

*Cover page for:*

# **Surface Damage Agreement**

Tract 5 is subject to a Surface Damage Agreement dated February 29, 2012 regarding a well for oil and gas production located on Tract 5, a copy of which is provided in the following pages. The rights and obligations of the Owner under this agreement shall be assigned to and assumed by the Buyer of Tract 5. The assignment will include the rights to the future annual payment in the original amount of \$5,000 per year (subject to CPI adjustment).

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## **Auction Tract 5**

### **(Canadian County, Oklahoma)**

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*For June 17, 2021 auction to be conducted by:*  
**Schrader Real Estate and Auction Company, Inc.**

*On behalf of:*  
**Candyce McCaslin, as Trustee, et al.**

AP# 3415  
WREISNER-Tyler

## SURFACE DAMAGE AGREEMENT

**THIS AGREEMENT** entered into this 29 day of February, 2012, by and between United Production Company, LLC, whose address is: 1001 NW 139<sup>th</sup> Street Parkway, Edmond, Oklahoma 73013, its agents, successors, and assigns, hereinafter referred to as "OPERATOR" and Vee Vee Wreisner, James H. Tyler, Jr., Stephen T. Lang, John A. Lang, III and David D. Lang whose address is c/o Bank of Oklahoma – Trust Real Estate, 9520 N. May, Lower Level, Oklahoma City, OK 73120, hereinafter collectively referred to as "OWNER".

For the purpose of this AGREEMENT, the term "WELL SITE" shall be construed to include actual drill site, tank battery (provided tank battery is within the WELL SITE as described in paragraph 3), and flow lines from wellhead to tank battery (provided tank battery is within the WELL SITE as described in paragraph 4). The term "LOCATION" shall be construed to be the WELL SITE and the access road on OWNER'S property only. Pipeline(s) outside of WELL SITE are not included in this AGREEMENT. This AGREEMENT does not include compensation for any damage(s) caused by OPERATOR outside the LOCATION.

OPERATOR is the owner of an interest in and to oil and gas leases, hereinafter referred to as "LEASE", and OWNER is the owner of the surface of the following described property located in Canadian County, Oklahoma, to-wit:

SE/4 Section 24 T11N R6W, Canadian County, Oklahoma, with the actual LOCATION being more specifically described and identified as "WELL SITE" on the attached plat labeled Exhibit A and made a part hereof.

OPERATOR desires access onto the above described real property to drill a single well, hereinafter referred to as the Lappin #1-25 (the "Subject Well"), for the purpose of oil and gas production.

NOW THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, in hand paid by OPERATOR to OWNER, and the agreements to be performed by OPERATOR hereunder, the OWNER and OPERATOR, agree as follows:

1) OPERATOR shall pay to the OWNER, no later than seven (7) days prior to entry on to the subject property to commence construction of the LOCATION, the non-refundable sum of One Hundred thousand dollars (\$100,000.00) ("INITIAL PAYMENT") for damages anticipated to be suffered by OWNER as a result of the particular operations to be commenced and thereafter conducted by OPERATOR on the LOCATION. In the event that the Subject Well, or any other well(s) allowed by this AGREEMENT, are produced or in the event the OPERATOR intends to preserve the option described in Paragraph 24, then OPERATOR shall pay OWNER annually, as rental for the LOCATION, Five Thousand Dollars (\$5,000.00) for each active producing well located on said LOCATION, on each anniversary date of this AGREEMENT. This rental amount shall be adjusted every five years, beginning five years after the date of this AGREEMENT, by the U.S. Consumer Price Index as calculated by the Bureau of Labor Statistics for the year prior to the rental adjustment ("CPI"); PROVIDED HOWEVER, that the annual rental shall never decrease

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below the preceding annual rent. The INITIAL PAYMENT is to compensate OWNER for the damages anticipated to be suffered by OWNER within the reasonable scope of OPERATOR'S operations during the term of this AGREEMENT. This amount shall be in addition to any damage to water wells, livestock, gates, cattle guards, bridges and other improvements that may be incurred and suffered by OWNER during the conduct of OPERATOR'S operations on said lands. OPERATOR agrees that appropriate and reasonable amounts shall be due and payable to OWNER as such damages occur. OPERATOR further agrees that should its operations cause extraordinary damages not reasonably anticipated in the scope of OPERATOR'S operations, then appropriate and reasonable amounts shall be due and payable to OWNER as such extraordinary damages occur. It is expressly agreed and understood that the payments outlined hereinabove shall not relieve OPERATOR of responsibility to conduct its operations as would a reasonably prudent OPERATOR.

2) OWNER makes no warranty of title. OWNER and OPERATOR agree that this AGREEMENT is subject to third party rights.

3) OPERATOR warrants that OPERATOR has the right to drill from said WELL SITE lying approximately 330' FSL and 990' FEL of Section 24-T11N-R6W, Canadian Co., Oklahoma, into the Unit comprising the East Half Northeast Quarter (E/2 NE/4) Section 25 11N-6W, Canadian County, Oklahoma, by LEASE which is in effect at the time of execution of this AGREEMENT or by this AGREEMENT and is in effect at the time of the drilling of the Subject Well. OPERATOR will provide OWNER with OPERATOR'S "Notice of Intent to Drill" filed with the Oklahoma Corporation Commission prior to entry onto OWNER'S property.

4) WELL SITE is to be limited to 300' X 250' during drilling and 225' X 150' during production.

