

Riverside

petroleum indiana • LLC

426 W. 14th Street, #223

Traverse City, MI 49684, Tel: (281) 815-4674

July 14, 2014

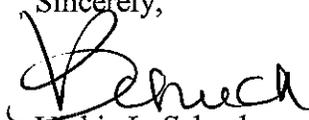
Herschel McDivitt
Indiana Dept. of Natural Resources
Division of Oil and Gas
402 W. Washington St., Rm 293
Indianapolis, IN 46204

Herschel,

Per your recent conversation with Dylan, attached for your handling is the Petition for the Integration of Interest pursuant to the Knepp 1-36HS Unit.

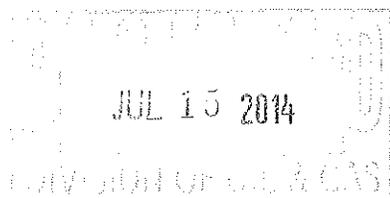
Please don't hesitate to contact Dylan or myself, should you need additional information.

Sincerely,



Vickie L. Schuch

Land Manager



STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

Case no. DOG-4-2014

IN Re: PETITION OF RIVERSIDE PETROLEUM INDIANA LLC, FOR THE INTEGRATION OF INTERESTS IN THE KNEPP 1-36HS UNIT COMPRISING TOWNSHIP 4 NORTH RANGE 6 WEST SECTION 36 W/2 and TOWNSHIP 3 NORTH RANGE 6 WEST SECTION 1 NE NW, DAVIESS COUNTY, INDIANA

PETITION FOR THE INTEGRATION OF INTERESTS

COMES NOW, Riverside Petroleum Indiana LLC of 2700 Technology Forest Boulevard, Suite 230, The Woodlands, Texas 77381 ("**Petitioner**") pursuant to IC 14-37-9-1 and other applicable laws enacted by the State of Indiana to prevent waste and to avoid the drilling of unnecessary wells, respectfully petitions the Department of Natural Resources, Division of Oil and Gas ("**Division**") to require the integration of all interests in the oil, gas and associated hydrocarbons, to develop the land as a single unit, in and under the "**Knepp 1-36HS Unit**", described as:

Township 4 North, Range 6 West, Section 36, the west half

Township 3 North, Range 6 West, Section 1, the northeast quarter of the northwest quarter

And depicted in Exhibit A, limited as to the "**Target Formation**", being the Morgan Trail and Clegg Creek members of the New Albany Shale, defined to be described as the stratigraphic equivalent of the interval from 2,076 feet to 2,156 feet below the surface of the earth as identified in the Peterson 1-10 SWD Well, located in Section 10, T4N-R7W, Daviess County, Indiana, Indiana DNR Permit 52418 and API No. 13027524180000.

The Petitioner states as follows:

1. It is Petitioner's reasonable belief that natural gas can be economically produced from the Knepp 1-36HS Unit;
2. Petitioner is prepare to drill a well in the Knepp 1-36HS Unit, and is prepared to pay all costs associated with drilling and abandonment of the well in the event of a dry hole;
3. Petitioner intends to drill a single horizontal well into the Target Formation, with the surface hole location and approximate bore path shown in Exhibit A
4. Petitioner holds active oil and gas leases covering the entire mineral interest within the Knepp 1-36HS Unit, except for the Unleased Tract, defined below (the "**Operative Leases**");
5. The Operative Leases provide that each landowner shall receive an equitable share of the net production of oil, gas and associated hydrocarbons in the communitized unit under the following wording, or wording materially similar: "Production of oil and/or gas from the unit shall be allocated to the lands described herein which are included in the unit in the same proportion as the

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DIVISION OF OIL AND GAS

number of surface acres in the lands described herein which are included in the unit bears to the total number of surface acres in the unit." (cf. Clause 8 of Exhibit D); the division of interest calculations for the Knepp 1-36HS are currently being performed by a lawyer experienced in oil and gas matters;

6. The Operative Leases do expressly consent to the voluntary pooling of oil and gas interests within any legal production unit up to a maximum area not to exceed 640 acres, such pooling to be at the behest and pleasure of Petitioner; this is effected by wording the same or materially similar to the wording found in Clause 8 of Exhibit D;
7. The "**Unleased Tract**" forms part of Township 4 North, Range 6 West, Southeast Quarter of the Southwest Quarter, covering an area of twenty (20) acres, more or less, described more fully in Exhibit B, and owned by Joseph and Fannie Knepp of 7338 E 500N, Montgomery, IN 47558 (the "**Landowner**");
8. The terms offered to the Landowner for the lease of the Unleased Tract were materially the same as, or better than, the terms on which the other leases forming the Knepp 1-36HS Unit were negotiated; such terms are more fully described in Exhibit D, but include a bonus payment of ten dollars per net acre (\$10/acre) for a three year term, and a one-eighth (1/8th) royalty;
9. The Unleased Tract is situated in such a way as to form a necessary and integral part of the Knepp 1-36HS Unit; this is in part due to a certain spacing exception, governing the Knepp 1-36HS Unit and other areas, which was granted by the Division to an earlier petitioner, which causes it to be impossible to create a legal production unit or drilling unit which does not encompass the Unleased Tract; therefore, if the Division does not integrate the Unleased Tract with the rest of the Knepp 1-36HS Unit, the gas thereunder cannot be economically and efficiently extracts, correlative rights cannot be protected, and waste will occur;
10. Petitioner does not intend to undertake any surface activity within the Unleased Tract, and Landowner has been advised of this;
11. It is Petitioner's earnest desire to have voluntarily pooled the Knepp 1-36HS Unit, and shall proceed to do so if the Unleased Tract becomes leased before this petition is granted; Petitioner has made good and honest effort to secure a lease over the Unleased Tract, as detailed in Exhibit E, but such effort has been fruitless;
12. The Division has the right and power, pursuant to the provisions of IC 14-37-9-1 et seq. to require such integration upon reasonable terms that give the owner of each tract an equitable share of oil and natural gas in the unit or pool;

In support of this Petition, Petitioner submits the following exhibits:

Exhibit A: Map of the Knepp 1-36HS Unit

Exhibit B: Legal Description of the Unleased Tract

Exhibit C: Documents showing the current ownership of the Unleased Tract

Exhibit D: Oil and Gas Lease Form Utilized in the Project Areas

Exhibit E: Contact Report Summarizing Lease Attempts

WHEREFORE, Petitioner respectfully moves the Division, after any such notice and hearing as may be required by law, to issue an "Order for the Integration of Interests" to effectuate the following:

1. Integrate the Unleased Tract with all other leased parcels into the Knepp 1-36HS Unit as one of the following:
 - a. A royalty owners upon the terms and conditions specified in Exhibit D;
 - b. A participating owner who pays their share of the estimated well costs and receives their proportionate share of the production, subject to operator's standard joint operating agreement; or
 - c. A non-participating owner who pays their share of the well costs on a limited basis, not including up-front costs, who receives a proportionate share of the production once the operator has recovered the non-participating owner's share of drilling and operating costs, subject to operator's standard joint operating agreement.
2. Designate Petitioner as the operator of the Knepp 1-36HS Unit for the development and operations thereof; and
3. Implement any further terms and provisions in accordance with the law of the State of Indiana that the Division may, in its discretion, deem desirable and proper.

Respectfully submitted

RIVERSIDE PETROLEUM INDIANA LLC



Dylan Morgan
Director: Operations
Riverside Petroleum Indiana LLC

July 14, 2014

For notification:

Riverside Petroleum Indiana, LLC
Attention: Dylan Morgan
dylan@riversideoperating.com
2700 Technology Forest Boulevard, Suite 230
The Woodlands, TX 77381

Exhibit A: Map of the Knepp 1-36HS Unit

Key:

- Yellow pin is Knepp 1-36HS surface hole location
- Green line is path of the proposed bore
- Blue is the proposed Knepp 1-36HS Unit
- Red is the Unleased Tract

