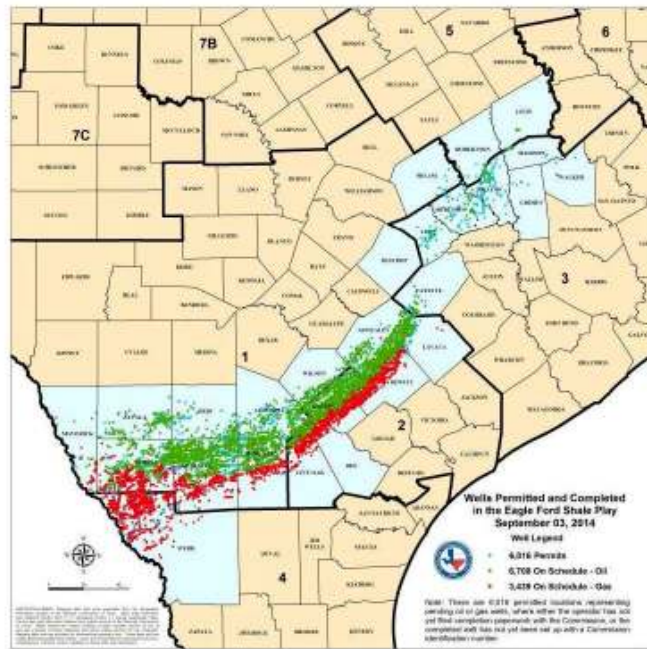




MINERAL ESTATE EVALUATIONS

By

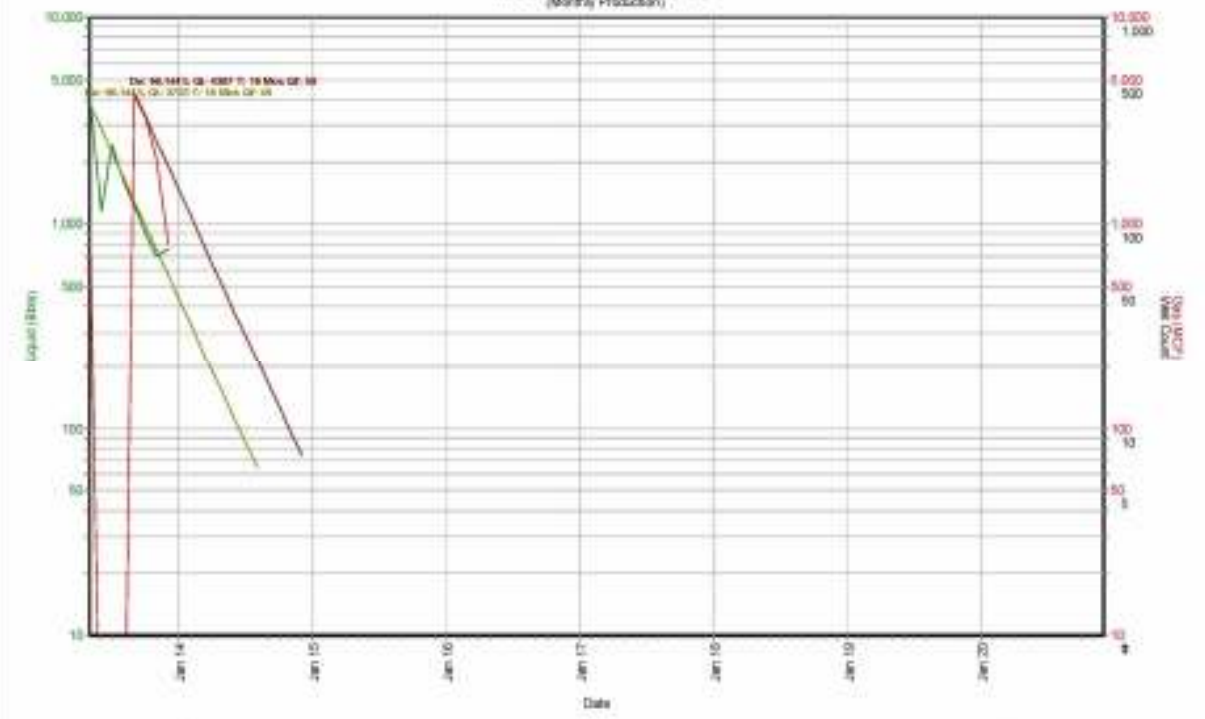
Malcolm P. Wardlaw, BA. MSPE. PE.



