to assume an interest. In the event that after such elections an interest in the affected lease remains that has not been assumed, Operator within 48 hours shall notify the participating parties, who may elect to assume their respective proportionate shares of such remaining interest by providing written notice within 48 hours after receipt of notice of the interest that is available; failure to provide such notice shall be deemed an election not to assume an additional interest. If, after all such elections, an interest remains that has not been assumed by a party, then, at Operator's sole discretion, the Operator may elect either to assume the remaining interest and make the delay rental payment or elect not to make the rental payment and allow the affected lease or leases to lapse and shall notify all of the parties.

A party electing to terminate its interest in a lease or leases shall assign its interest therein to the participating parties free of any overriding royalty interests, net profits interests or other burdens or encumbrances other than the lessor's royalties and any burdens listed on Exhibit "A" hereof. Any such lease or leases shall be removed from the terms of this Operating Agreement but shall be subject to the terms of an identical operating agreement between the participating parties with only the interests of the parties changed on Exhibit "A".

GAS MARKETIGN BY OPERATOR AND OPERATOR AS DISBURSING AGENT FOR NON-OPERATOR K.

Gas Marketing by Operator

If any party fails to make the arrangements necessary to take in kind or separately dispose of its proportionate share of Gas produced from the Contract Area, Operator shall have the right, but not the obligation, to purchase such Gas or sell it to others at any time and from time to time, for the account of the non-taking party at the same price obtained for Operator's share of Gas production under an arms length, third party, purchase or sales contract. Any such purchase or sale by Operator may be terminated by Operator with a thirty (30) day prior written notice to the owner of such Gas production. The owner of such Gas production shall, with a thirty (30) day prior written notice to Operator, have the right at any time to exercise its right to take in kind, or separately dispose of, its share of Gas production, provided, however, that such Gas production is not committed under a gas sales, transportation or marketing contract. Any purchase or sale by Operator of any party's share of Gas under a gas sales, transportation or marketing contract shall be only for such reasonable periods of time as are consistent with gas sales, transportation or marketing contracts for similar gas produced in the vicinity of the Contract Area.

Operator as Disbursing Agent

Subject to the right of Non-Operator to take in kind its share of production from the Contract Area(s), Non-Operator designates Operator as the agent of Non-Operator to receive and disburse the proceeds derived from the sale of oil and gas produced from the Contract Area(s), including, but not limited to, disbursements to Non-Operators, royalty owners, and payment of severance and production taxes. Subject to provisions of the lien, security and default provisions of this Operating Agreement, Operator shall remit to Non-Operators their proportionate share of such proceeds within thirty (30) days after the receipt by Operator of such proceeds, less such Non-Operators share of all severance and production taxes.

AFE/COST OVERRUNS

Notwithstanding anything herein to the contrary, Operator shall not expend for any drilling, Completion, Reworking, Sidetracking, Deepening, Plugging Back or Recompleting operation an amount in excess of 115% of the amount authorized for the total operation by virtue of the original or initial AFE without first submitting a Supplemental AFE(s) to the Non-Operator(s) for approval. Any Non-Operator receiving such a Supplemental AFE(s) shall have a period of three (3) days which to either approve or reject the additional expenditure (however, if a rig is on location, every such Non-Operator shall make its best efforts to respond within 24 hours). Failure to respond shall constitute approval. In the event of non-approval, all subsequent operations conducted pursuant to such Supplemental AFE(s) shall be subject to the provisions of Article VI.B.2. Operations By Less Than All Parties, provided, however, that if a Non-Operator rejects the additional expenditure and the operation being conducted is a Required Operation, said Non-Operator shall assign and forfeit to the parties continuing with the operation all of its interest in the leases or portions thereof and to the formations and depths covered thereby which would be lost or not earned if such operation is not continued. This paragraph shall not apply to expenditures by the Operator which are required to deal with explosion, fire, flood or other sudden emergency, whether of the same or different nature, or operations required to maintain the hole in a stable condition.

INFORMATION DISTRIBUTION LIST/GEOLOGICAL WELL REQUIREMENTS

Attached hereto as Exhibit "G", entitled "Information Distribution List/Geological Well Requirements," is a summary of the notice and data requirements which Operator hereby agrees to observe and perform with respect to each Non-Operator.

REQUIRED OPERATIONS

- If a proposal is made for the drilling, Deepening, Reworking, Plugging Back, Sidetracking or Recompleting of a well or wells or for any other operation proposed or required within six months of the expiration of any right and/or interest subject to this Operating Agreement in order to (1) continue a lease or leases in force and effect, or (2) maintain a unitized area or any portion thereof in force and effect, or (3) earn an interest in and to oil and/or gas and other minerals which may be owned by any third party or preserve any rights to such interest which, failing such operation, would revert to a third party, or (4) comply with an order issued by a regulatory body having jurisdiction over the premises, failing which certain rights would terminate within such period, any such operation shall be a "Required Operation".
- Should fewer than all the parties hereto elect to participate and pay their proportionate part of the costs to be incurred in a Required Operation, any party or parties desiring to participate shall have the right to do so in the manner provided elsewhere herein, at their sole cost, risk and expense.
- Promptly following the conclusion of a Required Operation, each party not participating in said Required Operation shall deliver to the party or parties participating in said Required Operation an assignment of all of the right, title and interest of said non-participating party in that portion of the leases and/or other rights and interest which are maintained, perpetuated or earned as a result of said Required Operation. The right, title and interest assigned and conveyed shall be shared by the participating parties in the proportion that the interest of each bears to the total interest of all the participating parties. Such assignment shall be executed and delivered within thirty (30) days of the conclusion of such Required Operation by each party not electing to participate and shall be in a form acceptable to the participating party or parties, free and clear of any overriding royalty interest, production payments, mortgages, liens or other encumbrances placed thereupon or arising out of the assigning party's ownership and operations subsequent to the date of this Operating Agreement, but otherwise without warranty of title, either express or implied. The leases, rights and interests in which an interest is assigned pursuant to the terms hereof shall no longer be subject to this Operating Agreement, but said leases, rights and interests shall be solely subject to a separate operating agreement which accurately reflects the interests of the party or parties in the Required Operation, and which is otherwise identical to this Operating Agreement. The written notice and/or AFEs covering Required Operations to be sent to the parties for their election to participate therein as provided in Article VI.B.1. will be clearly marked or identified as a proposal for a Required Operation.

O. ASSIGNMENTS

1 2

- 1. Any Assignments made as a result of forfeiture of interest, or as a result of Article VI. and/or Article XVI.D, E and F shall be free of any overriding royalty interests, net profit interests, burdens on production or any other burdens or encumbrances.
- 2. Subject to the provisions of Article VIII D., any party may sell or assign all or any portion of its interest in the Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production within the Contract Area covered by this agreement to one or more third parties without the consent of any other party hereto, provided that such sale or assignment shall be made subject to the provisions of this Operating Agreement and the Participation Agreement and the third party assignee or assignees agree to assume allfuture obligations hereunder. Such sale or assignment shall not be binding upon the other parties to this agreement until Operator is furnished with a copy of the legal instrument evidencing such conveyance. Once a party assigns an interest in the Contract Area to one or more third parties and the Operator has been furnished with notice of such assignment as provided for herein, the assigning party shall have no further liability or obligations under this agreement with respect to the interest so assigned except for those outstanding liabilities or obligations due and owing to another party to this agreement for time periods prior to the effective date of the assignment.
 - 3. In addition, the following language shall be added to any assignment or conveyance from any parties:

"This assignment is made subject to, and Assignee agrees to assume its proportionate share of all obligations and liabilities arising under the terms of that certain Operating Agreement dated _______, naming ______as Operator. Assignee expressly assumes responsibility for, and agrees to pay, perform, fulfill and discharge its proportionate share of all claims, costs, expenses, liabilities and obligations accruing or relating to, the ownership, operation, maintenance, exploration, production, or development of the Leases, wells and equipment assigned herein, as to all periods on or after the effective date of this assignment, including, without limitation, all environmental claims. Without limiting the generality of any of the foregoing, Assignee accepts responsibility for and agrees to pay its proportionate share of all costs and expenses associated with plugging and abandonment of the wells assigned herein, together with surface restoration required under applicable law, the Leases or any other contracts assigned hereunder (the obligations and liabilities described herein are referred to as the Assumed Obligations.

ASSIGNEE SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS ASSIGNOR, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS ("ASSIGNOR INDEMNIFIED PARTIES") AGAINST ALL LOSSES, DAMAGES, CLAIMS, DEMANDS, SUITS, COSTS, EXPENSES, LIABILITIES AND SANCTIONS OF EVERY KIND AND CHARACTER, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES, COURT COSTS AND COSTS OF INVESTIGATION, WHICH ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE ASSUMED OBLIGATIONS DESCRIBED HEREIN."

P. RESERVE ACCOUNT FOR PLUGGING OPERATIONS

In order to have sufficient funds on hand to meet plugging obligations, the Operator may charge the joint account, over the life of any well(s) on the Contract Area, for estimated costs to plug and abandon said wells (including the costs to cleanup the location and restore the surface are of lease used in oil and gas operations) (referred to herein as "Amortized P&A Charges"). These Amortized P&A Charges may not exceed twenty thousand dollars (\$20,000.00) per well. The intent of this covenant is to allow Operator, in the latter stages of the economic life of a well and/or lease, to have available funds on account to conduct P&A operations in accordance with actual Railroad Commission (or environmental agency) regulations and lease requirements. Each party shall pay its proportionate share of the costs of plugging and abandonment above the Amortized P&A Charges.

Q. ADDITIONAL SECURITY PROVISIONS

1. SECURITY INTEREST

The lien and security interest granted by each Non-Operators and by Operator to the Non-Operator under Article VII.B shall extend not only to such Party's rights, title and interests in the Contract Area(s) (which for greater certainty shall include all of each Party's leasehold interest and leasehold estate in the Contract Area(s)), the oil and/or gas when extracted and equipment (as mentioned in said Article) but also to all accounts, contract rights, extracted oil and gas and said equipment or which are otherwise owned or held by any such party in the Contract Area(s). Further, the lien and security interest of said Party shall extend to all proceeds and products of all of the property and collateral described in this paragraph and in Article VII.B as being subject to said lien and security interest.

2. LIEN ON UNEXTRACTED HYDROCARBONS

In addition to the liens and security interests as provided in Article VII.B., each party to this Agreement, to secure payment of its share of expenses incurred under this Operating Agreement, grants to the other party a lien on all of its right, title and interest now owned or hereafter acquired in the Contract Area including, but not limited to, the oil and gas leases, mineral estates and other mineral interests subject to this Operator Agreement and any properties now or hereafter pooled or unitized with any of the properties affected by such mineral interests; and all unsevered and unextracted oil, gas and other hydrocarbons that may be produced, obtained or secured from the lands covered and affected by such mineral interests such lien shall be perfected by rewording in the Real Property Records of the county in which the acreage within the Contract Area exists, Memorandum in the same form as the Exhibit "H" attached hereto.

3. CONTRACTUAL RIGHT OF OFFSET

- a. In addition to the rights and remedies afforded to Operator pursuant to the terms of Article VII.D., or at law or in equity, it is understood and agreed that each defaulting party grants to the Operator a contractual right of offset in and to all money, production, proceeds from the sale of production and property of every kind or character of such defaulting party, now or at any time hereunder coming within Operator's custody or control, wheresoever located whether or not subject to the terms of this Agreement or any other agreement between Operator and defaulting party. Operator, may, at its election, at any time and from time to time, reduce (or eliminate, as the case may be) any debt owing to it by any defaulting party by applying such defaulting party's money, proceeds or property in the custody or control of Operator to the balance owned on such debt and giving such defaulting party appropriate credit therefore. Any such amounts so applied shall first be applied to any past due interest, if any, then to any costs, including attorney's fees, incurred by Operator in the collection of the proceeds or property, and then to the underlying debt. It is agreed and understood that Operator's contractual right of offset shall extend to and include all proceeds of production attributable to the defaulting party from any wells in which the defaulting party owns an interest.
- b. The lien and security interest granted by each Non-Operators and by Operator to the Non-Operator under Article VII.B shall extend not only to such party's rights, title and interests in the Contract Area(s) (which for greater certainty shall include all of each Party's leasehold interest and leasehold estate in the Contract Area(s)), the oil and/or gas when extracted and equipment (as mentioned in said Article) but also to all accounts, contract rights, extracted oil and gas and said equipment or which are otherwise owned or held by any such party in the Contract Area(s). Further, the lien and security interest of said Party shall extend to all proceeds and products of all of the property and collateral described in this paragraph and in Article VII.B as being subject to said lien and security interest.

- 17e -

4. RIGHT OF EXECUTORY FORECLOSURE

In addition to all rights and remedies afforded Operator under Article VII.B., in the event any debt owing by the defaulting party to Operator shall exceed any money, proceeds of sale of production, or property of such defaulting party as provided in the contractual right of offset as provided in Paragraph Q.3 above, the Operator may elect to proceed and foreclose the lien of Operator against the interest of any defaulting party in accordance with the laws of the State of Idaho. Non-Operator hereby delegates Operator as its agent and attorney in fact to execute any and all documents reasonably necessary to carry out an executory foreclosure pursuant the laws of the State of Idaho.

R. EQUAL OPPORTUNITY EMPLOYER

All of the Parties are Equal Opportunity Employers. To the extent that this Agreement may be subject to Executive Order 11246, as amended, the equal opportunity provision (41 CFR 60-1) is incorporated herein by reference. To the extent required by applicable Laws and regulations, this Agreement also includes and is subject to the affirmative actions clause concerning disabled veterans of the Vietnam era (41 CFR 60-250) and the affirmative action clauses concerning employment of the handicapped (41 CFR 60-741), which clauses are incorporated herein by reference.

S. AUDIT

1 2

Title:

Notwithstanding anything to the contrary contained in the Accounting Procedure, upon receipt of any audit report conducted on the Joint Account by Non-Operator, Operator shall respond in writing to such audit report as soon as reasonably possible, but not greater than have sixty (60) days of such receipt.

