

PRODUCERS 88 REV.-TEX. A (6-73)

OIL, GAS AND MINERAL, LEASE (PAID-UP)

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.

THIS AGREEMENT made and entered into this 24th day of November, 2014, by and between **Franklin Berry Anderson, a married man dealing in his sole and separate property**, whose address is 8806 N. Navarro 600/276, Victoria, TX 77904, hereinafter called "Lessor", whether one or more, and **Sullivan Land Resources, Inc.**, whose address is 2212 NW 50th Street, Suite 247C, Oklahoma City, OK 73112, hereinafter called "Lessee".

WITNESSETH: Lessor, in consideration of Ten and no/100's Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contains, Lessor does hereby grant, lease and let exclusively unto Lessee its successors and assigns, all of the land hereinafter described, together with any reversionary rights therein for the purpose of exploring by geological, geophysical and all other methods, and of drilling, producing and operating wells or mines for the recovery of oil, gas and other hydrocarbons, and all other minerals or substances, whether similar or dissimilar, that may be produced from any well or mine on the leased premises, including primary, secondary, tertiary, cycling, pressure maintenance methods of recovery, and all other methods, whether now known or unknown, with all incidental rights thereto, and to establish and utilize facilities for surface and subsurface disposal of salt water, and to construct, maintain and remove roadways, tanks, pipelines, electric power and telephone lines, power stations, machinery and structures thereon, to produce, store, transport, treat and remove all substances described above, and the products therefrom, together with the right of ingress and egress to and from said land across any other land now or hereafter owned by Lessor. The land hereby leased is situated in the County of Ward, State of Texas, and is described as follows:

All of Water Tract # 1 and Water Tract # 2 lying North and East of Lateral #2 and containing 52.0 acres, more or less.

Thomas Harrison Survey, Homestead E, Abstract 391

This lease covers all of the land described above, including any interests therein that any signatory hereto has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth, all lands now or hereafter owned or claimed by Lessor, adjacent, contiguous, or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation, or otherwise, or are fenced or unfenced, and whether such lands are inside or outside of the metes and bounds description set forth above, or are in the named survey, or other survey or surveys. The bonus money paid for this lease is in gross, and not by the acre, and shall be effective to cover all such land irrespective of the number of acres contained therein, but the land included within this lease is estimated to comprise **52.00** acres, whether actually more or less, and such land is hereinafter referred to as the "leased premises".

TO HAVE AND TO HOLD the leased premises for a term of three (3) years from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons, or other minerals or leased substances, or either or any of them, are produced from the leased premises or from lands with which the leased premises are pooled or unitized.

In consideration of the premises it is hereby agreed as follows:

1. **Royalty On Oil.** Lessee shall deliver to Lessor, at the well or to the credit of Lessor in the pipeline to which the well may be connected one-quarter (1/4th) of all oil and other liquid hydrocarbons produced and saved from the leased premises, or Lessee, at its option, may buy or sell such one-quarter (1/4th) royalty and pay Lessor the market price for oil or liquid

hydrocarbons of like grade and gravity prevailing in the field on the day such oil is run into pipelines or into storage tanks. Lessor's royalty interest in either case shall bear its proportion of any expenses for transporting and treating oil to make it marketable as crude.

2. Royalty On Gas. Lessee shall pay to Lessor as royalty on gas, including casinghead gas or other gaseous substances produced from said land and sold on or off of the premises, one-quarter (1/4th) of the net proceeds at the well received from the sale thereof, provided that on gas used off the leased premises or by Lessee in the manufacture of gasoline or other products therefrom, the royalty shall be the market value at the well of one-quarter (1/4th) of the gas so used; as to all gas sold by Lessee under a written contract, the price received by Lessee for such gas shall be conclusively presumed to be the net proceeds at the well or the market value at the well for the gas sold.

3. Royalty On Other Substances. Lessee shall pay to Lessor, as royalty on any substances covered by this lease other than oil and gas and the products thereof which Lessee may elect to produce, save and market from the leased premises, one-quarter (1/4th) of the proceeds received by Lessee from the sale thereof after deducting the processing costs.

4. Shut- In Gas Royalty. If at any time, or from time to time, either before or after the expiration of the primary term of this lease, there is any gas well on the leased premises or on lands with which the leased premises are pooled or unitized and which is capable of producing in paying quantities, but which is shut in before or after production therefrom, such well shall be considered under all provisions of this lease as a well producing gas in paying quantities and this lease shall remain in force in like manner as though gas therefrom was actually being sold or used. In such event, Lessee covenants and agrees to pay Lessor, as royalty, the sum of Twenty-five Dollars (\$ 25.00) per annum for the period commencing on the date such well is actually shut in, unless this lease is being maintained in force and effect by some other provision hereof, in which event such period shall commence on the date this lease ceases to be maintained in full force and effect by some other provision hereof. Payment or tender shall be made to Lessor at address above until written notice of address change has been received by Lessee from Lessor. The first payment shall, be due and payable on or before ninety (90) days after the date such well is shut in, or ninety (90) days from the date this lease ceases to be maintained in force by some other provision hereof. Unless gas from such well is produced and sold or used prior thereto, except temporary sales, or use for lease operations, subsequent payments shall be due annually thereafter on the anniversary date of the period for which such prior payment was made. No additional payments shall be required if there is more than one shut-in gas well on the leased premises or on lands with which the leased premises are pooled or unitized. The term "gas well" shall include wells capable of producing natural gas, condensate, or any gaseous substance, and wells classified as gas wells by any governmental authority having jurisdiction.