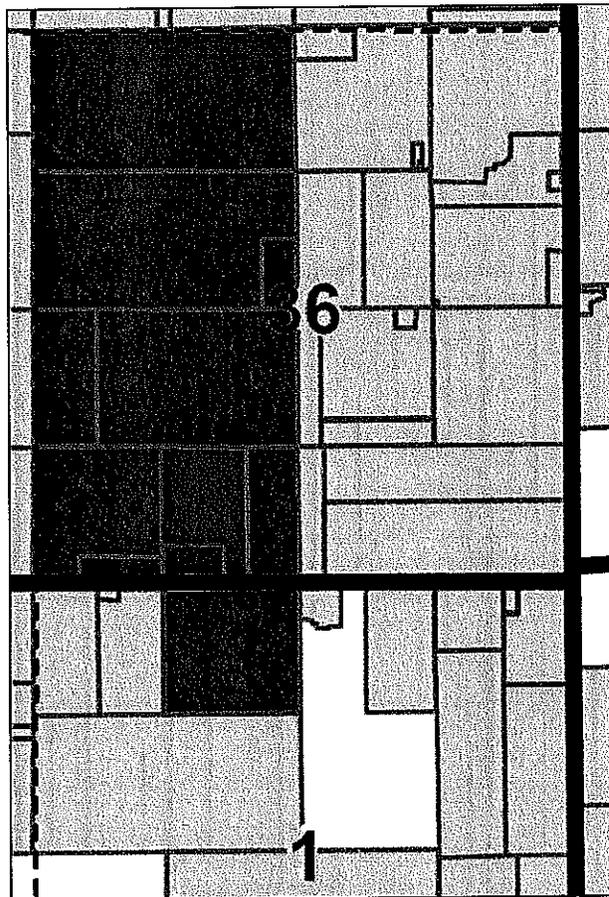


Exhibit B: Legal Description of the Unleased Tract

The Unleased Tract is described as:

A part of the Southeast Quarter of the Southwest Quarter of Section 36, Township 4 North, Range 6 West, described as follows: Beginning at a point North 0 degrees 42 minutes West 371.56 feet from the Southwest corner of the Southeast Quarter of the Southwest Quarter of said Section 36 and running thence North 0 degrees 42 minutes East 962.6 feet; thence North 89 degrees 34 minutes East 814.3 feet; thence South 0 degrees 42 minutes East 1,340.2 feet; thence West 228.3 feet; thence North 0 degrees 42 minutes West 371.56 feet; thence West 586.17 feet to the place of beginning.

The following plat also shows the tract in question:



Key:

- Black: section and township boundaries
- Grey: leased ground (not in production unit)
- White: unleased ground
- Blue: Knepp 1-36HS production unit (leased)
- Red: Unleased Tract

Exhibit C: Documents showing the current ownership of the Unleased Tract

INST. NO. 09 - 3719
RECEIVED FOR RECORD
This 5 day of August 2009
at 1557 Fee 16.00

Marilyn A. Hunt
RECORDER DAVIESS COUNTY

WARRANTY DEED

THIS INDENTURE WITNESSETH THAT Amos W. Knepp and Margaret Knepp, husband and wife, of Daviess County, in the State of Indiana, CONVEY AND WARRANT TO Joseph G. Knepp and Fannie Marie Knepp, husband and wife, of Daviess County, in the State of Indiana, for and in consideration of One Dollar and other valuable consideration, the receipt whereof is hereby acknowledged, the following Real Estate in Daviess County, in the State of Indiana, to-wit:

A part of the Southeast Quarter of the Southwest Quarter of Section 36, Township 4 North, Range 6 West, described as follows: Beginning at a point North 0 degrees 42 minutes West 371.56 feet from the Southwest corner of the Southeast Quarter of the Southwest Quarter of said Section 36, and running thence North 0 degrees 42 minutes East 962.6 feet; thence North 89 degrees 34 minutes East 814.3 feet; thence South 0 degrees 42 minutes East 1340.2 feet; thence West 228.3 feet; thence North 0 degrees 42 minutes West 371.56 feet; thence West 586.17 feet to the place of beginning, containing 20.00 acres.

Subject to leases and easements.

IN WITNESS WHEREOF, the said Amos W. Knepp and Margaret Knepp, husband and wife, have hereunto set their hands and seals this 5th day of August, 2009.

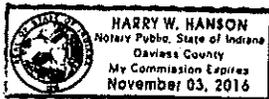
Amos W. Knepp
Amos W. Knepp

Margaret Knepp
Margaret Knepp

STATE OF INDIANA, COUNTY OF DAVIESS, SS:

Before me, the undersigned, a Notary Public in and for said County and State, this 5th day of August 5, 2009, personally appeared Amos W. Knepp and Margaret Knepp, husband and wife, and acknowledged the execution of the foregoing deed.

In Witness Whereof, I have hereunto subscribed my name and affixed my official seal.



H. W. Hanson
, Notary Public

This instrument prepared by Harry W. Hanson, Attorney at Law, Washington, IN 47501
Mail tax statement to: Joseph G. Knepp, 7338 E 500 N, Montgomery, IN 47558

Grantees Mailing Address: 7338 E 500 N, Montgomery, IN 47558

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law. Harry W. Hanson
L:\Deeds\KNEPP, Amos\KNEPP Amos - Joseph Knepp deed.wpd

DULY ENTERED FOR TAXATION
SUBJECT TO FINAL ACCEPTANCE
FOR TRANSFER

AUG 05 2009

April Doss
AUDITOR, DAVIESS COUNTY

Exhibit D: Oil and Gas Lease Form Utilized in the Project Areas

This is the wording which was presented to the landowner on various occasions, as noted in Exhibit E.

