

**Promissory Note**

**Date:** October 13, 2010

**Borrower:** Quest Energy Management Group, Inc., a Texas corporation.

**Borrower's Mailing Address:**

Quest Energy Management Group, Inc.  
64 S. Jacobs St.  
Albany, TX 76430  
Shackelford County

**Lender:** First National Bank Albany/Breckenridge, a national bank.

**Place for Payment:**

P.O. Box 2019  
Albany, Shackelford County, Texas 76430, or any other place that Lender may designate in writing.

**Principal Amount:** \$700,000.00

**Annual Interest Rate:** Six and One-Fourth Percent (6.25%)

**Maturity Date:** November 13, 2013

**Annual Interest Rate on Matured, Unpaid Amounts:** Six and One-Fourth Percent (6.25%)

**Terms of Payment (principal and interest):**

The Principal Amount and interest are due and payable in 35 equal monthly installments of TWENTY-ONE THOUSAND THREE HUNDRED SEVENTY-EIGHT AND NO/100 DOLLARS (\$21378.00), beginning December 13, 2010, and thereafter on the thirteenth day of each succeeding month through October 13, 2013, and in one final installment on November 13, 2013 in the amount of the unpaid principal and accrued, unpaid interest as of that date. Payments will be applied first to accrued interest and the remainder to reduction of the Principal Amount.

**Security for Payment:** This note is secured by a deed of trust dated October 13, 2010 from Quest Energy Management Group, Inc. to J. Randall Palmore, trustee, which covers the following real property:

Those oil and gas leasehold estate, personal property and equipment on the leases as described in Exhibit A.

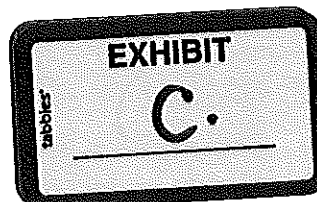
**Other Security for Payment:** None

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. After maturity, Borrower promises to pay any unpaid principal balance plus interest at the Annual Interest Rate on Matured, Unpaid Amounts.

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due. Notwithstanding any other provision of this note, in the event of a default, before exercising any of Lender's remedies under this note or any deed of trust securing it, Lender will first give Borrower written notice of default and Borrower will have ten days after notice is given in which to cure the default. If

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the default is not cured ten days after notice, Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay court costs and other costs and attorney's fees assessed by a court if this note is placed in the hands of an attorney to collect or enforce the note. Borrower will pay Lender these expenses on demand at the Place for Payment. These expenses will become part of the debt evidenced by the note and will be secured by any security for payment.

**Prepayment:** Borrower may prepay this note in any amount at any time before the Maturity Date without penalty or premium.

**Application of Prepayment:** Prepayments will be applied to installments on the last maturing principal, and interest on that prepaid principal will immediately cease to accrue.

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Each Borrower is responsible for all obligations represented by this note.

When the context requires, singular nouns and pronouns include the plural.

A default exists under this note if (1) (a) Borrower or (b) any other person liable on any part of this note or who grants a lien or security interest on property as security for any part of this note (an "Other Obligated Party") fails to timely pay or perform any obligation or covenant in any written agreement between Lender and Borrower or any Other Obligated Party; (2) any warranty, covenant, or representation in this note or in any other written agreement between Lender and Borrower or any Other Obligated Party is materially false when made; (3) a receiver is appointed for Borrower, any Other Obligated Party, or any property on which a lien or security interest is created as security (the "Collateral Security") for any part of this note; (4) any Collateral Security is assigned for the benefit of creditors; (5) a bankruptcy or insolvency proceeding is commenced by Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party; (6) (a) a bankruptcy or insolvency proceeding is commenced against Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party and (b) the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered; (7) any of the following parties is dissolved, begins to wind up its affairs, is authorized to dissolve or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party; and (8) any Collateral Security is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral security of like kind and quality or restored to its former condition.

If any provision of this note conflicts with any provision of a loan agreement, deed of trust, or security agreement of the same transaction between Lender and Borrower, the provisions of the deed of trust will govern to the extent of the conflict.

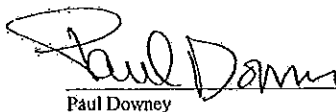
This note will be construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction.

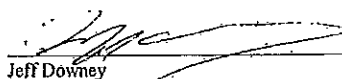
We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

Quest Energy Management Group, Inc., a Texas corporation,

  
Paul Downey, President

For value received, we, Paul Downey and Jeff Downey, jointly and severally, absolutely, irrevocably, and unconditionally guarantee payment of this note according to its terms to the same extent as if we were Borrowers on this note. We jointly and severally waive all demands and all notices, including notice of intention to accelerate maturity, notice of acceleration of maturity, notice of nonpayment or default, presentment for payment, protest, notice of protest, suit, and diligence. We also jointly and severally waive any notice of and defense based on the extension of time of payment or change in methods of payment or the release of any collateral securing this note and consent to all renewals, extensions, and other adjustments in the manner of payment of this note and any transfer of this note to any third party. This is an unconditional guaranty of payment and performance, not of collection, and it is an agreement of guaranty, not of suretyship. We jointly and severally waive all requirements of law, if any, that any collection efforts be made against Borrower or that any action be brought against Borrower before resorting to this guaranty.

  
Paul Downey

  
Jeff Downey