

ROBERT CARL BEDGOOD



ATTORNEYS AT LAW

300 EAST AIRLINE RD.  
VICTORIA, TEXAS 77901

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P.O. BOX 4807  
VICTORIA, TX 77903

November 11, 2014

TITLE OPINION

Base Finance Ltd.  
Box 8076, Station A  
Calgary AB, Canada t2h 0h6

Attention: Arnold Breitkreutz

Sir:

At your request, I have examined the material hereinafter described with reference to the following described property, and this Original Title Opinion is rendered accordingly.

PROPERTY UNDER EXAMINATION (The "Property"):

Tract One  
120.0 of land, more or less, out of the Solomon Griffin Survey, A-126, Goliad County, Texas and being that same land described in that certain Deed from William Arnecke to Elaine Arnecke, recorded in Volume 149, Page 711 of the Deed Records of Goliad County, Texas.  
Tract Two;  
53.605 of land, more or less, out of the Solomon Griffin Survey, A-126, Goliad County, Texas and being that same land described in that certain Deed from Elizabeth Baacke et vir to Elaine Arnecke et vir, recorded in Volume 340, Page 547 of the Deed Records of Goliad County, Texas.

MATERIAL EXAMINED:

1. The various indices maintained by the County Clerk of Goliad County, Texas, from Sovereignty to 11/04/2014 at 5:00 p.m., as well as the various instruments shown by such indices to be pertinent to the title of the captioned land.
2. The various indices and records maintained by Bedgood Abstract & Title Company from Sovereignty to 11/04/2014 at 5:00 p.m., as well as the various instruments shown by such indices to be pertinent to the title of the captioned land.

THIS IS EXHIBIT " F " referred to in the Affidavit of Arnold Breitkreutz

Sworn before me this 20 day of June A.D. 2017

A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta.

TREVOR I. GAIR  
A Notary Public and Commissioner for C  
in and for the Province of Alberta.  
My Appointment expires at the pleasu  
of the Lieutenant-Governor.

TREVOR GAIR  
STUDENT-AT-LAW

BASED UPON EXAMINATION OF THE MATERIAL SET FORTH ABOVE UNDER THE HEADING "MATERIAL EXAMINED" AND SUBJECT TO THE COMMENTS AND REQUIREMENTS HEREINAFTER SET FORTH, I DO HEREBY CERTIFY THAT, IN MY OPINION, TITLE TO THE LEASEHOLD ESTATE AS OF THE 31st DAY OF OCTOBER, 2014 WAS VESTED AS FOLLOWS:

EXECUTIVE RIGHTS TO OIL, GAS & OTHER MINERALS OWNERS:

Gail Shahan

LEASEHOLD ESTATE : (subject to Comments)

LEASE RECORDING:

Volume \_\_\_\_\_, Page \_\_\_\_\_ Official Records of Goliad County, Texas.

LEASEHOLD OWNER:

	<u>Working Interest</u>	<u>Revenue Interest</u>
SADDLE LAKE ENERGY, LLC	100%	80%

LIENS EFFECTING LEASEHOLDER'S OIL, GAS AND OTHER MINERALS INTEREST:

Deed of Trust dated October 21, 2014, executed by Saddle Lake Energy, LLC to , Trustee, securing the payment of one note of even date therewith, in the sum of \$30,000,000.00, payable to Base Finance Ltd, said Deed of Trust recorded in Volume 417, Page 202, of the Official Records of County, Texas.

COMMENTS AND REQUIREMENTS:

**COMMENT NO. 1:** The material examined contained numerous unreleased Oil, Gas and Other Minerals Leases which are out of their primary terms. This opinion is based upon the assumption that there was no production on the property under any of the above leases or any property which the property might have been pooled that those leases terminated under their terms due to lack of production or re-working operations.

This opinion is based upon the assumption that there was no production on the property under any of the above leases or any property which the property might have been pooled with and that those leases terminated under their terms due to lack of production or re-working operations.

**REQUIREMENT NO. 1:** You should obtain satisfactory proof that no production on the property under any of the prior leases or any property which the property might have been pooled with.

**COMMENT NO. 2:**  
The memorandum of lease has not been recorded yet.

**REQUIREMENT NO. 2:**  
Record the Memorandum of Lease

**COMMENT NO. 3:**  
The status of ad valorem taxes and payment thereof was not checked.

**COMMENT NO. 4:** The material examined does not contain any instruments pertaining to possession of the property, but does contain a right of way as listed above.

**GENERAL COMMENT:** This Title Opinion has been prepared in reliance upon the validity, accuracy and completeness of the instruments, documents and materials examined as herein described. No examination has been made and no opinion is expressed with regards to matters not included within such material including, but not limited to forgeries; capacity or competency of parties; unrecorded liens or contracts; dedication of natural gas to interstate gas sales contracts; delivery and alteration after delivery; fraud, duress or undue influence; matters as would be shown by a survey of the property; and the jurisdiction of any governmental agency.

