

EXHIBIT "3"

Attached and made a part of
Farmout Agreement - Pinedale Block
Sublette County, Wyoming

I N S U R A N C E

Operator shall at all times while it conducts operations on the jointly owned property carry insurance and require each and every subcontractor to carry insurance to indemnify, protect and save the parties hereto harmless as follows:

- a. Workmen's Compensation and employer's liability insurance to comply with the laws of the State of Wyoming with employer's liability limits of not less than \$25,000 per employee.
- b. Public liability insurance with limits of not less than \$25,000 as to any one person and \$50,000 as to any one accident, and property damage liability insurance with a limit of not less than \$10,000 for each accident and \$50,000 for any number of accidents.
- c. Automobile public liability insurance with limits of not less than \$25,000 as to any one person and \$50,000 as to any one accident, and automobile property damage insurance with a limit of not less than \$5,000 for each accident to cover all automotive equipment.

The Operator shall not carry fire, tornado, and explosion insurance in connection with the operations hereunder, it being understood that each party shall carry its own risks.