5) This AGREEMENT is only for initial and ordinary construction damages associated with the drilling of a single well on the LOCATION. OPERATOR shall be liable for all damages associated with the construction and maintenance of said LOCATION. Any damages which may occur outside the LOCATION shall not be covered by this AGREEMENT. Any damages which may occur outside the WELL SITE relating to the construction of pipeline(s) for the transportation of oil and/or gas products shall not be covered by this AGREEMENT. OPERATOR shall be responsible and liable for any pollutants resulting from its operations including but not limited to pollutants to any pond, stream, creek, pasture, cropland, underground fresh water zones, etc. OPERATOR agrees to protect, defend, indemnify and hold harmless the OWNER, OWNER'S respective agents, employees and surface lessee, from and against all liabilities, losses, expenses, claims, demands, and causes of action of every kind and character, whether for death, personal injury to persons (including but not limited to agents and employees of OPERATOR and OPERATOR'S subcontractors), or for any loss or damage to property, in any way and at any time arising out of, incident to, or in connection with OPERATOR'S activities described herein or breach of the terms hereof. This indemnification shall survive the termination of this AGREEMENT and shall be unlimited in time and amount.

6) OPERATOR agrees to use reasonable care in the conduct of all operations on said lands to prevent injury or damage to livestock, crops, fences, gates, cattle guards, buildings,

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windmills, tanks and water wells or other property of OWNER or its tenants situated on the surface of said lands. OPERATOR agrees to pay OWNER or its tenants, as the case may be, for all damages to livestock, crops, fences, gates, cattle guards, buildings, windmills, tanks and water wells and all other property of OWNER or its tenants situated on the surface of said lands resulting from OPERATOR'S operations.

7) OPERATOR shall and hereby does agree to indemnify, hold harmless and defend OWNER and each of its successors, assigns, heirs, legal representatives, devisees, employees, agents or counsel (collectively "indemnitees") from and against any and all liabilities, claims, damages, losses, liens, causes of action (including, but not limited to, those related to environmental claims) suits, fines, judgments and other expenses (including, but not limited to attorneys fees and expenses and costs of investigation), of any kind, nature or description (hereafter, collectively referred to as "Liabilities"), arising out of, caused by, or resulting from (in whole or in part) the following, EVEN IF SUCH LIABILITIES ARE CAUSED BY THE CONCURRENT OR CONTRIBUTORY (BUT NOT SOLE) NEGLIGENCE OF ANY INDEMNITEE OR BY THE STRICT LIABILITY OF ANY INDEMNITEE: (a) OPERATOR'S operations hereunder or any other acts or omissions of OPERATOR with respect to said lands (including, without limitation, (1) activities on said lands and (2) employment of persons on said lands); (b) any development, use or occupancy of said lands by OPERATOR or OPERATOR'S successors, assigns, officers, employees, agents, contractors, or counsel, (c) any condition of said lands caused by or resulting from OPERATOR'S operations under this AGREEMENT. OPERATOR waives its right of recourse as to Indemnitee when indemnification applies, and OPERATOR shall require its insurer(s) to waive its/their rights of subrogation to the extent such action is required to render such waiver of subrogation effective. OPERATOR shall be subrogated to Indemnitees with respect to all rights Indemnitees may have against third parties with respect to matters as to which OPERATOR provides indemnity and/or defense to Indemnitees. No indemnification is provided to Indemnitees when the liability or loss results from (i) the sole responsibility of any Indemnitee, or (ii) the willful misconduct of any Indemnitee. This indemnification shall survive the termination of this AGREEMENT and shall be unlimited in time and amount.

8) Prior to the commencement of any operations on the OWNER'S land, and at all times thereafter during the existence of this AGREEMENT, OPERATOR, at its sole cost and expense, shall furnish valid insurance certificates evidencing the OWNER as an additional insured (except in regards to Worker's compensation) as set forth on Exhibits I-1, I-2 and I-3 and made a part hereof.

OPERATOR shall furnish OWNER current certificates of insurance issued by its insurers in form satisfactory to OWNER, with AM Best rating of no less than A-7 in latest key rating guide, under all such policies as evidence that all of such insurance is carried and providing that not less than thirty (30) days prior written notice of material change in, cancellation of, or refusal to renew, such insurance, or any part thereof, will be given to OWNER. All such certificates and written notices shall be addressed to OWNER at the address listed hereinabove. Such insurance certificates shall be original issued by OPERATOR'S insurance carrier or agent and shall not be a previously issued certificate.

OPERATOR shall cause OPERATOR'S underwriter to waive rights of subrogation in favor of OWNER in all contracts listed in this paragraph. OPERATOR shall assure that all

sub-contractors, OPERATOR'S invitees and licenses shall either have insurance coverage comparable to the requirements set out above or be covered by OPERATOR'S policies.

OPERATOR'S insurance shall be primary and shall provide that OPERATOR'S insurer(s) will not seek contribution from insurance available to OWNER.

Maintenance by OPERATOR of said insurance is in no manner to be considered a limitation on the indemnity obligations imposed on OPERATOR herein;

9) Neither this AGREEMENT, nor the INITIAL PAYMENT include the use of any water or shale on the OWNER'S property both of which, if OWNER agrees to sell to OPERATOR, shall be done by a separate agreement. Further, this AGREEMENT does not allow the OPERATOR to lay any water line(s) or the installation of any electric line(s) to the WELLSITE, EXCEPT for temporary water lines used for drilling operations and electric lines buried within and on the LOCATION for the Subject Well.

OPERATOR shall not have the right under this AGREEMENT to use fresh water from any fresh water sands or strata underlying OWNER'S lands for any secondary recovery operations that may be conducted by OPERATOR.

10) Prior to commencement of each new well authorized by this AGREEMENT, OPERATOR agrees to notify OWNER and OWNER'S tenant in writing at least five (5) days prior to entry onto said LOCATION.

11) Prior to drilling, OPERATOR at its sole expense will fence, as needed, said LOCATION to protect livestock and OPERATOR shall install tinhorn(s) where appropriate, cattle guard(s) and gate(s) at entry onto OWNER'S property. OPERATOR agrees to fence and upgrade any fencing system around said location with a fencing system that is aesthetically appealing, including but not limited to providing required sound barriers, to surrounding development. Any requests that exceed industry standards for like situations will be at the mutual consent of both OWNER, or OWNER'S assigns, and OPERATOR.

