



**AMEREN ENERGY MARKETING COMPANY ELECTRIC SERVICE AGREEMENT  
EXHIBIT A  
Issued: DECEMBER 13, 2012**

This offer is being presented to CITATION OIL & GAS CORP., ("Customer") by Ameren Energy Marketing Company ("AEM") and represents a price for the Customer's Full Requirement Retail Power ("Retail Power") needs, as measured and delivered on a firm basis, at the service location(s) in the Delivery Service Provider's ("DSP") service territory listed on the Account Information Sheet, and other stated terms and conditions. Upon acceptance, this offer will become Exhibit A of AEM's Electric Service Agreement Terms and Conditions ("Agreement"), a copy of which is attached. It is understood and agreed by AEM and Customer, to the extent there is any conflict in the interpretation or understanding of the provisions in Exhibit A with the Agreement, the terms and conditions of the Agreement supersede Exhibit A and are controlling, except in the event of a change in transmission charges or the RPS Charge, where in such instances the related terms and conditions in this offer are controlling with regard to the terms and conditions of Section 7 of the Agreement.

CUSTOMER NOTICE & CONTACT INFORMATION			
<b>AEM</b>		<b>CITATION OIL &amp; GAS CORP. ("CUSTOMER")</b>	
<b>All Notices &amp; Inquiries Weekdays between 7:30 AM and 4:30 PM</b>		<b>All Notices &amp; Invoices, unless noted otherwise below (Please do not use P. O. Boxes for the Notices Address)</b>	
Attn:	Supervisor, Contract Administration	Attn:	<b>CHRIS PHELPS</b>
Street:	1901 Choutcau Avenue MC1070	Street:	<b>14077 CUTTEN RD.</b>
City, ST & Zip	St. Louis, Missouri 63103	City, ST & Zip	<b>HOUSTON, TX 77069</b>
Phone:		Phone:	<b>281-891-1000</b>
Fax:	(314) 613-9015	Fax:	<b>281-580-1414</b>
DUNS #:	15-791-2432	DUNS #:	<b>058178853 C.A.P.</b>
Federal Tax ID #:	37-1395583	Federal Tax ID #:	<b>74-2163444</b>
<b>Account Management</b>		<b>All Invoices should be mailed here, if different from above:</b>	
Attn:	Customer Care	Customer:	<b>Citation Oil &amp; Gas Corp.</b>
Street:	1500 Eastport Plaza Drive	Attention:	<b>Accounts Payable</b>
City, ST & Zip	Collinsville, Illinois 62234	Street:	<b>14077 Cutten Rd.</b>
Phone:	(888) 451-3911, Option 3	City, ST & Zip	<b>Houston, TX 77069</b>
Fax:	(888) 354-9837	Phone:	<b>281-891-1000</b>
		Fax:	
		E-mail:	
<b>Send ACH Payments To:</b>		<b>Send Mail Payments To:</b>	
JP Morgan Chase Bank		<b>Standard Mail:</b>	<b>Overnight Delivery:</b>
for Ameren Energy Marketing General		Ameren Energy Marketing	JP Morgan Chase Bank
ABA: 071000013		23532 Network Place	131 S. Dearborn St., 6 <sup>th</sup> Floor
Account: 771057304		Chicago, IL 60673-1235	Chicago, IL 60603
Preferred format is ACH-CTX.			Attn: Lockbox 23532/Ameren Energy Marketing General



THIS EXECUTABLE OFFER EXPIRES AT MIDNIGHT ON THURSDAY, DECEMBER 13, 2012!

Table 1: Energy Price, Capacity Charge, Transmission Charge, Term & Account Information

Customer Initial to Elect	Block Product (kW)	Block Energy Price (¢/kWh)	Block Energy Quantity (kW)	Index Energy Price Adder (¢/kWh)	Capacity Price (\$/kW month)	Capacity Quantity (kW)	MISO Transmission Charge (¢/kWh)	RPS Charge (¢/kWh)	Power Delivery Begins	Power Delivery Ends
	See Confirmation(s)	See Confirmation(s)	See Confirmation(s)	●	●	●	●	●	January 2013	January 2015
Cap	See Confirmation(s)	See Confirmation(s)	See Confirmation(s)	●	●	●	●	●	January 2013	January 2016