T. WELL CONTROL INSURANCE

The interest of each party hereto shall be included in Operator's Control of Well Insurance policy and a proportionate part of the cost of such insurance shall be borne by the respective parties unless Operator is notified otherwise in writing and provided a Certificate of Insurance in compliance with Exhibit "D", which is attached hereto, prior to commencement of operations or prior to any operation to be performed on a well in accordance with attached Exhibit "D".

U. TRANSITION OF OPERATOR

Upon the selection of the successor operator, the Operator who has been removed or has resigned shall promptly deliver to the successor operator all original records relating to operations on the contract area, including current accounting information with regard to the status of the joint account, information concerning all invoices not yet paid by the Operator who has resigned or been removed, all logs, maps and all other information concerning operations. Duplicating expenses required by virtue of the change of operator shall be charged to the joint account.

V. HEADINGS

The Article and Paragraph headings used in this Agreement are inserted for convenience only and shall be disregarded in interpreting or construing this Agreement.

W. ADDITIONAL DEFINITIONS

"Horizontal Well" shall mean a well drilled at an angle to the vertical wellbore, so the well runs parallel to the target formation or zone.

X. BINDING

This Agreement will be binding and will inure to the benefit of the Parties, their respective heirs, representatives, successors and assigns.

Y. COUNTERPARTS

This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. A facsimile, telegraphic or any other form of authenticated electronic signature shall be effective in all respects as an original signature. Failure of any party to execute this Operating Agreement shall not render this Operating Agreement ineffective as to and between the other parties executing that executing this Operating Agreement.

OPERATOR

50	
51	SNAKE RIVER OIL AND GAS, LLO
52	
53	
54	
55	
56	
57	
58	NON-OPERATORS
59	

_____ Name:

- 17f **-**

EXHIBIT "A"

Attached to and made a part of that certain	Operating Agreement by and between Snake	River Oil
and Gas, LLC, as Operator, and	, et al, as Non-Operator, dated effe	ective the
day of	, covering the	Prospect
Payette County Idaho;		•

EXHIBIT "A" TO BE COMPLETED AT A LATER DATE

EXHIBIT "B"

Attached to and made a part of and Gas, LLC, as Operator, and	nd	, et al, as Non-Op	erator, dated effective the
day of Payette County Idaho;		, covering the	Prospect,
j	Reporting Rec	quirements	
		_	
On any well drilled within the geological information:	Contract Area, Opera	ator shall deliver to	Non-Operators the following
_	WELL REQUI	REMENTS	
PROSPECT: COUNTY & STATE:			
WELL DATA REQUIRMENT	ΓS		
DAILY REPORTS			
Daily drilling and comp	letion reports by e-mai	1:	
1)			
2)			
Or if necessary by fax: _		<u></u>	
NOTIFICATION OF 1	LOGGING, DRILL S	TEM TEST. DRILL	ING COMPLETION
AND ABANDONMEN			
PERSON TO CONTA	<u>CT</u> <u>OFFI</u>	CE PHONE	CELL PHONE
			
			
DATA DISTRIBUTION			
SEND TO:		<u> </u>	
		<u></u>	
GENERAL PROCEDI	URES		
() Copy/Copi	ies of Each of the Foll	owing:	
1. Complete Drilli			
2. Cement Program3. Typed Copy of			
4. Directional Surv			
OPEN HOLE EVALU	ATION DATA		
() Field Prin	nts. () Fina	l Prints and	() Digital Print of Each
of the Following:	, () = 2144		<u> </u>
1. All Open Hole I	Logs		
2. Mud Logs			
3. Core Analysis4. Formation Test			

Ехнівіт "В" PAGE 2

OPEN HOLE EVALUATION DATA (CONT.)

- Directional Surveys
 Case Hole Logs
 Drill Stem or Wire Line Tests
 Cement Bond Logs

ED HOLE AND COMPLETION DATA
_ () Field Prints, () Final Prints and () Digital Print of Each
Following:
Detailed Copy of Completion and/or Workover Procedures Perforating, Wellbore and/or Reservoir Evaluation Logs BHP Data
, ELECTION, REGULATORY AND TITLE DATA
O TO:

- Drilling Contract
 AFE
 Elections

- 4. Location Plat
- All Regulatory Permits, Applications and Forms
 Monthly Production Reports (P-1's, P-2's etc.)
 Copy of Weekly or Monthly Gauge Reports

_ (__) Copy/Copies of Each of the Following:

End of Exhibit "B"



EXHIBIT " C " ACCOUNTING PROCEDURE JOINT OPERATIONS

	, et al, as Non-Operator, dated effective the day of, covering the, covering the
	Prospect, Payette County Idano;
	I. GENERAL PROVISIONS
IF T	HE PARTIES FAIL TO SELECT EITHER ONE OF COMPETING "ALTERNATIVE" PROVISIONS, OR SELECT ALL TH
CON	MPETING "ALTERNATIVE" PROVISIONS, ALTERNATIVE 1 IN EACH SUCH INSTANCE SHALL BE DEEMED TO HAV
BEE	N ADOPTED BY THE PARTIES AS A RESULT OF ANY SUCH OMISSION OR DUPLICATE NOTATION.
IN T	THE EVENT THAT ANY "OPTIONAL" PROVISION OF THIS ACCOUNTING PROCEDURE IS NOT ADOPTED BY THE
PAR	TIES TO THE AGREEMENT BY A TYPED, PRINTED OR HANDWRITTEN INDICATION, SUCH PROVISION SHALL NO
FOR	RM A PART OF THIS ACCOUNTING PROCEDURE, AND NO INFERENCE SHALL BE MADE CONCERNING THE INTEN
OF T	THE PARTIES IN SUCH EVENT.
1.	DEFINITIONS
	All terms used in this Accounting Procedure shall have the following meaning, unless otherwise expressly defined in the Agreement:
	//A 60% / 13
	"Affiliate" means for a person, another person that controls, is controlled by, or is under common control with that person. In the first in the control was the control with that person in the control was the first and the fir
	definition, (a) control means the ownership by one person, directly or indirectly, of more than fifty percent (50%) of the voting security
	of a corporation or, for other persons, the equivalent ownership interest (such as partnership interests), and (b) "person" means individual corporation partnership trust settle unincorporated examination association or other level entity.
	individual, corporation, partnership, trust, estate, unincorporated organization, association, or other legal entity.
	"Agreement" means the operating agreement, farmout agreement, or other contract between the Parties to which this Accounting
	Procedure is attached.
	1 locedure is attached.
	"Controllable Material" means Material that, at the time of acquisition or disposition by the Joint Account, as applicable, is so classifi
	in the Material Classification Manual most recently recommended by the Council of Petroleum Accountants Societies (COPAS).
	"Equalized Freight" means the procedure of charging transportation cost to the Joint Account based upon the distance from the near
	Railway Receiving Point to the property.
	"Excluded Amount" means a specified excluded trucking amount most recently recommended by COPAS.
	"Field Office" means a structure, or portion of a structure, whether a temporary or permanent installation, the primary function of which
	to directly serve daily operation and maintenance activities of the Joint Property and which serves as a staging area for directly chargeal
	field personnel.
	"First Level Supervision" means those employees whose primary function in Joint Operations is the direct oversight of the Operator
	field employees and/or contract labor directly employed On-site in a field operating capacity. First Level Supervision functions mentions and the state of the st
	include, but are not limited to:
	Responsibility for field employees and contract labor engaged in activities that can include field operations, maintenance of the state of the
	construction, well remedial work, equipment movement and drilling
	 Responsibility for day-to-day direct oversight of rig operations Responsibility for day-to-day direct oversight of construction operations
	 Responsibility for day-to-day direct oversight of construction operations Coordination of job priorities and approval of work procedures
	Responsibility for optimal resource utilization (equipment, Materials, personnel)
	 Responsibility for meeting production and field operating expense targets
	 Responsibility for meeting production and field operating expense targets Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an incident
	 Responsibility for meeting production and field operating expense targets Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an incider part of the supervisor's operating responsibilities
	 Responsibility for meeting production and field operating expense targets Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an incident
	 Responsibility for meeting production and field operating expense targets Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an inciden part of the supervisor's operating responsibilities Responsibility for all emergency responses with field staff
	 Responsibility for meeting production and field operating expense targets Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an inciden part of the supervisor's operating responsibilities Responsibility for all emergency responses with field staff Responsibility for implementing safety and environmental practices
	 Responsibility for meeting production and field operating expense targets Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an inciden part of the supervisor's operating responsibilities Responsibility for all emergency responses with field staff Responsibility for implementing safety and environmental practices Responsibility for field adherence to company policy

"Joint Account" means the account showing the charges paid and credits received in the conduct of the Joint Operations that are to be shared by the Parties, but does not include proceeds attributable to hydrocarbons and by-products produced under the Agreement.

"Joint Operations" means all operations necessary or proper for the exploration, appraisal, development, production, protection, maintenance, repair, abandonment, and restoration of the Joint Property.

63

64 65

66



"Joint Property" means the real and personal property subject to the Agreement.

 "Laws" means any laws, rules, regulations, decrees, and orders of the United States of America or any state thereof and all other governmental bodies, agencies, and other authorities having jurisdiction over or affecting the provisions contained in or the transactions contemplated by the Agreement or the Parties and their operations, whether such laws now exist or are hereafter amended, enacted, promulgated or issued.

"Material" means personal property, equipment, supplies, or consumables acquired or held for use by the Joint Property.

"Non-Operators" means the Parties to the Agreement other than the Operator.

"Offshore Facilities" means platforms, surface and subsea development and production systems, and other support systems such as oil and gas handling facilities, living quarters, offices, shops, cranes, electrical supply equipment and systems, fuel and water storage and piping, heliport, marine docking installations, communication facilities, navigation aids, and other similar facilities necessary in the conduct of offshore operations, all of which are located offshore.

"Off-site" means any location that is not considered On-site as defined in this Accounting Procedure.

"On-site" means on the Joint Property when in direct conduct of Joint Operations. The term "On-site" shall also include that portion of Offshore Facilities, Shore Base Facilities, fabrication yards, and staging areas from which Joint Operations are conducted, or other facilities that directly control equipment on the Joint Property, regardless of whether such facilities are owned by the Joint Account.

"Operator" means the Party designated pursuant to the Agreement to conduct the Joint Operations.

"Parties" means legal entities signatory to the Agreement or their successors and assigns. Parties shall be referred to individually as "Party."

"Participating Interest" means the percentage of the costs and risks of conducting an operation under the Agreement that a Party agrees, or is otherwise obligated, to pay and bear.

"Participating Party" means a Party that approves a proposed operation or otherwise agrees, or becomes liable, to pay and bear a share of the costs and risks of conducting an operation under the Agreement.

"Personal Expenses" means reimbursed costs for travel and temporary living expenses.

"Railway Receiving Point" means the railhead nearest the Joint Property for which freight rates are published, even though an actual railhead may not exist.

"Shore Base Facilities" means onshore support facilities that during Joint Operations provide such services to the Joint Property as a receiving and transshipment point for Materials; debarkation point for drilling and production personnel and services; communication, scheduling and dispatching center; and other associated functions serving the Joint Property.

"Supply Store" means a recognized source or common stock point for a given Material item.

 "Technical Services" means services providing specific engineering, geoscience, or other professional skills, such as those performed by engineers, geologists, geophysicists, and technicians, required to handle specific operating conditions and problems for the benefit of Joint Operations; provided, however, Technical Services shall not include those functions specifically identified as overhead under the second paragraph of the introduction of Section III (Overhead). Technical Services may be provided by the Operator, Operator's Affiliate, Non-Operator, Non-Operator Affiliates, and/or third parties.

2. STATEMENTS AND BILLINGS

 The Operator shall bill Non-Operators on or before the last day of the month for their proportionate share of the Joint Account for the preceding month. Such bills shall be accompanied by statements that identify the AFE (authority for expenditure), lease or facility, and all charges and credits summarized by appropriate categories of investment and expense. Controllable Material shall be separately identified and fully described in detail, or at the Operator's option, Controllable Material may be summarized by major Material classifications. Intangible drilling costs, audit adjustments, and unusual charges and credits shall be separately and clearly identified.

The Operator may make available to Non-Operators any statements and bills required under Section I.2 and/or Section I.3.A (Advances and Payments by the Parties) via email, electronic data interchange, internet websites or other equivalent electronic media in lieu of paper copies. The Operator shall provide the Non-Operators instructions and any necessary information to access and receive the statements and bills within the timeframes specified herein. A statement or billing shall be deemed as delivered twenty-four (24) hours (exclusive of weekends and holidays) after the Operator notifies the Non-Operator that the statement or billing is available on the website and/or sent via email or electronic data interchange transmission. Each Non-Operator individually shall elect to receive statements and billings electronically, if available from the Operator, or request paper copies. Such election may be changed upon thirty (30) days prior written notice to the Operator.



3. ADVANCES AND PAYMENTS BY THE PARTIES

- A. Unless otherwise provided for in the Agreement, the Operator may require the Non-Operators to advance their share of the estimated cash outlay for the succeeding month's operations within fifteen (15) days after receipt of the advance request or by the first day of the month for which the advance is required, whichever is later. The Operator shall adjust each monthly billing to reflect advances received from the Non-Operators for such month. If a refund is due, the Operator shall apply the amount to be refunded to the subsequent month's billing or advance, unless the Non-Operator sends the Operator a written request for a cash refund. The Operator shall remit the refund to the Non-Operator within fifteen (15) days of receipt of such written request.
- B. Except as provided belowas otherwise expressly provided in the Agreement or this COPAS, each Party shall pay its proportionate share of all bills in full within fifteen (15)thirty (30) days of receipt date. If payment is not made within such time, the unpaid balance shall bear interest compounded monthly at the prime rate published by the Wall Street Journal on the first day of each month the payment is delinquent, plus three percent (3%), per annum, or the maximum contract rate permitted by the applicable usury Laws governing the Joint Property, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts. If the Wall Street Journal ceases to be published or discontinues publishing a prime rate, the unpaid balance shall bear interest compounded monthly at the prime rate published by the Federal Reserve plus three percent (3%), per annum. Interest shall begin accruing on the first day of the month in which the payment was due. Payment shall not be reduced or delayed as a result of inquiries or anticipated credits unless the Operator has agreed. Notwithstanding the foregoing, the Non-Operator may reduce payment, provided it furnishes documentation and explanation to the Operator at the time payment is made, to the extent such reduction is caused by:
 - (1) being billed at an incorrect working interest or Participating Interest that is higher than such Non-Operator's actual working interest or Participating Interest, as applicable; or
 - (2) being billed for a project or AFE requiring approval of the Parties under the Agreement that the Non-Operator has not approved or is not otherwise obligated to pay under the Agreement; or
 - (3) being billed for a property in which the Non-Operator no longer owns a working interest, provided the Non-Operator has furnished the Operator a copy of the recorded assignment or letter in-lieu. Notwithstanding the foregoing, the Non-Operator shall remain responsible for paying bills attributable to the interest it sold or transferred for any bills rendered during the thirty (30) day period following the Operator's receipt of such written notice; or
 - (4) charges outside the adjustment period, as provided in Section I.4 (Adjustments).

