



LENSMAN & ASSOCIATES LTD

ATTORNEYS AND COUNSELORS AT LAW

ENGAGEMENT LETTER

This Agreement is entered into on the below date between each of the undersigned signatory (the "Client") and Lensman & Associates, Ltd. ("LA").

- A. Services. Upon execution of this Agreement, LA will provide legal representation to Client that shall solely include the entering into of a certain Oil and Gas Lease which shall include the following terms: Lease Bonus Payment of \$5,800.00 per acre and gross production royalty of 20% (the "Lease"). The Lease shall be provided to Client upon the execution of this Agreement, and the representation hereunder shall solely apply to Client's entering into of such Lease. LA will not provide any other legal services on behalf of Client unless requested by Client, and agreed upon in writing by LA. The Client acknowledges that LA has separately engaged FO Oil & Gas, LLC (a subsidiary of FOFM, LLC) in order to assist LA with the evaluation of potential lease acreage, including the Client's acreage. The Client acknowledges that LA may also engage other individuals or firms to assist LA during its representation of Client, however Client shall not be charged any additional fees for any such engagement, including for the engagement of FO Oil & Gas, LLC.
- B. Acceptance of Lease. The Client acknowledges that the lessee of the Lease (the "Lessee") has the right to accept or reject Leases based upon certain factors including but not limited to: status of the Client's title to the mineral rights, location of acreage, and size of acreage. The Client further acknowledges that LA has made no representations to Client as to whether his, her, or its acreage or Lease will be ultimately accepted by the Lessee.
- C. Representation Fee. Fees to LA for services in this matter will be equal to Four Percent (4%) of the initial Bonus Payment received by Client under the Lease entered into by Client with the Lessee or any of the Lessee's partners or affiliates. In all matters hereunder, LA and Client agree that they shall deal with one another in good faith. LA's fee for this particular Lease, by agreement of the Lessee, shall be paid to LA directly by the Lessee at the time such initial Bonus Payment is received by the Client, regardless of when such payment is received. LA will not be entitled to any portion of the ongoing royalty received from any producing oil and gas well. This provision shall survive the termination of this Agreement.
- D. Outcome. The outcome of the services provided by LA hereunder is subject to factors that cannot always be foreseen; therefore, it is understood by Client that LA has made no promises, representations, or guarantees to Client concerning the outcome of the services provided and cannot do so. Nothing herein shall be construed as such a promise, representation, or guarantee.
- E. Termination. LA has the right to withdraw from providing such services to Client for any valid reason, including but not limited to failing to pay LA's fee, failing to cooperate with LA or failure to follow LA's advice on a material matter.
- F. Title to Oil & Gas Rights. Except as noted below, Client affirms that he or she has not received any payment from any oil and gas company during the past two (2) calendar years for the production of oil and gas, whether such payment was in the form of a royalty, delay rental, shut-in payment. Further, except as noted below, and to the best of Client's belief, the Client owns marketable title to all oil and gas rights on his or her real estate. Client acknowledges that should Client not own marketable

title to all oil and gas rights, that Client may not be able to enter into a Lease, or may enter into a Lease which differs in terms from the Lease form initially presented to the Client.

Description of Well or Royalties Received or Other Potential Title Concerns: _____

- G. Confidentiality. The Client agrees not to disclose or discuss the terms of this Engagement Agreement, including fee arrangements, or any potential Lease Agreement terms negotiated (or to be negotiated) on behalf of Client with any third parties. Violation of this duty could have a harmful effect upon any negotiations that LA is still in the process of completing on behalf of not only other clients or landowner groups, but also upon the Client.
- H. Entire Agreement. This Agreement contains the entire agreement among the parties and supersedes any prior understandings or agreements among them respecting its subject matter. There are no representations, arrangements, understandings, or agreements, oral or written, among the parties relating to the subject matter of this Agreement, except as fully expressed in this document. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

Lensman & Associates, Ltd.

Client:

By: _____
Todd A. Lensman, Esq.

Signature

Date

Print Name

Street Address

City, State, Zip Code

Telephone Number

Email Address