**Conditional Contingencies:** This offer is contingent on completion of Conditional Contingencies as follows: Conditional Contingency 1) approval by the respective management of both Customer and AEM prior to the submission of the Direct Access Service Request ("DASR") for an on-cycle switch; Conditional Contingency 2) unless AEM and Customer have prequalified credit prior to execution, final credit approval by AEM within the lesser of thirty (30) days following Customer acceptance of this offer or the number of days prior to the deadline to submit a DASR to the DSP. AEM may timely require Customer to provide credit support as a conditional contingency, in which case AEM will make the request within five (5) days of Customer's execution of this Exhibit A. Any final determination regarding credit support shall be concluded within the time period set forth in Conditional Contingency 2. Credit support includes but is not limited to an executed letter of credit, parent guaranty, or other mutually acceptable form of credit support; and, Conditional Contingency 3) acceptance by the DSP of AEM's DASR(s) for all listed accounts.

**Term:** Retail Power delivery will begin for each account with the first available meter reading date of the month noted under Delivery Term Begins in Table 1, or as soon as possible thereafter, and ends with the regularly scheduled meter reading date, for the month noted under Delivery Term Ends in Table 1, unless Customer and AEM mutually agree to extend the Term of this Agreement in writing. Regularly scheduled meter reading dates are defined by the DSP Bill Group. If it is not possible to begin deliveries on the regularly scheduled meter reading date due to the DSP switching rules, Customer may request that AEM perform an off-cycle switch. If Customer so elects, Customer will receive an off-cycle switching charge on Customer's delivery service invoice from the DSP.

**Block and Index Energy:** AEM will supply the Block Energy Quantity, specified in Table 1, in each hour of the Agreement. Block Energy includes around-the-clock energy in the specified amount and will be charged at the rate indicated under "Block Energy Price" in Table 1. Index Energy shall be measured on an hourly basis and is defined as either Excess Index Energy or Deficit Index Energy below. All Excess Index Energy will be priced hourly at the MISO Day Ahead Locational Marginal Price for the AMIL.AEM.IL CP Node, ("DA LMP"), plus the Index Energy Price Adder as indicated in Table 1 ("Excess Index Energy Price"). All Deficit Index Energy will be credited hourly at the MISO Real Time Locational Marginal Price for the AMIL.AEM.IL CP Node, ("RT LMP" or "Deficit Index Energy Price"). If during the Term of this Agreement the DA LMP or RT LMP ceases to exist then its replacement index shall be used for the remaining Term of the Agreement. On an hourly basis all Block Energy kWh deliveries will be metered before any Index Energy kWh deliveries.

The Block Energy Price and the Index Energy Price include charges for energy, scheduling and load forecasting associated with the delivery of Block Energy and Index Energy. The Block Energy Price and Index Energy Price do not include transmission and distribution energy losses, nor do they apply to any charges assessed by DSP, all of which are the responsibility of Customer, including, but not limited to the following: charges for services under its applicable delivery service tariffs and riders, facilities charges, taxes (either billed by DSP or customer self-assessed) and other DSP charges, including but not limited to fuel, environmental, or decommissioning charges, as may be applicable from time to time.

Charges for distribution energy losses will appear as a separate line item on Customer's monthly invoice and shall be billed at the Index Energy Price. Distribution energy losses shall be calculated by applying the distribution energy loss factor indicated under DSP's applicable delivery service tariffs to the metered kilowatt-hours ("kWh") each hour.

Table 2: Product Descriptions of Typical Pricing Designations for Block Products at 100% Load Factor:

ATC or 7x24	for the entire 24-hour period, 7 days each week (Around the Clock).
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5x16	for the 5 weekdays, between 6 AM and 10 PM (16 hours).
5x8	for the 5 weekdays, between 10 PM and 6 AM (8 hours).
2x24	for the entire 24-hour period. 2 weekend days each week.
Off-Peak Wrap	for the 5 weekdays, between 10 PM and 6 AM and the 2 weekend days "around the clock" (8 hours on the weekdays and 24 hours on the weekend days), or the sum of the 5x8 and 2x24.

**Excess Index Energy:** If Customer's metered usage during any hour of delivery exceeds the Block Energy Quantity ("Excess Energy Quantity"), calculated by subtracting the Block Energy Quantity from Customer's metered energy quantity, Customer shall reimburse AEM for the Excess Energy Quantity at the Excess Index Energy Price for such hour.

