

HORSESHOE ENERGY, INC.

September 9, 2024

PERSONAL & CONFIDENTIAL

Ms. Janet A. Dance

14157 Alis Lane

Frisco, TX 75035

Phone: (918) 261-4008

RE: Oil, Gas & Mineral Lease (OGML) covering all your mineral interest in **320 acres of land**, more or less, located in the A.G. Monroe League, A-46, Anderson County, Texas.

Dear Ms. Dance:

I have had the pleasure of speaking with your sister who gave me your contact information. Please accept this letter from **Horseshoe Energy, Inc.** to obtain an OGML covering all your undivided mineral interest in, on and under the above referenced property. Attached hereto you will find an OGML, Memorandum of Oil, Gas and Mineral Lease (MEMO), Order of Payment as well as a W9 form.

Our proposed terms are as follows:

- Five (5) year primary term;
- Two Hundred Fifty and 00/100 dollars (\$250.00) per net mineral acre (NMA) signing bonus consideration;
- Sixteen percent (16%) royalty;
- Option to extend the primary term for three (3) more years for an additional Two Hundred Fifty and 00/100 dollars (\$250.00) per NMA.

Please review and upon approval execute the OGML and MEMO in the presence of a Notary Public. You may sign the Order of Payment and W9 form after completing the needed information in each. Please use the enclosed envelope to return all originals to me. I will process and send your bonus consideration check upon the receipt of all executed originals. My cursory title research shows you to own a 0.083333 mineral interest in the 320 acres described above. Your bonus consideration check will be issued in the amount of \$6,666.67 (26.6666656 NMA x \$250), subject to title verification.

If you have any questions, please do not hesitate to give me a call at the numbers listed below.

Very truly yours,



Roger A. Steward, RPL

Phone: (281) 450-2581

Email: steward.roger@gmail.com

HORSESHOE ENERGY, INC.
ORDER OF PAYMENT
New Paid Up

DATE: 9/9/2024

Upon receipt of the executed Oil and Gas Lease and W-9 Forms, HORSESHOE ENERGY INC. (sometimes referred to herein as "Lessee"), or its agent on behalf thereof, will make payment as indicated herein by legal tender to the Lessor as indicated below.

IT IS AGREED THAT, SUBJECT TO SATISFACTORY COMPLETION AND REVIEW OF MINERAL TITLE, LESSEE WILL MAKE PAYMENT TO LESSOR FOR ANY BONUS CONSIDERATION DUE WITHIN 45 BUSINESS DAYS OF RECEIPT OF THIS ORDER OF PAYMENT BY LESSEE. HOWEVER, NO DEFAULT SHALL BE DECLARED FOR FAILURE TO TIMELY OR COMPLETELY MAKE PAYMENT UNTIL 15 DAYS AFTER PAYEE PROVIDES LESSEE A WRITTEN NOTICE FROM PAYEE OF INTENTION TO DECLARE SUCH DEFAULT AND SUCH DEFAULT IS NOT CURED ON OR BEFORE THE 15TH DAY AFTER RECEIPT OF SUCH NOTICE TO LESSEE.

PAY TO: **JANET A. DANCE, a married woman, sole and separate property**
14157 Alis Lane
Frisco, TX 75035

TAX ID OR SS#: _____

TELEPHONE #: C-918.261.4008

THE AMOUNT OF: **Two Hundred Fifty and 00/100 Dollars PER NET MINERAL ACRE**
(Estimated) 26.66666560 X \$250 = \$6,666.67 **

**subject to title approval which may be proportionately reduced or increased, as further defined below.

Gross Ac More or Less	Brief Legal Description of Tracts	Estimated Interest	Net Mineral Acres
320	320 acres, in the A.G. Monroe League, A-46, Anderson County, Texas	0.08333333	26.66666560
		0.00000000	0.00000000
		0.00000000	0.00000000

Project Name: HSEI Total Gross Acres: 320
Total Net Acres: 26.66666560

(Lease Status) New: X Renewal: _____

This payment is for Bonus Consideration and rental period September 1, 2024 to September 1, 2029 covering the total gross acres above, more or less, which covers property described in the Oil and Gas Lease executed this day.

This is payment in full for a **five** year Primary Term Paid-Up Oil & Gas Lease.

If Lessee receives evidence that Lessor does not have title to all or any part of the rights to the parcels above identified, Lessee may immediately withhold payments, or any portion thereof, that would otherwise be due and payable hereunder to Lessor until the adverse claim is fully resolved to the satisfaction of Lessee and this Lease shall remain valid and in full force and effect during any such period that payments are withheld, notwithstanding anything to the contrary contained herein. If Lessor owns more or less than the interest defined herein, Lessee may, without immediate notice to Lessor, increase or reduce the consideration payable hereunder proportionate to actual interest owned by Lessor; or in the case of a lesser interest, may surrender the lease without payment of any consideration whatsoever to Lessor. **The undersigned agrees the Oil and Gas Lease executed in favor of Lessee is valid and in effect during the term of this Order of Payment, and shall not execute an agreement in direct conflict with the same.**

Lessor Signature _____ Date _____
JANET A. DANCE

Lessor Signature _____ Date _____
(Lessor Name)

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: SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this **1st day of September, 2024** between, **JANET A. DANCE, a married woman herein leasing her sole and separate property**, Lessor (whether one or more), whose address is 14157 Alis Lane, Frisco, Texas 75035, and **HORSESHOE ENERGY, INC.**, Lessee, whose address is P.O. Box 653, Fairfield, Texas 75840, WITNESSETH:

1. Lessor, in consideration of ten and more Dollars (+\$10.00), receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land" or "leased premises", is located in the County of **ANDERSON**, State of **TEXAS**, and is described as follows:

320 acres of land, more or less, out of the **A. G. Monroe League, A-46, