

# EXHIBIT A



August 15, 2013

Mr. George L. Guerra  
Wiand Guerra King  
5505 W. Gray Street  
Tampa, Florida 33607

Re: Quest Energy Management Group, Inc.

Dear Mr. Guerra:

At your request we have made a forensic analysis of certain financial data of Quest Energy Management Group, Inc., a/k/a Quest EMG, Inc. and Quest Operating, LLC. Between 2006 and 2010, all transactions were recorded on the books of Quest Operating, LLC. In 2010 all the transactions were re-posted to the books of Quest Energy Management, Inc. without explanation and with little or no detail. For the purpose of this report we are referring to the combined enterprises as "QEM". This report is intended to outline our work and findings to date.

**I. Background and Qualifications**

I am a certified public accountant and have practiced as such since 1974. I hold Texas certificate number 13433. I am a graduate of Texas Tech University with a BBA in accounting. Additionally, I am accredited in business valuation and forensic accounting by the American Institute of Certified Public Accountants. I am qualified to accept this engagement and I have no conflicts of interest. A copy of my resume is attached to this report.

**II. Scope of Work**

The information we reviewed was not audited as that term is defined by the American Institute of CPAs. I do not express an opinion regarding QEM's financial statements. Attached are three schedules summarizing some of the material financial activity from inception (2006) through May 31, 2013 prepared from the QEM books and records. Exhibit 1 is a summary of cash transactions and has been "line numbered" for ease of reference. Exhibit 2 is a summary of balance sheets. Exhibit 3 is a list of oil and gas revenues by year.

**III. Sources of Cash**

- QEM's records reflect that it has raised \$19,124,326 (line 12) from investors between 2006 and May 2013. Some of these funds raised were initially represented as loans from investors, but those loans subsequently disappeared from QEM's books.

- Revenue from oil and gas operations for the same period were \$8.2 million (line 22).
- The Downey family has made no material investment of their own funds into the enterprise. QEM recorded a common stock/member value of \$50 in the form of a note payable from Paul Downey.
- In 2010 the Downey family recorded a series of meaningless notes payable, in the amount of \$10,000,000, in exchange for shares of family member stock in QEM. This transaction was later reversed. However, before reversing the entries, it appears that Jaime Downey was paid a total of \$91,500 and Sandy Downey was paid a total of \$117,000 for no justifiable reason.

#### IV. Uses of Cash

- Upon receipt of the Valhalla and Viking funds in 2006, QEM immediately purchased a Cadillac for Paul Downey at a cost of \$48,027 and a Chevrolet Tahoe for Jeff Downey at a cost of \$53,180.
- On or about April 17, 2006 QEM spent \$1,011,282 on a residential lot in a subdivision in The Woodlands, near Houston. (The lot was subsequently sold on May 14, 2008 for \$950,000, generating a loss of \$61,282.)
- The Company has paid personal expenses for the Downey families of approximately \$918,506 (line 30). See footnote A on Exhibit 1.
- In addition to these expenses, we also noted that additional expenses including various payments to the Downey's (Paul, Jeff, Sandra, and Jamie) as well as car payments for a BMW, Chevy Tahoe, Chevy Yukon and Lexus. The company also paid Jeff Downey's apartment rent, as well as expenses associated with the Woodlands property and the Abilene Country Club.
- There have been payments made to related companies apparently owned by the Downey's. "Quest EMG" received \$232,790 (line 32). Another company, SCTEK, received \$515,000 (line 33). Total payments to these related entities was \$747,790.
- Substantial rents and personal expenses are being paid for operations in Naples, Florida. It is unknown why a West Texas oil and gas operating company would need offices in Florida. See lines 44, 45 and 46.
- Substantial sales commissions have been paid to several securities brokers, totaling \$824,270. See lines 38, 39, 40 and 41.
- Operating expenses (line 52) from inception through May 2013 total \$19.6 million.
- Of all the money invested, we estimate that no more than \$1.5 million was ever used in

connection with the initial purchase of oil and gas property and equipment, which is less than ten percent of the total investment money collected.

- Based upon information provided by QEM and its attorney at the time, Mr. H. Allen Pennington, Jr., Valhalla and Viking were to have obtained a material percentage interest in the oil and gas properties. According to Mr. Pennington's letter dated November 23, 2009, Valhalla and Viking purchased a 50% interest in the MCU and Kilgore properties. There is no evidence in the books or records of QEM reflecting that sale. There was never a partnership entity created, there were no division orders produced, nor were any interests assigned or recorded.
- In a sales prospectus dated January 1, 2013, Quest Energy Management Group, Incorporated proposed a joint venture development project which would acquire 75% working interests in three properties "currently owned and operated by Quest", which include the MCU and Kilgore units mentioned above.
- Between May 2010 and April 2012, QEM paid Christopher D. Moody consulting fees of \$5,000 per month and various expenses totaling \$89,897.

#### V. Assets

- As of May 31, 2013, the books show a bank overdraft of \$26,144 (line 55) and total assets of around \$2.8 million. The entity shows a deficit of \$755,000.
- QEM accrued millions of dollars in accounts receivable which were reflected as an asset on the balance sheet. At one point the accrued receivables reached \$5 million. The next year they were inexplicably written down to \$245,000.

#### VI. QEM Performance

- Income tax returns filed by QEM reflect a first year deficit of \$130,681. In the second year the deficit grew to \$441,196. By that time (December 31, 2007) QEM had recorded accounts receivable of \$1,874,679, which we believe were never of any value and were never collectable. In fact, they were written off by QEM in 2011.
- Without the receivables described above, QEM was insolvent, almost from its inception. By 2011, before the debt on the books was improperly written off against prior years' operating deficits, Quest was probably insolvent by a ratio of greater than 10:1.

#### VII. Conclusion

Based upon the data we have reviewed, it is apparent that QEM has been insolvent almost since inception and produced nominal amounts of oil and gas relative to the cost to produce it. Based on the amounts we have determined as oil and gas income, and as operating expenses, the expenses are outpacing revenue by more than two to one. Operations were not sustainable at this level and any possibility of a return of profits to the investors was

out of the question.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "O. Wheeler".

Otto L. Wheeler, CPA/ABV/CFF  
Senior Partner

## RESUME

OTTO L. WHEELER, CPA/ABV

### PERSONAL DATA

Born July 28, 1948 at Pampa, Texas  
Married

### CURRENT EMPLOYMENT

Residence - 5925 Overlook Drive  
Austin, Texas 78731

### EDUCATION

Texas Tech University

B.B.A. - Accounting (1971)

### CERTIFICATION AND ACCREDITATION

Texas State Board of Public Accountancy  
AICPA Accreditation in Business Valuation  
Collaborative Law Institute of Texas  
Certified in Financial Forensics

License No. 13433 (Issued August 6, 1974)  
Credentialed December 22, 2003  
Credentialed March 1, 2007  
Credentialed March 31, 2009

### PROFESSIONAL ORGANIZATIONS

Texas Society of Certified Public Accountants  
Board of Directors  
Tax Curriculum, Chairman  
Federal Taxation

State Taxation  
Texas Tax Institute, Program Chairman  
Chapter Presidents' Committee

Austin Chapter - TSCPA  
Past President  
Board of Directors

Taxation Committee, Chairman

American Institute of Certified Public  
Accountants

1979 - Present    Wheeler Fairman & Kelley  
Certified Public Accountants  
301 Congress, Suite 550  
Austin, TX 78701  
(512) 472-2350; FAX (512) 472-3599  
Email: owheeler@wfkcpa.com

**EMPLOYMENT HISTORY**

1971-1978    Employed in public accounting (5 years), industry (2 years) and government (1 year).

**EXAMPLES OF ENGAGEMENTS**

Medical practices  
Law firms  
Retail jewelry store  
Commercial bank  
Cattle feeding operation  
Professional basketball franchise  
Retail clothing store  
Publishing company  
Computer software development  
Fencing contractor  
Oil and gas exploration  
Veterinarian practices  
Telephone answering service  
Lumber and building materials company  
Commercial photography  
Food manufacturing company  
Restaurants and catering  
Auto repair shop  
Funeral services  
Cellular telephone sales  
Timber production  
Real estate partnerships  
Real estate development  
Retail grocery chain

QUEST ENERGY MANAGEMENT OR QUEST OPERATING, LLC  
SUMMARY OF CASH TRANSACTIONS  
FROM INCEPTION (2006) THROUGH MAY 31, 2013

