



<DATE>

PROPERTY SOURCING AGREEMENT

WHEREAS <client> (hereinafter referred to as “**Client**”, or together with **American Energy Advisors, Inc.** as the “**Parties**”) desires to acquire oil and gas properties and/or corporations with properties located primarily in the following area(s): **Continental United States**

AND WHEREAS these potential acquisition opportunities would ideally be in the price range of:
\$1,000,000 to \$150,000,000 (and larger if approved by **Client**);

AND WHEREAS **American Energy Advisors, Inc.** (hereinafter referred to as “**AEA**” or together with **Client** as the “**Parties**”) has: (1) extensive experience sourcing acquisition opportunities for oil and gas buyers, and (2) unique relationships with oil and gas company owners and/or executives, business development managers, key divestment professionals;

AND WHEREAS **AEA** desires to assist the **Client** in: (1) pursuing oil and gas corporate acquisitions and potential joint ventures; and (2) developing new business opportunities in the above-referenced region in accordance with the following guidelines and acquisition types:

- Non-competitive property acquisitions in the \$1,000,000 to \$150,000,000 range;
- Properties with cash flow and non-producing and developmental upside;
- Acquisitions that may include drilling prospects;
- Opportunities with ongoing exploration potential;

AND WHEREAS the **Client** desires to retain **AEA** in a consulting role to originate and source potential acquisitions and other transactions as described above.

AEA and **Client** hereby agree to the following:

A. ENGAGEMENT PERIOD:

The **Client** will retain **AEA** for an initial period beginning <DATE> and ending <DATE>. However this Agreement shall continue on a month-by-month basis after <DATE> unless terminated by either **Client** or **AEA** after either party provides the other 30 days written notice of such termination.

B. ENGAGEMENT GOAL/BEST-EFFORTS:

The **Parties** recognize that the primary goal of this engagement is for **AEA** to facilitate the **Client’s** expansion in the regions described above by:

- Soliciting acquisition opportunities on the **Client’s** behalf;
- Introducing the **Client** and its personnel to key executives, personnel, companies, advisory firms and divestment agents (“contacts”) by calling said contacts and potential sellers and/or potential partners on the **Client’s** behalf, setting up meetings with contacts for the **Client’s** designated staff and, as needed, attending meetings with **Client** and said contacts;
- Creating and setting-up a database of contacts for the **Client’s** use.

Client understands that **AEA** will proceed on a “best-efforts” basis to source opportunities for **Client** as outlined herein.

C. ADVISORY & STRATEGIC SERVICES:

AEA will provide the following services:

1. Origination & Sourcing Services.

AEA will originate acquisition ideas, select potential sellers, contact sellers, solicit their interest in selling (and under what terms), create a preliminary review of Properties as applicable, and submit property data to **Client**.

2. Direct Referral Services.

In some circumstances **AEA** may refer potential acquisition opportunities to **Client** for follow-up by **Client's** staff where conditions warrant and when for any reason **AEA** cannot act as a lead contact.

3. Weekly Reporting.

AEA agrees to report weekly to **Client's** management, summarizing sales calls and transaction activity resulting from **AEA's** efforts.

4. Property Packaging/Data Sourcing.

AEA will endeavor to determine as much information as possible about potential corporate divestitures and/or property acquisition leads, including finding and submitting to **Client** the identity of the corporation and/or properties, as well as the location, well name(s), well status, number of acres, working interest, net revenue interest, production rates, upside, expense information, upside potential, offer procedures, and seller contact information for such properties.

5. Anonymous Bidding/Managing Seller Expectations.

In some circumstances **AEA** will be available to represent **Client** in negotiations with potential sellers, where it is deemed by **Client** to be advantageous (to manage seller expectations) to keep **Client's** identity and interest secret as long as possible.

6. Acquisition Focus.

AEA will also focus on non-competitive acquisition opportunities including unsolicited opportunities, joint ventures, and seller-prompted negotiated transactions. It is understood that **AEA's** efforts will be to concentrate on acquisition opportunities which meet parameters occasionally defined by the **Client** and as described herein by **AEA**, however, **AEA** agrees to bring other additional opportunities as well to **Client** including larger or non-regional specific sale packages.

Non-competitive transactions are defined as acquisition opportunities where such opportunity is available for purchase through a negotiated first-come, first-serve or informal private treaty process.

D. CLIENT FOLLOW-UP:

Client agrees to exercise good faith and best efforts in following up, evaluating, and screening potential acquisition opportunities submitted by **AEA**.