**OIL AND GAS LEASE
(PAID UP)**

THIS AGREEMENT made and entered into this _____ day of _____, 2014 by and between **Joseph and Fannie Knepp** of 7338 E 500N Montgomery, IN 47558, hereinafter called LESSOR (whether one or more), and **Riverside Petroleum Indiana, LLC**, a Delaware Limited Liability Company of 2700 Technology Forest Blvd, Suite 230, The Woodlands, TX 77381, hereinafter called LESSEE, WITNESSETH:

1. (Granting and Legal Description of Paid Up Lease) LESSOR, for and in consideration of ten dollars and other consideration, the receipt of which is hereby acknowledged, and the covenants and agreements of the LESSEE hereinafter contained, does hereby grant, lease and let unto LESSEE the land described below, including all interests therein LESSOR may acquire by operation of law, reversion or otherwise, (herein called "said land"), exclusively for the purposes of exploring by geophysical and other methods, drilling, mining, operating for and producing oil and/or gas, together with all rights, privileges and easements useful or convenient in exploring for, drilling for, producing, treating, storing, caring for, transporting and removing production from said land or any other land adjacent thereto, including but not limited to rights to lay pipelines, build roads, establish and utilize facilities for disposition of water, brine or other fluids, and construct tanks, power and communication lines, pump and power stations, and other structures and facilities. Said land is in the County of Greene, State of Indiana, and is described as follows:

Township 4 North, Range 6 West, section 36, portion of the southeast quarter of the northwest quarter

Containing **five acres**, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above, that are owned or claimed by LESSOR, or to which LESSOR has a preference right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water. The term "oil" when used in this lease shall mean crude oil and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir. The term "gas" when used in this lease shall mean a mixture of hydrocarbons and of non-hydrocarbons in a gaseous state, which may or may not be associated with oil or coal, and including coal bed methane and those liquids resulting from condensation of gas after it leaves the underground reservoir.

2. (Term and Operations) It is agreed that this lease shall remain in force for the primary term of **Three (3)** years from this date, and as long thereafter as operations are conducted upon said land with no cessation for more than 90 consecutive days, provided, however, that in no event shall this lease terminate if production of oil and/or gas from a well located on said land, or on lands pooled therewith, has not permanently ceased. If operations commenced during the primary term are discontinued less than 90 days before the end of the term, this lease shall not terminate at the end of the primary term if operations are again conducted within 90 days after the discontinuance. Whenever used in this lease the word "operations" shall refer to any of the following and any activities related thereto: preparing location for drilling, drilling, testing, completing, equipping,

reworking, recompleting, deepening, plugging back or repairing of a well in search of or in an endeavor to obtain production of oil and/or gas, and production of oil and/or gas whether or not in paying quantities.

3. (Royalty) Lessee covenants and agrees to pay the following royalties: (a) To deliver to the credit of Lessor into tank reservoirs or into the pipeline to which Lessee may connect its wells, one-eighth (1/8) of the oil produced and saved from said land, Lessor's interest to bear one-eighth of the cost of treating oil to render it marketable pipeline oil, or from time to time, at the option of Lessee, Lessee may sell the oil produced and saved from said land and pay Lessor one-eighth of the net amount realized by Lessee, computed at the wellhead; (b) To pay Lessor on gas produced from said land (1) when sold by Lessee, one-eighth of the net amount realized by Lessee, computed at the wellhead, or (2) when used by Lessee for purposes other than those specified in Paragraph numbered 7 of this lease, one-eighth of the net market value at the wellhead of the gas so used. As used in this lease, the term "net amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale, and the term "net market value at the wellhead" shall mean the current market value (at the time of production) of the gas at a market point where gas produced in the general area is commonly purchased and sold, minus the post-production costs that would be incurred by Lessee between the wellhead and such market point in order to realize that market value. As used in this lease, the term "post-production costs" shall mean all the cost and expense of (a) treating and processing oil and/or gas to separate and remove non-hydrocarbons including but not limited to water, carbon dioxide, hydrogen sulfide and nitrogen, and (b) separating liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold and/or the amount used by Lessee for purposes other than those specified in Paragraph numbered 7 of this lease, and (f) sales charges, commissions and fees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (g) any and all other costs and expenses of any kind or nature incurred in regard to the gas, or handling thereof, between the wellhead and the point of sale. Lessee may use its own pipelines and/or equipment to provide such treating, processing, separating, transportation, compression, and metering services, or it may engage others to provide such services; and if Lessee uses its own pipelines and/or equipment, post-production costs shall include reasonable depreciation and amortization expenses relating to such facilities, together with Lessee's cost of capital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lessor shall execute a Division Order certifying Lessor's interest in production. Lessee may pay all taxes and fees levied upon the oil and gas produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a proportionate share of the amount so paid from any monies payable to Lessor hereunder.