FAIR MARKET VALUE

- Three Approaches to Value
 - Market Approach
 - Cost Approach
 - Income Approach
- Discounted Cash Flow Method
 - Decline Curve Analysis
 - Product Pricing
 - Operating Costs
 - Severance Taxes
 - Undiscounted Cash Flow
 - Discounted Cash Flow
 - Risk Factors

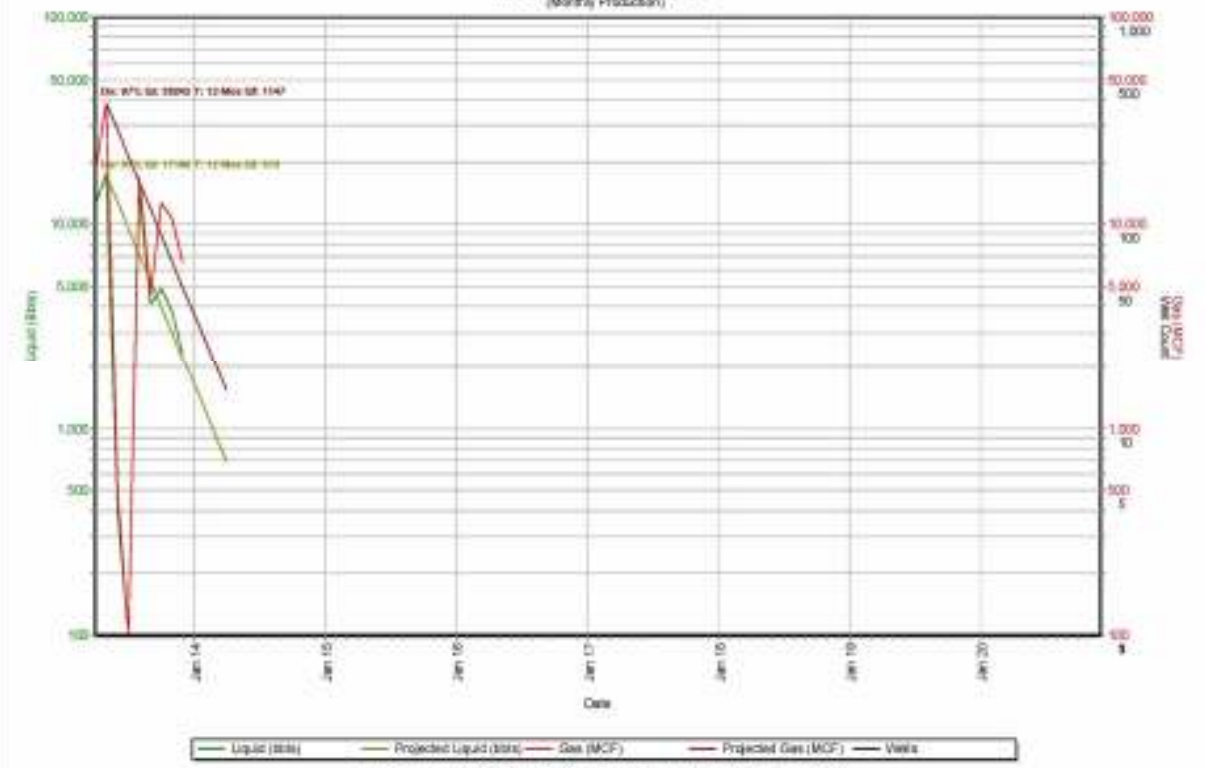
WHITBETT-HOUSTON UNIT 1H
 LIVE OAK (TK)
 (NAR) S-PWA
 Operator: MARATHON OIL EP LLC
 Field: EAGLEVILLE (EAGLE FORD-2)
 (Monthly Production)



Legend: Liquid (bblm) — Projected Liquid (bblm) — Gas (MCF) — Projected Gas (MCF) — Wells

