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***INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES***

Mr. John Osborne
Chief Executive Officer
Lubbock Economic Development Alliance, Inc.
1500 Broadway, Suite 600
Lubbock, TX 79401

Dear Mr. Osborne:

We have performed the procedures enumerated in the attached supplement, which were agreed to by you, the specified user, solely to assist you with respect to determining the amounts payable pursuant to the Economic Development Grant Contracts with regard to job creation incentives only, for Raw Oil & Gas, Inc. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified user of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the findings as a result thereof, are enumerated in the attached supplement which is an integral part of this report.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified user listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Robinson Burdette Martin & Seright, L.L.P.

Lubbock, Texas
March 21, 2014

**Lubbock Economic Development Alliance, Inc. Agreement with
Raw Oil & Gas, Inc.
For the period from March 1, 2013 through February 28, 2014**

Background:

The Lubbock City Council established the Lubbock Economic Development Alliance, Inc. (hereinafter referred to as LEDA) to promote local economic development and stimulate business and commercial activity in Lubbock and the surrounding area. To this end, LEDA entered into a performance agreement with Raw Oil & Gas, Inc. (hereinafter referred to as "the Company") on August 27, 2012.

The terms of the agreement provide incentives to the Company for the creation of new jobs. The general terms of the agreement allow the Company to receive up to \$99,500 for the creation of fifteen (15) new full-time jobs by February 28, 2013, and the maintenance of these jobs through February 28, 2017. The Company will earn incentives ranging from \$2,500 to \$10,000 for each job created according to an annual compensation schedule, and these incentives will be earned in one-fifth (1/5) increments as of each annual measurement date.

Objective, Scope and Procedures Performed:

Our objective was to determine if the Company met the job creation requirements of their agreement with LEDA. A summary of the procedures used is as follows:

- Reviewed the pertinent contract.
- Reviewed employee census data indicating names, dates of hire, dates of termination, work locations and compensation as of 2-28-14.
- Obtained the Texas Workforce Commissions (TWC) reports for quarters ending 3-31-13 through 12-31-13 and payroll reports for the period 1-1-14 through 2-28-14.
- Reviewed wages reported on the TWC reports to verify annual compensation levels and to corroborate dates of hire and/or termination.
- Discussed questions and issues raised as a result of the above steps with Company personnel.
- Discussed agreement interpretations with LEDA personnel.

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Results and Conclusions:

Per our review of the above data:

- The Company had eight (8) full-time Lubbock employees as of March 1, 2012.
- The Company had nine (9) full-time Lubbock employees as of February 28, 2013.
- The Company had fourteen (14) full-time Lubbock employees as of February 28, 2014.
 - All fourteen (14) of the full-time Lubbock positions met the specific compensation requirements for the various levels of incentives, a net increase of six (6) full-time positions from the March 1, 2012 baseline.
 - For the six (6) qualifying positions, we selected the employees with the highest level of compensation for purposes of calculating the eligible incentives for the February 28, 2014 incentive period.

<u>Number of Employees</u>	<u>Incentive per Employee</u>	<u>Total Incentive</u>
4	\$ 10,000	\$ 40,000
1	\$ 7,500	\$ 7,500
1	\$ 5,000	\$ 5,000
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6		\$ 52,500
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Based on the above, the Company is currently entitled to receive one-fifth (1/5) of the total second-year earned incentives of \$52,500, or \$10,500.