4. (Shut in) If any well, capable of producing oil and/or gas, whether or not in paying quantities, located on said land, or on lands pooled or communitized with all or part of said land, is at any time shut-in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut-in, whether before or after expiration of the primary term. LESSEE shall use reasonable diligence to market oil and/or gas capable of being produced from such shut-in well, but shall be under no obligation to reinject or recycle gas, or to market such oil and/or gas under terms, conditions, or circumstances which in LESSEE's judgment are uneconomic or otherwise unsatisfactory. If all wells on said land, or on lands pooled or communitized with all or part of said land are shut-in, then within 60 days after expiration of each period of one year in length (annual

period) during which all such wells are shut-in, LESSEE shall be obligated to pay or tender, as royalty, to LESSOR, (at LESSOR's address), or it's successors, as LESSOR's agent, which shall remain as the depository regardless of change in ownership of royalties, shut-in royalties or other money, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided however, that if production from a well or wells is sold or used off the premises before the end of any such period or, if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in wells, LESSEE shall not be obligated to pay or tender said sum of money for that annual period. This shut-in royalty payment may be made in currency, draft or check at the option of LESSEE, and the depositing of such payment in any post office, with sufficient postage and properly addressed to LESSOR, or said bank, within 60 days after expiration of the annual period shall be deemed sufficient payment as herein provided. This lease shall remain in force so long as such well is capable of producing whether or not in paying quantities, and Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due but shall not operate to terminate this Lease.

5. (Express or Implied Obligations) In the event LESSOR considers that LESSEE has not complied with its obligations hereunder, both express and implied, LESSOR shall give written notice to LESSEE, setting out specifically in what respects LESSEE has breached this contract. LESSEE shall have 60 days from receipt of such notice to commence and thereafter pursue with reasonable diligence such action as may be necessary or proper to satisfy such obligation of LESSEE, if any, with respect to LESSOR's notice. Neither the service of said notice nor the doing of any acts by LESSEE intended to satisfy any of the alleged obligations shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder. No judicial action may be commenced by LESSOR for forfeiture of this lease or for damages until after said 60 day period. LESSEE shall be given a reasonable opportunity after judicial ascertainment to prevent forfeiture by discharging its express or implied obligation as established by the court. If this lease is canceled for any cause, it shall nevertheless, remain in force and effect as to (a) sufficient acreage around each well as to which there are operations, so as to constitute a drilling or maximum allowable unit under applicable governmental regulations, such acreage to be designated by LESSEE in such shape as then existing spacing rules permit; and (b) any part of said land included in a pooled unit on which there are operations. LESSEE shall also have such easements on said land as are necessary or convenient for operations on the acreage so retained.

6. (Actual Interest) If this lease covers less than the entire undivided interest in the oil and gas in said land (whether LESSOR's interest is herein specified or not), then the royalties and extension payment as provided in this lease shall be paid to LESSOR only in the proportion which the interest in oil and gas covered by this lease bears to the entire undivided interest therein.

7. (Lessee's rights) LESSEE shall have the right to use, free of cost, gas, oil and water produced on said land for LESSEE's operations hereunder, except water from the wells of LESSOR. When requested by LESSOR, LESSEE shall bury LESSEE's pipelines below plow depth. No well shall be drilled nearer than 200 feet from the house or barn now on said land without written consent of LESSOR. LESSEE shall pay for damages caused by LESSEE's operations to growing crops on said land. LESSEE shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing and any other downhole equipment and fixtures.

8. (Pooling Clause: General) LESSEE is hereby granted the right to pool or unitize said land, or any part of said land, with other lands, as to any or all minerals or horizons, to establish units containing not more than approximately 320 acres; provided, however, such units may be established so as to contain not more than approximately 640 acres as to any or all of the following: (a) gas, (b) oil produced from formations below the top of the Black River Formation and/or Group and (c) oil produced from wells classified as gas wells by the regulatory agency having jurisdiction. If larger