12) All gates shall be kept closed at all times and OPERATOR at OPERATOR'S expense shall promptly repair any fence cuts to a condition equal to or greater than prior to this AGREEMENT. No fences or gates shall be altered except at the consent of OWNER or OWNER'S surface lessee. OPERATOR shall be liable for any damages resulting from cutting of any fence as a result of the drilling and subsequent operation of this LOCATION.

13) No trees are to be cut, removed, damaged, or destroyed without the written consent of OWNER. No hunting, fishing, or trespassing is allowed.

14) The access road to the WELL SITE shall not exceed 20 feet in width and shall be located by prior agreement with OWNER at a location which will not cause unreasonable expense or disturbance to either party. OPERATOR agrees to construct only one road to said WELL SITE at OPERATOR'S sole expense and to confine all travel incident to the drilling and production of said well to the single road. Said road shall be of good quality and suitable for all-weather use. OPERATOR agrees at its sole expense to maintain said road in good

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condition and repair during the period of OPERATOR'S operations. OWNER shall have the right to use said road and install gates where deemed appropriate.

15) OPERATOR agrees to maintain said LOCATION in a clean and orderly manner and at its sole expense to remove all trash, debris, all spilled oil, junk material, pieces of iron pipes, steel, boxes, containers and waste material of any kind from OWNER'S property caused by its operations. OPERATOR shall not house its employees, nor warehouse or store any moveable equipment on the WELL SITE except during actual drilling, completing or reworking operations. Unless otherwise agreed to by OWNER in writing, all drilling equipment and production equipment are to be contained within the WELL SITE. All production equipment shall be kept neat in appearance, in proper condition, and painted. OPERATOR agrees to use its best efforts to prevent fires on OWNER'S property.

16) It is understood and agreed that OPERATOR shall have no right to dispose of any salt water or any other deleterious substance on the OWNER'S property, or inject saltwater on said lands or let the same run into OWNER'S stock tanks, ponds or any natural creek, stream, river, or other body of water. OPERATOR shall not use any wells on OWNER'S lands or on any of OWNER'S property for salt water disposal purposes without OWNER'S prior written consent. OPERATOR agrees at its sole expense to remove all salt water from OPERATOR'S operations from OWNER'S property.

17) OPERATOR will take no action nor permit any action which could permanently alter the natural water drainage of the LOCATION and/or any adjacent lands.

18) No drilling mud shall be spread upon the surface of OWNER'S property without the express written consent of OWNER.

19) Should drilling operations produce a dry hole or operations cease under the terms of this AGREEMENT for the Subject Well, or any well allowed by this AGREEMENT, then OPERATOR shall plug the well in compliance with the regulations of the Oklahoma Corporation Commission. OPERATOR shall furnish OWNER a copy of the plugging report(s) as filed with the Oklahoma Corporation Commission. OPERATOR shall restore the surface of the ground to as near as its original condition as is reasonable and practical at the earlier of 90 days after cessation of operations or Oklahoma Corporation Commission standards. OPERATOR shall clear the LOCATION and remove all equipment placed upon the WELL SITE. OPERATOR shall clean out, fill, and level all pits and mounds and level and fill all ruts. OPERATOR shall leave the access road in place unless otherwise directed by OWNER. OPERATOR agrees to stockpile any topsoil removed from the WELL SITE during construction and said top soil shall be re-spread during remediation of WELL SITE and grass re-established according to USDA-NRCS specifications.

20) OPERATOR agrees to drill, operate, and produce the Subject Well and any other wells authorized by this AGREEMENT with minimal noise pollution. After drilling operations are completed, all future operations shall be conducted within standards of the industry designed to produce a minimum amount of noise.

21) It is understood and agreed that drilling operations will be done through a "closed system" drilling process and there will NOT be any drilling pit(s).

22) All operations conducted by OPERATOR shall be performed in a prudent and workman like manner and shall be in compliance with the rules and regulations of the Oklahoma Corporation Commission and any other applicable Federal and State regulation(s). OPERATOR shall comply with all applicable environmental laws and will remediate any reportable releases of substances controlled by such laws. OPERATOR will provide OWNER, within ninety (90) days of the termination of this AGREEMENT or any reportable releases of substances controlled by all applicable environmental laws, with a "Phase II" environmental audit from an environmental inspector reasonably satisfactory to OWNER, and will remediate to lawful levels any contamination noted in said report or otherwise known to OPERATOR, said remediation to be certified by the environmental engineer. Any damage to OWNER'S adjacent lands form OPERATOR'S activities will be settled on a case-by-case basis.

23) This AGREEMENT is only for the Subject Well, or any additional well(s) allowed under this AGREEMENT, and shall remain in effect until OPERATOR'S operations for the Subject Well, or any additional well(s) allowed under this AGREEMENT, cease under the terms of this AGREEMENT. However, OPERATOR'S obligations, liabilities, and indemnities described herein shall survive the termination of this AGREEMENT. In the event that actual drilling fails to commence within 180 days of the date of this AGREEMENT then this AGREEMENT shall terminate.

24) OPERATOR shall notify OWNER in writing within five (5) business days of the first to occur of (a) its first sale(s) of oil and/or gas from the Subject Well or (b) the plugging and abandonment of the Subject Well. If OPERATOR provides timely written notice to OWNER at the earliest to occur of (a) its first sale of oil and/or gas or (b) the plugging and abandonment of the Subject Well, OPERATOR shall have the option to drill one additional well adjacent to the Subject Well for an additional advance payment of Seventy-Five Thousand Dollars (\$75,000.00) (OPTION). The OPERATOR must give written notice to the OWNER of its intent to exercise this OPTION within eighteen (18) months from the earliest to occur of (a) the first sale(s) of oil and/or gas from the Subject Well or (b) the plugging and abandonment of the Subject Well, but in no event shall OPERATOR be permitted to exercise this OPTION unless OPERATOR gives notice to OWNER within thirty-six (36) months of the date of this AGREEMENT. PROVIDED, HOWEVER, if OPERATOR fails to satisfy any of the notice provisions or fails to meet the time constraints required in this Paragraph, the OPTION shall terminate and OPERATOR shall have no rights under the OPTION. In the event OWNER exercises the OPTION the OPERATOR will be allowed to expand the Well Site an additional 75' to the west to accommodate this optional well and the said optional well shall be subject to the terms outlined in this AGREEMENT.