4. ADJUSTMENTS

- A. Payment of any such bills shall not prejudice the right of any Party to protest or question the correctness thereof; however, all bills and statements, including payout statements, rendered during any calendar year shall conclusively be presumed to be true and correct, with respect only to expenditures, after twenty-four (24) months following the end of any such calendar year, unless within said period a Party takes specific detailed written exception thereto making a claim for adjustment. The Operator shall provide a response to all written exceptions, whether or not contained in an audit report, within the time periods prescribed in Section I.5 (Expenditure Audits).
- B. All adjustments initiated by the Operator, except those described in items (1) through (4) of this Section I.4.B, are limited to the twenty-four (24) month period following the end of the calendar year in which the original charge appeared or should have appeared on the Operator's Joint Account statement or payout statement. Adjustments that may be made beyond the twenty-four (24) month period are limited to adjustments resulting from the following:
 - (1) a physical inventory of Controllable Material as provided for in Section V (Inventories of Controllable Material), or
 - (2) an offsetting entry (whether in whole or in part) that is the direct result of a specific joint interest audit exception granted by the Operator relating to another property, or
 - (3) a government/regulatory audit, or
 - (4) a working interest ownership or Participating Interest adjustment.

5. EXPENDITURE AUDITS

A. A Non-Operator, upon written notice to the Operator and all other Non-Operators, shall have the right to audit the Operator's accounts and records relating to the Joint Account within the twenty-four (24) month period following the end of such calendar year in which such bill was rendered; however, conducting an audit shall not extend the time for the taking of written exception to and the adjustment of accounts as provided for in Section I.4 (*Adjustments*). Any Party that is subject to payout accounting under the Agreement shall have the right to audit the accounts and records of the Party responsible for preparing the payout statements, or of the Party furnishing information to the Party responsible for preparing payout statements. Audits of payout accounts may include the volumes of hydrocarbons produced and saved and proceeds received for such hydrocarbons as they pertain to payout accounting required under the Agreement. Unless otherwise provided in the Agreement, audits of a payout account shall be conducted within the twenty-four (24) month period following the end of the calendar year in which the payout statement was rendered.

Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner that will result in a minimum of inconvenience to the Operator. The Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of the Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of



those Non-Operators approving such audit.

The Non-Operator leading the audit (hereinafter "lead audit company") shall issue the audit report within ninety (90) days after completion of the audit testing and analysis; however, the ninety (90) day time period shall not extend the twenty-four (24) month requirement for taking specific detailed written exception as required in Section I.4.A (*Adjustments*) above. All claims shall be supported with sufficient documentation.

A timely filed written exception or audit report containing written exceptions (hereinafter "written exceptions") shall, with respect to the claims made therein, preclude the Operator from asserting a statute of limitations defense against such claims, and the Operator hereby waives its right to assert any statute of limitations defense against such claims for so long as any Non-Operator continues to comply with the deadlines for resolving exceptions provided in this Accounting Procedure. If the Non-Operators fail to comply with the additional deadlines in Section I.5.B or I.5.C, the Operator's waiver of its rights to assert a statute of limitations defense against the claims brought by the Non-Operators shall lapse, and such claims shall then be subject to the applicable statute of limitations, provided that such waiver shall not lapse in the event that the Operator has failed to comply with the deadlines in Section I.5.B or I.5.C.

- B. The Operator shall provide a written response to all exceptions in an audit report within one hundred eighty (180) days after Operator receives such report. Denied exceptions should be accompanied by a substantive response. If the Operator fails to provide substantive response to an exception within this one hundred eighty (180) day period, the Operator will owe interest on that exception or portion thereof, if ultimately granted, from the date it received the audit report. Interest shall be calculated using the rate set forth in Section I.3.B (Advances and Payments by the Parties).
- C. The lead audit company shall reply to the Operator's response to an audit report within ninety (90) days of receipt, and the Operator shall reply to the lead audit company's follow-up response within ninety (90) days of receipt; provided, however, each Non-Operator shall have the right to represent itself if it disagrees with the lead audit company's position or believes the lead audit company is not adequately fulfilling its duties. Unless otherwise provided for in Section I.5.E, if the Operator fails to provide substantive response to an exception within this ninety (90) day period, the Operator will owe interest on that exception or portion thereof, if ultimately granted, from the date it received the audit report. Interest shall be calculated using the rate set forth in Section I.3.B (Advances and Payments by the Parties).
- D. If any Party fails to meet the deadlines in Sections I.5.B or I.5.C or if any audit issues are outstanding fifteen (15) months after Operator receives the audit report, the Operator or any Non-Operator participating in the audit has the right to call a resolution meeting, as set forth in this Section I.5.D or it may invoke the dispute resolution procedures included in the Agreement, if applicable. The meeting will require one month's written notice to the Operator and all Non-Operators participating in the audit. The meeting shall be held at the Operator's office or mutually agreed location, and shall be attended by representatives of the Parties with authority to resolve such outstanding issues. Any Party who fails to attend the resolution meeting shall be bound by any resolution reached at the meeting. The lead audit company will make good faith efforts to coordinate the response and positions of the Non-Operator participants throughout the resolution process; however, each Non-Operator shall have the right to represent itself. Attendees will make good faith efforts to resolve outstanding issues, and each Party will be required to present substantive information supporting its position. A resolution meeting may be held as often as agreed to by the Parties. Issues unresolved at one meeting may be discussed at subsequent meetings until each such issue is resolved.

If the Agreement contains no dispute resolution procedures and the audit issues cannot be resolved by negotiation, the dispute shall be submitted to mediation. In such event, promptly following one Party's written request for mediation, the Parties to the dispute shall choose a mutually acceptable mediator and share the costs of mediation services equally. The Parties shall each have present at the mediation at least one individual who has the authority to settle the dispute. The Parties shall make reasonable efforts to ensure that the mediation commences within sixty (60) days of the date of the mediation request. Notwithstanding the above, any Party may file a lawsuit or complaint (1) if the Parties are unable after reasonable efforts, to commence mediation within sixty (60) days of the date of the mediation request, (2) for statute of limitations reasons, or (3) to seek a preliminary injunction or other provisional judicial relief, if in its sole judgment an injunction or other provisional relief is necessary to avoid irreparable damage or to preserve the status quo. Despite such action, the Parties shall continue to try to resolve the dispute by mediation.

E. \Box (Optional Provision – Forfeiture Penalties)

If the Non-Operators fail to meet the deadline in Section 1.5.C, any unresolved exceptions that were not addressed by the Non-Operators within one (1) year following receipt of the last substantive response of the Operator shall be deemed to have been withdrawn by the Non-Operators. If the Operator fails to meet the deadlines in Section 1.5.B or 1.5.C, any unresolved exceptions that were not addressed by the Operator within one (1) year following receipt of the audit report or receipt of the last substantive response of the Non-Operators, whichever is later, shall be deemed to have been granted by the Operator and adjustments shall be made, without interest, to the Joint Account.

6. APPROVAL BY PARTIES

A. GENERAL MATTERS

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other Sections of this Accounting Procedure and if the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, the



36

37 38

39 40

41

43 44

45 46

47

48 49

50

51 52

53

54 55

57

58 59

60

61

62

63

64 65

66

1 Operator shall notify all Non-Operators of the Operator's proposal and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators. 2 This Section I.6.A applies to specific situations of limited duration where a Party proposes to change the accounting for charges from that prescribed in this Accounting Procedure. This provision does not apply to amendments to this Accounting Procedure, which are 6 covered by Section I.6.B. B. AMENDMENTS 8 10 If the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, this Accounting Two 11 Procedure can be amended by an affirmative vote of ____ __(___2___) or more Parties, one of which is the Operator, having a combined working interest of at least ______percent (_60.0_%), which approval shall be binding on all Parties, 12 13 provided, however, approval of at least one (1) Non-Operator shall be required. C. AFFILIATES 15 16 17 For the purpose of administering the voting procedures of Sections I.6.A and I.6.B, if Parties to this Agreement are Affiliates of each other, then such Affiliates shall be combined and treated as a single Party having the combined working interest or Participating 18 19 Interest of such Affiliates. 20 21 For the purposes of administering the voting procedures in Section I.6.A, if a Non-Operator is an Affiliate of the Operator, votes 22 under Section I.6.A shall require the majority in interest of the Non-Operator(s) after excluding the interest of the Operator's 23 Affiliate. 24 II. DIRECT CHARGES 25 26 27 The Operator shall charge the Joint Account with the following items: 28 29 1. RENTALS AND ROYALTIES 30 31 Lease rentals and royalties paid by the Operator, on behalf of all Parties, for the Joint Operations. 32 33 LABOR

A. Salaries and wages , including incentive compensation programs as set forth in COPAS MFI-37 ("Chargeability of Incentive Compensation Programs"), for:

- (1) Operator's field employees directly employed On-site in the conduct of Joint Operations,
- (2) Operator's employees directly employed on Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint Property if such costs are not charged under Section II.6 (Equipment and Facilities Furnished by Operator) or are not a function covered under Section III (Overhead),
- (3) Operator's employees providing First Level Supervision,
- (4) Operator's employees providing On-site Technical Services for the Joint Property if such charges are excluded from the overhead rates in Section III (Overhead),
- (5) Operator's employees providing Off-site Technical Services for the Joint Property if such charges are excluded from the overhead rates in Section III (Overhead).

Charges for the Operator's employees identified in Section II.2.A may be made based on the employee's actual salaries and wages, or in lieu thereof, a day rate representing the Operator's average salaries and wages of the employee's specific job category.

Charges for personnel chargeable under this Section II.2.A who are foreign nationals shall not exceed comparable compensation paid to an equivalent U.S. employee pursuant to this Section II.2, unless otherwise approved by the Parties pursuant to Section I.6.A (General Matters).

- B. Operator's cost of holiday, vacation, sickness, and disability benefits, and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Section II.2.A, excluding severance payments or other termination allowances. Such costs under this Section II.2.B may be charged on a "when and as-paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Section II.2.A. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Expenditures or contributions made pursuant to assessments imposed by governmental authority that are applicable to costs chargeable to the Joint Account under Sections II.2.A and B.



22 I

- D. Personal Expenses of personnel whose salaries and wages are chargeable to the Joint Account under Section II.2.A when the expenses are incurred in connection with directly chargeable activities.
- E. Reasonable relocation costs incurred in transferring to the Joint Property personnel whose salaries and wages are chargeable to the Joint Account under Section II.2.A. Notwithstanding the foregoing, relocation costs that result from reorganization or merger of a Party, or that are for the primary benefit of the Operator, shall not be chargeable to the Joint Account. Extraordinary relocation costs, such as those incurred as a result of transfers from remote locations, such as Alaska or overseas, shall not be charged to the Joint Account unless approved by the Parties pursuant to Section I.6.A (General Matters).
- F. Training costs as specified in COPAS MFI-35 ("Charging of Training Costs to the Joint Account") for personnel whose salaries and wages are chargeable under Section II.2.A. This training charge shall include the wages, salaries, training course cost, and Personal Expenses incurred during the training session. The training cost shall be charged or allocated to the property or properties directly benefiting from the training. The cost of the training course shall not exceed prevailing commercial rates, where such rates are available.
- G. Operator's current cost of established plans for employee benefits
 AST ("Employee Benefits Chargeable to Joint Operations and Subject to Percentage Limitation"), applicable to the Operator's labor costs chargeable to the Joint Account under Sections II.2.A and B based on the Operator's actual cost not to exceed the employee benefits limitation percentage most recently recommended by COPAS.
- H. Award payments to employees, in accordance with COPAS MFI-49 ("Awards to Employees and Contractors") for personnel whose salaries and wages are chargeable under Section II.2.A.

3. MATERIAL

Material purchased or furnished by the Operator for use on the Joint Property in the conduct of Joint Operations as provided under Section IV (Material *Purchases, Transfers, and Dispositions*). Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use or is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

4. TRANSPORTATION

- A. Transportation of the Operator's, Operator's Affiliate's, or contractor's personnel necessary for Joint Operations.
- B. Transportation of Material between the Joint Property and another property, or from the Operator's warehouse or other storage point to the Joint Property, shall be charged to the receiving property using one of the methods listed below. Transportation of Material from the Joint Property to the Operator's warehouse or other storage point shall be paid for by the Joint Property using one of the methods listed below:
 - (1) If the actual trucking charge is less than or equal to the Excluded Amount the Operator may charge actual trucking cost or a theoretical charge from the Railway Receiving Point to the Joint Property. The basis for the theoretical charge is the per hundred weight charge plus fuel surcharges from the Railway Receiving Point to the Joint Property. The Operator shall consistently apply the selected alternative.
 - (2) If the actual trucking charge is greater than the Excluded Amount, the Operator shall charge Equalized Freight. Accessorial charges such as loading and unloading costs, split pick-up costs, detention, call out charges, and permit fees shall be charged directly to the Joint Property and shall not be included when calculating the Equalized Freight.

5. SERVICES

The cost of contract services, equipment, and utilities used in the conduct of Joint Operations, except for contract services, equipment, and utilities covered by Section III (*Overhead*), or Section II.7 (*Affiliates*), or excluded under Section II.9 (*Legal Expense*). Awards paid to contractors shall be chargeable pursuant to COPAS MFI-49 ("Awards to Employees and Contractors").

The costs of third party Technical Services are chargeable to the extent excluded from the overhead rates under Section III (Overhead).

