

# Countrymark Cooperative, Inc

1200 REFINERY RD. • MT. VERNON, INDIANA 47620  
 DIVISION ORDERS 812-838-8141  
 PIPELINE 812-838-8191

## DIVISION ORDER

This No. will identify this lease on your check

LEASE NO.: 21046

LEASE: PLAINVILLE UNIT NO 8

OPERATOR: GWALTNEY DRILLING INC

DATE: 2/26/01



We, the undersigned, and each of us, hereby certify and warrant that we are the legal owners of the interests set out below in wells on the following described lands:

PLAINVILLE UNITS 8 AND 13, MORE PARTICULARLY DESCRIBED AS FOLLOWS: PART OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 7 WEST, AND SECTION 11, TOWNSHIP 4 NORTH, RANGE 7 WEST, DAVILESS COUNTY, INDIANA. BEGINNING AT A POINT 251 FEET EAST OF THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 7 WEST, AND RUNNING THENCE SOUTH 1472 FEET TO THE CENTER OF ALLEY, SOUTH OF MARLATT STREET, THENCE WEST 432 FEET ALONG CENTER OF ALLEY; THENCE NORTH 812 FEET TO THE CENTER OF ALLEY SOUTH OF MAIN STREET; THENCE WEST 157 FEET; THENCE NORTH 67 DEGREES 52 MINUTES WEST 138 FEET THENCE NORTH 22 DEGREES 08 MINUTES EAST ALONG EAST SIDE OF THE E & I RAILROAD RIGHT-OF-WAY 653 FEET TO NORTH EDGE OF JOHN STREET; THENCE EAST 481 FEET TO POINT OF BEGINNING.

February 1, 2001

and in the oil produced therefrom; and we hereby authorize you effective and until further notice, to purchase, upon the terms set forth on the back of this Division order, the oil produced from said wells, and to make payment of the purchase price of such oil to the following parties, in the following proportions:

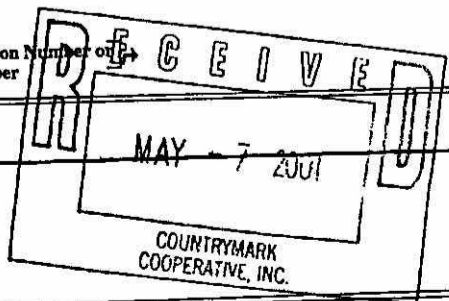
PAYABLE TO 132853	Proportion of total oil runs to be credited	Type of Interest	Amount of Interest (Fractional)
MARY V. PAUL	.00488200	W	

**SUBSTITUTE FOR IRS FORM W-9 \*\*\*\*\*** I certify, under penalty of perjury, that (1) the taxpayer ID number or social security number on this document is my correct tax ID (2) I am not subject to backup withholding because (A) I have not been notified that I am subject to backup withholding as result of a failure to report all interest or dividends, or (B) the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

### (SIGNATURES AND ADDRESSES OF OWNERS)

(Please sign above your typed name)  
 (Place address below typed name)

Signature → <i>Mary V Paul</i> MARY V. PAUL	Signature →
Address → 1317 Kirkham Lane Indianapolis Indiana 46260 317-818-0850	Address →
Telephone: 315-342923 Employer Identification Number or → Social Security Number	Telephone: Employer Identification Number or → Social Security Number
Signature →	Signature →
Address →	Address →
Telephone: Employer Identification Number or → Social Security Number	Telephone: Employer Identification Number or → Social Security Number
Witnessing Signature → <i>Elena Anastasion</i>	Witnessing Signature →
Print Name → Elena Anastasion	Print Name →
Address → 11 S. Meridian St. Indpls, IN 46204	Address →



Equal Opportunity Clause - The Equal Opportunity Clause contained in Executive Order 11246, as amended and expanded by 41CFR 60-1.4, is hereby incorporated by reference as if set forth herein.