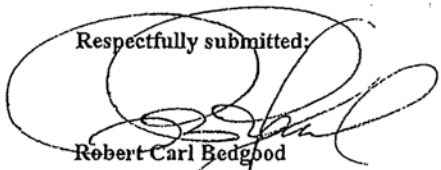
This Title Opinion has been stand-up examination without the aid of any abstracts or prior opinions in reliance upon the validity, accuracy and completeness of the title companies records for preparation of a run-sheet chain of title on the property. The preparer is not a math expert and has rounded off the fractions to the best of his ability. Therefore, anyone relying upon this report must consider the percentage or chances of human error in such type of examination and calculations.

This Opinion has been prepared for the sole use and benefit of the addressee and is not to be used or relied upon without the prior written consent of this examiner including but not limited to uses or reliance in connection with any transaction which is subject to federal and/or state securities laws.

CONCLUSION

Subject to the Comments and requirements set out above, it is this attorney's opinion the above lien is a first lien on the leasehold estate

Respectfully submitted:



Robert Carl Bedgood  
300 E. Airline  
P. O. Box 4807  
Victoria, Texas 77903

THIS IS EXHIBIT " G "  
referred to in the Affidavit of  
Arnold Breitkreutz  
Sworn before me this 20  
day of June A.D. 2017  
J. Gan  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta

**B** BURLESON LLP  
ATTORNEYS & ADVISORS

Michael S. Browning  
210.870.2604 (Direct)  
210.870.2626 (Fax)  
mbrowning@burlesonllp.com

BOARD CERTIFIED, OIL, GAS and MINERAL LAW  
TEXAS BOARD OF LEGAL SPECIALIZATION

October 15, 2015 N.B.

**TREVOR I. GAIR**  
A Notary Public and Commissioner for Oath  
in and for the Province of Alberta.  
My Appointment expires at the pleasure  
of the Lieutenant-Governor.

Mr. Christopher Souster  
Riverside Law Office  
4108 Montgomery View NW  
Calgary Alberta Canada T3B 0L9  
Attention: Christopher Souster

**TREVOR GAIR**  
STUDENT-AT-LAW

RE: Request for Letter Regarding Deeds of Trust.

Dear Mr. Christopher Souster:

You have asked that I prepare written correspondence surrounding my representation of Easy Loan Corporation and Mr. Mike Terrigno, regarding my review of two (2) instruments, to wit: the first being a called "Deed of Trust Note" dated effective November 5, 2013, executed November 14, 2014, recorded in Volume 406, Page 116, Official Records of Goliad County, Texas, between Goliad Phoenix Energy LLC and Base Finance Ltd., securing payment of a \$50,000,000.00 dollar note in favor of Base Finance Ltd. (hereinafter the "Goliad Phoenix Deed of Trust"); and the second being a called "Deed of Trust, Security Agreement and Assignment of Rental" executed October 3, 2014, recorded in Volume 417, Page 202, Official Records of Goliad County, Texas, between Saddle Lake Energy LLC and Base Finance Ltd., securing payment of a \$30,000,000.00 dollar note in favor of Base Finance Ltd. (hereinafter the "Saddle Lake Deed of Trust").

The Goliad Phoenix Deed of Trust, although labeled "Deed of Trust Note", by its terms appears to be more of a promissory note. The Goliad Phoenix Deed of Trust is not secured by any property, real or personal, and does not contain within itself the repayment terms presumably negotiated between the parties to the Goliad Phoenix Deed of Trust.

It is worth noting that paragraph "11" of the Goliad Phoenix Deed of Trust indicates same is secured by a "Deed of Trust, Security Agreement With Assignment of Rents and Fixture Filing" of even date to Robert Graham, esq. as Trustee. However, I have not reviewed any such "Deed of Trust, Security Agreement With Assignment of Rents and Fixture Filing" dated effective November 5, 2013, executed November 14, 2014 with Robert Graham, esq. as Trustee. Further,

112 E. Pecan Street, Suite 700 \* San Antonio, Texas 78205  
Telephone: 210.870.2600 \* Fax: 210.870.2626

Request for Letter Regarding Deeds of Trust  
October 15, 2015  
Page 2

an online search of the County Clerk's Records of Goliad County, Texas revealed that no such "Deed of Trust, Security Agreement With Assignment of Rents and Fixture Filing", with Goliad Phoenix Energy LLC as grantor, is filed of record in Goliad County, Texas.

Additionally, with respect to paragraph "11" of the Goliad Phoenix Deed of Trust, same indicates that the collateral for the Goliad Phoenix Deed of Trust is more particularly described on exhibit "A" attached to the Goliad Phoenix Deed of Trust. However, no exhibit "A" is attached to the recorded copy of the Goliad Phoenix Deed of Trust.

Considering all of the foregoing, it appears that the Goliad Phoenix Deed of Trust would be ineffective to attach to any real property in Goliad County, Texas. Under Texas law, in order to satisfy the Statute of Frauds, the most fundamental rule is that a conveyance must include within itself or by reference to another existing writing the means or data to identify the property with reasonable certainty. *Pick v. Bartel*, 659 S.W.2d 636, 637 (1983); *Morrow v. Shorwell*, 477 S.W. 2d 583, 539 (Tex. 1972). The Goliad Phoenix Deed of Trust fails to accomplish this.

