Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: Your social security number or your driver's license number

PAID-UP OIL AND GAS LEASE

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This Paid-Up Oil and Gas Lease (this "Lease") is made on [_____] [__], 2022, between Mittie P. Thomson, hereinafter called "Lessor" (whether one or more), whose address is _____ and **ETX Land Acquisitions, LLC** (hereinafter called "Lessee"), whose address is 329 South Main Street, Suite 201, Fort Worth, Texas 76104.

1. In consideration of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor leases exclusively unto Lessee the land described below (the "Land") for the purpose of investigating, exploring, drilling, operating for, and producing oil, gas and all other minerals, together with all rights, privileges and easements (including, for purposes of clarity, rights of ingress over, under and through the Land) which are necessary, useful or convenient in connection with the foregoing and/or in connection with injecting gas, waters, other fluids or materials, and air into subsurface strata for any purpose, laying pipelines, storing oil and/or gas, building tanks, roads, power and communication lines and other structures, facilities and improvements of any kind or character thereon, to produce, save, treat, process, gather, store, and/or transport oil, gas, other minerals and/or other products. The Land is located in San Augustine County, Texas, and described as follows:

See Exhibit A attached hereto for the description of the Land

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This Lease also covers all land owned or claimed by Lessor adjacent or contiguous to the Land, whether or not included within the above description, and (a) owned or claimed by Lessor, whether by limitation, possession, reversion, unrecorded instrument or otherwise, or (b) as to which Lessor has a preferential right of acquisition. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of the Land.

2. Subject to paragraph 16 hereof, this "paid-up" lease, requiring no rentals, is for a term of three (3) years from the date of this Lease (the "Primary Term") and as long thereafter as oil or gas is produced in paying quantities from the Land or land pooled therewith, or this Lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Lessee covenants and agrees:

(a) To pay to Lessor **1/5** (the "Royalty Fraction") of all oil or other liquid hydrocarbons produced and saved from the Land, to be delivered to Lessor at the wells or to the credit of Lessor at the pipeline to which the wells may be connected.

(b) For gas, casinghead gas, distillate, condensate and other liquid and gaseous hydrocarbons produced from the Land and sold or used off the Land, to pay to Lessor the Royalty Fraction of the market value, computed at the well, of such gas, casinghead gas, distillate, condensate and other liquid and gaseous hydrocarbons so sold or used; provided, however, that on such gas sold at the wells, Lessee shall pay to Lessor the Royalty Fraction of the net sales proceeds actually received by Lessee from the sale of such gas, casinghead gas, distillate, condensate and other gaseous hydrocarbons produced from the Land.

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(c) Lessee must disburse or cause to be disbursed to Lessor its royalty on production from any well producing oil, gas or related hydrocarbons not later than six months after the first day of the month following the date of first sale and thereafter not later than (i) sixty (60) days after the end of the calendar month within which payment is received by Lessee for oil production, and (ii) ninety (90) days after the end of the calendar month within which payment is received by Lessee for gas production.

4. If, at any time after the Primary Term, there is a well capable of producing gas in paying quantities located upon the Land or on lands pooled therewith but such well is awaiting pipeline connection or is shut-in for any other reason (whether before or after production) and this Lease is not maintained in force by operations or production at any well or by other activity or event,

nevertheless it shall be considered that gas is being produced in paying quantities within the meaning of this Lease (all such wells collectively referred to as the "Shut-in Well"). On or before the end of the initial year during which this Lease is maintained in force for the entire annual period under this paragraph, if the Shut-in Well has been shut-in for at least 90 consecutive days during such period, Lessee shall pay or tender to Lessor hereunder, or to those entitled to the royalties provided for in this Lease, a shut-in royalty equal to ONE DOLLAR ($1.00) per acre then held under this Lease at the time such payment or tender is made. Each subsequent payment or tender shall be made thereafter in like manner and amount on or before the end of each annual period while the Lease is maintained in force for the entire annual period under the first sentence of this paragraph. Lessee's failure to timely or correctly pay or tender the shut-in royalty for any year shall not operate to terminate this Lease or serve as a basis for its cancellation, but Lessee shall correct any erroneous payment or tender, when notified thereof, and if late then Lessee shall make the correcting payment or tender with interest at the rate of six (6%) percent per annum to those to whom such shut-in royalty was not timely or correctly paid or tendered. As long as any well is shut-in, it shall be considered for the purposes of maintaining this Lease in force that oil and/or gas is being produced in paying quantities and this Lease shall continue in effect both before and after the Primary Term. Notwithstanding anything to the contrary contained in this Lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.

