

**AGREEMENT FOR
BI-PETRO Y.E.S. PROGRAM
(YOUR EXPENSE SIMPLIFICATION PROGRAM)**

THIS AGREEMENT is executed this ____ day of _____, 20__, by and between, _____ of _____, hereinafter known as OPERATOR, and BI-PETRO, INC., Post Office Box 19246, Springfield, Illinois 62794-9246, hereinafter known as BI-PETRO. In consideration of the compliance with the terms of this Agreement, OPERATOR and BI-PETRO agree as follows:

- 1. The leases shown in Exhibit "A," attached hereto, shall be included in the Bi-Petro Y.E.S. Program, hereinafter called "Program". Bi-Petro shall be notified in writing of any additional leases to be included in the Program in the future and all terms and conditions of this Agreement shall extend to and be effective as to all such additional leases.**
- 2. OPERATOR will provide BI-PETRO with a detailed statement of expenses for each lease participating in the Program on or before the 8th of each month, using the form attached as Exhibit "B."**
- 3. OPERATOR will certify that said expenses conform to industry standards and are in compliance with any existing operating agreement.**
- 4. OPERATOR will provide each working interest owner participating in the Program with a copy of the monthly expense statement as referred to in Item #2 above.**
- 5. OPERATOR will provide BI-PETRO with a list showing each working interest owner's proportionate share of the operating expenses for each lease included in the program, noting thereon any carried working interest not liable for expenses, and any owners that will not be participating in the Program.**
- 6. The parties hereto agree that BI-PETRO will not be held responsible for the authenticity as to the nature and amount of any expenses. OPERATOR does hereby agree to hold BI-PETRO harmless and to immediately reimburse BI-PETRO for any loss of every kind and nature arising out of any dispute regarding the deduction of expenses from the working interest owner's revenue.**
- 7. BI-PETRO will issue a net check to each working interest owner on the 18th of the month, after deducting said owner's proportionate share of expenses submitted pursuant to item #2.**
- 8. BI-PETRO will issue a check to the operator for an amount equal to the expenses deducted from the working interest owners, less a \$25.00 service charge for each lease, on the 18th of each month.**

9. Expenses will not be deducted from any working interest owner who notifies BI-PETRO in writing of their decision not to participate in the "Program," unless prior consent has been granted by virtue of a valid operating agreement, a copy of which shall be submitted to Bi-Petro.
10. Expenses incurred on a specific lease will only be deducted from the working interest owner's revenue in that particular lease.
11. If a working interest owner's expenses exceed their revenues in any given month, the excess will be deducted from their next month's oil revenues.
12. Checks will not be printed for less than \$25.00 on a regular monthly basis. Amounts due working interest owners of less than \$25.00 will accrue until the \$25.00 minimum is reached.
13. OPERATOR hereby grants unto BI-PETRO the authority to deduct for any losses sustained as a result of this "Program" including but not limited to attorney's fees and costs of litigation, from any oil revenues due to the OPERATOR.

It is understood by the parties to this Agreement that BI-PETRO will in no way be considered an agent of the OPERATOR by virtue of any terms of this Agreement.

This Agreement may be cancelled by either party upon 30 days written notice.

OPERATOR and BI-PETRO agree that a previous Agreement for the Bi-Petro Y.E.S. Program has been executed by the parties, and agree that this Agreement shall supersede and replace any prior Agreement and that the terms hereof shall be effective as to all participating leases, retroactive to the date Operator commenced utilizing the Program.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

OPERATOR:

BI-PETRO, INC.

**By: Skip G. Homeier
President**