	CASH - FNB ALBANY	CASH - QUEST MANAGEMENT ACCOUNT	CASH - REVENUE ACCOUNT	CASH - EMPLOYEE SHARE ACCOUNT	TOTAL OF ALL CASH ACCOUNTS - EXCLUDING TRANSFERS B/W ACCOUNTS
	\$	\$	\$	\$	\$
BEGINNING BALANCE	-	-	-	-	-
ADD:					
INVESTED MONEY					
1 VIKING	4,000,000	-	-	-	4,000,000
2 VALHALLA OIL	1,100,000	-	-	-	1,100,000
3 ADVANTA	368,000	-	-	-	368,000
4 DESMOND BRIAN MCDONAGH	875,000	-	-	-	875,000
5 LESTER RAINEW	500,000	-	-	-	500,000
6 DR. WILLIAM KING	900,000	-	-	-	900,000
7 THOMAS M. GIBBONS	500,000	-	-	-	500,000
8 WILLIAM B. EDWARDS REVOCABLE TRUST	450,000	-	-	-	450,000
9 WILLIAM EDWARDS IRA	300,000	-	-	-	300,000
10 ADVANTAIRA TRUST, LLC	500,000	-	-	-	500,000
11 OTHER INVESTED MONEY	6,806,326	2,475,000	350,000	-	9,631,326
12 TOTAL INVESTED MONEY	16,299,326	2,475,000	350,000	-	19,124,326
OTHER DEPOSITS (NOT INCOME)					
13 LOAN TO SHAREHOLDER PAYBACK	2,000,000	-	-	-	2,000,000
14 LOAN PROCEEDS FROM FNB ALBANY	1,188,840	-	-	-	1,188,840
15 OTHER DEPOSITS (NOT INCOME)	826,888	-	-	-	826,888
16 TOTAL OTHER DEPOSITS (NOT INCOME)	4,015,728	-	-	-	4,015,728
17 PRESUMED INCOME	73,656	-	-	-	73,656
18 DIVIDEND INCOME	8,415	-	-	-	8,415
19 PROCEEDS FROM SALE OF WOODLANDS LOT	99,105	-	-	-	99,105
20 INCOME FROM SALE OF ASSETS	27,112	40,912	45,000	-	113,024
21 INCOME FROM SALE OF WELLS	-	204,793	-	-	204,793
22 OIL & GAS REVENUE	51,546	6,682	8,124,628	-	8,182,856
23 INTEREST INCOME	31,899	5,596	-	-	37,495



24	CONDO BARTER - JOHN LEONARD	6,230	-	-	-	6,230	24
25	CD CASH-IN	-	200,000	-	-	200,000	25
26	CPA ADJUSTMENT	-	8,669	1,312	-	9,981	26
27	CHECKS VOIDED IN 2013 FROM 2012	-	-	99,400	-	99,400	27
28	TRANSFERS FROM CASH ACCOUNTS	10,527,479	-	27,146	-	-	28
29	ESTIMATED TOTAL DEPOSITS	31,140,496	2,941,652	8,647,486	101	32,175,110	29
LESS:							
PAYMENTS TO RELATED PARTIES							
30	PERSONAL EXPENSES	918,506	-	-	-	918,506	30
31	LOAN TO SHAREHOLDER	1,991,372	-	-	-	1,991,372	31
32	PAYMENT TO QUEST EMG	220,000	-	12,790	-	232,790	32
33	PAYMENTS TO SCTEK	515,000	-	-	-	515,000	33
34	TOTAL PAYMENTS TO RELATED PARTIES	3,644,878	-	-	-	3,657,668	34
PURCHASE OF OIL & GAS PROPERTIES							
35	PURCHASE OF KILGORE/PREMIERE CONS	699,767	-	-	-	699,767	35
36	PURCHASE OF WOODLANDS PROPERTY	256,730	-	-	-	256,730	36
37	TOTAL PURCHASE OF OIL & GAS PROPERTIES	956,497	-	-	-	956,497	37
COMMISSIONS PAID FOR SALE OF SECURITIES							
38	COMMISSIONS PAID TO INTEGRATED ENERGY GROUP	198,850	-	-	-	198,850	38
39	COMMISSIONS PAID TO WORKMAN SECURITIES	181,250	-	-	-	181,250	39
40	COMMISSIONS PAID TO JOHN LEONARD	436,170	-	8,000	-	444,170	40
41	TOTAL COMMISSIONS PAID FOR SALE OF SECURITIES	816,270	-	-	-	824,270	41
42	PURCHASE OF CADILLAC	48,027	-	-	-	48,027	42
43	TRANSFERS FROM CASH ACCOUNTS	27,146	2,907,340	7,604,671	15,468	-	43
44	OFFICE RENT IN NAPLES, FL	5,501	-	-	-	5,501	44
45	PAYMENTS TO ACCOUNTANT IN NAPLES, FL	69,586	-	-	-	69,586	45
46	PAYMENTS TO FAMILY OFFICES - NAPLES, FL	137,000	-	-	-	137,000	46
47	ORDINARY EXPENSE	-	-	-	-	-	47
48	PAYROLL EXPENSE	2,351,884	-	-	-	2,351,884	48
49	PAYROLL TAXES	890,625	-	-	-	890,625	49
50	REPAYMENT OF INVESTED MONEY	1,937,325	-	-	-	1,937,325	50
51	INTEREST EXPENSE PAID TO INVESTORS	1,310,275	-	-	-	1,310,275	51
52	CONSULTING FEES & REIMBURSEMENTS PAID TO CHRIS MOODY	89,897	-	-	-	89,897	53
53	OTHER ORDINARY EXPENSE	18,891,436	54,199	977,064	-	19,922,699	54
54	TOTAL ORDINARY EXPENSE	25,471,442	-	-	-	26,502,705	55