5. Lessee is hereby granted the right, at its option, to pool all or any part of the Land with any other lease or leases, lands, mineral estates, or any of them whether owned by Lessee or others, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed 640 acres, plus an acreage tolerance of 10%, or such larger unit as may be prescribed or permitted by federal, state, or local law or regulation. Each such drilling or production unit shall conform to the rules and regulations of the Texas Railroad Commission, or any governmental authority having jurisdiction over the Land. In the event of the pooling of the whole or any part of the Land, Lessee shall before or after the completion of the well, record a copy of its unit designation in the County where the Land is located. Lessee may, at any time and from time to time, before or after commencement of production, amend, re-form, reduce, or enlarge the size and shape of any unit formed, and increase or decrease that portion of the acreage covered by this Lease which is included in any drilling or production unit; provided, that Lessee shall file an appropriate instrument of record in the County records where the Land is located. As to each drilling or production unit designated by Lessee, Lessor agrees to accept and shall receive out of the production or the proceeds from the production from such unit, such proportion of the royalties specified herein, as the number of acres out of the Land which may be included from time to time in any such unit bears to the total number of acres included in such unit. Operations on any portion of the unit created under the terms of this paragraph shall have the same effect upon the terms of this Lease as if operations or production are being conducted or occurring on the Land. Lessor agrees to fully cooperate with Lessee's efforts to drill one or more wells, establish one or more units, or undertake other activities permitted by this Lease, including Lessee's applications and compliance with federal, state, and local regulatory authorities, such as the Texas Railroad Commission, and other governmental offices and agencies.

6. This Lease and all of its conditions, covenants, and terms shall extend to and bind the successors and assigns of Lessor and Lessee. The rights of either party may be assigned in whole or in part, and the provisions of this Lease shall extend to and be binding on their respective heirs, successors, personal representatives, and assigns. Upon assignment by Lessee, Lessee shall be relieved of any obligation, payment or liability thereafter to accrue to the assigned portion of the Lease. No change of ownership of the Land or the right to receive any payments or notices under this Lease shall be binding on Lessee until 30 days after Lessee has been provided with satisfactory written evidence of such change of ownership or the right to receive payments or notices.

7. Lessee may, at any time, release this Lease, or any part thereof, and be relieved of any and all unaccrued obligations, payments, and liabilities, by either mailing a notice to Lessor of such release, or by recording such as release.

8. Should production of oil or gas in paying quantities be obtained while this Lease is in full force and effect and should thereafter cease from any cause after the expiration of the Primary Term, this Lease shall not terminate if Lessee commences operations intended to restore production within ninety (90) days after the cessation of such production and shall remain in full force and effect so long as operations are prosecuted in good faith and with no cessation of more than ninety (90) consecutive days, and if such operations result in the production of oil or gas in paying quantities, so long thereafter as oil or gas is produced in paying quantities from the Land or land pooled therewith.

9. All payments under this Lease shall be made by check or voucher to the order of, and shall be mailed **TO LESSOR AT ABOVE ADDRESS,** or its successors, unless and until Lessee shall have received written notice from Lessor of a different address or payment instructions. If nothing is inserted in the preceding blanks, Lessee may mail all payments to Lessor at the address maintained in Lessee's records for Lessor. All payments or royalty are to be made according to Lessor's interest, and this Lease shall not be forfeited for Lessee's failure to pay any royalties or other payments. This Lease shall never be subject to a civil action due to Lessee's alleged failure to perform as specified or implied under this Lease unless Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy Lessor's demand within ninety (90) days from the actual receipt of such notice. If Lessor owns less than the entire undivided interest in the oil, gas and minerals in and under the Land, then the royalties, including shut-in royalties, and other payments herein provided for shall be paid to Lessor only in the proportion which his interest

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bears to the whole and undivided interest in the Land.

10. If, at the expiration of the Primary Term, oil or gas is not being produced from the Land or acreage pooled therewith, but Lessee has commenced operations for the drilling of a well that traverses the Land or land pooled therewith, this Lease will not terminate but will remain in effect so long thereafter as operations are carried out with due diligence with no cessation of more than 90 days, and if the operations result in the production of oil or gas, the Lease shall remain in force as otherwise provided herein. Whenever used in this Lease, the term "operations" shall mean: preparing a drillsite location or access road, drilling, testing, reworking, recompleting, deepening, sidetracking, plugging back, or repairing of a well in search for, or in an endeavor to maintain, re- establish, or enhance the production of oil or gas or both, whether or not in paying quantities.