Approved For Payment \_\_\_\_\_ By \_\_\_\_\_

RETURN TO DIVISION ORDER SECTION-COUNTRYMARK COOPERATIVE, INC

## TABLE OF ABBREVIATIONS

General	In Description		
CMC	- Countrymark Cooperative, Inc	N	- North
D/O	- Division Order	S	- South
Owner	- Any person executing this D/O	E	- East
T/C	- as tenants in common	W	- West
T/E	- as tenants by the entireties	NE (NE 1/4)	- Northeast (Northeasterly), etc
J/T	- as joint tenants (with right of survivorship)	1/4	- Quarter (as in NE 1/4)
R	- royalty interest	1/2	- Half (as in N 1/2)
W	- working interest	Line	- Line (as in "to the N/L")
WA	- working interest in operator expense deduction program	Corner	- Corner (as in "to the NE/c")
OR	- overriding royalty interest	Acres	- Acres
OP	- oil payment interest	Sec	- Section
Avg p/d	- When the average daily production from the lease during any calendar month shall equal	Twp or T	- Township
Avg p/w/p/d	- When the average daily production per well from the lease during any calendar month shall equal	R or R	- Range
		Bg	- Beginning at a point
		P/Bg	- Point of beginning

### I. GENERAL PROVISIONS

1. **SCOPE:** The purchase of and payment for all oil shall be subject to the following provisions, as substantial conditions of the contract between CMC and each individual Owner evidenced by this D/O.

2. **SEPARABILITY:** This D/O shall constitute a separate contract between CMC and each Owner who signs same, although it may be drawn and circulated in counterpart.

3. **TERMS:** This D/O shall become effective and binding on each Owner as soon as executed (whether or not any other Owner shall have signed same) and shall remain in effect, as to each Owner, until (a) Owner shall have conveyed all interests in and liabilities arising out of the interests described herein, or (b) until Owner shall have signed a subsequent D/O covering the interests described herein, or (c) until 30 days after Owner shall have given written notice of termination to CMC.

4. **ASSIGNABILITY:** The terms of this D/O shall be binding upon the assignee of any Owner. The rights and obligations created hereunder may be assigned by CMC, in part or in full, to any successor or assignee.

### II. TERMS OF PURCHASE OF OIL

5. **OWNERSHIP:** Oil shall become the property of CMC as soon as it leaves the storage tanks on the lease, in the presence of the gauger representing CMC; and run tickets signed by him shall constitute receipts therefore.

6. **COMPUTATION OF QUANTITY:** Quantities are to be computed from regularly compiled tables of 100% (gross) volume for each tank from which oil is taken, or, alternatively, on the basis of certified truck gauges. Corrections shall be made for temperature and impurities, according to CMC's local rules in force at the time in the area. The run tickets covering oil received by CMC, or by any gatherer or carrier designated by CMC, shall be the basis for the computation of amounts of oil received.

7. **QUALITY OF OIL:** CMC shall have the right to refuse to purchase any oil containing impurities in excess of those allowed by the pipeline serving the area; and the treating or steaming of oil to render it merchantable shall be at Owner's expense.

### III. PROVISIONS RELATIVE TO TITLE

8. **APPROVAL OF TITLE:** CMC shall make no payments to any Owner until its attorneys shall have approved the title of such Owner; and Owner shall be responsible for providing proof of such title, including any curative materials required for the clearance thereof, and certified or photostatic copies of instruments altering Owner's interests, or the method of payment thereof.

9. **REPRESENTATIONS OF TITLE:** Owner warrants no ownership and claims no interest in the described premises other than or greater than the interest or interests herein described, and that Owner has, therein, full right, title and interest, as described in this D/O. Owner agrees to indemnify CMC against any loss or damage it may sustain by reason of any adverse claim to any part of such interests or against liability arising out of the production of oil accruing to such interest; and Owner authorizes CMC to deduct from the proceeds payable to said interest any amount improperly paid in accordance with the terms of this D/O.

10. **RATIFICATION OF LEASE:** Owner thereby ratifies each and every oil and gas lease, together with any amendments, modifications, extensions or ratifications thereof, under which oil purchased hereunder is produced, and stipulates that same are now valid and operative.

### IV. TERMS OF PAYMENT.

11. **TIME OF PAYMENT:** Except as otherwise provided herein, payment shall be made to each Owner before the last day of the month following the month in which CMC took possession of the oil paid for, or following the month in which payment to Owner is approved. No monthly payment shall be paid to any Owner until the amount thereof exceeds fifty dollars; which amount may be increased or decreased from time to time, at the discretion of CMC, based on the economics of making monthly payments. CMC shall not be liable for payment of interest on proceeds held by it, when payments have been delayed or suspended under the terms of this D/O.