${\bf 6.} \quad \hbox{EQUIPMENT AND FACILITIES FURNISHED BY OPERATOR}$

In the absence of a separately negotiated agreement, equipment and facilities furnished by the Operator will be charged as follows:



equipment and facilities investment have been fully depreciated. The rate may include an element of the estimated cost for abandonment, reclamation, and dismantlement. Such rates shall not exceed the average commercial rates currently prevailing in the immediate area of the Joint Property.

B. In lieu of charges in Section II.6.A above, the Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property, less twenty percent (20%). If equipment and facilities are charged under this Section II.6.B, the Operator shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting documentation. For automotive equipment, the Operator may elect to use rates published by the Petroleum Motor Transport Association (PMTA) or such other organization recognized by COPAS as the official source of rates.

7. AFFILIATES

 A. Charges for an Affiliate's goods and/or services used in operations requiring an AFE or other authorization from the Non-Operators may be made without the approval of the Parties provided (i) the Affiliate is identified and the Affiliate goods and services are specifically detailed in the approved AFE or other authorization, and (ii) the total costs for such Affiliate's goods and services billed to such individual project do not exceed \$\frac{10,000.00}{\text{bold}}\$ If the total costs for an Affiliate's goods and services charged to such individual project are not specifically detailed in the approved AFE or authorization or exceed such amount, charges for such Affiliate shall require approval of the Parties, pursuant to Section I.6.A (General Matters).

B. For an Affiliate's goods and/or services used in operations not requiring an AFE or other authorization from the Non-Operators, charges for such Affiliate's goods and services shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*), if the charges exceed \$_25,000.00 in a given calendar year.

C. The cost of the Affiliate's goods or services shall not exceed average commercial rates prevailing in the area of the Joint Property, unless the Operator obtains the Non-Operators' approval of such rates. The Operator shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting documentation; provided, however, documentation of commercial rates shall not be required if the Operator obtains Non-Operator approval of its Affiliate's rates or charges prior to billing Non-Operators for such Affiliate's goods and services. Notwithstanding the foregoing, direct charges for Affiliate-owned communication facilities or systems shall be made pursuant to Section II.12 (Communications).

 If the Parties fail to designate an amount in Sections II.7.A or II.7.B, in each instance the amount deemed adopted by the Parties as a result of such omission shall be the amount established as the Operator's expenditure limitation in the Agreement. If the Agreement does not contain an Operator's expenditure limitation, the amount deemed adopted by the Parties as a result of such omission shall be zero dollars (\$ 0.00).

8. DAMAGES AND LOSSES TO JOINT PROPERTY

 All costs or expenses necessary for the repair or replacement of Joint Property resulting from damages or losses incurred, except to the extent such damages or losses result from a Party's or Parties' gross negligence or willful misconduct, in which case such Party or Parties shall be solely liable.

The Operator shall furnish the Non-Operator written notice of damages or losses incurred as soon as practicable after a report has been received by the Operator.

9. LEGAL EXPENSE

Recording fees and costs of handling, settling, or otherwise discharging litigation, claims, and liens incurred in or resulting from operations under the Agreement, or necessary to protect or recover the Joint Property, to the extent permitted under the Agreement. Costs of the Operator's or Affiliate's legal staff or outside attorneys, including fees and expenses, are not chargeable unless approved by the Parties pursuant to Section I.6.A (*General Matters*) or otherwise provided for in the Agreement.

 Notwithstanding the foregoing paragraph, costs for procuring abstracts, fees paid to outside attorneys for title examinations (including preliminary, supplemental, shut-in royalty opinions, division order title opinions), and curative work shall be chargeable to the extent permitted as a direct charge in the Agreement.

10. TAXES AND PERMITS

All taxes and permitting fees of every kind and nature, assessed or levied upon or in connection with the Joint Property, or the production therefrom, and which have been paid by the Operator for the benefit of the Parties, including penalties and interest, except to the extent the penalties and interest result from the Operator's gross negligence or willful misconduct.

If ad valorem taxes paid by the Operator are based in whole or in part upon separate valuations of each Party's working interest, then notwithstanding any contrary provisions, the charges to the Parties will be made in accordance with the tax value generated by each Party's working interest.



Costs of tax consultants or advisors, the Operator's employees, or Operator's Affiliate employees in matters regarding ad valorem or other tax matters, are not permitted as direct charges unless approved by the Parties pursuant to Section I.6.A (*General Matters*).

Charges to the Joint Account resulting from sales/use tax audits, including extrapolated amounts and penalties and interest, are permitted, provided the Non-Operator shall be allowed to review the invoices and other underlying source documents which served as the basis for tax charges and to determine that the correct amount of taxes were charged to the Joint Account. If the Non-Operator is not permitted to review such documentation, the sales/use tax amount shall not be directly charged unless the Operator can conclusively document the amount owed by the Joint Account.

11. INSURANCE

Net premiums paid for insurance required to be carried for Joint Operations for the protection of the Parties. If Joint Operations are conducted at locations where the Operator acts as self-insurer in regard to its worker's compensation and employer's liability insurance obligation, the Operator shall charge the Joint Account manual rates for the risk assumed in its self-insurance program as regulated by the jurisdiction governing the Joint Property. In the case of offshore operations in federal waters, the manual rates of the adjacent state shall be used for personnel performing work On-site, and such rates shall be adjusted for offshore operations by the U.S. Longshoreman and Harbor Workers (USL&H) or Jones Act surcharge, as appropriate.

12. COMMUNICATIONS

Costs of acquiring, leasing, installing, operating, repairing, and maintaining communication facilities or systems, including satellite, radio and microwave facilities, between the Joint Property and the Operator's office(s) directly responsible for field operations

accordance with the provisions of COPAS MFI-44 ("Field Computer and Communication Systems"). If the communications facilities or systems serving the Joint Property are Operator-owned, charges to the Joint Account shall be made as provided in Section II.6 (Equipment and Facilities Furnished by Operator). If the communication facilities or systems serving the Joint Property are owned by the Operator's Affiliate, charges to the Joint Account shall not exceed average commercial rates prevailing in the area of the Joint Property. The Operator shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting documentation

13. ECOLOGICAL, ENVIRONMENTAL, AND SAFETY

Costs incurred for Technical Services and drafting to comply with ecological, environmental and safety Laws or standards recommended by Occupational Safety and Health Administration (OSHA) or other regulatory authorities. All other labor and functions incurred for ecological, environmental and safety matters, including management, administration, and permitting, shall be covered by Sections II.2 (*Labor*), II.5 (*Services*), or Section III (*Overhead*), as applicable.

Costs to provide or have available pollution containment and removal equipment plus actual costs of control and cleanup and resulting responsibilities of oil and other spills as well as discharges from permitted outfalls as required by applicable Laws, or other pollution containment and removal equipment deemed appropriate by the Operator for prudent operations, are directly chargeable.

14. ABANDONMENT AND RECLAMATION

Costs incurred for abandonment and reclamation of the Joint Property, including costs required by lease agreements or by Laws.

15. OTHER EXPENDITURES

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II (*Direct Charges*), or in Section III (*Overhead*) and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations. Charges made under this Section II.15 shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*).

III. OVERHEAD

As compensation for costs not specifically identified as chargeable to the Joint Account pursuant to Section II (*Direct Charges*), the Operator shall charge the Joint Account in accordance with this Section III.

Functions included in the overhead rates regardless of whether performed by the Operator, Operator's Affiliates or third parties and regardless of location, shall include, but not be limited to, costs and expenses of:

- warehousing, other than for warehouses that are jointly owned under this Agreement
- $\bullet \ \ design \ and \ drafting \ (except \ when \ allowed \ as \ a \ direct \ charge \ under \ Sections \ II.13, \ III.1.A(ii), \ and \ III.2, \ Option \ B)$
- inventory costs not chargeable under Section V (Inventories of Controllable Material)
- procurement
- administration
- · accounting and auditing
- · gas dispatching and gas chart integration



8

10

11

12

13

15

16

17

18 19

22 23

24 25

26 27

29

30 31 32

33

34 35

36 37

38

39 40

41

43

44

45

46

47 48

49

50 51

52 53

56 57

58 59

60 61

62

63

64

65

66

53 | 54 | 55 |

- human resources
 - management
 - supervision not directly charged under Section II.2 (Labor)
 - legal services not directly chargeable under Section II.9 (Legal Expense)
 - taxation, other than those costs identified as directly chargeable under Section II.10 (Taxes and Permits)
 - preparation and monitoring of permits and certifications; preparing regulatory reports; appearances before or meetings with
 governmental agencies or other authorities having jurisdiction over the Joint Property, other than On-site inspections; reviewing,
 interpreting, or submitting comments on or lobbying with respect to Laws or proposed Laws.

Overhead charges shall include the salaries or wages plus applicable payroll burdens, benefits, and Personal Expenses of personnel performing overhead functions, as well as office and other related expenses of overhead functions.

1. OVERHEAD—DRILLING AND PRODUCING OPERATIONS

As compensation for costs incurred but not chargeable under Section II (*Direct Charges*) and not covered by other provisions of this Section III, the Operator shall charge on either:

✓ (Alternative 1) Fixed Rate Basis, Section III.1.B.

(Alternative 2) Percentage Basis, Section III.1.C.

A. TECHNICAL SERVICES

- (i) Except as otherwise provided in Section II.13 (Ecological Environmental, and Safety) and Section III.2 (Overhead Major Construction and Catastrophe), or by approval of the Parties pursuant to Section I.6.A (General Matters), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for On-site Technical Services, including third party Technical Services:
 - ☑ (Alternative 1 Direct) shall be charged <u>direct</u> to the Joint Account.
 - (Alternative 2 Overhead) shall be covered by the overhead rates.
- (ii) Except as otherwise provided in Section II.13 (Ecological, Environmental, and Safety) and Section III.2 (Overhead Major Construction and Catastrophe), or by approval of the Parties pursuant to Section I.6.A (General Matters), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for Off-site Technical Services, including third party Technical Services:
 - (Alternative 1 All Overhead) shall be covered by the overhead rates.
 - ☐ (Alternative 2 All Direct) shall be charged direct to the Joint Account.
 - ☑ (Alternative 3 Drilling Direct) shall be charged <u>direct</u> to the Joint Account, <u>only</u> to the extent such Technical Services are directly attributable to drilling, redrilling, deepening, or sidetracking operations, through completion, temporary abandonment, or abandonment if a dry hole. Off-site Technical Services for all other operations, including workover, recompletion, abandonment of producing wells, and the construction or expansion of fixed assets not covered by Section III.2 (Overhead Major Construction and Catastrophe) shall be covered by the overhead rates.

Notwithstanding anything to the contrary in this Section III, Technical Services provided by Operator's Affiliates are subject to limitations set forth in Section II.7 (*Affiliates*). Charges for Technical personnel performing non-technical work shall not be governed by this Section III.1.A, but instead governed by other provisions of this Accounting Procedure relating to the type of work being performed.

B. OVERHEAD—FIXED RATE BASIS

(1) The Operator shall charge the Joint Account at the following rates per well-per month:

Drilling Well Rate per month \$\frac{**7,000.00}{}\$ (prorated for less than a full month of drilling activity) per unit of forty (40) acres or

Producing Well Rate per month \$ **700.00 per unit of forty (40) acres or less.

- (2) Application of Overhead—Drilling Well Rate shall be as follows:
 - (a) Charges for onshore drilling wells shall begin on the spud date and terminate on the date the drilling and/or completion equipment used on the well is released, whichever occurs later. Charges for offshore and inland waters drilling wells shall begin on the date the drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location, or is released, whichever occurs first. No charge shall be made during suspension of drilling and/or completion operations for fifteen (15) or more consecutive calendar days.



- (b) Charges for any well undergoing any type of workover, recompletion, and/or abandonment for a period of five (5) or more consecutive work—days shall be made at the Drilling Well Rate. Such charges shall be applied for the period from date operations, with rig or other units used in operations, commence through date of rig or other unit release, except that no charges shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.
- (3) Application of Overhead—Producing Well Rate shall be as follows:
 - (a) An active well that is produced, injected into for recovery or disposal, or used to obtain water supply to support operations for any portion of the month shall be considered as a one-well charge for the entire month.
 - (b) Each active completion in a multi-completed well shall be considered as a one-well charge provided each completion is considered a separate well by the governing regulatory authority.
 - (c) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well, unless the Drilling Well Rate applies, as provided in Sections III.1.B.(2)(a) or (b). This one-well charge shall be made whether or not the well has produced.
 - (d) An active gas well shut in because of overproduction or failure of a purchaser, processor, or transporter to take production shall be considered as a one-well charge provided the gas well is directly connected to a permanent sales outlet.
 - (e) Any well not meeting the criteria set forth in Sections III.1.B.(3) (a), (b), (c), or (d) shall not qualify for a producing overhead charge.
- (4) The well rates shall be adjusted on the first day of April each year following the effective date of the Agreement; provided, however, if this Accounting Procedure is attached to or otherwise governing the payout accounting under a farmout agreement, the rates shall be adjusted on the first day of April each year following the effective date of such farmout agreement. The adjustment shall be computed by applying the adjustment factor most recently published by COPAS. The adjusted rates shall be the initial or amended rates agreed to by the Parties increased or decreased by the adjustment factor described herein, for each year from the effective date of such rates, in accordance with COPAS MFI-47 ("Adjustment of Overhead Rates").

C. OVERHEAD—PERCENTAGE BASIS

- (1) Operator shall charge the Joint Account at the following rates:
 - (a) Development Rate ______ percent (______) % of the cost of development of the Joint Property, exclusive of costs provided under Section II.9 (*Legal Expense*) and all Material salvage credits.
 - (b) Operating Rate _______ percent (_______%) of the cost of operating the Joint Property, exclusive of costs provided under Sections II.1 (*Rentals and Royalties*) and II.9 (*Legal Expense*); all Material salvage credits; the value of substances purchased for enhanced recovery; all property and ad valorem taxes, and any other taxes and assessments that are levied, assessed, and paid upon the mineral interest in and to the Joint Property.
- (2) Application of Overhead—Percentage Basis shall be as follows:
 - (a) The Development Rate shall be applied to all costs in connection with:
 - [i] drilling, redrilling, sidetracking, or deepening of a well
 - [ii] a well undergoing plugback or workover operations for a period of five (5) or more consecutive work-days
 - [iii] preliminary expenditures necessary in preparation for drilling
 - [iv] expenditures incurred in abandoning when the well is not completed as a producer
 - [v] construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, other than Major Construction or Catastrophe as defined in Section III.2 (Overhead-Major Construction and Catastrophe).
 - (b) The Operating Rate shall be applied to all other costs in connection with Joint Operations, except those subject to Section III.2 (Overhead-Major Construction and Catastrophe).