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11. If drilling or other operations hereunder are delayed or interrupted by lack of water, labor, or material, or by fire, storm, flood, weather, war, rebellion, insurrection, riot, strike, pandemic, differences with workmen, failure of subcontractors, or failure of carriers to transport or furnish facilities for transportation, or as a result of some order, rule, regulation, requisition or necessity of the government, or any other recognized force majeure, or as the result of any other cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. All express or implied covenants of this Lease shall be subject to all Federal, State, and Local Laws, Executive Orders, Rules or Regulations and this Lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Ordinance, Rule, or Regulation.

12. Lessor hereby warrants and agrees to defend title to the Land, and agrees that Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on the Land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor under this Lease. In the event a judicial claim is asserted against Lessor's title to the Land, Lessee shall have the right to deposit royalties into the registry of the applicable court as to those royalties that are associated with or attributable to such judicial claim.

13. It is agreed that Lessee shall have the privilege of using, free of charge, sufficient water, oil, and gas from the Land in connection with Lessee's operations, including that which is necessary to run all equipment and machinery for operations thereon. Lessee shall have the right at any time during the term of this Lease or after the expiration or termination thereof to remove all machinery, fixtures, pipelines, meters, well equipment, houses, buildings, and other structures which Lessee has placed or caused to be placed on the Land, including the right to pull and remove all casing and tubing.

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14. All notices will be deemed given and reports and documents will be deemed delivered if sent by certified letter, return receipt requested, properly addressed and deposited in the United States Postal Service, postage prepaid, to Lessor and Lessee at the addresses shown for each party. Any party may designate a new address by proper notice to the other party or parties.

15. If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Lease will remain in full force and effect. In the event any provision of this Lease is held invalid or unenforceable, the Court making such finding may, upon request by Lessee, revise such invalid or unenforceable provision such that it becomes valid and enforceable.

16. For the above consideration, Lessee is granted the option to extend the Primary Term for an additional two (2) years. Lessee may exercise this option by paying or tendering to the Lessor or Lessor's credit, the sum equal to the number of net mineral acres covered by this Lease multiplied by the original bonus amount per net mineral acre paid as consideration for this Lease on or before the expiration of the Primary Term, which payment, when made, shall constitute the entire payment due for the extended Primary Term. If this option is exercised, any event, action, or other matter required or permitted to be done or occur by the end of the Primary Term shall be required or permitted to be done or occur by the end of the extended Primary Term. For avoidance of doubt, the foregoing consideration is not required in connection with any extension of the Lease term beyond the Primary Term as a result of oil or gas being produced in paying quantities from the Land or land pooled therewith.

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17. It is agreed that a Memorandum of Oil and Gas Lease will be filed of record for the purpose of providing record notice of the existence of this Lease in lieu of recording the executed original. Said Memorandum of Oil and Gas Lease shall be recorded by Lessee in the Official Public Records of San Augustine County, Texas, within a reasonable period of time after the date hereof and, upon receipt of written request therefor, Lessee shall provide Lessor with a copy thereof reflecting such recordation.

[Signature page follows]

Executed on the date first written above.

LESSOR:

_____
Mittie P. Thomson

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on_____,_____, by _____.

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STAMP OR SEAL _____

Notary Public, State of _____

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Exhibit "A"

Attached to and made a part of that certain Oil & Gas Lease dated July___ , 2022, by and between, **Mittie P. Thomson**, as Lessor, and **ETX LAND ACQUISITIONS, LLC**, as Lessee, and covering **140.00 acres**, more or less.

PROPERTY DESCRIPTION:

TRACT 1: That certain tract or parcel of land containing **75.00 acres**, more or less, situated in the John Chumley Survey, A-75, San Augustine County, Texas, and being the same land more particularly described as Tract Two in that certain Special Warranty Deed dated February 27, 2013, recorded in Volume 268, Page 671 of the Deed Records of San Augustine County, Texas.

