EXHIBIT "A"

Attached hereto and by previous reference made a part hereof.

In the event there is a conflict between the language in this Exhibit "A" and the language in the printed form of the lease, then in such event the language in this Exhibit "A" shall prevail.

It is expressly understood and agreed by and between the parties hereto, anything contained herein to the contrary notwithstanding, that:

- 1. It is agreed that the royalty interest payable to Lessor under the Lease shall be one sixth (1/6) and wherever in the Lease the fraction one eighth (1/8) appears, it shall be replaced with the fraction one sixth (1/6).
- 2. This lease covers only oil, gas and other related hydrocarbons including marketable liquids and constituent elements (including sulphur) which maybe produced with oil or gas; any reference to helium, nitrogen, carbon dioxide and "other gases" or minerals is hereby deleted.
- 3. Any cost to make oil, gas and other related hydrocarbons and constituent elements (including sulphur) marketable is to be borne by the Lessee. Lessor and Lessee agree that no post production costs or other charges or deductions other than severance tax shall be deducted from Lessor's royalty or charged to Lessor.
- 4. Lessee shall not deviate from access roads once established. Lessee shall use existing roads whenever possible. It is understood, whenever possible, that access road shall be combined with the flow line route from the well and the combined width of such shall be 20 feet in width. During construction and installation, an additional 5 feet on either side can be used as temporary work space. All access roads shall be "all weather" and shall be maintained by Lessee.
- 5. Lessee acknowledges the right to construct and maintain one pipeline from the well to the separator and tank. Any additional pipelines cannot be installed without Lessor's written permission.
- 6. No well shall be drilled or converted on the Leased premises for the purpose of the disposition of water, brine or other fluids without the express written consent of Lessor.
- 7. Whenever used in this lease the word "operations" shall mean and be defined as actual drilling and penetration of geologic zones in a continuous manner by drilling equipment to reach the objective formation at the intended depth as specified by the drilling permit and shall include drilling, completing, recompleting and deepening.
- 8. Lessor does not warrant title, either express or implied, as to the ownership of the lands described in this lease or the mineral interests covered by this lease. Lessee agrees to provide Lessor with copies of any abstracts of title and/or title opinions that it obtains with respect to the leased premises.
- 9. Any tank battery or similar equipment will be placed in the corners of the land, or adjacent to fence lines or property lines or at the other locations through consultation with the surface owner, and any other equipment required for production of oil or gas will be placed on the land at such a level or with the height of such equipment at a level which will permit circular sprinkler systems to operate on said land.
- 10. Lessee shall not have the right under this lease to use fresh water from the leased land for pressure maintenance or any type of secondary recovery operations without the Lessor's written consent.
- 11. Prior to commencement of any drilling operations Lessee agrees to consult with Lessor and both Lessee and Lessor shall agree on the selection of road locations, pipeline installations and tank

battery installations on said leased land so there will be as little interference as possible with the agricultural uses of said land. Lessee agrees that it will segregate and stockpile topsoil when disturbed by its operations. Upon the completion of Lessee's operations on each well, and upon the abandonment of each well, Lessee shall restore the surface of the leased premises at Lessee's expense as nearly as practicable to the condition existing prior to the commencement of such operations. Lessee shall complete such restoration as soon as is practical, but not to exceed 3 months after the area was disturbed.

- 12. Lessee shall procure and maintain public liability, property damage, personal injury, workman's compensation and pollution liability insurance at levels customary in the course of Lessee's business. Such insurance will not be cancelled or materially changed without giving Lessor at least 30 days written notice.
- 13. Lessee shall pay Lessor for all damages caused by its or its subcontractors operations including seismic operations. Damages shall include timber, trees, growing or stored crops, livestock, drainage tile, machinery, houses, buildings, water wells, ponds, and fences located upon the Leased Premises. It is agreed between Lessor and Lessee that the following sums have been agreed upon as the initial compensation for damages to the surface, trees, timber and growing crop for the proposed operations allowed by this agreement. These damages shall be paid prior to initial construction operations.
 - a. Well sites: \$5,000 per well
 - b. Access roads and flow line installed within or along access road: \$2 per linear foot. Sales lines or other pipelines \$5 per foot up to 10" in diameter. Right of Way compensation for pipelines in excess of 10" in diameter upon Lessor's written permission. The payment of these initial damages does not relieve Lessee of any obligation to compensate Lessor for any future damages or disruption to the surface. Lessee shall also pay for damage caused by negligent and excessive operations on said land whether said operations are conducted by Lessee or by an independent contractor performing operations for Lessee on said land. Final settlement of damages will be by mutual agreement between Lessee and Lessor. Upon agreement of final damages, Lessor agrees to execute a release for surface damages.
- 14. Lessee shall indemnify the Lessor for all reasonable costs and expenses, including reasonable attorney fees incurred in successfully enforcing any obligation of or claim against the Lessee under this agreement or the lease.
- 15. Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to the livestock of Lessor and/or Lessor's surface tenant, upon Lessor's written request.
- 16. Lessee shall install gates with locks in a location approved by Lessor on any road created by Lessee in order to prevent trespass by unauthorized personnel. Lessee agrees to keep all gates closed and locked when entering and exiting Leased Premises.
- 17. At Lessor's option, for wooded areas, Lessor's consulting forester may be retained to calculate damages for trees and timber and payment shall be made to Lessor. Lessor, at Lessor's option may have the timber removed by Lessor's forester. Lessee shall flag the areas that need to be timbered for any well site, roadway or pipeline corridor. Lessor will have 21 days from the date or receipt of notice that the timber has been flagged to have the timber cut and removed. If Lessor allows Lessee to harvest timber, it shall be cut in 8 foot lengths, stacked in convenient locations along trails and roads and such timber shall remain the property of Lessor.
- 18. If Lessee or its drilling contractor drills a water well on the leased premises, the water well and casing shall become the property of the Lessor upon the conclusion of Lessee's exploration and development operations. Lessor shall receive the water well and casing with no obligation to