With respect to the Saddle Lake Deed of Trust, this instrument does appear to be a proper "deed of trust" and is secured by various properties listed on an exhibit "A" attached to the Saddle Lake Deed of Trust.

N.B.

In addition to my analysis regarding both the Goliad Phoenix Deed of Trust and the Saddle Lake Deed of Trust, you had previously asked that I conduct a cursory search of the Texas Secretary of State's online records for both Goliad Phoenix Energy LLC and Saddle Lake Energy LLC. The results of such search reveal that Goliad Phoenix Energy LLC has forfeited its existence to operate as a corporate entity in the State of Texas. The results of such search also reveal that Saddle Lake Energy LLC remains a viable entity able to operate in the State of Texas.

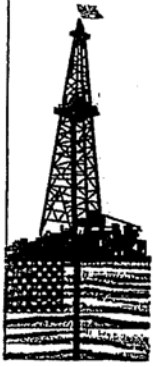
N.B.

If there is any question or concern with regard to any of the foregoing, please do not hesitate to contact me.

Very truly yours,

BURLESON.LLP

By: Michael S. Browning  
Michael S. Browning



**LMP**

Lincoln Energy Partners  
20 W. 64<sup>th</sup> Street, Apt 26V  
New York, NY 10023

Re: Goliad Field  
Goliad County, Texas


Per your request, I reviewed the technical data on the 27 wells drilled and/or reentered by GP Petroleum on this property.

I undertook a thorough examination of the "Geophysical Signature" of the various pay zones in each well by log and seismic analysis. I also compared the "Geophysical Signature" of these wells with the signature and production from other wells in the immediate area.

I constructed a list of all pay zones in each of these wells by log analysis and forwarded a list of the "Tops" of each pay zone and the arial extent of the geophysical anomaly and the gas recovery factor to Mr. John Lehrman. The size of the amplitude anomaly is the best method available to predict the probable recovery from eLLehrmanne. The ultimate production from each zone will, however, be largely dependant upon proper completion and production methods to assure thorough drainage.

Mr. Lehrman carried out the calculations by taking the aerial extent of each zone I provided along with the recovery factor and read off the "net feet of pay" from the Baker Hughes Gas View Logs. The potential production from each zone is based upon multiplying the recovery factor x the net feet of pay x acreage aerial extent. Mr. Lehrman then used his computer program to tabulate the reserves and projected production from each well. Current undiscounted value \$111,901,010.00.

A tabulation of the results of these calculations for each of the wells is attached.

  
Michael Lucente - CPG2893

**LMP PETROLEUM, INC.**

615 North Upper Broadway  
Wells Fargo Tower, Suite 1770  
Corpus Christi, TX 78401-077  
Phone: (361) 883-0923  
Fax: (361) 883-7102

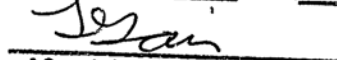
**TREVOR I. GAIR**  
A Notary Public and Commissioner for Oaths  
in and for the Province of Alberta.  
My Appointment expires at the pleasure  
of the Lieutenant-Governor.

July 8, 2013

THIS IS EXHIBIT "H"  
referred to in the Affidavit of  
Arnold Breithreutz

**TREVOR GA**  
**STUDENT-AT-L**

Sworn before me this 26  
day of June A.D. 2017

  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta.

## MICHAEL E. LUCENTE

Michael E. Lucente, Geologist: Mr. Lucente has thirty five years of experience in the oil and gas exploration industry. Mr. Lucente began his career as a Development Geologist with Getty Oil Company where he made his first discovery. He joined Edwin L. Cox Company as an Exploration Geologist and was ultimately promoted to Exploration Manager. While at Cox, Mr. Lucente was responsible for more than seven new field discoveries in the Vicksburg and Wilcox trends. Mr. Lucente has continued exploration success with LMP Petroleum, Inc. with three new field discoveries and five field extensions in the Frio, Vicksburg and Wilcox. As Vice President of LMP Petroleum, Inc. and LMP Exploration, Inc., Mr. Lucente has been responsible for overseeing the overall exploration effort of the company. Mr. Lucente holds a Masters Degree in Geology from the University of Kansas. He is also a Texas Certified Petroleum Geologist and past President of the Corpus Christi Geological Society.

University of St. Thomas     1972-1976  
BA Geology, Magna Cum Laude – 3.73 GPA

University of Kansas         1978 – 1980  
MS Geology/Sedimentology – 4.00 GPA

### WORK EXPERIENCE

1978 – 1979    Getty Oil Company – Bellaire, Texas  
Development Geology

1979 – 1980    Getty Oil Company – Bellaire, Texas  
Exploration Geology

1980 – 1990    Edwin L. Cox Company  
Exploration Geologist

1990 – 1993    Edwin L. Cox Company  
Exploration Manager

1993 – 2008    LMP Petroleum, Inc./LMP Exploration, Inc.  
Exploration Manager/Vice President

2008 – Present LMP Petroleum, Inc. Exploration Manager/Vice President