

Bob Ambroso

From: Steve Helvey
Sent: Monday, December 03, 2007 2:35 PM
To: 'Mike McCaskey'
Cc: J.C. McFarland; David Pelser
Subject: RE: Non-Disclosure Agreement

Mike.....we should probably get LSA on board as quickly as possible to do the environmental work that will be needed prior to the use of the property for test or permanent wells. We'd have to hire them but you'll need to foot the bill. Since you have a relationship with them in Sycamore you may want to talk to them and find out what something like that will cost (that way you can faint in private).

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From: Mike McCaskey [<mailto:mmccaskey@matrixoil.com>]
Sent: Monday, December 03, 2007 2:29 PM
To: Steve Helvey
Cc: J.C. McFarland
Subject: RE: Non-Disclosure Agreement

Terrific. I will send my schedule to Mac and we will arrange to meet with you and possible Mr. Henderson as soon as possible.

Michael McCaskey
mmccaskey@matrixoil.com
Matrix Oil Corporation
104 W. Anapamu St, Ste C
Santa Barbara, CA 93101
Ph: 805 8849624
Fax: 805 884 9600
Cell: 805 455 3414

From: shelvey@cityofwhittier.org [<mailto:shelvey@cityofwhittier.org>]
Sent: Monday, December 03, 2007 1:51 PM
To: mac@mcfar.com; Mike McCaskey
Cc: dpelser@cityofwhittier.org
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To: Bob Henderson; Steve Helvey; Mike McCaskey
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Cc: "mac@mcfarl.com" <mac@mcfarl.com>; "dpelser@cityofwhittier.org" <dpelser@cityofwhittier.org>
Sent: 12/4/07 9:56 AM
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Bob Ambroso

From: J.C. McFarland [mac@mcfarl.com]
Sent: Thursday, December 20, 2007 2:19 PM
To: Bob Henderson; Andrea Gullo
Cc: Steve Helvey; David Pelsler; James Kenna; Mike McCaskey; Bill Doubleday
Subject: [BULK] Status Report on Sycamore Canyon Activities - Week 3

Importance: Low

Bob and Andrea,

DRILLING PROGRAM - The S-27 well is underway. Surface pipe has been cemented to 550 feet and the rig is drilling ahead toward a total depth of 3,541 feet. Pending well conditions, the rig plans to shut down for Christmas eve and Christmas day, and commence drilling on the morning of 12/26. There continue to be no reportable safety violations or environmental problems.

LICENSE AGREEMENT - Agreement executed by both parties and Nov. and Dec. rental paid. I visited the site this morning, and all equipment and materials were being stored in the designated areas. Our on-site drilling engineer is aware of and is enforcing the the 24 hour staging provision of the Agreement.

RECENT RAINS - The recent rain has caused the culvert to spill over to some extent. On-site engineer is monitoring and keeping the roads passable. Water is flowing through the creek.

Please call me if you have any questions or concerns.

Merry Christmas and Happy Holidays to all! - Mac McFarland

Bob Ambroso

From: Steve Helvey
Sent: Monday, November 19, 2007 3:24 PM
To: 'J.C. McFarland'
Cc: David Pelser
Subject: Info on Brea's Mineral Rights Lease

Mac

Coincidentally, after David and I met with you last week both Henderson and I had to go to a meeting in Brea. The guy who manages their mineral rights lease (Eric Nicol) was there so we asked him how much they charge in lease pmt./royalties. He said that they're current rate is 25%!

Also, you had asked me what kind of money might be necessary to appropriately compensate the Habitat Authority as a by product of our negotiation. They are interested in fully funding an ecologist who would, among other things, be the 'guardian' of the Habitat while you were in operation up there. I think that it's probably going to be a number around at least \$100,000 per year (or a percentage of the gross of an equivalent amount) so that they could afford a full-time ecologist. I believe that it would almost be a 'must' to be able to assure people that this property was going to have proper oversight so as to assure that it wasn't negatively impacted by the operation.

FYI
Steve

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Bob Ambroso

From: Steve Helvey
Sent: Monday, November 19, 2007 1:46 PM
To: 'J.C. McFarland'
Cc: Mike McCaskey
Subject: RE: [BULK] Follow Up on Matrix Letter of Intent - O&G Lawyer Recommendation

Mike and Mac

Dick Jones is working on the Letter of Intent and we hope to have an acceptable draft for you to review in the next day or two. I'll ask him about using Jack Quirk. Dick may want to talk to him first.

Thanks

Steve

-----Original Message-----

From: J.C. McFarland [<mailto:mac@mcfarl.com>]
Sent: Monday, November 19, 2007 10:04 AM
To: Steve Helvey
Cc: Mike McCaskey
Subject: [BULK] Follow Up on Matrix Letter of Intent - O&G Lawyer Recommendation
Importance: Low

Hi Steve!

Just following up on the status of the Letter of Intent with Matrix.
Do you know the timing of approval or comments from the City Attorney?

I have a lawyer to recommend to you for purposes of representing the City's interest in the Whittier Main development agreement. He is Mr. Jack Quirk with the firm of Bright and Brown in Glendale. McFarland used Bright and Brown "back in the day", and I think Jack is among the best title/agreement Oil and Gas Attorneys around. I spoke briefly with him on Friday to give him a "heads up" that someone from the City may be calling. His phone # is 213/ 489-1414.

Have a GREAT Turkey Day!!

Regards, Mac

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From: Steve Helvey
Sent: Friday, December 07, 2007 2:14 PM
To: 'J.C. McFarland'
Cc: Bob Henderson; Mike McCaskey
Subject: RE: Meeting Next Friday Morning

Mac.....o.k., it's a date. We'll ask Laurie and David to join us too.
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Steve,

Mike McCaskey and I are available to meet with you at City Hall next Friday, 12/14 at 8:30 AM. We would also like Bob Henderson to be part of the meeting, if he is available. Among the topics we would like to discuss are the EIR requirements for the Whittier Main Project, and any particular concerns which Bob or the Habitat Authority would like to be considered.

We are not quite ready to present our first draft of the Lease Agreement for discussion. We're fine tuning our economics and the legalize. However, we can begin discussions of the framework for the Agreement and items of particular importance to specific parties (like Matrix doesn't want to pay too much!)

Please let me know whether next Friday at 8:30 works for you and Bob.

Regards, Mac

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Sure, we like LSA. The only thing I would say a little negative is that you have to keep them focused (probably true of all contractors). When they did our Resource Management Plan they ran about a year late (and were very surprised when I wouldn't pay them for the extra time!) The work quality was good though.

Also they will be very familiar with the RMP which is our governing "specific plan" so that should jump start the process. You probably want to have the same supervisory people.

Bob

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From: Laurie Collins [laurie.collins@worldnet.att.net]
Sent: Monday, December 17, 2007 10:06 AM
To: kevinrupp@mac.com; mmccaskey@matrixoil.com; mac@mcfarl.com
Cc: David Pelser; Steve Helvey; Bob Henderson
Subject: [BULK] Whittier proposal

Importance: Low

Gentlemen,

Please send the draft of the lease and any other documents you want me to review and deliver to the City Manager to:

Law Office of Laurie Collins
914 Geneva Street
Glendale, California 91207

818-545-7902
818-572-5507(cell)

Regards,

Laurie C. Collins

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From: Steve Helvey
Sent: Monday, November 19, 2007 1:46 PM
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