25) If required, OPERATOR and OWNER agree to enter into a separate subsurface agreement for any well(s) allowed under this AGREEMENT.

26) This AGREEMENT may be executed in any number of counterparts, each of which shall be considered an original for all purposes provided that in the event that either OWNER or OPERATOR fails to receive a fully executed set of originals of this AGREEMENT, then this AGREEMENT shall be considered null and void.

Dated the day and year first above written.


**OPERATOR**

**UNITED PRODUCTION COMPANY, LLC**

  
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**Joseph H. Hamra, Jr., Manager**

**OWNER**

  
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**Vee Vee Wreisner**

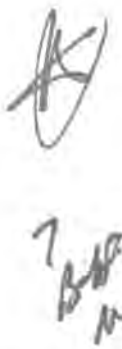
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**James H. Tyler, Jr.**

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**Stephen T. Lang**

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**John A. Lang, III**

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**David D. Lang**






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Dated the day and year first above written.

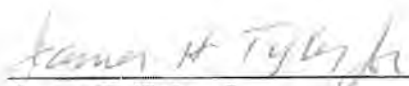
**OPERATOR**

**UNITED PRODUCTION COMPANY, LLC**

  
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Joseph H. Hamra, Jr., Manager

**OWNER**

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Joseph H. Hamra, Jr., Manager

**OWNER**

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**OPERATOR**

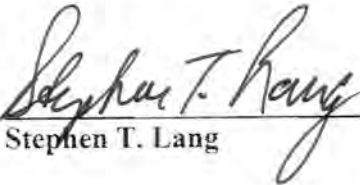
**UNITED PRODUCTION COMPANY, LLC**

  
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Joseph H. Hamra, Jr., Manager

**OWNER**

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Dated the day and year first above written.

**OPERATOR**

**UNITED PRODUCTION COMPANY, LLC**

  
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Joseph H. Hamra, Jr., Manager

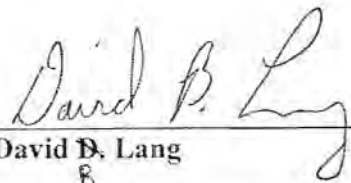
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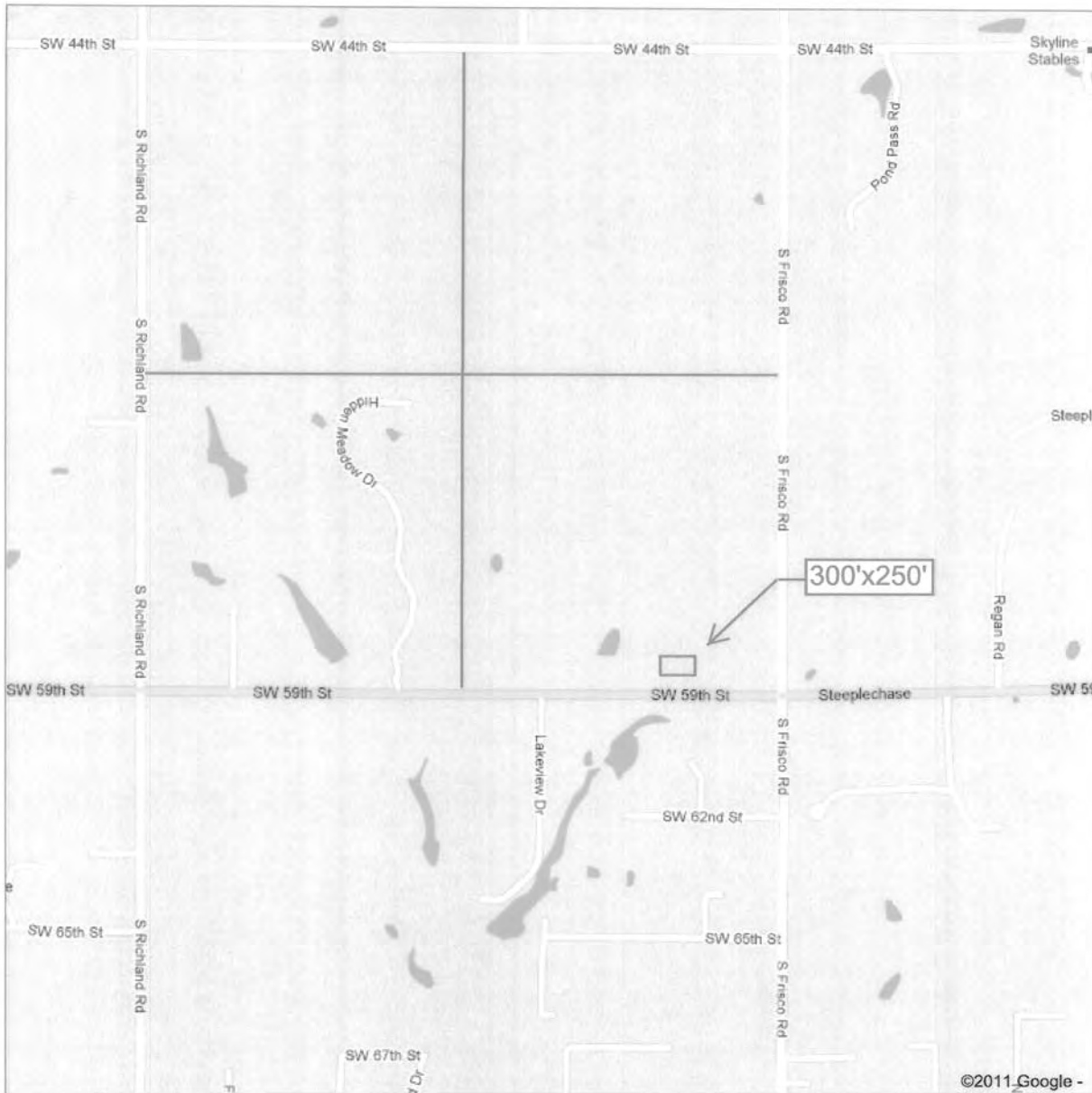
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John A. Lang, III