12. **MANNER OF PAYMENT:** CMC shall make payment to each Owner (or as directed in this D/O) for the proportion of oil, produced from the described premises set out in this D/O, at CMC's quoted pipeline or adjusted price, or at the option of CMC, the posted price of its agent receiving the oil, on the date the oil paid for became the property of CMC, for oil of like quality produced in the area in which the wells are located by check to the address shown herein or by (EFT) Electronic Funds Transfer, if a properly executed "Authorization Agreement for Automatic Deposits" document is on file. CMC shall not be responsible for non-delivery of such checks, or EFT, if such address and/or bank account numbers are incomplete, incorrect or changed, until Owner shall have furnished CMC with a correct address and/or bank account numbers.

13. **PAYMENT TO AGENTS OR TRUSTEES:** When any agent or trustee has executed a D/O authorizing agent or trustee to receive payment for the proceeds accruing to the interest of more than one Owner, the termination of the agency or trust as to any one of such Owners shall not interrupt payment to such agent or trustee of the proceeds due to the remaining interests subject to the agency or trust; and any D/O subsequently executed by such agent or trustee, reflecting any change or increase in the interests subject to the agency or trust, shall be construed as supplemental to, rather than in replacement of, the original D/O executed by such agent or trustee. If more than ten persons own any one type of interest (whether R, OR, OP, WA or W), and if the proceeds accruing to such type of interest average less than ten dollars per Owner per month, CMC shall have the right, after written notice to such Owner, to suspend payment until it receives a new properly executed D/O directing payment to any agent or trustee who shall represent at least ten Owners or, alternately, Owners whose average monthly proceeds total at least one hundred dollars.

14. **PAYMENT OF TAXES:** The amount of any tax on oil or the production or sale thereof required by any duly constituted governmental agency to be paid by CMC on the behalf of any Owner shall be deducted from the payment due to such Owner; and each Owner hereby indemnifies CMC against any loss by reason of its payment of any such tax.

15. **INTERESTS IN DISPUTE OR LITIGATION:** Upon notice from any source of any dispute or litigation affecting the right of any Owner to receive payment of the proceeds from any part of the interests described in this D/O, CMC shall have the right to withhold payment of that part of such proceeds affected by such dispute or litigation until same has been fully settled, or until Owner shall have provided an indemnity bond or other security acceptable by CMC, covering such payment. Any Owner who is made party to any suit affecting any interest covered by this D/O shall immediately furnish notice of same to CMC, and shall forward to CMC a copy of the complaint or petition filed therein. Owner hereby agrees to indemnify CMC and hold it harmless for any judgment rendered against CMC in any suit to which Owner is a party, and to reimburse CMC for any and all costs and expenses including, but not limited to attorney fees incurred by CMC in defending such suit.

16. **CHANGES IN INTERESTS:** Upon notice from any source of any change in the payment of any interest covered hereby, CMC shall immediately suspend payment of such interest, until receipt by CMC of certified or photostatic copies of the instrument effectuating such change, and of executed D/O's reflecting the revised payments, and until approval of title, as so changed, by CMC's attorneys. No change of payment shall be made effective sooner than the first of the month following the receipt of notice of such change by CMC; and each Owner hereby indemnifies CMC against loss by reason of any payment made in accordance with the terms of this D/O and which is due to the assignee under the terms of their contract.

17. **FLUCTUATING AND REMAINDER INTERESTS:** When payment of any interest covered hereby is subject to change by reason of the amount of oil produced during a given period, or by reason of the satisfaction of any mortgage, oil payment, or other contract, or by reason of the termination of any prior estate leaving a remainder or survivorship interest, CMC is hereby authorized to continue to make payment, from month to month, without change, until it has received written notice from one of the Owners that such change should be made; and each Owner hereby indemnifies CMC against loss by reason of overpayments, underpayments or nonpayments made prior to ten days after the receipt of such notice of change in interest. CMC shall not be responsible for keeping or furnishing to any Owner a record of the status of any indebtedness or contractual obligation to be paid out of oil produced.

18. **UNITIZATION OF INTERESTS:** When the interest of any Owner, as shown in this D/O, shall have been altered by reason of the terms of any agreement communitizing or pooling all or any part of the premises described herein with other premises, CMC shall be thereby authorized to make payments in accordance with such terms, in the same manner as if this D/O provided for payment in such amended proportions.