55	TOTAL DISBURSEMENTS	31,176,347	2,961,539	8,602,525	15,468	32,201,254	56
56	ENDING BALANCE	<u>\$ (35,851)</u>	<u>\$ (19,887)</u>	<u>\$ 44,961</u>	<u>\$ (15,367)</u>	<u>\$ (26,144)</u>	57

A: PERSONAL EXPENSES ARE LIKELY TO EXCEED THE AMOUNT SHOWN. THERE WERE CREDIT CARDS PAID WITHIN THE COMPANY THAT WERE MAINLY EXPENSED TO TRAVEL, EMPLOYEE BENEFITS, ENTERTAINMENT & MEALS. INCLUDED WITHIN THIS NUMBER ARE ANY PAYMENTS MADE TO THE DOWNEY'S (PAUL, JEFF, SANDRA, & JAIME), ALONG WITH CAR PAYMENTS FOR A BMW, TAHOE, YUKON AND LEXUS. ALSO INCLUDED ARE PAYMENTS TO THE ABILENE COUNTRY CLUB, JEFF'S APARTMENT RENTAL, THE WOODLANDS PROPERTY EXPENSES, ETC.

B: REMAINING IN THE ACCOUNT ARE REFUNDS AND VARIOUS OTHER NON-INCOME DEPOSITS.