  
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David B. Lang  
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Exhibit A



Wreisner/Tyler Location  
 Wellhead Location  
 330' FSL and 990' F/L  
 SE/4 Sec. 24 11N-5W  
 Canadian Co., OK

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Exhibit I-1

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CLEWIS

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
2/10/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER INSURICA - Oklahoma City P O Box 25928 Oklahoma City, OK 73125	CONTACT NAME:		
	PHONE (A/C, No, Ext):	(405) 523-2100	FAX (A/C, No): (405) 556-2332
E-MAIL ADDRESS:			
INSURED  United Production Company LLC 1001 N.W. 139th Street Pkwy Edmond, OK 73013	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Federal Insurance Company		20281
	INSURER B : Twin City Fire Ins. Co.		29459
	INSURER C : National Union Fire Ins. Co of Pittsburgh PA		19445
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR Y/Y/D	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			35884112	8/20/2011	3/20/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
A	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS  <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			73548939	8/20/2011	3/20/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ 1,000,000 BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE  DED RETENTION \$			79870189	8/20/2011	3/20/2012	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	38WECNV0219	2/24/2011	2/24/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Pollution Liability			37311870	8/20/2011	3/20/2012	Occurrence 1,000,000
C	Operators Extra Exp.			OR2011527	10/20/2011	10/20/2012	Occurrence 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER	CANCELLATION
(To Whom It May Concern	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>[Signature]</i>

*[Handwritten initials and signature]*

# CoverX SPECIALTY

EXPERIENCE MATTERS

311 S. Jupiter, # 200  
Allen, TX 75002  
Phone: (214) 495-7717  
Fax: (214) 495-7062  
Date: 1/16/12  
Underwriter: Carey Lee ext 692  
E-mail: cleee@coverx.com

Broker: CertEssentials LLC

Date: 1/16/12

Renewal of: N/A

### Quotation

INSURED: United Production Company LLC  
COMPANY: FIRST MERCURY INSURANCE COMPANY - A M BEST RATING A XIII  
COVERAGE: EXCESS LIABILITY  
FORM: OCCURRENCE (Defense Outside)

LIMITS OF LIABILITY:  
EACH OCCURRENCE LIMIT: \$7,000,000  
PERSONAL & ADVERTISING INJURY LIMIT: \$7,000,000  
AGGREGATE LIMIT: \$7,000,000

UNDERLYING LIMITS Umbrella : 2mm/2mm/2mm - Federal Insurance Company

SELF-INSURED RETENTION: N/A

POLICY PREMIUM - TRIA\* REJECTED: \$10,000  
POLICY PREMIUM - TRIA \*ACCEPTED: \$10,400  
\*\*THE SIGNED TRIA FORM IS REQUIRED AT TIME OF BINDING\*\*

\*TRIA = Terrorism Risk Insurance Act of 2007 - see attached Notice of Offer of Coverage for Certified "Acts of Terrorism" and Disclosure of Premium

Rate: N/A Exposure: \$800,000 Basis: N/A  
Minimum Premium (not including Fees & Taxes): \$10,000 Audit: N/A

POLICY FORMS:  
CE CVX-0001 (09/05) - EXCESS LIABILITY COVERAGE FORM  
CE CVX-0800 (02/06) - AMENDMENT OF PREMIUM ENDORS.  
CE CVX-3047 (03/09) - EXCLUSION - IMPORTED BUILDING MATERIALS  
CE CVX-8000 (01/08) - EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
CE CVX-8001 (09/05) - NON-CONCURRENCE OF POLICY PERIODS  
GU 207 - AMENDMENT OF UNDERLYING INSURANCE  
GU 207 - SUDDEN AND ACCIDENTAL POLLUTION ENDORSEMENT  
GU 267 1185 - COMMON POLICY CONDITIONS  
FMIC-LEGAL (07/96) -SERVICE OF SUIT  
FMIC-CLAIM NOTIFICATION (12/2006)

#### ADDITIONAL REQUIREMENTS:

- \* Subject to receipt of specimen copy of IADC contract utilized with subcontractors due within 30 days of binding.
- \* Subject to receipt of underlying carriers' information (name, policy number and policy effective dates) due AT binding.
- \* Subject to signed Acord 131 Umbrella/Excess Application due within 30 days of binding.
- \* Subject to receipt of favorable copy of underlying GL and Umbrella policies due within 30 days of binding.
- \* Subject to receipt of favorable copy of underlying AL, EL & MEL Declaration pages & endorsement schedules due within 30 days of binding.
- \* 25% Minimum Earned Premium at inception.
- \* Premium is minimum and deposit.
- \* Subject to underlying carriers having an A- VII Best rating or better.

All terms and conditions are subject to carrier policy form and may not conform to those requested in the application.  
Written notification to us is required to bind coverage. Quotation is valid for 30 days unless otherwise stated.  
It is your responsibility to determine that placing this coverage is in compliance with state laws and to make tax filings if applicable.

**\*\*QUOTED PREMIUM IS SUBJECT TO SHORT-TERM POLICY SET TO EXPIRE CONCURRENTLY WITH THE UNDERLYING GL & UMBRELLA POLICIES ON 08/20/2012\*\***

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

### EXCESS LIABILITY COVERAGE

This insurance does not apply to a "Certified Act of Terrorism." "Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Program Reauthorization Act of 2007. "Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by \_\_\_\_\_  
(Authorized Representative)

CE-CVX-8000(01/2008)





THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### NON-CONCURRENCE OF POLICY PERIODS

This endorsement modifies insurance provided under the following:

#### EXCESS LIABILITY COVERAGE

The following is added to Depletion or Exhaustion of Underlying Limit:

However, if there is Underlying Insurance with a policy period that is non-concurrent with the policy period of this Excess Liability policy, the Underlying Limit will only be considered to be reduced or exhausted by payments of claims, settlements or judgments when such claims, settlements or judgments are due to "bodily injury," "property damage," "personal & advertising injury" offenses, or due to injuries other than "bodily injury," "property damage," "personal & advertising injury" which occur during the policy period of this Excess Liability policy.