TRACT 2: That certain tract or parcel of land containing **50.00 acres**, more or less, situated in the John Chumley Survey, A-75, San Augustine County, Texas, and being the same land more particularly described as Tract Three in that certain Special Warranty Deed dated February 27, 2013, recorded in Volume 268, Page 671 of the Deed Records of San Augustine County, Texas.

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TRACT 3: That certain tract or parcel of land containing **15.00 acres**, more or less, situated in the E. Quirk Survey, A-35, San Augustine County, Texas, and being the same land more particularly described as Tract Six in that certain Special Warranty Deed dated February 27, 2013, recorded in Volume 268, Page 671 of the Deed Records of San Augustine County, Texas.

Tracts 1, 2 & 3 combined comprise 140.00 acres, more or less, being leased herein.

Additional Terms and Provisions:

In the event of a conflict or inconsistency between the printed terms of this Lease and these added terms of this Lease, the added terms shall control and be deemed to supersede the printed terms of the Lease.

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18. COUNTERPARTS: This Lease may be executed in multiple counterparts and shall be binding on all parties signing it, whether or not all parties sign.

19. SUB-SURFACE EASEMENT: Notwithstanding anything to the contrary contained herein, Lessee is hereby granted a Sub-Surface Right-of-Way, and Easement across the leased premises, for the purpose of drilling, operating, producing, reworking and maintaining any directional or sidetrack well or wells from any surface location situated off the leased premises to such bottomhole location as Lessee may deem appropriate. This Sub-Surface Right-of-Way, Easement shall remain in effect so long as this lease remains in effect, and/or so long thereafter as Lessee continues to use these rights.

20. EXPANDED MOTHER HUBBARD: It is the intention of Lessor and Lessee that this lease cover and include any and all of Lessor's interest in and all lands of Lessor in the Survey and Abstract provided in the property description of the leased premises, including but not limited to lands which are now or which may have been possessed (adversely or otherwise) by Lessor or its ancestors in title. Lessor and Lessee mutually agree that, to the best of their knowledge, the boundary lines of the Survey and Abstract are not set out by an official survey. Should it later be determined that all or any portion of the hereinabove described property be located in a Survey and Abstract not heretofore described, Lessor hereby agrees that this lease shall immediately attach thereto and be covered hereby. It is also the intention of Lessor herein to lease any and all mineral interest that they may own in and to any rights-of-way, railroad rights-of-way, servitudes, roads, streets, alleys, ditches, streams and canals either adjacent to, contained within or traversing across the hereinabove described property.

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21. COMMINGLING PRODUCTION: Lessee is granted the right at any time and from time to time to commingle oil and gas produced from the leased premises with like production from other separately owned land(s) prior to delivery. If the oil and gas is commingled with like production from other separately owned land(s) prior to delivery, Lessor's interest in the commingled production will be determined by meter measurements, periodic well tests or any other methods generally accepted in the industry as an equitable basis for determining the quantity and quality of the production sold or delivered from each separately owned source of production.

22. LIMITATIONS: It is understood that the parties expressly limit the grant of this lease to include only oil, gas and other liquefied and gaseous hydrocarbons together with other associated

products mined or refined as by-products of or in connection with oil and gas production.

23. SHUT-IN PAYMENTS: Notwithstanding anything to the contrary contained in this lease, after the expiration of the primary term, this lease may not be maintained in force and effect for more than two (2) years solely by the payment of shut-in royalty.

24. PUGH CLAUSE: Notwithstanding any provision contained herein to the contrary, after the expiration of the latter of the primary term or continuous development provision contained herein, it is agreed that drilling and/or reworking operations on, or production from, a pooled unit or units created under the terms of this lease, shall not maintain this lease in force as to acreage covered herein which is not included within a unit and this lease can only be maintained in force on acreage covered herein which is not included in a unit by (a) Shut-in royalty payment in accordance with the terms herein; and/or (b) drilling or reworking operations on, or by production from acreage not included in a unit as the case may be under other provisions of this lease.

It is agreed that in the event of a partial release or termination, Lessee shall have and retain the right to maintain and use that portion or portions of the lease premises released or terminated for the purpose of operations by Lessee on any other portion or portions of the lease retained by Lessee.

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End of Exhibit "A"

Updated Lease Proposal:
Bonus Offer: $1,250/net mineral acre
Net Acres: 1.8148± acres (pending title review and approval)
Primary Term: 3 years
Royalty: 1/4th (25%)
Extension: 2 years
Extension Bonus: $1,250/net mineral acre

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