2. OVERHEAD—MAJOR CONSTRUCTION AND CATASTROPHE

To compensate the Operator for overhead costs incurred in connection with a Major Construction project or Catastrophe, the Operator shall either negotiate a rate prior to the beginning of the project, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of the Operator's expenditure limit under the Agreement, or for any Catastrophe regardless of the amount. If the Agreement to which this Accounting Procedure is attached does not contain an expenditure limit, Major Construction Overhead shall be assessed for any single Major Construction project costing in excess of \$100,000 gross.



Major Construction shall mean the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, or in the dismantlement, abandonment, removal, and restoration of platforms, production equipment, and other operating facilities.

Catastrophe is defined as a sudden calamitous event bringing damage, loss, or destruction to property or the environment, such as an oil spill, blowout, explosion, fire, storm, hurricane, or other disaster. The overhead rate shall be applied to those costs necessary to restore the Joint Property to the equivalent condition that existed prior to the event.

A. If the Operator absorbs the engineering, design and drafting costs related to the project:

(1) **5.0 % of total costs if such costs are less than \$100,000; plus

(2) **3.0 % of total costs in excess of \$100,000 but less than \$1,000,000; plus

(3) **2.0 % of total costs in excess of \$1,000,000.

B. If the Operator charges engineering, design and drafting costs related to the project directly to the Joint Account:

(1) **5.0 % of total costs if such costs are less than \$100,000; plus

(2) **3.0 % of total costs in excess of \$100,000 but less than \$1,000,000; plus

(3) <u>**2.0</u> % of total costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single Major Construction project shall not be treated separately, and the cost of drilling and workover wells and purchasing and installing pumping units and downhole artificial lift equipment shall be excluded. For Catastrophes, the rates shall be applied to all costs associated with each single occurrence or event.

On each project, the Operator shall advise the Non-Operator(s) in advance which of the above options shall apply.

For the purposes of calculating Catastrophe Overhead, the cost of drilling relief wells, substitute wells, or conducting other well operations directly resulting from the catastrophic event shall be included. Expenditures to which these rates apply shall not be reduced by salvage or insurance recoveries. Expenditures that qualify for Major Construction or Catastrophe Overhead shall not qualify for overhead under any other overhead provisions.

In the event of any conflict between the provisions of this Section III.2 and the provisions of Sections II.2 (*Labor*), II.5 (*Services*), or II.7 (*Affiliates*), the provisions of this Section III.2 shall govern.

3. AMENDMENT OF OVERHEAD RATES

 The overhead rates provided for in this Section III may be amended from time to time if, in practice, the rates are found to be insufficient or excessive, in accordance with the provisions of Section I.6.B (*Amendments*).

${\bf IV.\,MATERIAL\,PURCHASES,TRANSFERS,AND\,DISPOSITIONS}$

 The Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for direct purchases, transfers, and dispositions. The Operator shall provide all Material for use in the conduct of Joint Operations; however, Material may be supplied by the Non-Operators, at the Operator's option. Material furnished by any Party shall be furnished without any express or implied warranties as to quality, fitness for use, or any other matter.

1. DIRECT PURCHASES

Direct purchases shall be charged to the Joint Account at the price paid by the Operator after deduction of all discounts received. The Operator shall make good faith efforts to take discounts offered by suppliers, but shall not be liable for failure to take discounts except to the extent such failure was the result of the Operator's gross negligence or willful misconduct. A direct purchase shall be deemed to occur when an agreement is made between an Operator and a third party for the acquisition of Material for a specific well site or location. Material provided by the Operator under "vendor stocking programs," where the initial use is for a Joint Property and title of the Material does not pass from the manufacturer, distributor, or agent until usage, is considered a direct purchase. If Material is found to be defective or is returned to the manufacturer, distributor, or agent for any other reason, credit shall be passed to the Joint Account within sixty (60) days after the Operator has received adjustment from the manufacturer, distributor, or agent.



2. TRANSFERS

A transfer is determined to occur when the Operator (i) furnishes Material from a storage facility or from another operated property, (ii) has assumed liability for the storage costs and changes in value, and (iii) has previously secured and held title to the transferred Material. Similarly, the removal of Material from the Joint Property to a storage facility or to another operated property is also considered a transfer; provided, however, Material that is moved from the Joint Property to a storage location for safe-keeping pending disposition may remain charged to the Joint Account and is not considered a transfer. Material shall be disposed of in accordance with Section IV.3 (Disposition of Surplus) and the Agreement to which this Accounting Procedure is attached.

A. PRICING

The value of Material transferred to/from the Joint Property should generally reflect the market value on the date of physical transfer. Regardless of the pricing method used, the Operator shall make available to the Non-Operators sufficient documentation to verify the Material valuation. When higher than specification grade or size tubulars are used in the conduct of Joint Operations, the Operator shall charge the Joint Account at the equivalent price for well design specification tubulars, unless such higher specification grade or sized tubulars are approved by the Parties pursuant to Section I.6.A (*General Matters*). Transfers of new Material will be priced using one of the following pricing methods; provided, however, the Operator shall use consistent pricing methods, and not alternate between methods for the purpose of choosing the method most favorable to the Operator for a specific transfer:

- (1) Using published prices in effect on date of movement as adjusted by the appropriate COPAS Historical Price Multiplier (HPM) or prices provided by the COPAS Computerized Equipment Pricing System (CEPS).
 - (a) For oil country tubulars and line pipe, the published price shall be based upon eastern mill carload base prices (Houston, Texas, for special end) adjusted as of date of movement, plus transportation cost as defined in Section IV.2.B (Freight).
 - (b) For other Material, the published price shall be the published list price in effect at date of movement, as listed by a Supply Store nearest the Joint Property where like Material is normally available, or point of manufacture plus transportation costs as defined in Section IV.2.B (*Freight*).
- (2) Based on a price quotation from a vendor that reflects a current realistic acquisition cost.
- (3) Based on the amount paid by the Operator for like Material in the vicinity of the Joint Property within the previous twelve (12) months from the date of physical transfer.
- (4) As agreed to by the Participating Parties for Material being transferred to the Joint Property, and by the Parties owning the Material for Material being transferred from the Joint Property.

B. FREIGHT

Transportation costs shall be added to the Material transfer price using the method prescribed by the COPAS Computerized Equipment Pricing System (CEPS). If not using CEPS, transportation costs shall be calculated as follows:

- (1) Transportation costs for oil country tubulars and line pipe shall be calculated using the distance from eastern mill to the Railway Receiving Point based on the carload weight basis as recommended by the COPAS MFI-38 ("Material Pricing Manual") and other COPAS MFIs in effect at the time of the transfer.
- (2) Transportation costs for special mill items shall be calculated from that mill's shipping point to the Railway Receiving Point. For transportation costs from other than eastern mills, the 30,000-pound interstate truck rate shall be used. Transportation costs for macaroni tubing shall be calculated based on the interstate truck rate per weight of tubing transferred to the Railway Receiving Point.
- (3) Transportation costs for special end tubular goods shall be calculated using the interstate truck rate from Houston, Texas, to the Railway Receiving Point.
- (4) Transportation costs for Material other than that described in Sections IV.2.B.(1) through (3), shall be calculated from the Supply Store or point of manufacture, whichever is appropriate, to the Railway Receiving Point

Regardless of whether using CEPS or manually calculating transportation costs, transportation costs from the Railway Receiving Point to the Joint Property are in addition to the foregoing, and may be charged to the Joint Account based on actual costs incurred. All transportation costs are subject to Equalized Freight as provided in Section II.4 (*Transportation*) of this Accounting Procedure.

C. TAXES

Sales and use taxes shall be added to the Material transfer price using either the method contained in the COPAS Computerized Equipment Pricing System (CEPS) or the applicable tax rate in effect for the Joint Property at the time and place of transfer. In either case, the Joint Account shall be charged or credited at the rate that would have governed had the Material been a direct purchase.



D. CONDITION

- (1) Condition "A" New and unused Material in sound and serviceable condition shall be charged at one hundred percent (100%) of the price as determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*). Material transferred from the Joint Property that was not placed in service shall be credited as charged without gain or loss; provided, however, any unused Material that was charged to the Joint Account through a direct purchase will be credited to the Joint Account at the original cost paid less restocking fees charged by the vendor. New and unused Material transferred from the Joint Property may be credited at a price other than the price originally charged to the Joint Account provided such price is approved by the Parties owning such Material, pursuant to Section I.6.A (*General Matters*). All refurbishing costs required or necessary to return the Material to original condition or to correct handling, transportation, or other damages will be borne by the divesting property. The Joint Account is responsible for Material preparation, handling, and transportation costs for new and unused Material charged to the Joint Property either through a direct purchase or transfer. Any preparation costs incurred, including any internal or external coating and wrapping, will be credited on new Material provided these services were not repeated for such Material for the receiving property.
- (2) Condition "B" Used Material in sound and serviceable condition and suitable for reuse without reconditioning shall be priced by multiplying the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) by seventy-five percent (75%).

Except as provided in Section IV.2.D(3), all reconditioning costs required to return the Material to Condition "B" or to correct handling, transportation or other damages will be borne by the divesting property.

If the Material was originally charged to the Joint Account as used Material and placed in service for the Joint Property, the Material will be credited at the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) multiplied by sixty-five percent (65%).

Unless otherwise agreed to by the Parties that paid for such Material, used Material transferred from the Joint Property that was not placed in service on the property shall be credited as charged without gain or loss.

(3) Condition "C" – Material that is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced by multiplying the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) by fifty percent (50%).

The cost of reconditioning may be charged to the receiving property to the extent Condition "C" value, plus cost of reconditioning, does not exceed Condition "B" value.

- (4) Condition "D" Material that (i) is no longer suitable for its original purpose but useable for some other purpose, (ii) is obsolete, or (iii) does not meet original specifications but still has value and can be used in other applications as a substitute for items with different specifications, is considered Condition "D" Material. Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing, or drill pipe utilized as line pipe shall be priced at used line pipe prices. Casing, tubing, or drill pipe used as higher pressure service lines than standard line pipe, e.g., power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non-upset basis. For other items, the price used should result in the Joint Account being charged or credited with the value of the service rendered or use of the Material, or as agreed to by the Parties pursuant to Section 1.6.A (General Matters).
- (5) Condition "E" Junk shall be priced at prevailing scrap value prices.

E. OTHER PRICING PROVISIONS

(1) Preparation Costs

Subject to Section II (*Direct Charges*) and Section III (*Overhead*) of this Accounting Procedure, costs incurred by the Operator in making Material serviceable including inspection, third party surveillance services, and other similar services will be charged to the Joint Account at prices which reflect the Operator's actual costs of the services. Documentation must be provided to the Non-Operators upon request to support the cost of service. New coating and/or wrapping shall be considered a component of the Materials and priced in accordance with Sections IV.1 (*Direct Purchases*) or IV.2.A (*Pricing*), as applicable. No charges or credits shall be made for used coating or wrapping. Charges and credits for inspections shall be made in accordance with COPAS MFI-38 ("Material Pricing Manual").

(2) Loading and Unloading Costs

Loading and unloading costs related to the movement of the Material to the Joint Property shall be charged accordance with the methods specified in COPAS MFI-38 ("Material Pricing Manual").



3. DISPOSITION OF SURPLUS

Surplus Material is that Material, whether new or used, that is no longer required for Joint Operations. The Operator may purchase, but shall be under no obligation to purchase, the interest of the Non-Operators in surplus Material.

Dispositions for the purpose of this procedure are considered to be the relinquishment of title of the Material from the Joint Property to either a third party, a Non-Operator, or to the Operator. To avoid the accumulation of surplus Material, the Operator should make good faith efforts to dispose of surplus within twelve (12) months through buy/sale agreements, trade, sale to a third party, division in kind, or other dispositions as agreed to by the Parties.

Disposal of surplus Materials shall be made in accordance with the terms of the Agreement to which this Accounting Procedure is attached. If the Agreement contains no provisions governing disposal of surplus Material, the following terms shall apply:

- The Operator may, through a sale to an unrelated third party or entity, dispose of surplus Material having a gross sale value that is less than or equal to the Operator's expenditure limit as set forth in the Agreement to which this Accounting Procedure is attached without the prior approval of the Parties owning such Material.
- If the gross sale value exceeds the Agreement expenditure limit, the disposal must be agreed to by the Parties owning such Material
- Operator may purchase surplus Condition "A" or "B" Material without approval of the Parties owning such Material, based on the pricing methods set forth in Section IV.2 (*Transfers*).
- Operator may purchase Condition "C" Material without prior approval of the Parties owning such Material if the value of the
 Materials, based on the pricing methods set forth in Section IV.2 (*Transfers*), is less than or equal to the Operator's expenditure
 limitation set forth in the Agreement. The Operator shall provide documentation supporting the classification of the Material as
 Condition C.
- Operator may dispose of Condition "D" or "E" Material under procedures normally utilized by Operator without prior approval of the Parties owning such Material.

4. SPECIAL PRICING PROVISIONS

A. PREMIUM PRICING

Whenever Material is available only at inflated prices due to national emergencies, strikes, government imposed foreign trade restrictions, or other unusual causes over which the Operator has no control, for direct purchase the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, making it suitable for use, and moving it to the Joint Property. Material transferred or disposed of during premium pricing situations shall be valued in accordance with Section IV.2 (*Transfers*) or Section IV.3 (*Disposition of Surplus*), as applicable.

B. SHOP-MADE ITEMS

Items fabricated by the Operator's employees, or by contract laborers under the direction of the Operator, shall be priced using the value of the Material used to construct the item plus the cost of labor to fabricate the item. If the Material is from the Operator's scrap or junk account, the Material shall be priced at either twenty-five percent (25%) of the current price as determined in Section IV.2.A (*Pricing*) or scrap value, whichever is higher. In no event shall the amount charged exceed the value of the item commensurate with its use.