If any Underlying Insurance is written on a claims-made basis, the Underlying Limit will only be considered to be reduced or exhausted by payments of claims, settlements or judgments when such claims, settlements or judgments are due to claims made for "bodily injury," "property damage," or personal & advertising injury" offenses, or due to injuries other than "bodily injury," "property damage," "personal & advertising injury" which occur during the policy period of this Excess Liability policy including claims for that insurance that are made during any extended reporting period of this Excess Liability policy.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by \_\_\_\_\_  
(Authorized Representative)



(The Attaching Clause need be completed only when the endorsement is issued subsequent to preparation of the policy.)

EXCESS LIABILITY

### AMENDMENT OF UNDERLYING INSURANCE

This endorsement modifies insurance provided under the following:

#### EXCESS LIABILITY COVERAGE PART

It is understood and agreed that paragraph in CE-CVX-0001 (09/2005) under AMENDMENT OF UNDERLYING INSURANCE is deleted and replaced with the following:

No material change to any Underlying Insurance during the Policy Period shall be effective in extending the coverage or limits of liability afforded by this policy unless the Company is notified and agrees to in writing within 30 days of any material change of the Underlying Insurance.

Material change includes, but is not limited to, the addition of newly acquired or formed organizations or a difference in the scope of operations of the insured. It is further understood and agreed that the inclusion of an additional insured to the Underlying Insurance does not constitute a material change.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by \_\_\_\_\_  
(Authorized Representative)

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time

during the policy period and up to three years afterward.

### D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

### E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the cause of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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## EXCESS LIABILITY

**INSURING AGREEMENT:** In consideration of the payment of premium and subject to the Declarations, terms, conditions and endorsements of this policy, the Company and the named insured agree as follows:

The Company shall provide the Named Insured with insurance excess of the Underlying Insurance scheduled in the declaration page of this policy. Except as specifically set forth in the terms, conditions or endorsements of this policy, coverage hereunder shall apply in conformance with the terms, conditions and endorsements of the Underlying Insurance. Coverage hereunder shall attach only after all Underlying Insurance has been exhausted by actual payment of claims or losses thereunder.

### **AMENDMENT OF UNDERLYING INSURANCE:**

No amendment to any Underlying Insurance during the Policy Period shall be effective in extending the coverage or limits of liability afforded by this policy unless the Company agrees so in writing.

### **MAINTENANCE OF UNDERLYING INSURANCE:**

The Underlying Insurance listed in the schedule in the declarations page shall remain in full force and effect throughout the Policy Period except for reduction of the aggregate limit due to payment of claims, settlement, or judgments. Failure to maintain Underlying Insurance will not invalidate this insurance. However, this insurance will apply as if the Underlying Insurance were in full effect. You must notify us as soon as practicable when any Underlying Insurance is no longer in effect.

### **CANCELLATION OF UNDERLYING INSURANCE:**

This policy shall terminate immediately upon the cancellation of any Underlying Insurance, whether such Underlying Insurance is cancelled by the named insured or the Insurer. Notice of cancellation or non-renewal of the Underlying Insurance duly given by the insurer of the Underlying Insurance shall serve as notice of the cancellation or non-renewal of this policy by the Company. Furthermore, the named insured shall give the Company written notice as soon as practicable of any cancellation or non-renewal of the Underlying Insurance.

### **DEPLETION OR EXHAUSTION OF UNDERLYING LIMIT:**

In the event of exhaustion of the Underlying Limit in any Underlying Insurance, this policy shall continue in force as primary insurance, subject to the terms, conditions and endorsements of this policy and any deductible or retention applicable to the Underlying Insurance, such deductible or retention applying to this policy in the same manner as specified in the Underlying Insurance.

### **UNDERLYING SUB-LIMITS:**

If any Underlying Limit is subject to a Sub-Limit, coverage hereunder shall not apply to any claim which is subject to such Sub-Limit. However, the Underlying Limit shall be recognized hereunder as depleted to the extent the payment of such claim depletes the Underlying Limit.

**BANKRUPTCY, FINANCIAL IMPAIRMENT, INSOLVENCY OF PRIMARY INSURER OR UNCOLLECTABILITY OF PRIMARY INSURANCE:**

Bankruptcy, financial impairment, or insolvency of the Underlying Insurer(s) will not relieve us of our obligations under this insurance. However, this insurance will not replace the underlying insurance in the event of bankruptcy, financial impairment, or insolvency of the Insurer providing the Underlying Insurance. This insurance will apply as if the Underlying Insurance were in full effect. The risk of uncollectability of any Underlying Insurance, whether because of bankruptcy, financial impairment or insolvency of any Underlying Insurer or any other reason is expressly retained by the insureds and is not in any way insured or assumed by the Company.

**LIMITS OF LIABILITY:**

The amount or amounts stated in the Declaration under Limits of Liability are the limits of the Company's liability and shall be the maximum amount(s) payable by the Company under this policy; however defense expenses do not reduce the Limits of Liability.

**DEFINITIONS:**

- A) Company: The insurance company providing this insurance.
- B) Insured: The person(s) or organization(s) insured under the policy or policies of Underlying Insurance.
- C) Named Insured: The Named Insured shown in the Declarations.
- D) Policy Period: The period of time specified in the Declarations from the inception date to the expiration date of this policy or to any earlier cancellation date.
- E) Sub-Limit: Any limit in the Underlying Insurance which applies to only a particular grant of coverage under such Underlying Insurance and reduces and is part of the otherwise applicable limits of liability of such Underlying Insurance.
- F) Underlying Insurance: All policies scheduled in the Declarations as Underlying Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### AMENDMENT OF PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

#### EXCESS LIABILITY COVERAGE

Premium Audit.

