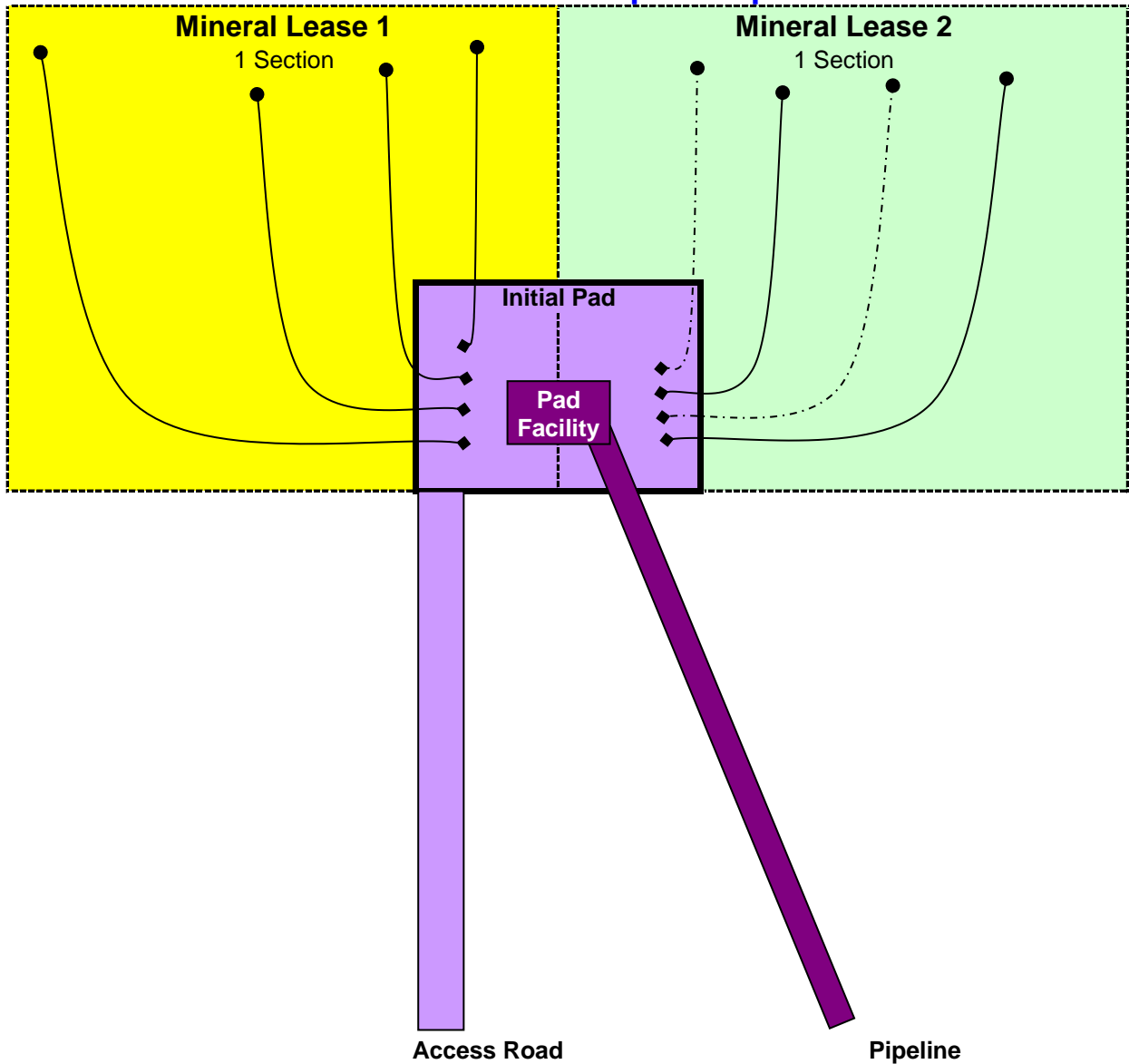


## Shared Pad Site Ownership Example - Year 3



### Year 3 Pad Site Ownership and Costs

Wells	Lease 1	Lease 2	Total
Year 3 Drilling	0	2	2
Previous Wells	4	2	6
Cumulative Wells	4	4	8
Pad Site Ownership	Lease 1	Lease 2	Total
	50.00%	50.00%	100.00%
Company A (Operator)	25.00%	37.50%	62.50%
Company B	25.00%	0.00%	25.00%
Company C	0.00%	12.50%	12.50%
Total Pad Site Ownership	50.00%	50.00%	100.00%

Notes:

Cumulative Well Count

Ownership based on Cumulative Well Count

Revised Ownership based on Total Well Count

Pad Site Cost Sharing	Lease 1	Lease 2	Total
Pad Site and Access Road	\$0.50	\$0.50	\$1.00
Shared Pipeline	\$0.50	\$0.50	\$1.00
Shared Pad Site Facility Costs	\$0.25	\$0.25	\$0.50
Year 3 Pad Site Cost Sharing	\$1.25	\$1.25	\$2.50
Company A (Operator)	\$0.63	\$0.94	\$1.56
Company B	\$0.63	\$0.00	\$0.63
Company C	\$0.00	\$0.31	\$0.31
Year 3 Pad Site Cost Sharing	\$1.25	\$1.25	\$2.50
Year 3 Pad Site Cost Sharing	50.00%	50.00%	100.00%

Costs shared on Cumulative Well Count

Costs shared on Well Count

Pad Site Equalization	Lease 1	Lease 2	Total
Year 3 Pad Site Cost Sharing	\$1.25	\$1.25	\$2.50
Year 2 Pad Site Cost Sharing	\$1.67	\$0.83	\$2.50
Year 3 Pad Site Equalization	(\$0.42)	\$0.42	\$0.00
Company A (Operator)	(\$0.21)	\$0.31	\$0.10
Company B	(\$0.21)	\$0.00	(\$0.21)
Company C	\$0.00	\$0.10	\$0.10
Year 3 Pad Site Equalization	(\$0.42)	\$0.42	\$0.00

Adjustment from Lease 2 to Lease 1 Owners

- Pad Site Equalizations to be done annually or at the end of the multi-year drilling program (or phase thereof)