



421 B North Center Street, Longview, Texas 75601

JARED W. REYNOLDS, CPL

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October 21, 2021

Ms. Marguerite L. Bowen
5151 Richmond Avenue, Apt. 136
Houston, Texas 77056

RE: Oil & Gas Lease
96.26 Acres
A. Lagrone Survey, A-391
Panola County, Texas

Dear Ms. Bowen,

Please find enclosed a Memorandum of Oil and Gas Lease and Oil and Gas Lease covering your interest in the captioned land. Also enclosed is a draft in the amount of \$12,032.50. The terms reflected are \$750.00 per net acre bonus consideration, a 1/5 royalty and a five year primary term.

If everything appears to be in order, sign the lease in the presence of a Notary Public and return them to me with the signed W9 at your earliest convenience in the enclosed envelope. Please hold on to the drafts as your receipt and the company will issue checks when the executed leases are returned. This will avoid bank drafting fees.

If you have any questions, please do not hesitate to give me a call at the number shown above. Thank you for your time and attention in this matter.

Sincerely,

Jared W. Reynolds

Jared W. Reynolds

JWR/bs

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.

Producers 88 (4-89) Paid Up
With 640 Acres Pooling Provision

POUND PRINTING & STATIONERY COMPANY
4703-C RICHMOND HOUSTON, TEXAS 77027 (713) 552-9797

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 21st day of October, 2022, between Marguerite L. Bowen, Individually and as Remainderman, as Lessor (whether one or more), whose address is: 5151 Richmond Avenue, Apartment 136, Houston, Texas 77056 and DANMARK ENERGY LP, whose address is: 1907 E Old Highway 80, White Oak, Texas 75693, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

96.26 acres of land, more or less, located in the A. Lagrone Survey, A-391, Panola County, Texas, being the same land described in a Warranty Deed dated July 27, 1979 from Stephen Michael Bowen and Elizabeth Bowen Waller to Texas Utilities Generating Company, recorded in Volume 660, Page 722 of the Deed Records of Panola County, Texas.

in the County of Panola, State of Texas, containing 96.26 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non-hydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. 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.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall one-fifth (1/5) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be one-fifth (1/5) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered direct to Lessor at the address shown above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to

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MEMORANDUM OF OIL AND GAS LEASE

STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS, THAT:

COUNTY OF PANOLA §

Marguerite L. Bowen, Individually and as Remainderman, whose address is: 5151 Richmond Avenue, Apartment 136, Houston, Texas 77056, as Lessor, has granted an Oil and Gas Lease to DANMARK ENERGY LP, as Lessee, whose address is: 1907 E Old Highway 80, White Oak, Texas 75693, by instrument dated October 21, 2022, by which said party leased and let unto said Lessee, for a valuable consideration and subject to the terms, conditions and provisions of said lease, the following described land in Panola County, Texas, to wit:

96.26 acres of land, more or less, located in the A. Lagrone Survey, A-391, Panola County, Texas, being the same land described in a Warranty Deed dated July 27, 1979 from Stephen Michael Bowen and Elizabeth Bowen Waller to Texas Utilities Generating Company, recorded in Volume 660, Page 722 of the Deed Records of Panola County, Texas.

Said lease is for a primary term of five (5) years from its date and as long thereafter as oil and/or gas is being produced in paying quantities or operations are being conducted on the land affected or acreage pooled therewith.

Said lease gives the Lessee the right to explore and produce oil and/or gas, subject to the royalty payments provided for therein and to the performance by Lessee of the other obligations therein undertaken.

This instrument is to be placed of record to serve as notice of execution and existence of said lease and is in no way to supersede the same or to abrogate, change, alter, or modify any of the terms or conditions or any of the rights or obligations of any of the parties, all of which are set forth in detail in said lease, which is made a part hereof by reference the same as though written in extenso herein.

IN WITNESS WHEREOF, this instrument shall be considered effective October 21, 2022.

LESSOR.

Marguerite L. Bowen, Individually
and as Remainderman

STATE OF TEXAS

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COUNTY OF _____

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This instrument was acknowledged before me on the _____ day of _____, 2022, by Marguerite L. Bowen, Individually and as Remainderman.

Notary Public, State of Texas