- a. We will compute all premiums for this Policy in accordance with our rules and rates.
- b. Premium shown in this Policy is the advance premium for the policy term. If final audit develops a premium less than the advance premium, a minimum premium of \$\_\_\_\_\_ will be retained by us. If final audit develops a premium greater than the advance premium, additional premium shall be due and payable to us on notice to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we may request.
- d. In the event you cancel this Policy, a minimum premium of \$\_\_\_\_\_ or the applicable pro-rata/short rate earned premium, whichever is greater, will be retained by us.

Your failure to pay premium when due shall be considered a request by the first Named Insured or their appointed authority for us to cancel.

We have the right, but are not obligated, to rescind our cancellation notice if the premium is received prior to the effective date of cancellation.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by \_\_\_\_\_  
(Authorized Representative)

CE-CVX-0800(02/2006)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### EXCLUSION—IMPORTED BUILDING MATERIALS

This endorsement modifies insurance provided under the following:

#### FIRST MERCURY COMMERCIAL EXCESS LIABILITY FORM

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of, caused by, related or attributable to, in whole or in part, drywall, plasterboard, sheetrock, gypsum board, or any materials used in the manufacture of drywall, plasterboard, sheetrock, gypsum board or any other materials used in the construction of interior walls, that were manufactured in, originated or exported from China or incorporated any component parts or materials made in, originated or exported from China.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by \_\_\_\_\_  
(Authorized Representative)



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by \_\_\_\_\_  
(Authorized Representative)



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(The Attaching Clause need be completed only when the endorsement is issued subsequent to preparation of the policy.)

COMMERCIAL EXCESS LIABILITY

## SUDDEN & ACCIDENTAL POLLUTION ENDORSEMENT

**Except insofar as coverage is available to the Insured in the scheduled underlying insurance, this insurance does not apply to:**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants, or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- (3) Part (1) of this exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured.

This applies only when such premises, site or location has never at any time been used by anyone for the handling, storage, disposal, processing or treatment of waste.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (4) This exclusion does not apply to "bodily injury" or "property damage" caused by an unexpected or unintentional discharge, dispersal, seepage, migration, release or escape of pollutants provided such discharge, dispersal, seepage, migration, release or escape of pollutants:
  - (a) was accidental and was neither expected nor intended from the standpoint of the Insured;
  - (b) can be identified as commencing at a specific time and date during the policy period listed on the Declaration Page;
  - (c) became known to the Insured within thirty (30) days after discharge, dispersal, seepage, migration, release or escape;
  - (d) is reported to us within sixty (60) days of being detected;
  - (e) did not result from the Insured's intentional or willful violation of any governmental statute, rule or regulation.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by \_\_\_\_\_  
(Authorized Representative)

**NOTICE OF OFFER OF COVERAGE FOR "ACTS OF TERRORISM"  
DISCLOSURE OF PREMIUM AND DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF LOSSES  
ARISING FROM CERTIFIED "ACTS OF TERRORISM."**

**APPLICANT/ INSURED'S NAME:**

**APPLICANT / INSURED'S MAILING ADDRESS:**

**QUOTE NUMBER:**

The Terrorism Risk Insurance Act of 2002 ("Program") established a program within the United States Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future "acts of terrorism," as defined in the Act. The Act defined an "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States: (1) to be an act of terrorism; (2) to be a violent act, or an act that is dangerous to human life, property or infrastructure; (3) to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and (4) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or to affect the conduct of the United States Government by coercion. Additionally, to be certified, an "act of terrorism" must cause aggregate property and casualty insurance losses of at least five million dollars.

The Terrorism Risk Insurance Extension Act of 2005 ("Extension Act"), signed into law by the President on December 22, 2005, extended the "Program" through December 31, 2007 by adding Program Year 4 (January 1 – December 31, 2006) and Program Year 5 (January 1 – December 31, 2007). Please note that the "Extension Act" created a new "Program Trigger" for any certified act of terrorism occurring after March 31, 2006, that prohibits payment of Federal compensation by Treasury unless the aggregate industry insured losses resulting from that act of terrorism exceed \$50 million for Program Year 4 and \$100 million for Program Year 5.

The Terrorism Risk Insurance Program Reauthorization Extension Act of 2007 ("the Act"), signed into law by the President on December 26, 2007, extends the "Program" for an additional seven years through December 31, 2014. One of the changes made to TRIA with the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 was a revision to the definition of an act of terrorism that eliminated the requirement that an individual or individuals that carry out an act of terrorism be acting on behalf of a foreign person or foreign interest. Section 102(1)(A) now defines an *act of terrorism* for purposes of the Act to be any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and Attorney General of the United States – (i) to be an act of terrorism; (ii) to be a violent act or an act that is dangerous to – (I) human life; (II) property; or (III) infrastructure; (iii) to have resulted in damage within the United States, or outside the United States in the case of – (I) an air carrier or vessel described in paragraph (5)(B); or (II) the premises of a United States mission; and (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or effect the conduct of the United States Government by coercion. Section 102(1)(B) states, "No act shall be certified by the Secretary as an act of terrorism if – (i) the act is committed as part of the course of a war declared by Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000." Section 102(1)(C) and (D) specify that the determinations are final and not subject to judicial review and that the Secretary of the Treasury cannot delegate the determination to anyone. The Terrorism Risk Insurance Act, as amended, contains in Section 103(1)(B) a program trigger of \$100 million in aggregate industry insured losses resulting from a certified act of terrorism before federal reimbursement is triggered.

