

Exploration Procedures and Generalized Sequence of Events for Evaluating the Sevier Prospect

The following steps are being considered by the Company in order to identify and understand the risk that is inherent in the exploration for oil and gas. Although laid out sequentially steps: may be added, may change relative positions, may be removed, or may run in parallel in order for the Company to remain opportunistic and adaptable to changing conditions and new information. This is a normal business practice in the upstream oil and gas industry.

- **Prospect Initiation** - Verify prospect is located in economically oil productive Central Utah Thrust Belt using publicly available data.
- **Technical Evaluation** - Map publically available regional gravity and magnetic data.
- **Data Collection** - Check for existing publically available 2D seismic in prospect area.
- **Key Decision Point** - Adjust prospect outline based on new gravity and magnetic information, determine next steps.
- **Technical Evaluation** - Map gravity response of known nearby producing oil field to gain additional knowledge.
- **Technical Evaluation** - Refine gravity anomalies by acquiring detailed proprietary gravity data over prospect.
- **Data Collection** - Determine lease distribution of Federal, State and private lands inside prospect. Detailed research on lessor/lessee land ownership. Nominate Federal through BLM. Determine need for regulatory and environmental work.
- **Key Decision Point** - Attempt to proactively lease any available lands thought to be of highest importance to prospect success based on current technical understanding.
- **Key Decision Point** - Review results of detailed gravity mapping and adjust prospect outline.
- **Technical Evaluation** - Create geologic model of prospect. Purchase seismic and run geochemical survey if recommended.
- **Key Decision Point** - Integrate all results into a refined geologic model to determine if proprietary 2D or 3D seismic is warranted, if so begin regulatory approval process for seismic acquisition, if not proceed to drillsite selection.
- **Data Collection** - Integrate seismic results, if acquired, to refine and adjust geologic model.
- **Key Decision Point** - Select initial drillsite.
- **Data Collection** - Determine access routes and regulatory requirements.
- **Drillsite Procedures** - Begin regulatory approval. Drillsite placement will dictate the need, level, intensity and timeframe of regulatory process (EIS, EA or none)
- **Drillsite Procedures** - Drill, and complete first well
- **Data Collection** - Evaluate results of production, if found
- **Key Decision Point** - Determine next step (i.e. drill offset wells, revise model or abandon prospect)