

# Calista, Shell Oil Announce Agreement

Raymond C. Christiansen, president of Calista Corporation, announced that the final contract documents between Calista Corporation and Shell Oil Company were recently signed in Houston, Tex., pursuant to a Letter of Intent agreement between the two interests in late December, 1973.

Christiansen indicated the basic features of the contract between Calista and Shell are:

1. During 1974 and 1975, Shell Oil Company will conduct a hydrocarbon exploration program on withdrawn land in the Calista Region to develop geophysical data and recommend land to be selected;

2. within a portion of Calista's selected land, Shell Oil Company will have four exclusive oil and gas exploration lease rights. The first, which will also pay a substantial bonus to Calista, may be exercised by Shell in 1976. The three subsequent leases, which require that Shell continue exploration or drilling plus paying delay rentals to maintain the leases, could be opted by Shell over a period of time;

3. during the initial years of production, Calista would receive a substantial royalty from production revenue; and later, Calista has option to either increase its royalties or convert the agreement to a working interest for hydrocarbon exploration and development with Shell;

4. Shell is to provide on-the-job training and employment, so that at least 20% of the work

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# Calista . . .

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force employed in any phase of the exploration, drilling or production will be Calista stockholders. Additionally, three, four-year scholarships will be immediately awarded to qualified shareholders, who will undertake college work which would develop managerial Calista citizens. The scholarship provision, somewhat modified, would then continue throughout all of the years that there is a contractual relationship between Calista Corporation and Shell Oil Company.

5. The contract provides that a percentage of oil and gas produced would be available to Calista for its own purposes to provide energy benefits throughout the Calista Region such as the distribution of natural gas for power generation and heating of homes.