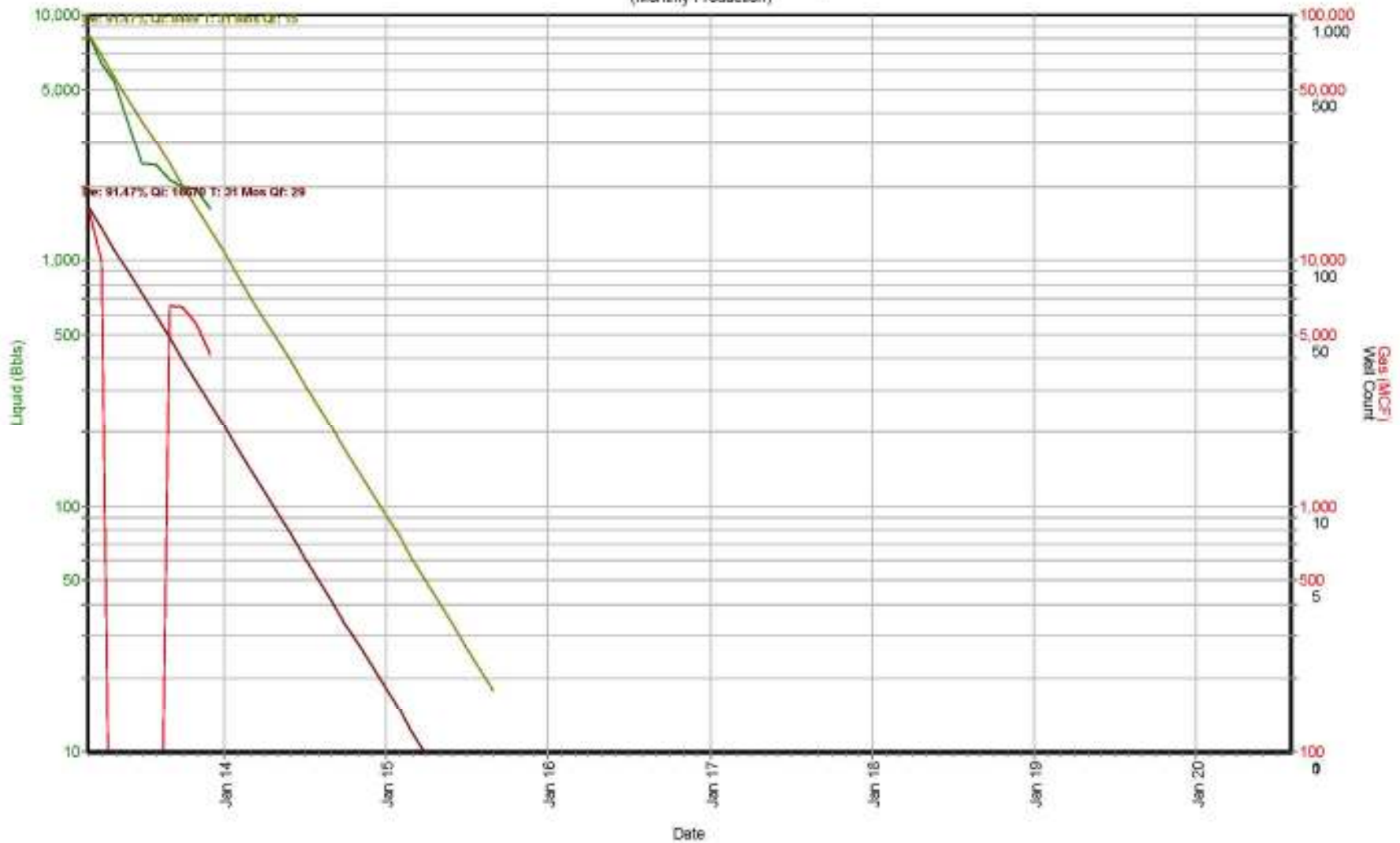
Liquid (bblm): Current Cum: 12,962 Proj. Remaining Cum: 1,810 Total: 14,772
 Gas (MCF): Current Cum: 11,817 Proj. Remaining Cum: 5,587 Total: 17,404

WHITBETT-WASSINGDALE UNIT 94
 LIVE OAK (TK)
 (NR) 3 PWA
 Operator: MARATHON OIL EP LLC
 Field: EAGLEVILLE (EAGLE FORD-2)
 (Monthly Production)



Liquid (bblm): Current Cum: 40,080 Proj. Remaining Cum: 4,537 Total: 44,617
 Gas (MCF): Current Cum: 108,500 Proj. Remaining Cum: 10,044 Total: 118,544

WHITSETT-TAYLOR UNIT 1H
 LIVE OAK (TX)
 (N/A) D (N/A)
 Operator: MARATHON OIL EF LLC
 Field: EAGLEVILLE (EAGLE FORD-2)
 (Monthly Production)