C. MILL REJECTS

Mill rejects purchased as "limited service" casing or tubing shall be priced at eighty percent (80%) of K-55/J-55 price as determined in Section IV.2 (*Transfers*). Line pipe converted to casing or tubing with casing or tubing couplings attached shall be priced as K-55/J-55 casing or tubing at the nearest size and weight.

V. INVENTORIES OF CONTROLLABLE MATERIAL

The Operator shall maintain records of Controllable Material charged to the Joint Account, with sufficient detail to perform physical inventories.

Adjustments to the Joint Account by the Operator resulting from a physical inventory of Controllable Material shall be made within twelve (12) months following the taking of the inventory or receipt of Non-Operator inventory report. Charges and credits for overages or shortages will be valued for the Joint Account in accordance with Section IV.2 (*Transfers*) and shall be based on the Condition "B" prices in effect on the date of physical inventory unless the inventorying Parties can provide sufficient evidence another Material condition applies.



1 2 3

1. DIRECTED INVENTORIES

Physical inventories shall be performed by the Operator upon written request of a majority in working interests of the Non-Operators (hereinafter, "directed inventory"); provided, however, the Operator shall not be required to perform directed inventories more frequently than once every five (5) years. Directed inventories shall be commenced within one hundred eighty (180) days after the Operator receives written notice that a majority in interest of the Non-Operators has requested the inventory. All Parties shall be governed by the results of any directed inventory.

Expenses of directed inventories will be borne by the Joint Account; provided, however, costs associated with any post-report follow-up work in settling the inventory will be absorbed by the Party incurring such costs. The Operator is expected to exercise judgment in keeping expenses within reasonable limits. Any anticipated disproportionate or extraordinary costs should be discussed and agreed upon prior to commencement of the inventory. Expenses of directed inventories may include the following:

- A. A per diem rate for each inventory person, representative of actual salaries, wages, and payroll burdens and benefits of the personnel performing the inventory or a rate agreed to by the Parties pursuant to Section I.6.A (*General Matters*). The per diem rate shall also be applied to a reasonable number of days for pre-inventory work and report preparation.
- B. Actual transportation costs and Personal Expenses for the inventory team.
- C. Reasonable charges for report preparation and distribution to the Non-Operators.

2. NON-DIRECTED INVENTORIES

A. OPERATOR INVENTORIES

Physical inventories that are not requested by the Non-Operators may be performed by the Operator, at the Operator's discretion. The expenses of conducting such Operator-initiated inventories shall not be charged to the Joint Account.

B. NON-OPERATOR INVENTORIES

Subject to the terms of the Agreement to which this Accounting Procedure is attached, the Non-Operators may conduct a physical inventory at reasonable times at their sole cost and risk after giving the Operator at least ninety (90) days prior written notice. The Non-Operator inventory report shall be furnished to the Operator in writing within ninety (90) days of completing the inventory fieldwork.

C. SPECIAL INVENTORIES

The expense of conducting inventories other than those described in Sections V.1 (*Directed Inventories*), V.2.A (*Operator Inventories*), or V.2.B (*Non-Operator Inventories*), shall be charged to the Party requesting such inventory; provided, however, inventories required due to a change of Operator shall be charged to the Joint Account in the same manner as described in Section V.1 (*Directed Inventories*).

VI. OTHER PROVISIONS

Notwithstanding anything herein to the contrary, Operator shall charge direct to the Joint Account all costs for third party or consulting services, materials for land, legal, and accounting services, including, without limitation, title research, lease acquisitions and title opinions.

EXHIBIT "D"

Attached to and n	nade a part of that certain Operating Agreement by	and between Snake	e River Oil and Gas, LLC,
as Operator, and	, et al, as Non-Operator, date	ed effective the	day of
	, covering the	Prospect, Payett	e County Idaho;

INSURANCE EXHIBIT

The Operator, during the term of this Agreement, shall carry insurance for the benefit and at the expense of the parties hereto as follows unless notified in writing by Non-Operator(s):

- (A) Worker's Compensation Insurance as contemplated and required by the Laws of the state in which operations will be conducted.
- (B) Employer's Liability Insurance with a minimum limit of \$1,000,000.00.
- (C) Commercial Automobile Liability Insurance with a combined single limit of not less than \$1,000,000.00 per occurrence.
- (D) Commercial General Liability Insurance with an occurrence limit of \$1,000,000.00.
- (E) Excess Liability Coverage with an each occurrence and general aggregate limit of not less than \$5,000,000.00.
- (F) Control of Well Insurance with the following limits for wells to be drilled; \$10MM for wells with completed well cost AFE's < \$4MM \$20MM for wells with completed well cost AFE's \$4MM to \$7.5MM \$30MM for wells with completed well cost AFE's \$7.5MM to \$10MM \$40MM for wells with completed well cost AFE's > \$10MM Operator's control of well insurance shall cover the cost of controlling a well out of control, the expenses involved in re-drilling or restoring the well, and certain other related costs, including liability for seepage and pollution and liability for items in Operator's care, custody, and control. (\$5,000,000 CCC Limit)
- (G) Oil Lease Property coverage as determined by Operator.

The Operator shall charge the joint account for insurance premiums, and in event of a claim, the proportionate share of the deductible/retention. Losses not covered by such insurance *shall* be charged to the joint account proportionately. The Operator is solely responsible for selection of coverages but is not responsible for solvency of any Insurer(s).

All policies mentioned above, with the exception of workers compensation, shall be endorsed to provide that the underwriters and insurance companies waive their right of subrogation against the Non-Operator, its affiliates, subsidiaries and employees. In addition, the Non-Operating party shall be named as an additional insured under the policies listed.

In the event a Non-Operating party elects not to be covered for well control insurance, the Non-Operator shall notify operator prior to the spud date of a well and provide certificate of insurance with equal or higher limits of coverage. By such refusal of coverage the Non-Operating party agrees to be responsible for his proportionate share of such loss and shall be deemed to have indemnified the Operator of any such loss that would have been covered under the Operator's coverage, regardless of the degree or type of negligence, either sole, joint, concurrent, or gross, anything in this agreement to the contrary notwithstanding.

End of Exhibit "D"

Exhibit "E"

Attached to and made a part of that	certain Operating Agreement by	and between Snake River	r Oil and Gas, LLC, as
Operator, and	, et al, as Non-Operator, o	dated effective the	day of
	_,, covering the	Prospect, Payett	e County Idaho;

Gas Balancing Agreement

NOTICE - Monthly Cash Balancing Form

I. <u>DEFINITIONS</u>

The following definitions shall apply to this Agreement:

- 1.01 "Arm's Length Agreement" shall mean any gas sales agreement with an unaffiliated purchaser of any gas sales agreement with an affiliated purchaser where the sales price and delivery conditions under such agreement are representative of prices and delivery conditions existing under other similar agreements in the area between unaffiliated parties at the same time for natural gas of comparable quality and quantity.
- 1.02 "Balancing Area" shall mean each well subject to the Joint Operating Agreement that produces Gas or is allocated a share of Gas production. If a single well is completed in two or more producing intervals, each producing interval from which the Gas production is not commingled in the wellbore shall be considered a separate well.
- 1.03 "Full Share of Current Production" shall mean the Percentage Interest of each Party in the Gas actually produced from the Balancing Area during each month.
- 1.04 "Gas" shall mean all hydrocarbons produced or producible from the Balancing Area, whether from a well classified as an oil well or gas well by the regulatory agency having jurisdiction in such matters, which are or may be made available for sale or separate disposition by the Parties, excluding oil, condensate and other liquids recovered by field equipment operated for the joint account. "Gas" does not include gas used in joint operations, such as for fuel, recycling or reinjection, or which is vented or lost prior to its sale of delivery from the Balancing Area.
- 1.05 "Makeup Gas" shall mean any Gas taken by an Underproduced Party from the Balancing Area in excess of its Full Share of Current Production pursuant to Section 3.3.
- 1.06 "MCF" shall mean one thousand cubic feet. A cubic foot of Gas shall mean the volume of gas contained in one cubic foot of space at a standard pressure base and at a standard temperature base.
- 1.07 "MMBTU" shall mean one million British Thermal Units. A British Thermal Unit shall mean the quantity of heat required to raise one pound avoirdupois of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute.
- "Operator" shall mean the individual or entity designated under the terms of the Joint Operating Agreement, or, in the event this Agreement is not employed in connection with a Joint Operating Agreement, the individual or entity designated as the operator of the well(s) located in the Balancing Area.
- 1.09 "Overproduced Party" shall mean any Party having taken a greater quantity of Gas from the Balancing Area than the Percentage Interest of such Party in the cumulative quantity of all Gas produced from the Balancing Area.
- 1.10 "Overproduction" shall mean the cumulative quantity of Gas taken by a Party in excess of its Percentage Interest in the cumulative quantity of all Gas produced from the Balancing Area.
- 1.11 "Party" shall mean those individuals or entities subject to this Agreement, and their representative heirs, successors, transferees and assigns.
- 1.12 "Percentage Interest" shall mean the percentage or decimal interest of each Party in the Gas produced from the Balancing Area pursuant to the Joint Operating Agreement covering the Balancing Area.
- 1.13 "Royalty" shall mean payments on production of Gas from the Balancing Area to all owners of royalties, overriding royalties, production payments or similar interests.
- 1.14 "Underproduced Party" shall mean any Party having taken a lesser quantity of Gas from the Balancing Area than the Percentage Interest of such Party in the cumulative quantity of all Gas produced from the Balancing Area.
 - "Underproduction" shall mean the deficiency between the cumulative quantity of Gas taken by a Party and its Percentage Interest in the cumulative quantity of all Gas Produced from the Balancing Area.
 - "Winter Period" shall mean the month(s) of October December in one calendar year and the month(s) of January March in the succeeding calendar year.

II. BALANCING AREA

If this Agreement covers more than one Balancing Area, it shall be applied as if each Balancing Area were covered by separate but identical agreements. All balancing hereunder shall be on the basis of Gas taken from the Balancing Area measured in MMBTU's.

III. RIGHT OF PARTIES TO TAKE GAS

- 3.1 Each Party shall notify the Operator, or cause the Operator to be notified of the volumes nominated, the name of the transporting pipeline and the pipeline contract number (if available) and meter station relating to such delivery, sufficiently in advance for the Operator, acting with reasonable diligence, to meet all nomination and other requirements. Operator is authorized to deliver the volumes so nominated and confirmed (if confirmation is required) to the transporting pipeline in accordance with the terms of this Agreement.
- 3.2 Each Party shall make a reasonable, good faith effort to take its Full Share of Current Production at all times.
- 3.3 When a Party fails for any reason to take its Full Share of Current Production (as such Share may be reduced by the right of the other Parties to make up for Underproduction as provided herein), the other Parties shall be entitled to take any gas which such Party fails to take. To the extent practicable, such Gas shall be made available initially to each Underproduced Party in the proportion that its Percentage Interest in the Balancing Area bears to the total Percentage Interests of all Underproduced Parties desiring to take such Gas. If all such Gas is not taken by the Underproduced Parties, the portion not taken shall then be made available to the other Parties in the proportion that their respective Percentage Interests in the Balancing Area bear to the total Percentage Interests of such Parties.

GAS BALANCING AGREEMENT PAGE 2

3.4 All Gas taken by a Party in accordance with the provisions of this Agreement, regardless of whether such Party is underproduced or overproduced, shall be regarded as Gas taken for its own account with title thereto being in such taking Party.

3.5 In the event that a Party fails to make arrangements to take its Full Share of Current Production, the Operator may sell any part of such Party's Full Share of Current Production that such Party fails to take for the account of such Party and render to such Party, on a current basis, the full proceeds of the sale, less any reasonable marketing, compression, treating, gathering or transportation costs incurred directly in connection with the sale of such Full Share of Current Production. In making the sale contemplated herein, the Operator shall market such Party's proportionate share of gas produced from the contract Area on terms no less advantageous than those on which Operator markets to any non-affiliate its own proportionate share of gas produced from the Contract Area. Any such sale by Operator under the terms hereof shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year. Notwithstanding the provisions of Article 3.4 hereof, Gas sold by Operator for a Party under the provisions hereof shall be deemed to be Gas taken for the account of such Party. Notwithstanding any provision herein, Operator will not make any sales under this Section 3.5 unless it has first notified a Party with seven (7) days written notice that a sale hereunder is contemplated.

IV. CASH BALANCING

Effective the first day of any calendar month, following the receipt of the Statement of Gas Balances as provided in Article V below, each Overproduced Party shall make payment to the Operator so as to eliminate its overproduction as provided in Article VII below.

V. STATEMENT OF GAS BALANCES

- The Operator will maintain appropriate accounting on a monthly and cumulative basis of the volumes of Gas that each Party is entitled to receive and the volumes of Gas actually taken or sold for each Party's account. Within sixty (60) days after the month of production, the Operator will furnish a statement for such month showing (1) each Party's Full Share of Current Production, (2) the total volume of Gas actually taken or sold for each Party's account, (3) the difference between the volume taken by each Party and that Party's Full Share of Current Production, (4) the Overproduction or Underproduction of each Party, and (5) other data as recommended by the provisions of the Council of Petroleum Accountants Societies Bulletin No. 24, as amended or supplemented hereafter. Each Party taking Gas will promptly provide to the Operator any data required by the Operator for preparation of the statements required hereunder.
- 5.2 If any Party fails to provide the data required herein timely, the Operator, or where the Operator has failed to provide data, another Party, may audit the production and Gas sales and transportation volumes of the non-reporting Party to provide the required data. Such audit shall be conducted only after reasonable notice and during normal business hours in the office of the Party whose records are being audited. All costs associated with such audit will be charged to the account of the Party failing to provide the required data.

VI. PAYMENTS ON PRODUCTION

- 6.1 Each Party taking Gas shall pay or cause to be paid all production and severance taxes due on all volumes of Gas actually taken by such Party.
- 6.2 The Operator shall pay or cause to be paid all Royalty due with respect to Royalty Owners to whom it is accountable based on the volume of Gas actually taken for the respective Parties' account.
- 6.3 In the event that any governmental authority requires that Royalty payments be made on any other basis than that provided for in this Section VI, each Party agrees to make such Royalty payments accordingly, commencing on the effective date required by such governmental authority, and the method provided for herein shall be thereby superseded.