QUEST OPERATING, LLC  
COMPARISON OF BALANCE SHEETS FROM 2006-5/31/2013

	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	5/31/2013
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
CASH - FNB ALBANY	-	-	-	-	100	47,149	(27,505)	(35,851)
CASH - OLD MGMT ACCT	5,538	219,333	14,427	60,365	(43,179)	-	-	-
QUEST MANAGEMENT ACCOUNT	-	-	-	-	-	376,162	29,224	(19,887)
CASH - REVENUE ACCOUNT	213,192	23,244	162,551	53,240	150,790	117,024	19,469	44,961
CASH - EMPLOYEE SHARE ACCT	-	-	-	-	101	101	(15,367)	(15,367)
WOODFOREST BANK - LOT ESCROW	60,546	11,327	-	-	-	-	-	-
A/R - OIL & GAS REVENUES	39,248	134,322	11,378	114,502	-	(29,829)	(29,000)	(29,000)
NEWCO FOUNDERS' GROUP	-	-	-	-	-	-	(875,000)	(875,000)
HATCHETT 3-WELL PROGRAM	-	-	-	-	-	-	1,000	1,000
\$5.5 NOTE	-	-	-	-	-	-	3,215	3,215
A/R - JIB	592,711	1,719,831	3,144,017	4,773,723	5,076,512	244,789	790,788	791,229
A/R - EMPLOYEES	4,368	10,000	-	-	-	-	-	(2,100)
NOTE RECEIVABLE - SHAREHOLDER	-	-	26,600	36,600	36,650	-	-	-
INTEREST RECEIVABLE	-	-	-	1,541	3,373	-	-	-
WORK IN PROGRESS - VICR	-	-	-	-	-	2,429	-	-
JIB - WORK IN PROGRESS	-	-	805	114,156	1,197,585	77,136	(18,322)	(18,322)
<b>TOTAL CURRENT ASSETS</b>	<b>915,602</b>	<b>2,118,056</b>	<b>3,359,778</b>	<b>5,154,126</b>	<b>6,421,933</b>	<b>834,961</b>	<b>221,486</b>	<b>344,513</b>
<b>FIXED ASSETS</b>								
LEASEHOLD COSTS - NONPROD	2,531	5,716	13,353	400,420	5,536	817,428	878,740	878,740
LEASEHOLD COSTS - PRODUCING	400,590	719,605	720,351	731,079	1,140,860	241,002	298,158	298,158
ACCUMULATED DEPLETION	-	-	(94,927)	(94,927)	(152,529)	-	-	-
LEASE & WELL EQUIPMENT	44,703	168,396	177,104	256,762	337,189	127,709	940,453	940,453
PRODUCTION EQUIPMENT	-	21,795	32,584	32,584	32,584	1,398	1,398	1,398
A/D - LEASE & WELL EQUIPMENT	(1,597)	(31,586)	(79,380)	(150,561)	(192,394)	-	-	-
A/D - PRODUCTION EQUIPMENT	-	(3,114)	(19,239)	(19,239)	(23,052)	-	-	-
BUILDING	144,725	144,725	144,725	144,725	144,725	-	-	-
A/D - BUILDING	(1,701)	(5,412)	(9,125)	(12,834)	(16,545)	-	-	-
OFFICE EQUIPMENT	84,468	94,295	105,779	124,394	130,194	130,194	130,194	130,194
A/D - OFFICE EQUIPMENT	(9,634)	(39,331)	(81,386)	(106,682)	(118,346)	(118,346)	(118,346)	(118,346)
FURNITURE & FIXTURES	36,082	75,982	77,652	77,652	77,652	83,184	83,184	83,184
A/D - FURNITURE & FIXTURES	(3,866)	(18,914)	(36,175)	(57,797)	(63,470)	(63,470)	(63,470)	(63,470)
VEHICLES & EQUIPMENT	239,558	246,851	222,904	462,885	523,730	568,608	568,608	568,608
A/D - VEHICLES	(19,464)	(70,253)	(91,127)	(191,936)	(286,328)	(286,328)	(286,328)	(286,328)
INVESTMENT - LOT	958,170	958,170	-	-	-	-	-	-
<b>NET FIXED ASSETS</b>	<b>1,874,565</b>	<b>2,265,925</b>	<b>1,083,094</b>	<b>1,596,524</b>	<b>1,539,806</b>	<b>1,501,379</b>	<b>2,432,591</b>	<b>2,432,591</b>
<b>OTHER ASSETS</b>								
CAPITALIZED LOAN FEES	-	-	-	201,251	149,923	-	-	-
LETTER OF CREDIT - RRC	250,000	260,436	271,910	250,000	250,000	50,000	50,000	50,000
N/R - DOWTEK	-	10,526	-	-	-	-	-	-
SECURITY DEPOSITS	2,250	2,250	2,250	2,250	2,250	-	-	-

Exhibit 2 of 3

INTERCOMPANY - QUEST EMG	-	-	-	(100)	(70,046)	-	-
SUSPENSE	-	-	-	4,379	8,331	-	-
TOTAL OTHER ASSETS	252,250	273,213	274,160	406,452	(11,715)	50,000	50,000
<b>TOTAL ASSETS</b>	<b>3,042,418</b>	<b>4,657,194</b>	<b>4,717,032</b>	<b>8,368,191</b>	<b>2,324,625</b>	<b>2,704,078</b>	<b>2,827,104</b>

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES							
ACCOUNT PAYABLE - TRADE	6,434	-	-	195,814	41,072	1,638,307	1,697,174
PAYROLL DEDUCTIONS	-	-	-	-	750	7,500	15,750
LEGAL SUSPENSE	-	5,650	25,593	121,988	153,952	173,841	173,643
PETTY SUSPENSE	-	1,166	1,221	(125)	(785,785)	59,924	131,335
PREPAID JIB	1,501,446	800,235	-	-	-	-	-
A/P - QUEST OPERATING, LLC	37,460	89,226	114,908	-	-	-	-
PAYROLL PAYABLE	-	-	-	-	-	-	(2,100)
PAYROLL TAXES PAY. - FICA	-	2,946	3,896	(136)	2,816	(447)	7,844
PAYROLL TAXES PAY. - FED W/H	-	9,755	10,829	-	5,640	(3,599)	(19,693)
PAYROLL TAXES PAY. - TEC	429	172	94	52	596	596	674
PAYROLL TAXES PAY. - FUTA	461	-	558	64	490	490	826
SEVERANCE TAX PAYABLE	-	3,462	-	-	-	-	-
HEALTH INS PAYABLE	-	-	-	-	-	8,365	18,491
LIFE/AD&D/DENTAL PAYABLE	-	-	-	-	342	384	384
CHILD SUPPORT PAYABLE	-	-	-	-	-	(7,500)	(15,750)
OIL & GAS PAYABLE	44,332	229,701	347,682	-	249,678	471,076	764,114
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,590,561</b>	<b>1,142,313</b>	<b>504,781</b>	<b>317,658</b>	<b>(330,448)</b>	<b>2,348,937</b>	<b>2,772,692</b>

