

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**ASSIGNMENT OF WORKING
INTEREST IN AN OIL AND GAS WELLBORES**

(Arch #1H/#2H Wells)

STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF KARNES §

THAT for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, TIDAL PETROLEUM, INC., a Texas Corporation (hereinafter referred to as "Assignor"), whose address is 5501 Mid Cities Parkway, Suite 200, Schertz, Texas 78154, subject to the following terms, provisions, definitions, and conditions, does hereby BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY to RICHARD L. FALKENHAGEN JR. (hereinafter referred to as "Assignee"), whose address is 2222 HOLLY CREEK TRAIL TOMBALL, TX 77377 an Undivided 0.011494253 Working Interest in and to the oil, gas and mineral leases described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to collectively as the "Subject Leases"), IN SO FAR AND ONLY IN SO FAR as the Subject Leases cover the Arch #1-H/#2H Wellbores ("Wellbores") rights in the Arch #1-H/#2H Wells being API# 42-255-36713 and API# 42-255-36719, respectively in Karnes County, Texas ("Subject Wells"). The Wellbores are located in that certain tract of land lying and situated in Karnes County, Texas, and being more particularly described on the attached Exhibit "A". The Wellbores are depicted as the staked Arch #1-H/#2H Wells ("Subject Wells") location on the Plat marked Exhibit "B", attached hereto and made a part hereof for all purposes.

It is expressly agreed that this Wellbore Assignment shall not vest in Assignee the following rights or privileges:

- (a) To sidetrack the Wellbores or in any way deviate from the existing Wellbores;
- (b) To recomplate or produce the Wellbores in any formation other than the Eagle Ford Formation;
- (c) To extend the Wellbores vertically or horizontally.

Notwithstanding the rules and regulations of the Railroad Commission of Texas, Assignor shall have the right, in its sole and absolute discretion, to designate acreage in any form surrounding the wellbores as "Proration Acreage," and there is reserved to the Assignor and Assignor's successors or assigns all oil, gas and related hydrocarbons outside the Wellbore's agreed Proration Acreage, together with the right to drill one or more horizontal drainholes through such Proration Acreage; provided, that portion of any horizontal drainhole drilled through Assignee's Proration Acreage as to the Eagle Ford Formation only shall be conclusively deemed to be a "no perforation zone." All other geological formations other than the Eagle Ford Formation are reserved to Assignor and may be explored and produced by Assignor.

This Assignment includes any renewal, extension, ratification and amendment to the Subject Leases. Assignor may amend the Subject Leases without the approval of Assignee.

Assignee has no individual right of ingress and egress across the Subject Leases for access to the assigned Wellbores or acreage. Assignor reserves to itself all rights-of-way, easements, servitudes, surface use agreements, off-lease site agreements and subsurface easements, subsurface leases, permits and licenses, if any, to the extent that they are transferable and are appurtenant to, or used in connection with the ownership or operation of the Wellbores herein assigned.

This Assignment is made subject to the following:

1. The terms and provisions of the Subject Leases, including Assignee's proportionate share of all royalties and overriding royalties (collectively, "Royalty") outstanding, under or against the Subject Leases, INSO FAR AND ONLY INSO FAR as the Subject Leases cover the Wellbores, and which are in existence as of the date of execution of this instrument, which Royalty totals an undivided .30000 of 8/8 (30.0%) of production of hydrocarbons from and/or attributable to the Subject Leases; and

2. The terms and provisions of the Subject Leases and Unit Designation as described on Exhibit "A" INSO FAR AND ONLY INSO FAR as the Subject Leases and Unit Designation cover the Wellbores.

3. The terms and provisions of that certain Operating Agreement dated March 7, 2019, by and between Tidal Petroleum, Inc., Assignor, as Operator, and Assignee and others, as Non-Operator, an executed copy of which is in the possession of Assignor and Assignee, reference to which is hereby made for all purposes ("JOA"). In the event of a conflict between the JOA and this Assignment, the terms and provisions of this Assignment shall control.

4. For purposes of this Assignment, the definition of "Wellbores" shall be the right of Assignee in this Assignment to participate as a Working Interest Owner in the Subject Wells.

5. The continuing right reserved by Assignor to unilaterally and without prior consent or approval of Assignee release all or part of the Subject Leases, including all rights of Assignee to the Wellbores in the event of plugging and abandonment of the Subject Wells and in accordance with the terms and provision of the Subject Leases and the JOA.

