

RECORD RETENTION POLICY AND PROCEDURES

POLICY:

Because of legal, tax, and financial reporting requirements, Index must retain certain financial, non-financial, operational and other business records, documents, data and information for varying lengths of time. Index will retain records in an orderly fashion for time periods that comply with legal and government requirements. The actual record retention period shall be based on local requirements and practices, but in no case shall records be destroyed before the recommended retention period or before local statutory requirements.

PROCEDURES:

1.0 Storage of Documentation

To ensure efficient access, filing centers will be established in centralized filing cabinets. Filing centers may be in more than one location. To reduce the amount of duplicate and unnecessary record retention, individual desk files should be avoided unless they are used in daily operations. All Company records should be filed in the centralized filing cabinets.

In addition, records may also be kept by the originator or sender, but not generally by the receiver, to avoid excess duplicate filing systems, but for the avoidance of doubt the primary formal retention location will be the central files. Storage of archived records will be maintained in the locked storage area. Access to the area will be limited to designated personnel.

Files should be stored in boxes with similar items, dates and retention periods. Non-permanent files will be stored in cardboard file boxes. Each file box will be labeled on the front with the contents, dates covered, and destruction date if applicable. Permanent records will be maintained in metal fire-resistant file cabinets. The designated person will be responsible for categorizing and maintaining a listing of records maintained and the location. Whenever possible and in compliance with regulations and statute, records should be kept in a digitized format, as well as hardcopy in a central or designated filing location(s).

2.0 Record destruction

After a period of time, all files exceeding their designated holding period will be destroyed. A listing of such files will be circulated to all managers prior to destruction for review. A listing of records destroyed will be maintained permanently by the responsible functional manager for future reference.

Destruction of the files will be performed by an independent, outside service for shredding and disposal. Disposal of records into Index's general trash service is not allowed.

Corporate Policy 4



3.0 Record Retention Guidelines

The following holding periods will be utilized for the maintenance of the general documents and records listed below. Non-official day-to-day correspondences are not subject to these guidelines.

ACCOUNTING RECORDS	RETENTION PERIOD
Accounts Payable	7 years
Accounts Receivable	7 years
Audit Reports	Permanent
Chart of Accounts	Permanent
Depreciation Schedules	Permanent
Expense Records	7 years
Financial Statements (Annual)	Permanent
Fixed Asset purchases	Permanent
General Ledger	Permanent
Loan Payment Schedules	7 years
Purchase Orders (1 copy)	7 years
Sales Records	7 years
Tax Returns	Permanent
BANK RECORDS	
Bank reconciliations	2 years
Bank statements	7 years
Canceled checks	7 years
Electronic payment records	7 years
CORPORATE RECORDS	
Board minutes	Permanent
Board Resolutions	Permanent
Company Articles of Incorporation & Bylaws (and equivalent constitutional documents)	Permanent
Business licenses	Life + 4 years
Contracts - major	Life + 3 years
Contracts - minor	Permanent
Insurance policies	Permanent
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stock transactions	Permanent
SEC filings	Permanent
Other State and Federal filings	Permanent
Fund raising records and Agreements	Permanent

ACCOUNTING RECORDS	RETENTION PERIOD
---------------------------	-------------------------

Corporate Policy 4



<p>EMPLOYEE RECORDS</p> <p>Benefit plans Employee files (ex-employees) Employment applications Employment taxes Payroll records Pension/profit sharing plans</p>	<p>Permanent 7 years 3 years 7 years 7 years Permanent</p>
<p>REAL PROPERTY RECORDS</p> <p>Construction records Leasehold improvements Lease payment records Real estate purchases</p>	<p>Permanent Permanent Life + 4 years Permanent</p>
<p>OIL AND GAS PROPERTY RECORDS</p> <p>Acquisitions & Divestitures : Evaluation records Purchase / Due Diligence / Closing Integration / Tracking Post Closing Divestitures Authorizations for Expenditure (AFE) Joint Interest Billings Joint Operating Agreements Joint Interest Audits</p> <p>Land Management : Prospect & Lease Acquisition Lease Records Lease Rental & Obligations</p> <p>Division Orders</p> <p>Reserves and Production : Reserve reports Production Volumes Reporting</p> <p>Geological and Geophysical records e.g well logs, seismic analyses Drilling and completion records Well work-over Records</p>	<p>All permanent</p>