VII. CASH SETTLEMENTS

- 7.1 Effective the first day of any calendar month following the receipt of the Statement of Gas Balances as provided in Article V below, any Overproduced Party shall forward, via wire transfer, the cash amount of the value of its overproduction to the Operator. The Operator shall, within fifteen (15) days thereafter, pay to the respective Underproduced Party(ies) its (their) proportionate share of the value of the overproduction.
- 7.2 The amount of the cash settlement will be based on the proceeds received by the Overproduced Party under an Arm's Length Agreement for the Gas taken from time to time by the Overproduced Party in excess of the Overproduced Party's full share of Current Production. Any Makeup Gas taken by the Underproduced Party prior to monetary settlement hereunder will be applied to offset Overproduction chronologically in the order of accrual.
- 7.3 The values used for calculating the cash settlement under Section 7.2 will include all proceeds received for the sale of the Gas by the Overproduced Party calculated at the Balancing Area, after deducting any production or severance taxes paid and any Royalty actually paid by the Overproduced Party to an Underproduced Party's Royalty owner(s), to the extent said payments amounted to a discharge of said Underproduced Party's Royalty obligation, as well as any reasonable marketing, compression, treating, gathering or transportation costs incurred directly in connection with the sale of the Overproduction.
- 7.4 To the extent the Overproduced Party did not sell all Overproduction under an Arm's Length Agreement, the cash settlement will be based on the weighted average price received by the Overproduced Party for any gas sold from the Balancing Area under Arm's Length Agreements during the months to which such Overproduction is attributed. In the event that no sales under Arm's Length Agreements were made during any such month, the cash settlement for such month will be based on the first of the month weighted average spot sales prices published for the applicable pipelines in the applicable geographic area during such month, first, using Inside FERC's Gas Market Report and, then, using Natural Gas Intelligence if Inside FERC is no longer published. Should these publications cease to exist, a mutually acceptable pricing bulletin will be used.
- 7.5 Interest compounded at the prime rate in effect at Citibank N.A. of New York plus 4% per annum or the maximum lawful rate of interest applicable to the Balancing Area, whichever is less, will accrue for all amounts due under Section 7.1, beginning the first day following the date payment is due. Such interest shall be borne by the Operator or any Overproduced Party in the proportion that their respective delays beyond the deadlines set out in this Section, contributed to the accrual of the interest.
- 7.6 That portion of any monies collected by an Overproduced Party for Overproduction which is subject to refund by orders of the Federal Energy Regulatory Commission or other governmental authority may be withheld by the Overproduced Party until such prices are fully approved by such governmental authority, unless the

GAS BALANCING AGREEMENT PAGE 3

Underproduced Party furnishes a corporate undertaking, acceptable to the Overproduced Party, agreeing to hold the Overproduced Party harmless from financial loss due to refund orders by such governmental authority.

VIII. TESTING

Notwithstanding any provision of this Agreement to the contrary, any Party who is selling its gas production independently of Operator shall have the right, from time to time, to produce and take up to one hundred percent (100%) of a well's entire Gas stream to meet the reasonable deliverability test(s) required by such Party's Gas purchaser, and the right to take any Makeup Gas shall be subordinate to the right of any Party to conduct such tests; provided, however, that such tests shall be conducted in accordance with prudent operating practices only after ten (10) days' prior written notice to the Operator and shall last no longer than seventy-two (72) hours.

IX. OPERATING COSTS

Nothing in this Agreement shall change or affect any Party's obligation to pay its proportionate share of all costs and liabilities incurred in operations on or in connection with the Balancing Area, as its share thereof is set forth in the Joint Operating Agreement, irrespective of whether any Party is at any time selling and using Gas or whether such sales or use are in proportion to its Percentage Interest in the Balancing Area.

X. LIQUIDS

The Parties shall share proportionately in and own all liquid hydrocarbons recovered with Gas by field equipment operated for the joint account in accordance with their Percentage Interests in the Balancing Area.

XI. AUDIT RIGHTS

Notwithstanding any provision in this Agreement or any other agreement between the Parties hereto, and further notwithstanding any termination or cancellation of this Agreement, for a period of two (2) years from the end of the calendar year in which any information to be furnished under Section V or VII hereof is supplied, any Party shall have the right to audit the records of any other Party regarding quantity, including but not limited to information regarding BTU-content. Any Underproduced Party shall have the right for a period of two (2) years from the end of the calendar year in which any cash settlement is received pursuant to Section VII to audit the records of any Overproduced Party as to all matters concerning values, including but not limited to information regarding prices and disposition of Gas from the Balancing Area. Any such audit shall be conducted at the expense of the Party or Parties desiring such audit, and shall be conducted, after reasonable notice, during normal business hours in the office of the Party whose records are being audited. Each Party hereto agrees to maintain records as to the volumes and prices of Gas sold each month and the Volumes of Gas used in its own operations, along with the Royalty paid on any such Gas used by a Party in its own operations. The audit rights provided for in this Section XI shall be in addition to those provided for in Section 5.2 of this Agreement.

XII. MISCELLANEOUS

- 12.1 As between the Parties, in the event of any conflict between the provisions of this Agreement and the provisions of any gas sales contract, or in the event of any conflict between the provisions of the Joint Operating Agreement, the provisions of this Agreement shall govern.
- 12.2 Each Party agrees to defend, indemnify and hold harmless all other Parties from and against any and all liability for any claims, which may be asserted by any third Party which now or hereafter stands in a contractual relationship with such indemnifying Party and which arise out of the operation of this Agreement or any activities of such indemnifying Party under the provisions of this Agreement, and does further agree to save the other Parties harmless from all judgments or damages sustained and costs incurred in connection therewith.
- 12.3 Except as otherwise provided in this agreement, Operator is authorized to administer the provisions of this Agreement, but shall have no liability to the other Parties for losses sustained or liability incurred which arise out of or in connection with the performance of Operator's duties hereunder, except such as may result from Operator's gross negligence or willful misconduct. Operator shall not be liable to any Underproduced Party for the failure of any Overproduced Party (other than Operator) to pay any amounts owed pursuant to the terms hereof
- 12.4 This Agreement shall remain in full force and effect for as long as the Joint Operating Agreement shall remain in force and effect as to the Balancing Area, and thereafter until the Gas accounts between the Parties are settled in full, and shall inure to the benefit of and be binding upon the Parties hereto, and their respective heirs, successors, legal representatives and assigns, if any. The Parties hereto agree to give notice of the existence of this Agreement to any successor in interest of any such Party and to provide that any such successor shall be bound by this Agreement, and shall further make any transfer of any interest subject to the Joint Operating Agreement, or any part thereof, also subject to the terms of this Agreement.
- 12.5 Unless the context clearly indicates otherwise, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.
- 12.6 This Agreement shall bind the Parties in accordance with the provisions hereof, and nothing herein shall be construed or interpreted as creating any rights in any person or entity not a signatory hereto, or as being a stipulation in favor of any such person or entity.
- 12.7 If contemporaneously with this Agreement becoming effective, or thereafter, any Party requests that any other Party execute an appropriate memorandum or notice of this Agreement in order to give third parties notice of record of same and submits same for execution in recordable form, such memorandum or notice shall be duly executed by the Party to which such request is made and delivered promptly thereafter to the Party making the request. Upon receipt, the Party making the request shall cause the memorandum or notice to be duly recorded in the appropriate real property or other records affecting the Balancing Area.
- 12.8 In the event federal tax regulations require a uniform method of computing taxable income by all Parties, the Parties agree to negotiate in good faith to agree upon such a uniform method that is in accordance with the requirements of said tax regulations.

XIII. ASSIGNMENT AND RIGHTS UPON ASSIGNMENT

13.1 Subject to the provisions of Sections 13.2 and 13.3 hereof, and notwithstanding anything in this Agreement or in the Joint Operating Agreement to the contrary, if any Party assigns (including any sale, exchange or other transfer) any of its working interest in the Balancing Area when such Party is an Underproduced or Overproduced Party, the assignment or other act of transfer shall, insofar as the parties hereto are concerned, include all interest of the assigning or transferring Party in the Gas, all rights to receive or obligations to make any monetary payment which may ultimately be due hereunder, as applicable. Operator and each of the other Parties hereto shall thereafter treat the assignment accordingly, and the assigning or transferring Party shall look solely to its assignee or other

GAS BALANCING AGREEMENT PAGE 4

transferee for any interest in the Gas or monetary payment that such Party may have or to which it may be entitled, and shall cause its assignee or other transferee to assume its obligations hereunder.

- Notwithstanding anything in this Agreement (including but not limited to the provisions of Section 13.1 hereof) or in the Joint Operating Agreement to the contrary, and subject to the provisions of Section 13.3 hereof, in the event an Overproduced Party intends to sell, assign, exchange or otherwise transfer any of its interest in a Balancing Area, such Overproduced Party shall notify in writing the other working interest owners who are Parties hereto in such Balancing Area of such fact at least thirty (30) days prior to closing the transaction. Thereafter, any Underproduced Party may demand from such Overproduced Party in writing, within twenty (20) days after receipt of the Overproduced Party's notice, a cash settlement of its Underproduction from the Balancing Area. Operator shall be notified of any such demand and of any cash settlement pursuant to this Section XIII, and the Overproduction and Underproduction of each Party shall be adjusted accordingly. Any cash settlement pursuant to this Section XIII shall be paid by the Overproduced Party (i) in accordance with Article VII or (ii) at the closing of the transaction in which the Overproduced Party sells, assigns, exchanges or otherwise transfers its interest in a Balancing Area, whichever is the earlier, and shall bear interest at the rate set forth in Section 7.5 hereof, beginning sixty (60) days after the Overproduced Party's sale, assignment, exchange or transfer of its interest in the Balancing Area for any amounts not paid. Provided, however, if any Underproduced Party does not so demand such cash settlement of its Underproduction from the Balancing Area, such Underproduced Party shall look exclusively to the assignee or other successor in interest of the Overproduced Party giving notice hereunder for the satisfaction of such Underproduced Party's Underproduction in accordance with the provisions of Section 13.1 hereof.
- 13.3 The provisions of this Section XIII shall not be applicable in the event any Party mortgages its interest or disposes of its interest by merger, reorganization, consolidation or sale of substantially all of its assets to a subsidiary or parent company, or to any company in which any parent or subsidiary of such Party owns a majority of the stock of such company.

End of Exhibit "E"

EXHIBIT "F"

Attached to and r	nade a part of that	certain Operating	Agreement by	and between	Snake River	Oil and	Gas, LLC
as Operator, and		, et al, as Non-C	Operator, dated e	effective the _		day of	
	,	_, covering the		Prospect, Paye	ette County Id	aho;	

MEMORANDUM OF OPERATING AGREEMENT AND FINANCING STATEMENT

THE	STATE	OF	 §
			§
COUN	NTY OF		 §

THIS AGREEMENT is made and entered into by and between Snake Rive Oil and Gas, LLC, (hereinafter referred to as "OPERATOR"), and the undersigned parties (hereinafter referred to as "NON-OPERATORS").

WHEREAS, the parties to this Memorandum of Operating Agreement and Financing Statement (hereinafter referred to as "Agreement") are owners of certain Oil and Gas Leases and/or Oil and Gas Interests covering the Prospect Area described in Exhibit "A" which is attached to and made a part the Operating Agreement (said Land(s), Lease(s) and Interest(s) are hereinafter referred to as the "Contract Area"), and in any instance in which the Lease(s) or Interest(s) of a party are not of record, the record owner and the party hereto that owns the interest or rights therein are reflected on said Exhibit "A"; AND,

WHEREAS, the parties hereto have subjected their interests in the Contract Area to an Operating Agreement dated effective the day of , 2012 governing operations on and in the Contract Area, by and between OPERATOR and NON-OPERATORS, (such Operating Agreement hereinafter referred to as the "Operating Agreement"), covering the Contract Area for the purpose of exploring and developing such lands, Leases and Interests for oil and gas; AND,

WHEREAS, the parties hereto have executed this Agreement for the purpose of imparting notice to all persons of the rights and obligations of the parties under the Operating Agreement and for the further purpose of perfecting those rights capable of perfection;

NOW, THEREFORE, in consideration of the mutual rights, covenants and obligations of the parties hereto, it is hereby agreed between the parties as follows:

- 1. This Agreement is a supplemental to the Operating Agreement, which, for all purposes reference is hereby made and the terms and provisions contained therein are incorporated herewith in their entirety, and all terms used herein shall have the same meaning ascribed to them in said Operating Agreement.
- 2. The parties hereby agree that:
 - A. The Oil and Gas Lease(s) and/or Oil and Gas Interest(s) of the parties comprised by the Contract Area shall be subject to and burdened with the terms and provisions of this Agreement and the Operating Agreement, and the parties do hereby commit such Lease)s) and Interest(s) to the performance thereof.
 - B. The exploration and development of the Contract Area for oil and gas shall be governed by the terms and provisions of the Operating Agreement, as supplemented by this Agreement.
 - C. All costs and liabilities incurred in operations under this Agreement and the Operating Agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties hereto, as provided in the Operating Agreement.
 - D. Regardless of the record title ownership to the Oil and Gas Leases and/or Oil and Gas Interests identified on Exhibit "A", all production of oil and gas from the Contract Area shall be owned by the parties as provided in the Operating Agreement; provided nothing contained in this Agreement shall be deemed an assignment or cross-assignment of interests covered hereby.
 - E. Each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area as provided in the Operating Agreement.
 - F. Any overriding royalty, production payment, net profits interest or other burden payable out of production hereafter created, assignments of production given as security for the payment of money and those overriding royalties, production payments and other burdens payable out of production heretofore created and defined as Subsequently Created Interests in the Operating Agreement shall be (i) borne solely by the party whose interest is burdened therewith, (ii) subject to suspension if a party is required to assign or relinquish to another party an interest which is subject to such burden, and (iii) subject to the lien and security interest hereinafter provided if the

party subject to such burden fails to pay its share of expenses chargeable hereunder and under the Operating Agreement, all upon the terms and provisions and in the times and manner provided by the Operating Agreement.

