



Connecting Projects With Funding Sources Since 1983

ASSOCIATE AGREEMENT

This agreement establishes the understanding between The Energy Exchange, Inc. (EnEx) and the undersigned (Associate). Associate will be considered to be a (circle one) Financial Associate / Technical Associate. Financial Associates agree to serve only as the "Funding Associate" and are not to try to independently explain the technical merits of a project to a potential purchaser, but rather to team up with the Technical Associate who listed the project with EnEx (the "Listing Associate"). Technical Associates must be degreed geologists, geophysicists or engineers who may serve as either the Listing Associate or Funding Associate. It is the responsibility of each Associate to compensate others who have assisted them in the transaction. Associate may be included on Energy Exchange company materials.

Finder's fees earned will be shared as follows:

- 33% to the Listing Associate (The Associate who first submitted the project report with EnEx),
33% to the Funding Associate (The Associate who first showed the project report to the funding source),
33% to the House (EnEx), and
1% to the Associate who listed the project on the EnEx Website.

Exception: When the Listing Associate and the Funding Associate is the same person, this Associate will receive 100% of the finder's fees. Associate understands that, as an Associate, he is expected to play an active role in negotiations and that EnEx is not obligated to pay any fees for the referral of the name of a potential funding source. Likewise, to qualify for the Listing Fee, the Listing Associate must submit at least an engineering or geological report on the subject property or project. However, it is the policy of EnEx to compensate those who submit referrals by paying them a Lead Generation Fee of 1% of the cash finder's fees earned by EnEx. Associates will not earn finder's fees on consulting work and expense reimbursements, unless otherwise agreed in writing.

Associate understands that he will not receive a portion of the finder's fees on a transaction if he is not either the recorded Listing Associate or Funding Associate, unless otherwise agreed in writing. The fact that an Associate works extensively with another Associate's project or contact, does not qualify him to receive compensation. Associates may agree, in writing, to split fees with other Associates. Occasionally, an Associate will be assigned, in writing, by EnEx Management to work with a particular contact or project that was not introduced by that Associate. Reassignments may also be made, in writing, without justification. Associate will be paid the above finder's fee transactions closed within 30 days of Associate's last contact with that client.

Associate agrees to always maintain a high standard of moral and professional conduct. In any event, EnEx is not responsible for, or bound by, any action of Associate, who is a free and independent agent (compensated by IRS Form 1099), regardless of what title he may hold. Associate agrees to keep EnEx informed about activities relating to the brokering of properties listed with EnEx, including full disclosure of all project information and people associated with the transaction, including all meetings and details of earnings payable. These discussions may be recorded by either party without notice. All parties to this agreement mutually agree not to circumvent or by-pass one another in any way. Associate understands that EnEx does not assign exclusive territories or clients. This agreement shall remain in effect for a period of one year unless terminated earlier by mutual agreement.

If a dispute occurs, both parties agree to arbitrate the dispute in accordance with the rules of the American Arbitration Association. If arbitration is unsuccessful, legal venue shall be Montgomery County, Texas.

AGREED:
X: _____, Associate
Print Name _____
Title: _____ Date: _____
Company/Addr: _____
Tel. /Fax: _____
Email: _____

AGREED:
David H. Mangum, P.E.
President Date: _____
ENERGY EXCHANGE, INC.
AssocAgr23may05