E. INDEPENDENT CONTRACTOR/AUTHORITY OF AEA:

During the performance of any work contemplated in this Agreement, **AEA** shall be acting in the capacity of an independent contractor, and therefore a relationship of employer and employee does not exist between **Client** and **AEA**.

AEA shall have no authority whatsoever to bind **Client** to any matter, contract, or any obligation whatsoever, except to the extent authorized in writing and in advance of any such agreements contemplated under this agreement by **Client**.

F. FINDER'S FEE(S) FOR SERVICES PROVIDED:

AEA will earn the following Finders Fees on acquisition opportunities of any non-competitive transactions closed by **Client** (or any of its affiliates and/or assigns) that were originated by **AEA** and presented to **Client** during the term of this agreement as a result of the services provided as described herein:

- 1.) A Success Fee based on the Purchase Price, which shall be equal to:

One percent (1.00%).

The Purchase Price shall mean the sum of: (i) cash or cash equivalents received by Seller at closing of the sale of the Project; (ii) any marketable securities received by Seller as part of the transaction; (iii) any deposits paid by any **Client** in advance of closing that are credited against the purchase price at closing or forfeited by **Client**; (iv) the value of any additional cash or equivalents due to be paid to the Seller within 36 months of closing; (v) any non-marketable securities received by Seller as part of the transaction; and/or (vi) In the event an override is assigned to a seller as part of the consideration for an acquisition, **Client** shall assign to **AEA** an

override equal to one percent (1%) of the assigned override, unless **AEA** and **Client** mutually agree to a discounted cash value of such override.

2.) An overriding royalty interest ("ORRI") equal to one percent (1%) of the net revenue interest(s) of wells and lands acquired in the transaction that have a revenue interest of 75% or greater when netted up to a 100% working interest, or an ORRI equal to one-half of one percent (.05%) of the net revenue interest(s) of wells and lands acquired in the transaction that have a revenue interest of less than 75% when netted up to a 100% working interest.

ORRI is defined as an assigned interest in the wells acquired and in the underlying leasehold interest (free of expenses of production, but not free of taxes). Such ORRI shall be a perpetual burden on all wells and lands acquired by Employer, and shall be effective as of the effective date of each acquisition. **AEA** shall prepare assignments for execution by an officer of the **Client**, and shall be responsible for the recording of such assignments.

NOTE: If requested by Client, **AEA** will also contact divestment brokers ("Seller Agents") and introduce the **Client** to these Seller Agents with the goal that such Seller Agents will prioritize the **Client** as an active buyer of negotiated sale opportunities. In addition, **AEA** will maintain contact on behalf of **Client** with these Agents to assure that **Client** is apprised of all of their offerings during the term of this agreement.

In the event the **Client** negotiates a successful transaction with such Seller Agents, **AEA** would earn a fee of one-half of the fee schedules described above in Section F., parts 1.) and 2.) above.

It is agreed that **Client** shall pay no Finder's Fee to **AEA** for a transaction in which **AEA** is representing Seller as Agent or Broker.

G. FEES SUBSEQUENT TO TERMINATION OF AGREEMENT:

In the event this agreement is terminated, it is understood that the Parties will prepare a list of deals in progress which would include, but not be limited to, transactions originated by **AEA** or involving **AEA's** assistance which would still be active as of the Termination Date (Termination Date is defined as date of termination or 30 days after notice of intent to terminate is delivered by one party to this agreement to the other as defined in Part A. above).

The Parties agree that **AEA** will be entitled to Finders Fees described herein pursuant to the terms of this agreement on acquisitions which are included on the list described above, and are executed within six (6) months after the Termination Date, and subsequently closed.

H. CONFIDENTIALITY:

During the term of this agreement and for a period of one (1) year thereafter, **AEA** will hold in strictest confidence and shall not disclose to any person, firm, or corporation without the written permission of **Client**, any information, procedures, prices paid, or other confidential matters or materials related to **Client's** portfolio and/or acquisition opportunities being pursued by the **Client**. In addition **AEA** shall promptly disclose to **Client** all matters coming to **AEA's** attention pertaining to the interests of **Client** during the performance of services contemplated herein by **AEA** pursuant to the terms and conditions of this agreement.

Upon termination of this agreement **AEA** shall deliver to **Client** any and all documents, worksheets, and any other material related to the acquisition of and/or divestiture of any Properties. Conversely, **Client** agrees to return any Property Data or Packages submitted by **AEA** but declined by **Client**.

Agreed this _____ day of _____, 200__

American Energy Advisors, Inc.

<Client>

Name: _____

Title: _____