**Deficit Index Energy:** If Customer's metered usage during any hour of delivery is less than the Block Energy Quantity ("Deficit Energy Quantity"), calculated by subtracting Customer's metered energy quantity from the Block Energy Quantity, AEM shall credit Customer for the Deficit Energy Quantity at the Deficit Index Energy Price for such hour.

**Delivery Point:** The Delivery Point(s) shall be the interconnection between the transmission system of the Midwest Independent Transmission System Operator ("MISO") and DSP's distribution system. Title to and risk of loss related to the Retail Power purchased hereunder shall transfer from AEM to Customer at the Delivery Point(s). AEM warrants that it shall deliver to Customer at the Delivery Point(s) such Retail Power free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point(s).

**Capacity:** AEM will supply the Capacity Quantity, specified in Table 1 and related to all Block and Index Energy. Such Capacity Quantity is represented by Customer's historical annual peak demand in kW. The Monthly Capacity Charge shall be:

**Customer's monthly peak demand in kW,  
times the Capacity Price in Table 1, stated in \$ per kW month,**

and includes charges for capacity and reserves, but does not include transmission and distribution energy losses, nor any charges assessed by the DSP, all of which are the responsibility of Customer, including but not limited to fuel, environmental, or decommissioning charges, as may be applicable from time to time.

**Excess Capacity Price:** If Customer's peak hourly demand exceeds the Capacity Quantity identified in Table 1, during any billing period, Customer will compensate AEM for the additional capacity associated with such event ("Excess Capacity"). The price for Excess Capacity shall be determined by applying a charge of ██████ per kilowatt-day ("kWday") in the months of June through September, or ██████ per kWday in the remaining months, to the incremental capacity on each day Customer exceeds the Capacity Quantity. Customer may apply to increase the Capacity Quantity with 60 days' written notice. Upon notification, AEM will either elect to maintain the existing Capacity Price or offer Customer a revised Capacity Price that takes into consideration the incremental capacity for approval and incorporation into the Agreement.

**Transmission:** Customer acknowledges that AEM will incur charges on Customer's behalf to deliver Retail Power to the Delivery Point including, charges for MISO transmission and ancillary services and MISO energy market charges (collectively "MISO Charges"), all of which are based upon the current applicable MISO Transmission Energy Market Tariff ("TEMT") and MISO Business Practices Manuals, and all applicable costs associated with these charges are the responsibility of the Customer. Such charges are set forth in Table 1 and apply to all Retail Power covered under this Agreement. If the applicable TEMT, MISO Business Practices Manuals, successor transmission tariffs or business practices are amended or otherwise implemented during the Term of this Agreement, notwithstanding the terms and conditions of Section 7 of the Agreement, AEM will change the MISO Charges, and add or reduce such charges incurred on Customer's behalf to comply with the transmission tariffs and business practices in effect during the corresponding period, as applicable.

**Renewable Portfolio Standard ("RPS") Charge:** Pursuant to the Illinois Public Utilities Act, all Illinois Alternative Retail Electric Suppliers ("ARES") are required to have renewable energy sources as a percentage of their supply portfolio, effective June 1, 2009. The RPS Charge, identified in Table 1, represents AEM's charge for compliance, and is applicable to all Retail Power supplied under this Agreement notwithstanding any other terms or limitations stated herein. If any rule, regulation, tariff, ordinance, statute, or law affecting the obligation pertaining to renewable energy resources of any kind or nature are amended or otherwise implemented by the applicable regulatory agency, during the Term of this Agreement, notwithstanding the terms and conditions of Section 7 of the Agreement, AEM will change the RPS Charge and add or reduce such charges incurred on Customer's behalf to comply with the change in effect during the corresponding period, as applicable.

**Purchase Obligations:** This is a full requirements agreement. During the Term of this Agreement the Customer shall purchase all Retail Energy and Capacity from AEM.



Customer shall purchase the Block Energy Quantity, as specified in Table 1, in each hour of the Agreement at the Block Energy Price, as specified in Table 1. If in any hour Customer uses less than the Block Energy Quantity, then Customer shall be billed the product of the Block Energy Quantity and the Block Energy Price ("Minimum Energy Charge"). In addition, Customer shall pay the Monthly Capacity Charge on a monthly basis throughout the Delivery Term, irrespective of Customer's Block Energy Quantity usage.