- reimburse the Lessee or its drilling contractor the cost of drilling the water well or casing such well.
- 19. Lessee shall not withdraw groundwater at rates or volumes that will interfere with Lessor's use of same. Lessee shall comply with all groundwater withdrawal regulations and shall indemnify Lessor for any damages that result from Lessee's use of the groundwater or contamination thereof.
- 20. The Lessee shall bury pipelines and utility lines to a depth of not less than forty-eight (48) inches below the surface. Lessee shall pay for all damages caused by its operations on said land. Whenever possible, access road shall be combined with pipeline route and the combined width of road and pipeline shall not exceed 20 feet in width.
- 21. Lessee shall use the most effective and modern materials, methods, equipment, facilities and technologies available to minimize sounds and noises resulting from and being produced by machinery and equipment that are permanent fixtures for Lessee's operations. Lessee shall operate the wells by electric power provided that electric is available or can be made available. If electric power is not available or cannot be made available, Lessee will utilize the most effective and most quiet hospital grade mufflers situated so that noise is reduced to its maximum potential.
- 22. If at any time or from time to time there shall be any well or wells on any part of parts of the Lease Premises capable of producing gas in paying quantities but from which gas is not sold or used, Lessee shall pay to Lessor a shut in royalty for each such well. Shut-in well rental payments shall be \$25.00 per acre for the first year instead of the \$1.00 per acre stated and shall increase by \$25.00 per acre until said well(s) are no longer shut-in. It is expressly agreed and provided that this lease cannot and shall not be maintained after the expiration of the primary term solely by payment of shut-in well royalties in accordance with Paragraph Four (4) of the lease for a longer period than three consecutive years.
- 23. Said land may not be used by Lessee for underground storage of gas or oil.
- 24. Lessee shall obtain the prior written consent of Lessor for construction and location of permanent facilities such as central production facilities, compressor stations, power stations, or employee quarters. Lessor may arbitrarily withhold its consent for any reason whatsoever in sole discretion of Lessor.
- 25. Lessor shall have the right to take royalty gas in kind from any gas well or wells located upon the said land for use for agricultural purposes and fuel in pumping water for irrigation of crops on said land, provided, however that in the event said land is included in a gas unit, Lessor shall have the right to take only Lessor's proportionate share of such royalty interest reserved herein in and to such period or unitized production.
- 26. All equipment necessary for the taking of irrigation gas and measuring of same shall be furnished by Lessor at Lessor's own expense.
- 27. The method of taking gas and the point of connection for taking must be such as to not interfere with operation of the well or the marketing of gas from the well and must be submitted to Lessee or his assigns and accepted by Lessee before gas is so taken.
- 28. Lessee and his assignees shall have no obligation as to quality or fitness for any use or purpose of the gas taken or as to the pressure at any time of the well or in the line from which such gas may be taken, or as to the availability of gas or as to constantness of quality, quantity or availability of gas or of pressure at the point where taken.
- 29. The taking and the method of taking and use of gas as taken shall in every regard be solely at Lessor's own risk and expense and shall be his own responsibility.
- 30. Lessee or his assigns shall never be liable to Lessor, Lessor's agent or employees or any other person as regards the gas taken, the use thereof, the equipment used, the manner of its use, the

- use to which put or anything thereto or resulting therefrom. Lessee or his assigns shall never be under any obligation to produce gas from any well unless practical or economical to do so.
- 31. Lessor shall not sell such gas to any person, firm or corporation, except that Lessor may permit same to be used by any farm tenant to the Lessor.
- 32. To comply, at all times, with all federal, state and local rules, regulations, guidelines, statutes, laws, ordinances and directives which may now or hereafter be applicable including, but not limited to hazardous or toxic materials, pollution control and environmental and conservation matters including, but not limited to: any laws and regulations governing water use, surface waters, groundwater, wetlands, waterways and watersheds associated with Leased Premises.
- 33. This agreement and the lease shall be governed by the laws of Michigan.