- G. The Oil and Gas Leases and/or Oil and Gas Interests which are subject hereto may not be assigned or transferred except in accordance with those terms, provisions and restrictions in the Operating Agreement regulating such transfers. This Agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, devisees, legal representatives, and assigns.
- H. The parties shall have the right to acquire an interest in any renewal, extension or replacement leases, leases proposed to be surrendered, wells proposed to be abandoned, and interests to be relinquished as a result of non-participation in subsequent operations, all in accordance with the terms and provisions of the Operating Agreement.
- I. The rights and obligations of the parties and the adjustment of interests among them in the event of a failure or loss of title, failure to participate in acquisitions under the Area of Mutual Interest or the participation in a greater interest in such acquisitions, each party's right to propose operations, obligations with respect to participation in operations on the Contract Area and the consequences of a failure to participate in operations, the rights and obligations of the parties regarding the marketing of production, and the rights and remedies of the parties for failure to comply with financial obligations shall be as provided in the Operating Agreement.
- J. Each party's interest under this Agreement and under the Operating Agreement shall be subject to relinquishment for its failure to participate in subsequent operations and each party's share of production and costs shall be reallocated on the basis of such relinquishment, all upon the terms and provisions provided in the Operating Agreement.
- 3. All other matters with respect to exploration and development of the Contract Area and the ownership and transfer of the Oil and Gas Leases and/or Oil and Gas Interest therein shall be governed by the terms and provisions of the Operating Agreement.
- 4. The parties hereby grant reciprocal liens and security interests to each other as follows:
 - Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and/or Oil and Gas Interests in the Contract Area, and a security interest and for purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this Agreement and the Operating Agreement including but not limited to payment of expenses, interest and fees, the proper disbursement of all monies paid under this Agreement and the Operating Agreement, the assignment or relinquishment of interest in Oil and Gas Leases as required under this Agreement and the Operating Agreement, and the proper performance of operations under this Agreement and the Operating Agreement. Such lien and security interest granted by each party hereto shall include such party's leasehold interests, working interests, operating rights, and royalty and overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this Agreement and the Operating Agreement, the oil and gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from gas imbalances or from the sale of oil and/or gas at the wellhead), contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.
 - B. Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in the Oil and Gas Leases and/or Oil and Gas Interests covered by this Agreement and the Operating Agreement by, through or under such party. All parties acquiring an interest in any Oil and Gas Leases and/or Oil and Gas Interests covered by this Agreement and the Operating Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have been taken subject to the lien and security interest granted by the Operating Agreement and this instrument as to all obligations attributable to such interest under this Agreement and the Operating Agreement whether or not such obligations arise before or after such interest is acquired.
 - C. To the extent that the parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any party in the payment of Its share of expenses, interest or fees, or upon the improper use of funds by the OPERATOR, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of oil and gas until the amount owed by such party, plus interest, has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such

defaulting party's share of oil and gas. All purchasers of production may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.

- D. If any party fails to pay its share of expenses within one hundred twenty (120) days after rendition of a statement therefor by OPERATOR, OPERATOR shall pay the unpaid amount. The amount paid by OPERATOR shall be secured by the liens and security rights described in this paragraph 3. and in Article VII.B. of the Operating Agreement, and OPERATOR may pursue any remedy available under the Operating Agreement or otherwise.
- E. If any party does not perform all of its obligations under this Agreement or the Operating Agreement, and the failure to perform subjects such party to foreclosure or execution proceedings pursuant to the provisions of this Agreement or the Operating Agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisal of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshaling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted hereunder or under the Operating Agreement, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.
- F. The lien and security interest granted by this paragraph 3. supplements identical rights granted under the Operating Agreement.
- G. To the extent permitted by applicable law, NON-OPERATORS agree that OPERATOR may invoke or utilize the mechanics' or materialman's lien law of the state in which the Contract Area is situated in order to secure the payment to OPERATOR of any sum due under this Agreement and the Operating Agreement for services performed or materials supplied by OPERATOR.
- H. The above described security will be financed at the wellhead of the well or wells located on the Contract Area and this Memorandum of Operating Agreement and Financing Statement may be filed in the land records in the County or Parish in which the Contract Area is located, and as a financing statement in all recording offices required under the Uniform Commercial Code or other applicable state statutes to perfect the above described security interest, and any party hereto may file a continuation statement as necessary under the Uniform Commercial Code, or other state laws.
- 5. This Agreement shall be effective as of the date of the Operating Agreement as above recited. Upon termination of this Agreement and the Operating Agreement and the satisfaction of all obligations thereunder, OPERATOR is authorized to file of record in all necessary recording offices a notice of termination, and upon the request of OPERATOR, each party hereto agrees to execute such a notice of termination as to OPERATOR'S interest, if OPERATOR has complied with all of its financial obligations.
- 6. This Agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. Every sale, encumbrance, transfer or other disposition made by any party of any interest in the Oil and Gas Leases and/or Oil and Gas Interests subject hereto shall be made expressly subject to this Agreement and the Operating Agreement and without prejudice to the rights of the other parties. The assignee of an ownership interest in any Oil and Gas Lease and/or Oil and Gas Interests shall be deemed a party to this Agreement and the Operating Agreement as to the interest assigned from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party under this Agreement or the Operating Agreement with respect to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation conducted under this Agreement and the Operating Agreement in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. of the Operating Agreement and hereby shall continue to burden the interest transferred to secure payment of any such obligations.
- 7. In the event of a conflict between the terms and provisions of this Agreement and the terms and provisions of the Operating Agreement, then, as between the parties, the terms and provisions of the Operating Agreement shall control.
- 8. This agreement shall be binding upon each NON-OPERATOR when this agreement or a counterpart thereof has been executed by NON-OPERATOR and OPERATOR notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, an interest in the Contract Area. In the event that any provision herein is illegal or unenforceable, the remaining provisions shall not be affected, and shall be enforced as if the illegal or unenforceable provision did not appear herein.

		Notary Public in and for the State of			
company.					
		of			
COUNTY OF This instrument was acknown	§	ore me on the day of		. 20	, bv
STATE OF	§				
		Notary Public in and for the State of Texas			
This instrument was acknown	wledged befo	ore me on the day of		, 20	, by
COUNTY OF					
STATE OF TEXAS	§				
NON-OPERATORS:					
NON-OPERATORS:					
Snake River Oil and Gas, LLC					
OPERATOR					
	f, this Agreei	ment shall be effective as of the	da <u>y</u>	y of	

End of Exhibit "F"

EXHIBIT E

<u>Snake river oil & gas</u>

[DATE]	
[OWNER INFORMATION]	
Re: Oil and Gas Lease totaling	acres, more or less, and detailed as being:
	Township 8 North, Range 5 West Section [15 or 22] Payette County, Idaho
acres x \$150.00 per acre = \$_	
Total Signing Bonus to be paid: \$	

Snake River Oil and Gas, LLC, desires to reach an agreement with you pertaining to mineral rights owned by you with the intention of including you in a future producing unit and to pay you royalties. We are attempting to lease your ground for inclusion in the unit only and there will never be any surface operations or equipment on or near your property.

The offer provides for the following terms:

- 5 year primary term
- \$150.00 per net mineral acre (one-time signing bonus payment)
- 1/8 royalty on marketable gas and oil for the life of the well
- Option to extend the primary term for 3 years at \$150.00 per net mineral acre
- No Surface Use Provision Added

<u>Snake River Oil and Gas, LLC reserves the right to rescind this offer any time prior to acceptance. This offer shall be valid for 45 days from date of letter unless rescinded beforehand.</u>

I am working in the area on a regular basis and would welcome the opportunity to visit with you in person to discuss any details of this offer. Should you have any questions and/or would care to discuss this matter further, please do not hesitate to contact me.

Sincerely,

Butch Clancy Petroleum Landman Phone: 208-249-9298

Email: butchclancy1@yahoo.com

EXHIBIT F

BEFORE THE OIL AND GAS CONSERVATION COMMISSION STATE OF IDAHO

In the Matter of Application of Snake River Oil)	
and Gas, LLC, for an Order Integrating the)	Docket No. CC-2025-OGR-01-005
Mineral Interests in the Spacing Unit)	
Consisting of the SE ¼ of Section 15, the E ½ of)	
the SW ¼ of Section 15, and the NE ¼ of Section)	
22, Township 8 North, Range 5 West, Boise)	
Meridian, Payette County, Idaho	
)	
SNAKE RIVER OIL AND GAS, LLC,)	
Applicant.	
)	
)	

DECLARATION OF WADE MOORE III

- I, Wade Moore III, declare:
- 1. I am over 18 years of age and competent to testify to the matters set forth in this Declaration, which I make based on my personal knowledge.
- 2. As Landman for Snake River Oil and Gas, LLC ("Snake River") I participated in and supervised efforts to lease mineral interests in the spacing unit consisting of the SE ¼ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22, Township 8 North, Range 5 West, Boise Meridian, Payette County, Idaho ("the subject spacing unit").
- 3. Snake River's land team engaged in ongoing leasing efforts in the subject spacing unit area beginning in 2022 as to the SE $\frac{1}{4}$ of Section 15 and the NE $\frac{1}{4}$ of Section 22, and beginning in early March 2025 as to the E $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 15.
- 4. Landman Butch Clancy has been primarily responsible for leasing efforts in the E ½ of the SW ¼ of Section 15 from early March 2025 to the present, under the supervision of Richard Brown of Snake River and me.

- 5. For most of 2022, landman Travis Boney worked in the area of the SE ¼ of Section 15 and the NE ¼ of Section 22. Chris Matthews took over from him in February 2023. From that point Chris was the primary landman working the SE ¼ of Section 15 and the NE ¼ of Section 22 until early June 2025 when he fell ill. Chris unfortunately succumbed to the illness and passed away later in June after a short hospitalization.
- 6. Chris worked the SE ¼ of Section 15 and the NE ¼ of Section 22 intensively. From February 20, 2023 to June 15, 2025, Chris took 43 oil and gas leases in the area, totaling approximately 187.93 net acres, or nearly 60% of the acres in the two quarter sections. During that time, Chris worked this area extensively, making numerous contacts with the owners in the area. I communicated with him at least weekly, and often multiple times a week, regarding his efforts during the time he worked the area. He mailed all uncommitted owners in the area a lease offer by regular mail in January 2024, reporting to Richard Browna and me that he mailed 254 addresses. I know he attempted to contact every uncommitted owner in the area.
- 7. Unfortunately, prior to his untimely passing Chris did not share all of his notes regarding his efforts in the area, and it has been necessary for us to construct a resume of efforts for his work. After Chris' passing, I contacted his wife Susanna to get help accessing his computer and phone to retrieve his work information. She provided me with his phone and computer passwords, and I began searching for leasing and contact efforts. I searched through his emails and phone records and had to trace phone numbers to appropriate landowners in the West Barlow spacing unit. I did my best to update the resume of efforts for the owners Chris contacted from February 2023 until June 2025, and the contacts I could document through phone and email records are reflected in the resume of efforts included in Exhibit B attached to the Application.

8. Those records do not capture all in person contacts Chris made with mineral owners. I know from conversations with Chris over two years that he had many direct contacts and attempted contacts with owners in the unit area between February 2023 and June 2025.

9. After Chris became ill, in mid-June 2025 leasing efforts in the area he was working were taken over by Richard Brown, Butch Clancy, Rodney May, and me. Those efforts are reflected in the resume of efforts included in Exhibit B to the Application. We have sent a certified mailing to every known uncommitted mineral owner in the West Barlow spacing unit area. Copies of the certified mailing receipts for that mailing are being supplied to the Department under separate cover at the time the Application is filed.

10. I declare under penalty of perjury under the laws of the State of Idaho that the foregoing is true and correct to the best of my knowledge.

Dated this 19th day of September, 2025.

Wade Moore, III

 \sim

EXHIBIT G

Affidavit of Publication of Notice of Intent to Develop



AFFIDAVIT OF PUBLICATION

The Argus Observer 1160 SW 4th St, Ontario, OR 97914 (541) 889-5387

State of Florida, County of Broward, ss:

I, Anjana Bhadoriya, of lawful age, being duly sworn upon oath depose and say that I am the representative of The Argus Observer, a newspaper of general circulation printed and published weekly for the County of Payette, in the state of Idaho, that this affidavit is Page 1 of 1 with the full text of the sworn-to notice set forth on the pages that follow, and that the attachment hereto contains the correct copy of what was published in said legal newspaper in consecutive issues on the following dates.

Publication Dates:

• Sep 17, 2025

Notice ID: kQGtvOChUtzcwnsfHqNB

Notice Name: Notice of Intent to Develop

Publication Fee: \$58.72

Anjana Bhadoriya

Representative

SHERI SMITH Notary Public - State of Florida Commission # H969993 Expires on May 31, 2026

VERIFICATION

State of Florida County of Broward

Signed or attested before me on this: 09/17/2025



Notary Public

Notarized remotely online using communication technology via Proof.

NOTICE

To all uncommitted mineral interest owners in the SE ½ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22, Township 8 North, Range 5 West, Boise Meridian, Payette County, Idaho, including but not limited to the following unknown or unlocatable mineral interest owners, and their heirs or successors Unknown heirs of Carol Ann Marcy McClean; unknown heirs of Charles D. Ablin; unknown heirs of C.B. Sheets; unknown heirs of Gene Leroyce Kruse; unknown heirs of Claude Sheets, Jr.: unknown heirs of Terry Laverne Kruse; Addie Singleton. Pursuant to Idaho Code 47-320, Snake River Oil and Gas, LLC gives notice of its intent to develop the hydrocarbon mineral resources in the SE 1/4 of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22,, Township 8 North, Range 5 West, Boise Meridian, Payette County, Idaho. Snake River Oil and Gas, LLC wishes to reach agreement with any uncommitted mineral interest owners in said spacing unit, regarding the lease of their interest or their participation in the well or wells drilled in the SE ¼ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE 1/4 of Section 22,, Township 8, Range 5 West. Any such persons are requested to contact Snake River Oil and Gas, LLC at 501-786-9190 immediately for a proposed form and terms of lease or form of joint operating agreement for participation.

Legal Number AOB001017 September 17, 2025