During the Term of this Agreement Customer may make a written request to increase the size of the Block Energy Quantity and related Capacity Quantity, or to convert this Agreement to a new fixed-price full requirements agreement. Customer shall identify its request to increase the Block Energy Quantity and Capacity Quantity, which may include energy and capacity comprising any standard product ("Other Products"), as defined in Table 2 above, in writing along with the requested start date and term of the increase. Such term shall either be in whole months or Billing Cycle. AEM shall then provide Customer with a current price for the requested increase of Block Energy Quantity and Capacity Quantity, or Other Products. Upon written acceptance by Customer and AEM, the confirmation sheet will then be incorporated as part of this Agreement. Customer shall identify its request to convert this Agreement to a new fixed price full requirements agreement in writing along with the requested start date and desired term. AEM shall then offer Customer a new agreement which, if accepted by Customer, will terminate this Agreement effective with the commencement of the new agreement.

AEM shall bill Customer each month in an amount equal to the Block Energy Price times the Block Energy Quantity in each hour of delivery.

**Changes in Consumption:** Customer will provide AEM advanced notification of any shut-downs or anticipated changes to Customer's operations, which may include a periodic production or load forecast to aid in forecasting Customer's load requirements. Notwithstanding Customer's obligation to provide such notification, Customer remains subject to any costs incurred by AEM related to any shut-downs or changes to Customer's operations.

**Execution Instructions:** This Agreement may be executed in one or more identical counterparts which, taken together, shall constitute collectively one agreement. An electronically-transmitted copy of an executed counterpart of this Agreement shall be deemed an original.

IN WITNESS WHEREOF, the Parties to this Agreement have executed and delivered this Agreement on the date and year first set out above.

AMEREN ENERGY MARKETING COMPANY

CITATION OIL & GAS CORP.

Digitally signed by Alan L. Potts  
DN: cn=Alan L. Potts, o=Ameren  
Energy Marketing, ou=Manager,  
Retail Sales,  
email=apotts@ameren.com, c=US  
Date: 2012.12.14 12:13:36 -06'00'

By:

Print Name:

Christopher A. Phelps

Title:

Senior Vice President & CFO

Date:

12-13-12

After signing, please immediately fax or send via another form of electronic execution a signed original copy of this entire Agreement to (314) 613-9015 and to the attention of:

**Contract Administration**  
**Ameren Services Company**  
1901 Chouteau Avenue, Mailcode 605  
St. Louis, MO 63103

We will return a fully-executed copy of the faxed document for your records.

- Check here to receive a summary invoice with account detail
- Check here to receive individual invoices sent to Billing Address
- Check here to receive individual invoices sent to Service Address
- Check here if you are a local government entity, as defined by 50 ILCS 505/ Local Government Prompt Payment Act

CONTINUE CURRENT  
CUSTOM BILLING METHOD *CCP*





**AMEREN ENERGY MARKETING COMPANY ELECTRIC SERVICE AGREEMENT**  
**ACCOUNT INFORMATION SHEET FOR**  
**CITATION OIL & GAS CORP.**  
**AS OF 12/13/2012**

Delivery Service Provider	Utility Account #	Bill Group	Service Location
CIPS	9645002831	1	1725 N SE O Phlpstwn, Crossville, IL 62827
CIPS	8265008432	11	100N, 2.5 MI W/O IL130, West Liberty, IL 62475
CIPS	6821299851	18	2302 HOOTS CHAPEL RD, ODIN, IL 62870
CIPS	4216097011	1	1101 E Main St., Office, Crossville, IL 62827
CIPS	2745002131	1	1750 E ILL RT 12, Shop, Crossville, IL 62827
CIPS	2055009236	7	300 N & 600E Unit, Albion, IL 62806
CIPS	0585006228	16	3943 Big Four Rd, Clay City, IL 62824
CIPS	0485003938	15	1000 N 25 MI E Init 400E, Noble, IL 62868
CIPS	0308005011	16	3943 Big Four Rd, Clay City, IL 62824
CIPS	0269084019	16	2000E/400N, Travis Camp, Clay City, IL 62824

Items represented on this sheet may be updated from time to time, such as for an updated account number, for which you would receive a replacement sheet under the Notice procedures of this Agreement.