— Liquid (bbls) — Projected Liquid (bbls) — Gas (MCF) — Projected Gas (MCF) — Wells

Liquid (bbls):	Current Cum: 36,445	Proj. Remaining Cum: 5,779	Total: 42,224
Gas (MCF):	Current Cum: 49,299	Proj. Remaining Cum: 11,401	Total: 60,700

Annual Reserve and Cashflow Projection

Company Name		County	Karnes	Reserve Class	Proved
Well Name	Yates Unit	Field	Explered	Reserve Category	Undeveloped
Operator	EOG Resources	Effective Date	04 / 1 / 2014	Working Interest	0.0000000
Well ID	66	Projection Date	1 / 2015	Net Revenue Interest	0.0000011

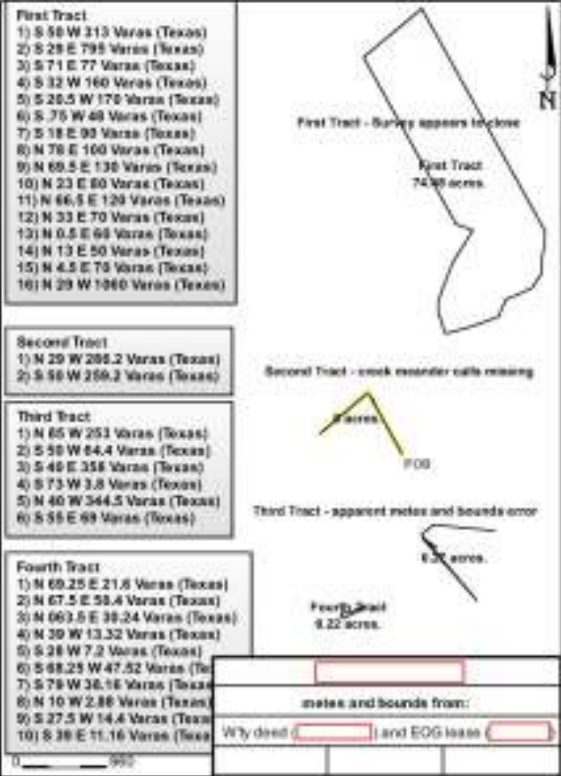
Year	YrGrossOil	GrossGas	OilPrice	GasPrice	OilRevenue	GasRevenue	Net Revenue	Net Expense	CashFlow	DiscCash
2014	0	0	0.00	0.00	0	0	0	0	0	0
2015	346,815	244,861	0.96	4.00	332,943	979,443	120,260	0	120,272	112,682
2016	115,590	90,389	0.96	4.00	110,966	361,558	43,274	0	43,280	35,729
2017	37,629	30,484	0.96	4.00	36,124	121,937	14,473	0	14,480	11,338
2018	0	0	0.00	0.00	0	0	0	0	0	0
2019	0	0	0.00	0.00	0	0	0	0	0	0
2020	0	0	0.00	0.00	0	0	0	0	0	0
2021	0	0	0.00	0.00	0	0	0	0	0	0
2022	0	0	0.00	0.00	0	0	0	0	0	0
2023	0	0	0.00	0.00	0	0	0	0	0	0
Rem.	0	0	0.00	0.00	0	0	0	0	0	0
Total	500,034	365,734			480,033	1,462,938	178,007	0	178,038	160,746

OWNERSHIP

- Data from Clients:
 - Recorded Deeds.
 - Oil and Gas Leases.
 - Operator Division Orders.
 - Royalty Check Stubs.
- Data From Public Sources:
 - County Appraisal Districts
 - County Courthouse Records
 - TRRC Unit Plats
- Data From Appraiser:
 - Metes and Bounds Maps
 - Cut and Paste Unit Maps
- Calculation of Decimal Ownership
 - Type of Interest MI, WI, RI, NPRI, ORRI, NPI
 - Table of Royalty Interest Calculation

- Composite Unit Map





CLIENT STRATEGIC DECISIONS

- Professional Advice
 - Attorneys
 - Accountants
- Timing of Gifting (Gift at lowest value)
 - After Bonus Money is Received
 - Before Well Starts Producing
- Partial Gifting (separate parts)
 - Minerals, Royalty, NPRI, ORRI, NPI
 - By Unit or by Tract.