With respect to the Undivided Working Interest in and to the Subject Leases, INSO FAR AND ONLY INSO FAR as the Subject Leases cover the Wellbores, being assigned herein, this instrument is executed, delivered and recorded WITHOUT ANY REPRESENTATIONS OR WARRANTIES (OF TITLE, MERCHANTABILITY, OR OTHERWISE), EITHER STATUTORY, EXPRESS OR IMPLIED.

The terms and provisions of this instrument shall be binding upon and shall inure to the benefit of Assignor and Assignee, their respective heirs or successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20th day of August, 2020, but shall be effective as of the date of the first production from the Subject Wells.

ASSIGNOR:

TIDAL PETROLEUM, INC.

BY:

JEFFREY SCHRANTZ, Vice President

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF GUADALUPE §

This instrument was acknowledged before me on this the 20th day of August, 2020, by JEFFREY SCHRANTZ, Vice-President of TIDAL PETROLEUM, INC., a Texas Corporation, on behalf of said corporation.

Kim L. Quirie
NOTARY PUBLIC, STATE OF TEXAS



EXHIBIT "A"
OIL, GAS AND MINERAL LEASES

TRACT 1. Lease 1

Oil and Gas Lease between George A. Hofauer and wife, Michelle D. Hofauer, as Lessor and SP Thompson & Sons, L.P., dated August 25, 2018, covering 1.217 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800003627, Official Public Records, Karnes County, Texas.

TRACTS 2 and 3, Lease 2

Oil and Gas Lease between Archbishop of San Antonio, Texas F/B/O Nativity of the Blessed Virgin Mary Roman Catholic Church, as Lessor and SP Thompson & Sons, L.P., dated March 2, 2018, covering 9.8 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800002984, Official Public Records, Karnes County, Texas.

TRACT 4, Lease 3

Oil and Gas Lease between Barnard James Jaskinia and wife Lynda Jaskinia, as Lessor and SP Thompson & Sons, L.P., dated May 9, 2018, covering 4.57 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800002983, Official Public Records, Karnes County, Texas.

TRACT 5, Lease 4

Oil and Gas Lease between Anselma A. Janecka, as Lessor and SP Thompson & Sons, L.P., dated January 10, 2018, covering 2.71 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800002982, Official Public Records, Karnes County, Texas.

TRACT 6, Lease 5

Oil and Gas Lease between Marcus L. Lewis and wife, Denise Lopez Lewis, as Lessor and SP Thompson & Sons, L.P., dated April 23, 2018, covering 1.59 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800002981, Official Public Records, Karnes County, Texas.

TRACT 7, Lease 6

Oil and Gas Lease between Jimmy R. Mutz, as Lessor and SP Thompson & Sons, L.P., dated April 26, 2018, covering 28.5 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800003625, Official Public Records, Karnes County, Texas.

TRACT 7, Lease 7

Oil and Gas Lease between Troy David Mutz, as Lessor and SP Thompson & Sons, L.P., dated April 26, 2018, covering 28.5 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800003626, Official Public Records, Karnes County, Texas.

TRACT 7, Lease 8

Oil and Gas Lease between Brian Keith Mutz, as Lessor and SP Thompson & Sons, L.P., dated April 26, 2018, covering 28.5 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800003623, Official Public Records, Karnes County, Texas.

TRACT 7, Lease 9

Oil and Gas Lease between The Elmer J. and Rose Marie Pavlas Living Trust, as Lessor and SP Thompson & Sons, L.P., dated April 26, 2018, covering 28.5 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800003624, Official Public Records, Karnes County, Texas.

TRACT 8, Lease 10

Oil and Gas Lease between Theresa Kotara, et al, as Lessor and SP Thompson & Sons, L.P., dated March 16, 2018, covering 22.6 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800002979, Official Public Records, Karnes County, Texas.

TRACT 8, Lease 11

Oil and Gas Lease between Theresa Kotara, et al, as Lessor and SP Thompson & Sons, L.P., dated March 16, 2018, covering 22.6 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201800002980, Official Public Records, Karnes County, Texas.

