

AMERICAN UNDERWRITING MANAGERS
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OIL LEASE OPERATOR / NON-OPERATOR QUESTIONNAIRE

(To Be Accompanied By ACORD Forms As Applicable)

REQUIRED FOR QUOTATION:

The following schedules must be provided in order to receive a quotation for coverage within our program:

A. First Named Insured and All Other Named Insured's:

1. A complete schedule of all proposed Named Insured's including ownership breakdown and a complete description of all operations for each.

B. Well Information

1. A complete schedule of all existing wells as operator and as non-operator, including location, state, county, total depth, lease block (if applicable), working interest and status (producing, shut-in, plugged, abandoned, salt water disposal, injection, H2S, 'wet', etc.) .
2. A complete schedule of estimated drilling activity for the next 12 months, including state, county, total depth and working interest.

C. Facilities: (Owned and/or Operated)

1. Schedule of all gas processing, distillation and/or sweetening plants.
2. Schedule of all transmission or distribution pipelines and associated compressor stations.
3. Schedule of all offshore facilities, if any.

SECTION I. GENERAL INFORMATION:

A. First Named Insured: _____

B. Address:

1. Mailing: _____
2. Office: _____

Edition Date: June 12, 2006

C. Insured's Representatives:

1. Safety/Inspection: _____

Title: _____

Phone: _____ Fax: _____

D. Are Audited Financial Statements available, if requested? Yes No
If not, please explain:

E. Number of Employees: _____ Est. annual payroll: \$ _____

Est. 12-Mo. Gross Revenues: Domestic: \$ _____ Foreign: \$ _____

Last 12-Mo. Gross Revenues: Domestic: \$ _____ Foreign: \$ _____

Note: For operations other than operator/non-operator, please provide a schedule of revenues for each such entity.

F. Does the Insured purchase Workers' Compensation insurance in compliance with the State Workers' Compensation Act? Yes No

G. Does the Insured lease any employees? Yes No
If yes, please explain:

H. Does the existing CGL policy contain retro-date? Yes No
If so, for which coverages and what is it?

I. Has any carrier cancelled or declined to renew within the past five years? Yes No

J. How long has this account been in the agency? _____ Years

K. Is the applicant:

1. An **OPERATOR OF RECORD** owning working interest in the wells, who manages lease operations for his co-owners of the working interest? Yes No

2. An **OPERATOR OF RECORD** owning working interest in wells, who utilizes a contract operator to manage lease operations? Yes No

3. An **OPERATOR OF RECORD NOT** owning working interest in wells who utilizes a contract operator to manage lease operations? Yes No

4. A **PROMOTER** selling drilling prospects to operators for a carried interest in the wells? Yes No

5. A lease **OPERATOR BY CONTRACT** who does not have a working interest in the wells? Yes No

6. An **INVESTOR** owning a non-operating working interest? Yes No

7. An **OPERATOR** which has any service contractor subsidiary? Yes No

8. A **SERVICE CONTRACTOR**? Yes No

L. Is Hired & Non-Owned Auto coverage desired? Yes No

SECTION II. AS OPERATOR:

How many years' experience: _____ Years

A. How are drilling/work over operations contracted?

- | | | |
|------------|---------------|-----|
| 1. Daywork | IADC | API |
| 2. Footage | IADC | API |
| 3. Turnkey | IADC | API |
| 4. Other | (Attach Copy) | |

B. How are servicing operations contracted?

1. Master Service Agreement? Yes No
If yes, what type of agreement is used?
 IADC AOSC API Other (submit copy)
2. Well Service Contract? Yes No
If yes, attach copy.
3. Individual job order/purchase order? Yes No

C. Insurance required of contractors and subcontractors:

1. What limits of insurance are required of contractors and subcontractors?

- (a) General Liability \$ _____
(b) Auto Liability \$ _____
(c) Employer's Liability \$ _____
(d) Other \$ _____

2. Do you require contractors and subcontractors to purchase the following:

- | | | |
|---|------------------------------|-----------------------------|
| (a) Comprehensive General Liability? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) Contractual Liability? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) Completed Operations? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) Coverage for Explosion "X"? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (e) Coverage for Blowout & Cratering "E"? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (f) Coverage for Underground Resources "D"? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (g) Coverage for Saline Contamination "W"? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