LONG TERM LIABILITIES

NOTES PAYABLE - FNBA	195,038	628,951	553,869	745,176	(281,189)	203,010	113,918
NOTE PAYABLE - FFB	-	-	-	35,592	16,694	2,941	2,941
NOTE PAYABLE - WOODFOREST	787,500	787,500	-	-	-	-	-
NOTE PAYABLE - VAN OPER LTD	-	624,000	624,000	649,758	(150,000)	369,285	334,369
NOTE PAYABLE ADVANTA	-	-	-	-	-	-	350,000
NOTES PAYABLE - CEP	-	-	(24,166)	-	-	-	-
NOTES PAYABLE - KPC LLC	600,000	1,875,000	1,875,000	595,000	(45,418)	-	-
NOTE PAYABLE - VALHALLA	-	-	1,100,000	1,100,000	-	-	-
NOTES PAYABLE - KPC 2	-	-	3,554,200	5,004,325	-	-	-
NOTE PAYABLE - JAIME DOWNEY	-	-	-	4,969,000	(91,500)	(40,500)	(40,500)
NOTE PAYABLE - SANDY DOWNEY	-	-	-	4,963,000	(117,000)	(13,500)	(13,500)
NOTE PAYABLE - VOLVO	-	-	-	15,667	7,121	1,389	1,389
NOTE PAYABLE - BMW FINANCE	-	-	-	47,964	33,751	19,312	14,043
NOTE PAYABLE - JPMORGAN CHASE	-	-	-	28,801	55,786	43,610	43,620
NOTE PAYABLE - FORD MOTOR	-	-	-	81,559	44,019	10,529	4,096
PAOR1 JIB PREPAYMENTS	-	-	-	1,329,563	-	-	-
NOTE PAYABLE - PAOR1	-	-	-	52,938	4,209	-	-
INTEREST PAY SEAGER/SOUTH HA	-	40,625	118,777	240,411	-	-	-
MCU 2 WELL PROGRAM	-	-	-	-	585,000	-	-
<b>TOTAL LONG TERM LIABILITIES</b>	<b>1,582,538</b>	<b>3,955,076</b>	<b>4,247,481</b>	<b>19,858,753</b>	<b>61,474</b>	<b>596,075</b>	<b>810,376</b>

Exhibit 2 2/3

STOCKHOLDERS' EQUITY										
COMMON STOCK ISSUED	-	-	-	-	50	-	-	-	-	-
PREFERRED STOCK ISSUED	-	-	-	-	542,500	-	-	-	-	-
NET MEMBERS CAPITAL	-	(130,681)	(441,195)	(43,261)	(1,136,738)	5,160,292	2,717,673	2,491,194	226,479	
CURRENT YEAR INCOME (LOSS)	(130,681)	(310,514)	405,965	(1,093,477)	(1,194,742)	(2,442,620)	(170,413)	(170,413)	(515,030)	
PREFERRED DIVIDENDS PAID	-	-	-	-	(19,289)	(124,074)	(297,000)	(297,000)	(297,000)	
TREASURY STOCK - COST	-	-	(35,230)	(1,136,738)	(10,000,000)	-	(240,934)	(240,934)	(755,964)	
TOTAL STOCKHOLDERS' EQUITY	<u>(130,681)</u>	<u>(441,195)</u>	<u>(35,230)</u>	<u>(1,136,738)</u>	<u>(11,808,219)</u>	<u>2,593,599</u>	<u>(240,934)</u>	<u>(240,934)</u>	<u>(755,964)</u>	
TOTAL LIABILITIES & EQUITY	<u>3,042,418</u>	<u>4,657,194</u>	<u>4,717,032</u>	<u>7,204,152</u>	<u>8,368,191</u>	<u>2,324,625</u>	<u>2,704,078</u>	<u>2,704,078</u>	<u>2,827,104</u>	

QUEST OPERATING, LLC  
OIL AND GAS REVENUE BY YEAR

2006	\$	295,963
2007		760,984
2008		1,419,628
2009		846,340
2010		1,435,872
2011		1,797,375
2012		1,361,808
2013		264,886
	\$	<u>8,182,856</u>