

Operator Invoice - JIB

Op Accounting Month is month Royalty Statement created, not production month

Royalty Owner Information

Partner

9999
 Example Company Inc.
 1250, 736 - 6TH AVENUE SW
 CALGARY, AB T2P 3T7

Operator

PAYABLE TO:
 SOUTHERN ENERGY CORP.
 2400, 333-7TH AVENUE SW
 CALGARY, AB T2P 2Z1
 587-287-5400

Invoice

Op Accounting Month March 2016
 Invoice Number 2829
 Invoice Date 14-Apr-2016
 Invoiced (500.00) USD
 Disputed
 Accepted (500.00)

Credit balance means Southern Energy will pay royalty owner

Cost Centre	AFE	Description	Amount	GST	Cash Call	Invoiced	Disputed	Accepted
W1111		Test Well #1	(250.00)			(250.00)		(250.00)
W2222		Test Well #2	(125.00)			(125.00)		(125.00)
W3333		Test Well #3	(125.00)			(125.00)		(125.00)
Total Operations			(500.00)			(500.00)		(500.00)
Report Total			(500.00)			(500.00)		(500.00)

Royalty owner NRI share of each well

Operator Invoice - JIB is the same as a Royalty Statement. The front page is a summary of all wells included in the royalty statement for a single royalty owner. Each line item is a different well that include the cost center, well description and the dollar amount owed to the royalty owner.

Payments will be made monthly to all owners with a cumulative balance of \$100 or more. Balances less than \$100 will be released once a year (typically in December).

Operations Statement

Partner

Operator

Invoice

9999
 Example Company Inc.
 1250, 736 - 6TH AVENUE SW
 CALGARY, AB T2P 3T7

PAYABLE TO:
 SOUTHERN ENERGY CORP.
 2400, 333-7TH AVENUE SW
 CALGARY, AB T2P 2Z1
 587-287-5400

Invoice Number 2829
 Op Accounting Month March 2016
 Invoiced (250.00) USD
 Disputed
 Accepted (250.00)

Operator The activity month is the month in which the product was sold. Activity month = Production month

The Gross amount is what the marketer paid Southern Energy for this well in the production month. Partner Amount is the Royalty Owner share that Southern Energy will pay to the Royalty Owner (NRI%)

Gross (Total well sales) and Partner (Royalty Interest Owners) volumes refer to the Sales volume of the well

CC

W1111 Test Well #1

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes		
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner	
P&NG REVENUE											
9700.7715	SALES - OIL US	2.0000	Feb 16 Total	(13,250.00)	(265.00)			(265.00)	(500.00)	(10.00)	
			P&NG REVENUE	(13,250.00)	(265.00)			(265.00)	(500.00)	(10.00)	
SEVERANCE TAX											
9840.7842	SEVERANCE TAX	2.0000	Feb 16 Total	750.00	15.00			15.00	0.00	0.00	
			SEVERANCE TAX Total	750.00	15.00			15.00	0.00	0.00	
			Revenue	(12,500.00)	(250.00)			(250.00)	(500.00)	(10.00)	
			Total Statement	(12,500.00)	(250.00)			(250.00)	(500.00)	(10.00)	

Partner Percent is the Royalty Owner NRI %(Net Royalty Interest)

The units for oil sales are in bbls and gas sales are in mcf