3. Are Certificates of Insurance required? Yes No
If yes, are they kept on file Yes No
Where?

4. Does Insured require Waiver of Subrogation from drillers and work over contractors? Yes No

5. Does Insured require that he be an Additional Insured on contractor's & subcontractor's policies? ___ Yes ___ No
6. Does Insured maintain an approved Contractor's list? ___ Yes ___ No
7. Are all well sites fenced, including pump jacks, tank batteries, separators, etc.?
___ Yes ___ No
8. Is any livestock in lease area? ___ Yes ___ No
9. Does Insured do site preparation? ___ Yes ___ No
10. Are there any secondary recovery operations? ___ Yes ___ No
11. What is the amount the Insured expects to spend as operator on independent contractors for:
 (a) Lease work: \$ _____
 (b) Work over: \$ _____
 (c) Drilling: \$ _____

D. Well Information: **INCLUDE A SCHEDULE / LIST OF WELLS**

1. Indicate the **number of producing, saline and shut-in wells** as a Lease Operator

State	Oil	Gas	Saline	Shut-In	Avg. Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

- How many wells are located south of I-10 in Louisiana? _____

2. Indicate the **number of plugged & abandoned wells** as a Lease Operator

State	Oil	Gas	Saline	Shut-In	Avg. Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

- How many wells are located south of I-10 in Louisiana? _____

3. Indicate the **number of (how many) wells to be drilled** as a Lease Operator

State	Estimated Depth	# of Vertical	# of Horizontal
_____	_____	_____	_____
_____	_____	_____	_____

- How many wells are located south of I-10 in Louisiana? _____

4. Any **wells within the city or town limits**? _____ Yes _____ No
 If yes, advise the names of the wells, location, if wells are fenced, name any surrounding exposure, and if the wells are diked:

Name	Location	Fenced? Y/N	Surrounding Exposure	Diked? Y/N
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

5. Any **wells located within oceans, gulfs or bays**? Yes _____ No _____
 If yes, how many wells? _____
6. Any **wells within inland waterways, lakes or marsh areas**? Yes _____ No _____
 If yes, how many wells? _____
7. Any **hydrogen wells**? Yes _____ No _____
 If yes, how many wells? _____
8. Any **wells in or near railroad right-of-ways**? Yes _____ No _____
 If yes, how many wells? _____
9. Do you operate or have working interest in any **gas processing, gasoline recovery plants, or gas sweetening plants**? Yes _____ No _____
 If yes, provide details:

SECTION III. AS NON-OPERATOR:

How many years' experience? _____ Years

- A. Are certificates of insurance available from the operator of the well? _____ Yes _____ No
- B. Does the operator's policy have:
 (1) 'Additional Insured-Working Interest Endt' _____ Yes _____ No
 (2) Is insured named as an 'Additional Insured' _____ Yes _____ No

C. Well Information:

1. Indicate the **number of non-operated wells with 0 – 25% working interest:**

State	Oil	Gas	Saline	Shut-In	Avg. Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

How many wells are located south of I-10 in Louisiana? _____

2. Indicate the **number of non-operated wells with 26 - 50% working interest**:

State	Oil	Gas	Saline	Shut-In	Avg. Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

How many wells are located south of I-10 in Louisiana? _____

3. Indicate the **number of non-operated wells with more than 50% working interest**:

State	Oil	Gas	Saline	Shut-In	Avg. Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

How many wells are located south of I-10 in Louisiana? _____

4. Indicate the **number of (how many) wells to be drilled** as a Non-Operator

State	Estimated Depth	<u># of Vertical</u>	<u># of Horizontal</u>
_____	_____	_____	_____
_____	_____	_____	_____

How many wells are located south of I-10 in Louisiana? _____

SECTION IV. SALT WATER DISPOSAL / SALINE WELLS:

- Other than operating SWD wells, do you also own the land where the wells are located?

- If not, what does the land owner require of you as the Operator of the SWD wells?

- Do you allow other Operators and/or Salt Water Hauler's to dispose of their salt water into your SWD wells?
- If not, what precautions have you taken to prevent the unauthorized use or dumping of salt water into your wells?

DECLARATION and SIGNATURE

I have read the above Application. I declare that to the best of my knowledge and belief the statements and information in this Application and any attachments thereto are true, accurate and complete. This information is given to the insurer for the specific purpose of obtaining insurance coverage. It is agreed that if any information given in this Application or in any attachments is materially false, inaccurate or incomplete, the insurer may deny coverage or cancel the policy.

_____	_____	_____
Signature of First Named Insured	Title	Date

_____	_____
Signature of Producer	Date