5. Delay Rental. The lease is a "paid-up" lease and requires no rentals.

6. Drilling Operations. If Lessee should drill and abandon as a dry hole a well on the leased premises, or if after the discovery of oil, gas or other minerals, the production thereof should cease from any cause, and, in either event there are no other producing wells on the leased premises or on lands with which they are pooled or unitized, or drilling or reworking operations are not being conducted thereon, this lease shall not terminate if Lessee commences reworking or additional drilling operations on the leased premises within ninety (90) days thereafter or, if it be within the primary term, Lessee commences operations for drilling or reworking on or before the expiration of ninety (90) days from the date of such abandonment or cessation of production or the end of the primary term which is the later. If, at the expiration of the primary term, oil, gas or other minerals are not being produced from the leased premises or from lands with which the leased premises are pooled or unitized, but Lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such drilling or reworking operations are prosecuted, or reworking operations on any well or additional drilling operations are conducted on the leased premises, or on lands pooled or unitized therewith, with no cessation of more than ninety (90) consecutive days, and if any such operations result in production then as long thereafter as such production continues.

7. Pooling. Lessee is hereby granted the right, at any time and from time to time, whether before or after production, to pool this lease for the production of oil, gas or condensate, or any or either of them, as to the land covered hereby, or any zone or portion thereof, or as to any mineral or royalty interest therein, with any other lease covering the above described land, or lands adjacent, contiguous, adjoining, or in the immediate vicinity thereof, or as to any zone or portion of said lease or any mineral or royalty interest therein. Such pooling shall be into a unit or units not exceeding eighty (80) acres plus an acreage tolerance of ten percent (10%) thereof for oil, and units not exceeding six hundred forty (640) acres each plus an acreage tolerance of ten percent (10%) thereof for gas, provided that, should governmental authority having

jurisdiction prescribe or permit the creation of any drilling, spacing or proration units larger than those specified above such units may be created or enlarged to conform in size to the drilling or spacing units so prescribed or permitted or to the proration units as may be authorized for obtaining the maximum allowable production from one well. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil, or gas in any one or more zones, and units so formed need not conform in size or area with the unit or units into which the lease is pooled, or combined as to any other zone, and oil units need not conform as to area with gas units. Such pooling shall be effected by the filing by Lessee of a written designation, in the county or counties, in which the premises are located, identifying and describing the pooled unit. The production of oil, gas or condensate from any zone or portion of the land so pooled and the development and operation on such land, including the commencement, drilling, completion and operation of a well thereon, or the existence thereon of shut-in gas well, be considered and construed and shall have the same effect, except for the payment of royalty, as production, development and operation, or the existence of a shut-in gas well on the leased premises, regardless of the location of the well on the unit. Production from any unit well producing oil, gas or condensate shall be allocated to the leased premises in the proportion that the acreage of the leased premises included within the units bears to the total acreage in the unit and the royalty provided for herein shall be calculated on the portion of the production so allocated. The royalty so payable on allocated production shall be in lieu of any other royalty that would accrue to Lessor from the production of oil, gas or condensate from any zone or portion of the leased premises included within the unit. Shut-in gas royalty, with respect to unit shut-in gas wells, shall be payable in accordance with the provisions and in the amount set forth in this lease. In the event any unit well shall fail to produce oil, gas or condensate in paying quantities, or in the event the production from any such well shall cease, Lessee may terminate the unit by filing for record, in the county, or counties where the land is situated, a written declaration of such termination.

8. Use Of Oil, Gas And Water For Operations. Lessee shall have the free use of oil, gas and water from the leased premises, except water from Lessor's wells and tanks, for all operations hereunder and the royalty on oil and gas shall be computed after deducting the amount so used.

9. Removal Of Equipment. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed on the leased premises by Lessee, including the right to withdraw and remove all casing.

10. Assignment Or Change of Ownership. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or, division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change or division in ownership of the land, rentals or royalties, however accomplished, shall be binding upon Lessee for any purpose and shall not impair the effectiveness of any payment theretofore made by Lessee (irrespective of whether Lessee has either actual or constructive knowledge hereof) until (60) days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of all obligations hereunder.