TRACT 9, Lease 12

Oil and Gas Lease between Shirley Ann Mzyk Reinhard, et al, as Lessor and Tidal Petroleum, Inc., dated June 12, 2019, covering 10.658 acres, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201900002438, Official Public Records, Karnes County, Texas.

TRACT 10, Lease 13

Oil and Gas Lease between Mary Ellen Frazier, et al, as Lessor and Tidal Petroleum, Inc., dated November 11, 2018, covering 1 acre, more or less, and recorded by Memorandum of Oil, Gas and Mineral Lease in Document Number 201900000244, Official Public Records, Karnes County, Texas.

TRACT 11, Lease 14

Oil and Gas Lease between Luke Krawietz, Jr., et al, as Lessor and Tidal Petroleum, Inc., dated May 29, 2019, covering 0.50 acres, more or less, and recorded by Memorandum of Oil, Gas and

Mineral Lease in Document Number 201900002179, Official Public Records, Karnes County, Texas.

TRACT 12, Lease 15

Pooling Agreement Number M-120103, between the State of Texas and Tidal Petroleum, Inc., dated October 8, 2019, covering 1.0 acres, more or less, Karnes County, Texas, and recorded in Document Number 201900005263, Official Public Records, Karnes County, Texas.

TRACTS 13, 14 & 15, Lease 16

Pooling Agreement Number M-120109, between the State of Texas and Tidal Petroleum, Inc., dated October 8, 2019, covering 2.78 acres, more or less, Karnes County, Texas, and recorded in Document Number 201900005264, Official Public Records, Karnes County, Texas.

Texas Royalty Brokers

Texas Royalty Brokers

EXHIBIT "B"

No. 1H (ELEV. 313') is located at					
SHL	PP	FTP	LTP	RHL	
N 430288	N 430125	N 430137	N 429665	N 429550	
E 2335831	E 2338811	E 2338274	E 2341187	E 2341236	
LAT. 29°00'44.81"					
LONG. 97°56'14.44"					
351' FNSL					15' FSDU
373' FNSL					680' FNSU
351' FNSL					1258' FNSU
3438' FESL					3738' FESU

No. 2H (ELEV. 314') is located at:				
SHL	PP	FTP	LTP	BHL
N 430269	N 430482	N 430466	N 428082	N 429797
E 2339814	E 2338074	E 2339420	E 2341520	E 2341550
LAT. 28°00'44.82"				
LONG. 97°55'14.83"				
542' FWUL				29' FSEUL
353' FWUL				342' FEUL
542' FWUL				1001' FSWL
545B' FESL				345' FESL

Location-is-situated-approximately-5-miles-east-southeast-of-the-town-of-Falls-City.

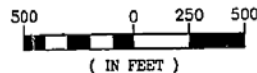
There may be existing pipelines not shown on this plot and pipelines shown thereon are for graphic purposes only and may or may not be at the placed location. Use the Texas One Call System to locate pipelines before performing any excavation on this property.

Bearings, distances and coordinates are based on the Texas State Plane Coordinate System, North American Datum of 1927, South Central Zone.



FIRM REG. NO. 10193705
506 Second Street
P.O. Box 1284
Woodsboro, TX 78393
Phone 361-543-8161
Fax 361-288-8438

AS-DRILLED LOCATIONS MADE FOR
TIDAL PETROLEUM, INC.
ARCH - WELLS NO. 1H & 2H
A. HERNANDEZ HEIRS SURVEY, ABSTRACT-4
KARNES COUNTY, TEXAS



Registered Prof. Land Surveyor
Registration No. 6198

[illegible]

This plot meets the requirements for filing a well location plot with the Texas Railroad Commission and is intended solely for that purpose. This plot is not intended to represent a boundary survey and does not meet the requirements for boundary surveys in the State of Texas, prepared this the 20th day of March, 2020.

FILED AND RECORDED

Instrument Number: 202000003013

Filing and Recording Date: 09/11/2020 09:56:19 AM Pages: 7 Recording Fee: \$46.00

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL RECORDS of Karnes County, Texas.



Carol Swize

Carol Swize, County Clerk
Karnes County, Texas

ANY PROVISION CONTAINED IN ANY DOCUMENT WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE REAL PROPERTY DESCRIBED THEREIN BECAUSE OF RACE OR COLOR IS INVALID UNDER FEDERAL LAW AND IS UNENFORCEABLE.

areyes

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