**AMEREN ENERGY MARKETING COMPANY ELECTRIC SERVICE AGREEMENT  
TERMS AND CONDITIONS**

This Electric Service Agreement ("Agreement") is between AEM and Citation Oil & Gas Corp. ("Customer") and is dated and effective as of the date the Agreement is signed by Customer, for Retail Power (as defined in Exhibit A) provided to Customer at the service location(s) defined in Exhibit A. (Hereinafter AEM and Customer individually and collectively referred to as "Party" or "Parties", respectively). It is agreed and understood by AEM and Customer, to the extent there is any conflict in the interpretation or understanding of the Agreement with the offer described in Exhibit A, the terms and conditions of the Agreement supersede the provisions of the offer and are controlling.

**AGREEMENT**

**1. ELECTRIC ENERGY SERVICES**

AEM shall supply and deliver to Customer on a firm basis, and Customer shall exclusively purchase and receive from AEM all of the Full Requirement Retail Power associated with Customer's service location(s) (hereinafter "Retail Power"), pursuant to the terms and conditions which are described in the attached Exhibit A and incorporated herein for all purposes. The Retail Power will be delivered to the interconnection between the transmission system of the applicable transmission provider and the Delivery Service Provider's ("DSP") distribution system ("Delivery Point"). The DSP will be responsible for delivery of Retail Power to Customer's meter from the Delivery Point. The delivery of Retail Power over the DSP's distribution system is subject to the terms and conditions of the DSP relating to delivery and metering. Customer shall provide written notice as soon as practicable of any changes to Customer's Account and meter numbers and/or billing locations associated with Customer's delivery services. Customer is solely responsible for payments of all charges related to the delivery of the Retail Power from the DSP whether billed to AEM or Customer, and agrees to hold harmless and indemnify AEM from any liability, demand or payment for same. Customer shall receive the delivery service bill directly from the DSP and shall pay such bill according to the terms contained therein. Customer represents and warrants it is eligible to receive electric energy services from AEM and that it has given all required notices to the supplier currently serving Customer, if applicable.

**2. TERM OF AGREEMENT**

This Agreement shall be in effect for a term as noted in Exhibit A unless the Parties shall mutually agree to extend the Term of this Agreement in writing.

**3. TAXES**

Except for taxes on the gross income of AEM, all federal, state, and municipal or other governmental subdivision taxes, assessments, fees, use taxes, sales taxes or excise taxes, or similar taxes or fees incurred by reason of Retail Power services performed under this Agreement are the sole responsibility of Customer, and Customer agrees to hold harmless and indemnify AEM from any liability, demand or payment for same. It is understood that AEM is responsible for all taxes applicable prior to AEM's delivery to the Delivery Point, and AEM agrees to hold harmless and indemnify Customer from any liability, demand or payment for same.

**4. CONFIDENTIALITY**

Customer and Customer's agents and AEM and/or AEM's agents shall treat as confidential all terms and conditions of this Agreement, including all information and documentation exchanged by the Parties during the negotiations of this Agreement. Neither Party will disclose terms and conditions of this Agreement to any other party without first receiving the consent of the other Party, which consent shall not be unreasonably withheld, except as required by law, rule or regulation or pursuant to any judicial or administrative proceeding. Notwithstanding the foregoing, AEM and/or AEM's agents and Customer and/or Customer's agents shall be allowed to acknowledge that an Agreement for Retail Power services does exist between the Parties. AEM shall not identify Customer or its related information in press releases, brochures and similar marketing materials, financial reports and prospectuses without the prior written consent of Customer, which consent will not be unreasonably withheld. At AEM's discretion, third-party agents of Customer may be asked to execute a confidentiality agreement.

**5. WARRANTY, DISCLAIMER AND LIMITATION OF LIABILITY**

AEM warrants title to all Retail Power delivered hereunder, and sells such Retail Power to Customer free from liens and adverse claims, to the Delivery Point. **THIS IS AEM'S ONLY WARRANTY CONCERNING THE RETAIL POWER SERVICES PROVIDED HEREUNDER, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE. AEM DOES NOT GUARANTEE UNINTERRUPTED SERVICE AND SHALL NOT BE LIABLE FOR ANY**



**DAMAGES SUSTAINED BY CUSTOMER BY REASON OF ANY FAILURE, ALTERATION OR INTERRUPTION OF SERVICE. NEITHER PARTY SHALL BE RESPONSIBLE UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE, INCURRED BY THE OTHER PARTY.**

**6. FORCE MAJEURE**

To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and any Exhibit, and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations under this Agreement and any Exhibit (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party for the period excused by Force Majeure. If the Force Majeure event extends beyond twenty (20) days, the non-Claiming Party may terminate this Agreement immediately upon written notice to the other Party. Any termination due to Force Majeure will not be subject to an early termination payment.