11. Force Majeure. Lessee shall not be liable for any delays in its performance of any covenant or condition hereunder, express or implied, or for total or partial nonperformance thereof, due to force majeure. The term "force majeure", as used herein, shall mean any circumstance or any condition beyond the control of Lessee, including but not limited to acts of God and actions of the elements; acts of the public enemy; strikes; lockouts; accidents; laws, acts, rules, regulations and orders of federal, state or municipal governments, or officers or agents thereof; failure of transportation; or the exhaustion, unavailability, or delays in delivery, of any product, labor, service or material. If Lessee is required to cease drilling or reworking or producing operations on the leased premises by force majeure, then until such time as such force majeure is terminated and for a period of ninety (90) days after such termination, each and every provision of this lease that might operate to terminate it shall be suspended and this lease shall continue in full force and effect during such suspension period. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

12. Lesser Interest Clause. If Lessor does not own, or have the right to lease, the entire mineral interest in the land described above, then the royalties, and any other sums payable hereunder, shall be reduced and payable only in the proportion that the interest covered by this lease bears to the entire mineral interest in the above described land. If the mineral interest covered hereby is subject to an outstanding nonparticipating royalty, such royalty shall be

deducted from the royalties payable to Lessor hereunder.

13. Warranty. Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right, any time, to redeem for Lessor, by payment, any mortgage, taxes or other liens on the leased premises in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and such payments may be deducted from any rental or royalties that may be payable to Lessor hereunder.

14. Surrender. Lessee, its successors and assigns, shall have the right at any time, to surrender this lease, in whole or in part, by delivering or mailing a release of record in the county, or counties, in which the leased premises are situated, and thereupon, Lessee shall be relieved from all obligations, expressed or implied, of this lease as to the acreage so surrendered.

15. Parties Bound. This lease and all of the rights, obligations and conditions hereof shall be binding upon each party executing this instrument and heirs, devisees, successors and assigns. Should any party named above as Lessor fail to execute this lease, or should any party execute this lease who is not named above as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

16. Headings For Convenience. The paragraph headings herein are for convenience only and shall not be considered or construed to limit the subject matter of any paragraph.

17. Continuous Development. If at the end of the Primary Term production of oil or gas has been obtained on the leased premises or a well has been completed as a dry hole within one hundred eighty (180) days of the end of the Primary Term, the Lessee shall thereafter continuously develop the leased premises with no cessation of more than one hundred eighty (180) days from the completion of one well (either as a well capable of producing oil or gas in paying quantities or as a dry hole) and the commencement of actual drilling operations on the next well. Where no drilling operations are being conducted on the leased premises at the end of the Primary Term (production previously having been obtained or well completed as a dry hole), then the first such continuous development well shall be actually commenced within one hundred eighty (180) days of the end of the Primary Term. If, however, at the end of the Primary Term no oil or gas is being produced on the leased premises, but Lessee is then engaged in drilling operations thereon, then this lease shall not terminate as long as drilling operations are continuous and as long as oil and gas is produced in paying quantities or said leased premises are continuously developed as provided above.

18. Sharing Well. In the event a Sharing Well is drilled the following provisions shall apply: "Sharing Well" means any horizontal well open for production on the Lease or lands pooled therewith and also located on lands adjacent to the Lease or lands pooled therewith. "Allocation Tract" means the Lease, the lands pooled with the Lease, if any, and the lands on which any portion of the Sharing Well is also located. Production from a Sharing Well shall be allocated to each Allocation Tract proportionately, allocating to each such tract its proportionate share of the Sharing Well as depicted on the final "as drilled" plat filed with the Railroad Commission of Texas. Each Allocation Tract's prorata share shall be calculated by a fraction, the denominator of which is the "as drilled" horizontal wellbore open for production as depicted on the "as drilled" plat of the Sharing Well filed with the Railroad Commission, and the numerator of which is each Allocation Tract's share of said "as drilled" wellbore. Royalties payable to each Allocation Tract shall be paid in accordance with the terms of the Lease, the pooling agreement if the Lease is pooled, and the terms applicable to production from other Allocation Tracts. Operations with respect to, or production from, any Sharing Well shall be deemed actual operations on, or a production from, the Lease for all purposes except for the calculation and payment of royalties. If the productive portion of a Sharing Well is subsequently extended or plugged back, then allocation of production shall be redetermined effective the date of the completion of the extension or plugging back operation. The allocation of production provided to Sharing Wells does not change the ownership of any mineral, royalty or leasehold interest subject to the Lease.

19. Option to Extend. In addition to the cash bonus which has been paid to lessor for the execution of this lease, lessee shall have the right, but not the obligation, on or before the end of the primary term of this lease, to pay lessor an additional bonus consideration in the same amount per net mineral acre owned by lessor as originally paid for bonus consideration for this lease which shall extend the primary term of this Lease for an additional two (2) years, commencing at the expiration of the initial primary term.

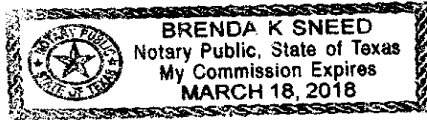
IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

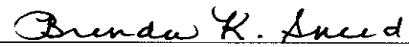

Franklin Berry Anderson

THE STATE OF Texas)
COUNTY OF Victoria)

Before me, the undersigned authority, on this day personally appeared Franklin Berry Anderson, known to me to be the identical person whose name are/is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 25 day of November, A.D. 2014.




Notary Public, State of Texas

Texas Royalty Brokers

Texas Royalty Brokers

THE STATE OF TEXAS
COUNTY OF WARD

I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Ward County, Texas.

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