units than those permitted above, either at the time established or thereafter, are required or permitted under any governmental rule or order for the drilling or operation of a well at a regular location or obtaining the maximum allowable from any well or for any other reason, then the maximum unit size authorized hereby shall conform to the size required or permitted by such governmental rule or order. LESSEE may enlarge the unit to the maximum area permitted herein and reform said unit to include after-acquired leases within the unit area. LESSEE may create, enlarge or reform the unit or units as above provided at any time, and from time to time, during the continuance of this lease, either before or after production is obtained. A unit established hereunder shall be effective for all purposes of this lease, whether or not all interests in the lands in the unit are effectively pooled or unitized. In no event shall LESSEE be required to drill more than one well in each unit. LESSEE may reduce or terminate such unit or units at any time prior to the discovery of oil or gas on the pooled acreage, or at any time after discovery subsequent to the cessation of production. LESSEE may create, enlarge, reform, reduce, or terminate each unit by recording a written declaration to that effect in the office of the Register of Deeds in the county or counties in which such unit is located. Any operations conducted on any part of the lands pooled shall be deemed to be on the lands leased herein within the meaning of all provisions of this lease. Production of oil and/or gas from the unit shall be allocated to the lands described herein which are included in the unit in the same proportion as the number of surface acres in the lands described herein which are included in the unit bears to the total number of surface acres in the unit.

9. (Pooling Clause for Shallow Formations) In addition to the right to pool granted to the Lessee in Paragraph 8 above, for the purpose of promoting the development of hydrocarbon production from shallow formations, as hereinafter defined, Lessee is granted the right to pool or unitize the shallow formations in said land, or any part of said land with other lands, to establish units containing not more than approximately 2,560 acres. "Shallow formations" are defined as geologic formations between the surface of the earth to the top of the Black River Formation and/or Group. All provisions of Paragraph numbered 8, including those regarding Lessee's identification of a unit, the effect of operations conducted thereon and the allocation of production from wells thereon, shall apply in the same manner to a unit formed pursuant to this paragraph for the production from shallow formations, except to the extent inconsistent with this paragraph. Lessee may expand the unit to include additional lands until a maximum of 2,560 acres is included in the unit.

10. (Future regulations State or Federal) All present and future rules, regulations and orders of any governmental agency pertaining to well spacing, drilling, or production units, use of materials and equipment, or otherwise, shall be binding on the parties hereto with like effect as though incorporated herein at length, provided, however, that no such rule, regulation or order shall (a) prevent LESSEE from pooling oil and/or gas development units as provided in Paragraphs numbered 8 and 9 hereof, larger than the well spacing, drilling or production units prescribed or permitted by such rule, regulation or order or (b) require a greater density for shallow formation wells than required by Paragraph numbered 9 above.

11. (Operations if land is subdivided) If, after the date hereof, the leased premises shall be conveyed in severalty or in separate tracts, the premises shall, nevertheless, be developed and operated as one lease, except that royalties as to any producing well shall be payable to the owner or owners of only those tracts located within the drilling unit designated by the state regulatory agency for such well and apportioned among said tracts on a surface acreage basis; provided, however, if a portion of the leased premises is pooled with other lands for the purpose of operating the pooled unit as one lease, this paragraph shall be inoperative as to the portion so pooled or unitized.

12. (Force Majeure) If LESSEE is prevented from, or delayed in commencing, continuing, or resuming operations, or complying with its express or implied obligations hereunder by

circumstances not reasonably within LESSEE's control, this lease shall not terminate and LESSEE shall not be liable in damages so long as said circumstances continue (the "period of suspension"). These circumstances include, but are not limited to the following: Conflict with federal, state or local laws, rules, regulations, and executive orders; acts of God; strikes; lockouts; riots; wars; improper refusal or undue delay by any governmental agency in issuing a necessary approval, license or permit applied for by LESSEE, equipment failures; inability to obtain materials in the open market or to transport said materials. If the period of suspension commences more than 90 days prior to the end of the primary term of this lease, then that period of suspension shall be added to the primary term. If the period of suspension commences less than 90 days prior to the end of the primary term or at any time after the primary term, then this lease shall not terminate if LESSEE shall commence or resume operations within 90 days after the end of the period of suspension.

13. (Estate) If the estate of either party hereto is assigned, the privilege of assigning in whole or in part is expressly allowed, the covenants and provisions of this lease shall extend to such party's heirs, devisees, legal representatives, successors or assigns. Notwithstanding any other actual or constructive knowledge of the record owner of this lease, no change in the ownership of land or assignment of royalties or other monies, or any part thereof, shall be binding on the then record owner of this lease until 45 days after the record owner has received, by certified mail, written notice of such change, and the originals or certified copies of those instruments that have been properly filed for record and that shall be necessary in the opinion of record owner to establish the validity of such change of ownership or division of interest. No change or division in the ownership of said land, royalties or other monies, or any part thereof, however accomplished, shall increase the obligations or diminish the rights of LESSEE, including, but not limited to, rights and obligations relating to the locating and drilling of wells and the measurement of production. Upon assignment by LESSEE, its successors or assigns, the assignor shall be released from, and the assignee shall assume the responsibility to fulfill the conditions and to perform the covenants of this lease express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by an owner of any part of the leasehold interest created by this lease shall not defeat or affect the rights of the owner(s) of any other part.