"Force Majeure" shall mean an event or circumstance which prevents the Claiming Party from performing its obligations or causes delay in the Claiming Party's performance under this Agreement, which event or circumstance was not anticipated as of the date this Agreement was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence or use of good utility practice, as defined in the applicable transmission tariff, the Claiming Party is unable to overcome or avoid or cause to be avoided, such as, but not limited to, acts of God; fire; flood; earthquake; war; riots; strikes, walkouts, lockouts and other labor disputes that affect Customer or AEM. Force Majeure shall not be based on 1) Customer's inability to economically use the Retail Power purchased hereunder; or 2) AEM's ability to sell the Retail Power at a price greater than the price under this Agreement.

**7. CHANGES IN LAW OR REGULATION**

In the event that any change or enactment in any rule, regulation, DSP's operating procedure, tariff, applicable transmission tariff, ordinance, statute, or law affecting the sale or transmission, distribution, or purchase or other obligation pertaining to renewable energy resources of any kind or nature, of Retail Power to Customer (including but not limited to any administrative ruling, interpretation, or judicial decision) alters to the detriment of AEM its ability to deliver Retail Power at the pricing set forth in this Agreement, as determined in its sole discretion and judgment, AEM shall, except in the instances where the change or enactment relates to the pricing or charges associated with the transmission charge or RPS charge as provided for in Exhibit A, whereby those terms are controlling, 1) provide written notice to Customer of the change; 2) identify the change in pricing necessary to ameliorate the impact of the change, and 3) state the date upon which such new pricing shall be effective, which date shall not be less than thirty (30) days from the date of the written notice and shall coincide with the next Monthly Billing Cycle invoice that follows the thirty (30) day period.

**8. ASSIGNMENT**

This Agreement shall be binding on each Party's successors and permitted assigns. Neither Party shall assign this Agreement or its rights without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may 1) assign its rights and obligations under this Agreement to an affiliate without consent of the other Party, subject to the affiliate's satisfactory creditworthiness, or 2) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets, subject to the assignee's satisfactory creditworthiness; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurances as the non-transferring Party may reasonably request. Creditworthiness under this section is to be determined by the non-transferring Party.

**9. WAIVER**

Except as otherwise set forth in this Agreement, failure or delay on the part of either Party to exercise any right, power, or privilege under this Agreement shall not operate as a waiver of such right, power or privilege of this Agreement.



## 10. CREDIT

Should the creditworthiness or financial responsibility of either Party become unsatisfactory to the other Party at any time during which this Agreement is in effect, as determined by such other Party in a commercially reasonable manner, based upon, but not limited to, reasonable concern over a Party's payment pattern, discovery of negative or derogatory public information, and/or based upon a review of the other Party's most recently audited annual financial statements (which, if available, shall be supplied by either Party, upon the reasonable request of the other Party), the other Party (the "Requesting Party") may request adequate financial security from the other Party in a form acceptable to the Requesting Party as determined in a commercially reasonable manner. The failure of the Party to provide adequate financial security to the Requesting Party within ten (10) Business Days of a written request by the Requesting Party shall be considered an Event of Default under Section 12.

Notwithstanding the foregoing, if Customer is a local government entity as defined by 50 ILCS 505/ Local Government Prompt Payment Act, "the largest consecutive 60-day notional exposure" provided for above shall be replaced with "the largest consecutive 120-day notional exposure." All other provisions in this Section shall remain the same and are in effect.

