PARTICIPATION AGREEMENT

Lancer Petroleum Corporation, Inc.
P.O. Box 140023
Irving, Texas 75014-0023
Phone +1 (817) 821-6713

RE: Rattlesnake Air Base Project I
University Well 36-1 and University Well 36-2
Ward County, Texas

Gentlemen:

I desire to apply for the purchase of a working interest in the Rattlesnake Air Base Project I in Ward County, Texas. I ("Participant") hereby acknowledge that Lancer Petroleum Corporation ("Lancer") will drill or cause to be drilled and put into production, if warranted, a two-well program (University Well 36-1 and University Well 36-2) in the area adjacent to the Rhoda Walker Field for Cherry Canyon and Bell Canyon oil/gas production.

I hereby apply for the purchase of _____ point(s) at $24,954.00 per each point (1.00% working interest) payable upon application, and tender herewith a check or wire transfer in the amount of $___________________.

I hereby make the following representations, warranties and commitments:

Initial only what is applicable:

a. By executing this Participation Agreement, I have committed myself to become a working interest owner in this prospect. (Initials)_______

b. The undersigned has such knowledge and experience in financial and business matters that the undersigned is capable of evaluating the merits and risks of an investment in this oil prospect and of making an informed investment decision. (Initials)_______
DRILLING OPERATIONS: Upon acceptance of the same above recited consideration, Lancer, as operator (or a contract operator selected by Lancer) agrees to drill and test, and if warranted, complete and equip two oil and/or gas well(s) at a location of Lancer’s choice on the subject leases, with the following terms and conditions:

1. Lancer shall permit said well(s) with the Railroad Commission of Texas, survey and stake the drilling location(s), build a necessary lease road, prepare the location, cure title to the drillsite, contract with third party contractors and drill with due diligence two well(s) to a total depth of 7,300 feet, or a depth sufficient to test the Cherry Canyon formation, log and test said well(s) for the purpose of establishing commercial oil/gas production or plugging and abandoning same. Net revenue interest in the well(s) is 75%.

2. Lancer agrees that, during drilling and completion operations, Participant shall receive or have access to the following:
   a. Daily drilling and completion reports on the subject well(s).
   b. Copies of all logs, tests and mud log analysis of samples gained from the drilling and completion of the subject well(s).
   c. Copies of all Railroad Commission of Texas filings on the subject well(s) including the plats showing the spacing unit and acreage assigned to each well.

3. In the event that an oil and/or gas well completion is attempted on the subject well(s), Participant agrees to pay its proportionate share of the completion costs for the well(s).

4. In the event that commercial oil and/or gas production is established on the subject leases with said well(s), then both Participant and Lancer shall enter into a mutually acceptable Joint Operating Agreement Model Form 610-1989 for the operation of the subject wells. All subsequent operations in the project shall be governed by the Joint Operating Agreement.

5. In the event that the Project is not fully funded prior to commencement, Lancer reserves the right to return the funds to the participants, or to work out a mutually acceptable modification to the Project.

   I recognize that an investment in oil exploration involves a high degree of risk of loss of my entire investment. I have been advised to consult with my own financial or other advisors regarding this investment. My commitments to all investments bear a reasonable relationship to my net worth and I am able to bear the risk of loss of my entire investment in this prospect.

   In the event that a dispute arises between Participant and Lancer or its affiliates, or any of their respective successors, representatives, agents, officers or employees, in connection with this offering, the offer and sale of working interest, or this Participation Agreement, the parties hereto hereby expressly agree that any
such dispute shall be resolved through Arbitration rather than litigation, and to submit the dispute to the American Arbitration Association within 15 days after receiving a written request to do so. If any party hereto fails to submit the dispute to Arbitration with in the specified time above, the requesting party may then file any papers necessary to commence arbitration. The parties hereto agree that any hearing scheduled after an Arbitration proceeding is initiated, by either party, shall take place in Dallas, Dallas County, Texas.

This Participation Agreement, and all of its terms and conditions, represent the entire agreement between Participant and Lancer pertaining to the Rattlesnake Airbase Project I, and supersedes any and all prior agreements, written or oral. Any changes to this agreement must be agreed to in writing by both parties hereto.

Amount of Working Interest: Participant represents that he is delivering herewith a check or wire transfer in the amount of $24,954.00 per each point. The total point(s) for which Participant is offering to purchase and the total amount of the aforementioned check or certified funds are as follows:

Total Point(s) Desired: _____________
Amount of Subscription: $___________

**Make check payable to Lancer Petroleum Corporation. Please consult with Lancer Petroleum for wire transfer details.

IN WITNESS WHEREOF, the undersigned has executed this Agreement on the date set forth below:

____________________________________  ______________________________________
Participant Name (Printed)               Date

____________________________________
Participant Signature
ACCEPTANCE

Lancer Petroleum Corporation hereby accepts the offer represented by the foregoing Participation Agreement, subject to the terms and conditions thereof.

AGREED AND ACCEPTED ON THIS ___ DAY OF __________________, 20__.

By: ________________________________

Lancer Petroleum Corporation

President