

EXHIBIT "C"

Participation Agreement
dated March 1, 2011

**AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE**

WELL NAME & NUMBER James Fawvor #1	FIELD Little Chenier	PROPOSED DEPTH (ft) 7550' TVD	PROSPECT Shallow Sq Br	DATE 3/23/2012
OPERATOR Smith Production Co.	COUNTY OR PARISH Cameron	STATE La	LEGAL LOCATION (SEC. / TOWNSHIP / RANGE) Sec. 14, T14S, R6W	PREPARED BY PMM
PROJECT DESCRIPTION Drill & log a 7,550' TVD well on a turnkey basis.				
REMARKS Casing: 16 36.00 B PE Weld 9-5/8" K-55 STC N80, s95 LTC 5-1/2" 17.20 0 0 Tubing: 2-3/8" 4.70 N80 8rd				

ACCT CODE	INTANGIBLES	DRILLING	COMPLETION	TOTAL
	DRILLING RIG - TURNKEY 0	1,150,000	-	1,150,000
	DRILLING RIG - FOOTAGE - ft @ \$ - per ft	-	-	-
	DRILLING RIG - DAY WOR - days @ \$ - per day	-	60,000	60,000
	COMPLETION RIG 4 days @ \$ 5,000 per day	-	30,000	30,000
	RIG MOBILIZATION & DEMOBILIZATION	-	-	-
	LAND & LEGAL (Land Brokerage, Title, Etc.)	10,000	20,000	30,000
	SITE COSTS (Location, Roads, Pits, Survey, Permits, Dredging, Damages & F	65,000	150,000	235,000
	DRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals)	-	10,500	10,500
	FUEL & POWER	-	8,000	8,000
	CEMENTING (Cement, Cementing Services & Cementing Equipment)	-	40,000	40,000
	DRILL BITS	-	-	-
	TOOL & EQUIPMENT RENTAL (Drill Pipe, Stabilizers, Reamers, Etc.)	-	15,000	15,000
	MUD LOGGING 4 days @ \$ - per day	-	-	-
	OPEN HOLE LOGGING & CORING	-	-	-
	CASED HOLE LOGGING & PERFORATING	-	62,000	62,000
	FORMATION STIMULATION	-	-	-
	TRANSPORTATION & HAULING	-	30,000	30,000
	COMMUNICATIONS	-	1,000	1,000
	DIRECTIONAL DRILLING SERVICES	-	-	-
	CASING CREWS & EQUIPMENT	-	12,000	12,000
	TUBULAR SERVICES (Cleaning, Inspection & Testing)	-	10,000	10,000
	LABOR & MISCELLANEOUS SERVICES	-	20,000	20,000
	INSURANCE	8,432	-	8,432
	SUPERVISION (Engineering, Geological & Wellsite Supervision)	5,200	13,000	18,200
	ADMINISTRATIVE OVERHEAD - days @ \$ - per day	2,500	3,000	5,500
	ABANDONMENT EXPENSE	60,000	(60,000)	-
	FLUID DISPOSAL	-	-	-
	MISCELLANEOUS COSTS & CONTINGENCIES (10%)	27,868	15,500	43,368
	TOTAL INTANGIBLES	\$ 1,350,000	\$ 440,000	\$ 1,790,000

ACCT CODE	TANGIBLES							DRILLING	COMPLETION	TOTAL
	CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	COST/FT			
	DRIVE PIPE	94	16.000	-	B	PE Weld	\$ -	-	-	-
	CONDUCTOR	-	-	-	-	-	\$ -	-	-	-
	SURFACE	2,600	8-5/8"	24.00	K-55	STC	\$ -	-	-	-
	PROTECTION	-	-	-	N80, s95	LTC	\$ -	-	-	-
	DRILLING LINER	-	-	-	-	-	\$ -	-	-	-
	PRODUCTION	7,900	5-1/2"	-	N80	-	\$ -	-	118,500	118,500
	PRODUCTION LI	-	-	-	-	-	\$ -	-	-	-
	TIEBACK STRING	-	-	-	-	-	\$ -	-	-	-
	TUBING	7,900	2-3/8"	4.70	N80	8rd	\$ 6.50	-	51,350	51,350
	WELLHEAD EQUIPMENT	-	-	-	-	-	\$ -	-	25,000	25,000
	SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)	-	-	-	-	-	\$ -	-	35,000	35,000
	PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meter	-	-	-	-	-	\$ -	-	65,000	65,000
	ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)	-	-	-	-	-	\$ -	-	-	-
	FLOWLINES & PIPELINES (Including Rights-Of-Way & Installation)	-	-	-	-	-	\$ -	-	10,000	10,000
	EQUIPMENT INSTALLATION	-	-	-	-	-	\$ -	-	64,150	64,150
	MISCELLANEOUS WELL EQUIPMENT	-	-	-	-	-	\$ -	-	-	-
	TOTAL TANGIBLES							\$ -	\$ 390,000	\$ 390,000
	TOTAL WELL COSTS							\$ 1,350,000	\$ 830,000	\$ 2,180,000

APPROVAL & ACCEPTANCE

It is recognized that the amounts herein are estimates only and approval of this authorization shall extend to the actual cost incurred in the operation specified, whether more or less than that herein set out. Participant agrees to pay his proportionate share of the expenditures detailed herein on or before fifteen days after receipt of an invoice for same.

SMITH PRODUCTION COMPANY PARTICIPANT: _____
INTEREST: _____ DATE: _____
DATE: _____ BY: _____

Well Control Insurance Election: (Choose one) // Operator's Coverage
// Provide Separate Coverage

NO CHOICE IS DEEMED AN ELECTION TO BE COVERED UNDER OPERATOR'S COVERAGE