In accordance with these Acts, you have the right to purchase or reject coverage for losses resulting from a certified "act of terrorism." The premium charge to purchase this coverage is set forth below. If you wish to purchase this coverage, please indicate that choice by marking the appropriate box below, sign and date this disclosure notice, and return it to us no later than the effective date of the general liability policy we will be providing you. **Your policy will then be written to include a Terrorism Exclusion; however, this Terrorism Exclusion will not apply to "acts of terrorism" certified by The United States Government.**

If you do not wish to purchase coverage for "Certified Acts of Terrorism," you may reject the coverage by marking the appropriate box below and signing and returning this form to us, again no later than the effective date of the general liability policy we will be providing you. Your policy will then be written to exclude **any losses arising from acts of terrorism, whether certified or non-certified by The United States Government.**

**DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF LOSSES ARISING FROM CERTIFIED "ACTS OF TERRORISM."**

The United States Government will pay a share of any losses arising from certified "acts of terrorism." The Government's share equals 85% of the portion of the amount of such losses that exceed a statutorily established deductible paid by us, as defined in the Terrorism Risk Insurance Program Reauthorization Act of 2007. Further, Section 103(e)(2) of the Terrorism Risk Insurance Program Reauthorization Act of 2007 requires clear and conspicuous notice to policyholders of the existence of a \$100,000,000,000 cap. The premium set forth below for coverage for losses arising from certified "acts of terrorism" does not include any charges for the portion of loss covered by the Government under the Act.


**DISCLOSURE OF PREMIUM AND SELECTION OR REJECTION OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM."**

**REQUEST TO PURCHASE "PROGRAM" COVERAGE AT FULL GENERAL LIABILITY POLICY LIMITS.** I hereby elect to purchase coverage for losses arising from "Certified Acts of Terrorism." I understand that the premium quote of \$ \_\_\_\_\_ for this coverage is tentative pending final approval by the Insurer. I also understand that the Terrorism Risk Insurance Program Reauthorization Act of 2007 reaffirmed the existence of a \$100,000,000,000 annual program cap.

**REQUEST TO REJECT "PROGRAM" COVERAGE.** I hereby reject coverage for losses arising from certified "acts of terrorism." I understand that an exclusion of terrorism losses will be part of this policy.

\_\_\_\_\_  
Policyholder's Signature

\_\_\_\_\_  
Date

  
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a) WORKERS COMPENSATION INSURANCE - HARTFORD INSURANCE  
(Coverage A and C)

Statutory Coverage as provided by the following States:

OKLAHOMA

Employers Liability Insurance

(Coverage B)

Bodily Injury by Accident \$1,000,000 Each Accident

Bodily Injury by Disease \$600,000 Policy

Bodily Injury by Disease \$600,000 Each Employee

b) ENERGY INDUSTRIES GENERAL LIABILITY INSURANCE – CHUBB INSURANCE GROUP

Coverage Summary:

General Aggregate Limit \$2,000,000

Products/Completed Operations Aggregate Limit \$1,000,000

Each Occurrence Limit \$1,000,000

Advertising Injury and Personal Injury Aggregate Limit \$1,000,000

Damage to Premises Rented to you Limit \$1,000,000

Medical Expenses Limit \$1,000,000

Underground Resources and Equipment Hazard Property Damage Aggregate \$1,000,000

c) COMMERCIAL AUTOMOBILE LIABILITY-BODILY INJURY AND PROPERTY DAMAGE – CHUBB

Limit of Liability \$1,000,000

Including: Hired and Non-Owned Automobiles

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d) CONTROL OF WELL/REDRILL/SEEPAGE & POLLUTION – NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Limit of Liability:

Control of Well-Drilling \$3,000,000

- Oil Rig Combined Control of Well Form

Endorsements

- Restoration and/or Redrilling Expenses with Extended Perils Endorsement
- Clean-Up Expenses and Seepage, Pollution and Contamination Ins. Endorsement
- Underground Control of Well Endorsement
- Evacuation Expense Endorsement
- Making Wells Safe Endorsement
- Care Custody and Control Endorsement (All Risk above ground/names perils below ground)-including Rigs as respects unsound location

e) POLLUTION LIABILITY INSURANCE – CHUBB INSURANCE GROUP

Limits of Insurance

\$1,000,000 Each Pollution Incident Limit

\$2,000,000 Aggregate

f) COMMERCIAL EXCESS AND UMBRELLA INSURANCE – CHUBB INSURANCE GROUP

Limit of Insurance


Excess Coverage other Aggregate Limit (as applicable) \$2,000,000

Umbrella Coverage Aggregate \$2,000,000

Products Completed Operations Aggregate Limit \$2,000,000

Advertising Injury and Personal Injury Aggregate Limit \$2,000,000

Each Occurrence Limit \$2,000,000

  
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**CONSENT**

We the undersigned tenant(s) hereby consent to United Production Company, LLC drilling of oil and gas well(s) in SE/4, Section 24, T11N, R6W of Canadian County, Oklahoma.

This location being more specially identified on Exhibit A.

Tenants:

James D. Clark James D. Clark

James A. Clark James A. Clark

Exhibit A



Wreisner/Tyler Location  
Wellhead Location  
330' FSL and 990' FWL  
SE/4 Sec. 24 11N-5W  
Canadian Co., OK





**BOK FINANCIAL®**  
**THE PRIVATE BANK**

Real Estate Management  
Mark Moehle  
Vice President & Trust Officer  
9520 N. May Ave.  
Oklahoma City, OK 73120  
405-936-3955  
405-936-3936 Fax  
[mmoehle@bokf.com](mailto:mmoehle@bokf.com) Email

February 24, 2012

James D. Clark and James A. Clark  
16835 State Highway 152  
El Reno, Oklahoma 73036

Re: Wreisner / Tyler Farm Agency

Dear James and Alan:

Our attorney suggested we have a consent form signed regarding the drilling of the oil and gas well(s) by United Production Company, LLC that we recently discussed on the property you lease from the Wreisner/Tyler family.

Enclosed is a consent form for both of your signatures. If you have any questions please give me a call at 405-936-3955.

Sincerely,

Mark Moehle  
Vice President and Trust Officer

Enclosure

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