14. (Warranty) LESSOR hereby warrants and agrees to defend the title to said land, and agrees that LESSEE may at any time pay all or part of any land contract, mortgage, taxes, or other liens or charges with respect to said land, either before or after maturity, and be subrogated to the rights of the holder thereof, and may reimburse itself by applying to such payments any royalty or other monies payable to LESSOR hereunder. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as LESSOR.

15. (Surrender of Lease) LESSEE may at any time surrender this lease as to all or part of said land, by delivering or mailing a release to LESSOR if the lease is not recorded, or by placing a release of record in the proper county if the lease is recorded. If this lease is surrendered only as to part of said land, any shut-in royalties which may thereafter be payable hereunder shall be reduced proportionately.

16. (Written notification) All written notices permitted or required by this lease to be given LESSOR and LESSEE herein shall be at their respective addresses listed hereinabove, shall be by certified United States mail, and shall identify this lease by date, parties, description and recording data; provided that either party may change such notice address by giving written notice to the other party specifying the new address.

17. (Extension) This lease may, at LESSEE's option, be extended as to all or part of the lands covered hereby for an additional primary term of 3 (**Three**) years commencing on the date that the lease would have expired but for the extension. LESSEE may exercise its option by paying or tendering to

LESSOR an extension payment of **\$10.00 per acre** for the land then covered by the extended lease, said bonus to be paid or tendered to LESSOR in the same manner as provided in Paragraph numbered 4 hereof with regard to the method of payment of shut-in royalties. If LESSEE exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term.

18. (Unitization) Lessor agrees to participate in and to execute a unitization agreement as provided by Lessee, pooling this land with other lands to create a production unit(s).

Executed as of the day and year first above written.

LESSOR:

(Acknowledgment)

STATE OF INDIANA)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by: _____.

My commission expires _____

_____, Notary

Public

Notary in Daviess County, IN

I affirm, under the penalties of perjury, that I have taken reasonable care to redact each social security number in the document unless required by law.

Vickie L. Schuch

Prepared by: Jeremy Chasteen, 3997 S. Garrison Chapel Road, Bloomington, IN 47403 Rev. 3/2007- Indiana Lse

After recording please return to: Riverside Petroleum Indiana, LLC, 526 W. 14th Street, #223, Traverse City, MI 49684

Exhibit E: Contact Report Summarizing Lease Attempts

Exhibit E-1: Contact by telephone and in person

Attempts to contact Knepp were made by Benjamin Curell (BDC), Brandon and Jeremy Chasteen (BJC) and Dylan Morgan (DM). In total, over 17 attempts were made at contact over a six week period.

- 5/23/14: Visited, they were not home, but I left a lease for their daughter (Melinda) to give to them.
- 5/23/14: Called him, he wanted to speak to his previous landman. BDC
- 5/27/14: Visited, no one available. BDC
- 5/27/14: Called him, he said he was unavailable today, but requested I call him back on Wednesday. BDC
- 5/28/14: Called, left message requesting a call back. BDC
- 5/29/14: Called Joseph, he is interested, but wants to look at the contract I provided to him. He is planting right now and wants me to call Monday unless it rains before then. BDC
- 6/2/14: Called Joseph, he said he is likely available this afternoon, requested I call back around noon. BDC
- 6/5/14: Visited, met Fannie, Joseph was not home. BDC
- 6/9/14: Call him this week when it rains to catch him. BDC
- 6/13/14: Visited, Joseph was not home. BDC
- 6/20/14: Visited, Joseph not home, Called, Joseph did not answer, no VM. BDC
- 6/24/14: Went to Joseph's house, he was not home. Talked to Fannie who gave me his cell number. Called his cell phone and left a message. He called me back and said we could meet the following day around noon. I told him I would come to his house and call when I was on my way. BJC
- 6/24/14: Attempted to call his cell phone, but not answered and voicemail was full. DM
- 6/25/14: Drove out to his house, tried to call multiple times and no one answered. No one was home. Tried to call multiple times throughout the day and no one answered. BJC
- 6/26/14: Left a voicemail on his home answering machine. DM
- 6/26/14: Called multiple times throughout the day and no one answered. Went to his house in the evening and he wasn't home. Waited until 9:00pm and called his house. Spoke to his wife and she said he wouldn't be home until really late and probably wouldn't want to talk. BJC
- 6/27/14: Called and no one answered. Called from a different number and he returned my call. Spoke with him and he said he was unwilling to lease at this time. Wants a lawyer to see the lease and to speak with the landman that leased him the first time. Said he wouldn't do anything till next week at the earliest. BJC
- 7/2/14: Spoke with Mr Knepp, and asked when landmen could meet to discuss the lease. Explained that there would be no surface activity from this well, and that the type of well we planned to drill this year would be more likely to produce than the Marner well.. He promised to call back. DM
- 7/3/14: Mailed a letter to Mr Knepp making the offer, and including a copy of the lease document (see Exhibit E-2). This was sent by registered mail – still waiting for return of the confirmation of delivery. DM