## 11. PAYMENTS/INVOICES

AEM shall render an invoice to Customer via facsimile or electronic mail ("e-mail") as soon as practicable after the end of each Monthly Billing Cycle in which service was provided. Should the DSP fail to provide the customer's usage information to AEM within five (5) Business Days after the published meter read date, AEM reserves the right to provide the Customer with an estimated bill, to be trued up in an invoice that follows receipt of the actual bill. Payments shall be received by AEM via check, or an electronic method, deposited in the account specified on each invoice, within twenty-one (21) Calendar Days following the billing date on the Customer's invoice or the transmittal date of each facsimiled or e-mailed invoice, whichever is later (the "Due Date"). Amounts not paid on or before the Due Date shall be deemed delinquent and a late payment charge equivalent to one and one-half (1-1/2) percent will be assessed each month on the unpaid balance ("Interest Rate"). If Customer, in good faith, disputes the correctness of any invoice rendered under this Agreement then Customer shall 1) provide written explanation of the basis of the dispute to AEM no later than the Due Date, and 2) pay the undisputed portion of the amount invoiced no later than the Due Date. If the disputed amount is determined to have been due by AEM, it shall be paid to AEM within five (5) Business Days of such determination, along with interest at the Interest Rate from and including the date such amount was due, but excluding the date paid.

For purposes of this Agreement, Business Day shall mean any day except a Saturday, Sunday, or a Federal Reserve Bank holiday and Calendar Day shall mean every day including Saturday, Sunday and Federal Reserve Bank holidays.

If, however, Customer is a local government entity as defined by 50 ILCS 505/ Local Government Prompt Payment Act (the "Act"), then in such event the Act shall control with regard to the calculation of payment due dates and late payment charges. All other provisions in this Section remain the same and are in effect.

## 12. EVENTS OF DEFAULT

**Definition:** An "Event of Default" shall mean, with respect to a Defaulting Party, the occurrence of any of the following: (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within five (5) Business Days (as such term is defined in Section 11 above) after written notice of such failure; (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated; (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive where such Party has made payments due for such failure to deliver or receive) if such failure is not remedied within five (5) Business Days (as such term is defined in Section 11 above) after written notice; (d) such Party 1) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, 2) makes an assignment or any general arrangement for the benefit of creditors, 3) otherwise becomes bankrupt or insolvent (however evidenced), or 4) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets as part of bankruptcy proceeding or reorganization for the benefit of creditors; (e) the failure of such Party to satisfy the creditworthiness/collateral requirements under Section 10 of this Agreement; or (f) a Party consolidates or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement, or the resulting, surviving or transferee entity does not satisfy the creditworthiness/collateral requirement set forth in Section 10 of this Agreement.



**Suspension and Early Termination:** If an Event of Default occurs, the non-defaulting Party ("the Non-Defaulting Party") may, at its option and in its sole discretion, 1) suspend its performance under this Agreement, or 2) terminate this Agreement, at which Early Termination, the Non-Defaulting Party shall have the right to liquidate this Agreement and to demand payment of, which the defaulting Party ("the Defaulting Party") shall pay upon invoice, a settlement amount which shall be equal to a) if Customer is the Defaulting Party, any unpaid invoices plus, the positive difference (if any) of the Power Price minus the Market Price multiplied by the expected monthly usage for the Monthly Billing Cycles remaining in the Term or b) if AEM is the Defaulting Party, the net result of any unpaid invoices by Customer to AEM and, the positive difference (if any) of the Market Price minus the Power Price multiplied by the expected monthly usage for the Monthly Billing Cycles remaining in the Term. Any such calculation shall be discounted to present value calculated using the six-month London Interbank Offered Rate as posted in the "Money Rates" column of The Wall Street Journal as of the date of determination, plus other costs, expenses and charges under this Agreement which the Non-Defaulting Party incurs as a result of such Early Termination, in addition and without prejudice to any right of setoff, recoupment, combination of accounts, lien or other right to which the Non-Defaulting Party is otherwise entitled, whether by operation of law, equity, contract or otherwise as a result of the Event of Default and early termination of this Agreement, subject to any limitations on liability as set forth in Section 5 WARRANTY, DISCLAIMER AND LIMITATION OF LIABILITY. For the purposes of this section, "Market Price" shall mean the amount, as determined by the Non-Defaulting Party, that a bona fide third party would pay for the subject kWh at the then current prevailing energy prices. The Non-Defaulting Party may consider, among other things, quotations from the leading dealers in the wholesale energy industry, internally developed forward market prices and other bona fide third party offers as commercially available to the Non-Defaulting Party, which will be adjusted, as necessary, for the period and differences in transmission costs, volume, and other factors, as reasonably determined by the Non-Defaulting Party.