Exhibit E-2: Contact by mail

The letter below was, as evidenced by proof of delivery which follows, mailed to Landowner on July 3, 2014

Riverside
petroleum indiana • LLC
2700 Technology Forest Blvd. Suite 230
The Woodlands, TX, 77381 Tel: (713) 589-8810

Mr Joseph and Mrs Fannie Knepp
7338 E 500N
Montgomery, IN 47558

July 1, 2014

Dear Mr and Mrs Knepp

OFFER TO LEASE OIL AND GAS RIGHTS OVER YOUR GROUND

Our landmen have made several attempts in recent weeks to contact you to discuss Riverside's interest in leasing the oil and gas rights over your land on CR 500N, described as T4N R6W, section 36, SE SW (part of), with an area of approximately 20 (twenty) acres.

We are offering to lease these rights for a consideration of \$10/acre (ten dollars per acre) for a period of 3 (three) years with an option to renew if for a further period of 3 (three) years for the same consideration again, and under such other conditions as presented in the attached lease agreement. You would receive a royalty interest of 1/8th of all oil and gas extracted from your land (based on the proportion of the production unit or units which your land forms part of); we are looking to drill a gas well later this year, and your land would form part of the production unit for this well.

We are happy to lease either just this tract, or other tracts within a reasonable distance, at your preference. The attached agreement only references this one tract, but we can easily amend this should you wish.

Please review the attached lease agreement at your soonest convenience and return a signed, notarized copy to Riverside using the self-addressed, postage-paid envelope enclosed. If you would prefer, our landmen can meet with you for the signing at a location of your reasonable convenience, so that they can act as notaries, and can hand-deliver the executed agreement.

Regards,



Dylan Morgan
Director: Operations

A copy of the lease shown in Exhibit D was attached.

English

Customer Service

USPS Mobile

Register / Sign In



Search USPS.com or Track Packages

Quick Tools

Ship a Package

Send Mail

Manage Your Mail

Shop

Business Solutions

USPS Tracking™



Customer Service ›
Have questions? We're here to help.

Tracking Number: 70140150000155280414

Expected Delivery Day: Saturday, July 5, 2014

Product & Tracking Information

Postal Product:
First-Class Mail®

Features:
Certified Mail™

DATE/TIME	STATUS/ACTIVITY	LOCATION
July 5, 2014, 2:57 pm	Delivered	MONTGOMERY, IN 47558
Your item was delivered at 2:57 pm on July 5, 2014 in MONTGOMERY, IN 47558.		
July 5, 2014, 9:08 am	Depart USPS Sort Facility	EVANSVILLE, IN 47711
July 5, 2014, 12:44 am	Processed through USPS Sort Facility	EVANSVILLE, IN 47711
July 4, 2014, 9:15 pm	Processed through USPS Sort Facility	EVANSVILLE, IN 47711
July 4, 2014, 2:31 am	Depart USPS Sort Facility	LOUISVILLE, KY 40231
July 3, 2014, 8:31 pm	Processed through USPS Sort Facility	LOUISVILLE, KY 40231
July 1, 2014, 10:42 pm	Processed through USPS Sort Facility	NORTH HOUSTON, TX 77315
July 1, 2014, 5:04 pm	Depart Post Office	SPRING, TX 77380
July 1, 2014, 3:47 pm	Acceptance	SPRING, TX 77380

Available Actions

Text Updates

Email Updates

Track Another Package

What's your tracking (or receipt) number?

Track It

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- Privacy Policy ›
- Terms of Use ›
- FOIA ›
- No FEAR Act EEO Data ›

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