### 13. NOTICES

Except for Suspension or Early Termination Notices required under Section 12, all other notices to be provided under this Agreement may be sent by U.S. mail, personal delivery, fax, or orally in the case of an emergency (with a written confirmation following any notice due to an emergency). All such notices shall be deemed given and received when transmitted by any of the above methods. However, all Suspension and Early Termination Notices must be given by certified mail return receipt requested or by overnight delivery and shall be effective only upon actual receipt of notice. Notices shall be sent in accordance to those identified in the attached Notice and Contact Schedule.

### 14. FORWARD CONTRACT

The Parties agree this Agreement is construed and understood to be a "forward contract" as defined by the U.S. Bankruptcy Code.

### 15. GOVERNING LAW

The validity, interpretation and performance of this Agreement shall be governed by and performed in accordance with the laws of the State of Illinois, together with administrative and judicial decisions construing applicable provisions of the Illinois retail choice law, 220 ILCS 5/16-101 et al. and without regard to principles of conflicts of law.

### 16. RESOLUTION OF DISPUTES/ARBITRATION

If a question or controversy arises between the Parties concerning the observance or performance of any of the terms, provisions or conditions contained herein or the rights or obligations of either Party under this Agreement, such question or controversy shall in the first instance be the subject of a meeting between the Parties to negotiate a resolution of such dispute. Such meeting shall be held within fifteen (15) days of a request by either Party. If within fifteen (15) days after that meeting, the Parties have not negotiated a resolution or mutually extended the period of negotiation, the question or controversy shall be resolved by arbitration in accordance with arbitration procedures established from time to time by the American Arbitration Association ("AAA"). The panel of arbitrators to be provided shall be competent in their expertise and qualifications to understand and arbitrate the dispute. In addition to the arbitration procedures established by the AAA, arbitration shall be conducted pursuant to the Federal Rules of Evidence. The arbitrators may award only damages as allowed for by this Agreement, and attorney fees and other legal costs. Any decision and award of the majority of arbitrators shall be binding upon both Parties. Judgment upon the award rendered may be entered in any court of competent jurisdiction.



DECEMBER 13, 2012

<b>TO:</b>	<b>Chris Phelps</b> Citation Oil & Gas Corp	<b>FROM:</b>	<b>Contract Administration</b> Ameren Energy Marketing Company
<b>PHONE:</b>	<b>281-891-1000</b>	<b>PHONE:</b>	
<b>FAX:</b>	<b>281-580-1414</b>	<b>FAX:</b>	(314) 613-9015

**ELECTRIC SERVICE AGREEMENT  
CONFIRMATION LETTER**

This Confirmation Letter will confirm the agreement reached on December 13, 2012 between **Ameren Energy Marketing Company (AEM)** and **Citation Oil & Gas Corp. (CITATION)**, regarding the sale of electric energy under the terms and conditions of the Electric Service Agreement entered into between AEM and dated December 13, 2012. Terms used but not defined herein shall have the meanings ascribed to them in the ESA.

The terms of this Confirmation Letter are as follows:

Seller: AEM

Buyer: CITATION

Term: JANUARY 1, 2013 through and including DECEMBER 31, 2015

Product: Retail Power

Price/kWh: [REDACTED] cents

Hourly Quantity: [REDACTED] ( [REDACTED] ) kW

Schedule: Hour ending (HE) 0100 through HE 2400 Central Prevailing Time (CPT) for each day of Term. as defined above.

Delivery Point(s): Commercial Pricing Node (CPNode): AMIL.AEM.IL

**THIS EXECUTABLE OFFER EXPIRES AT MIDNIGHT ON THURSDAY, DECEMBER 13, 2012!**

Please confirm that the terms stated herein accurately reflect the agreement reached on December 13, 2012 between **Citation Oil & Gas Corp. (CITATION)**, and AEM by returning an executed copy of this Confirmation Letter by facsimile to AEM at (314) 613-9015 by the expiration listed above.

If you have any questions, please contact John Dreusicke at (217) 735-6946.

**AMEREN ENERGY MARKETING COMPANY**

Digitally signed by Alan L. Potts  
DN: cn=Alan L. Potts, o=Ameren  
Energy Marketing, ou=Manager,  
Retail Sales,  
email=apotts@ameren.com, c=US  
Date: 2012.12.19 08:35:36 -06'00'

**CITATION OIL & GAS**

(SIGN HERE)

By:

Name: CHRISTOPHER A. PHELPS

Title: SVP & CFO

Date: 12-13-12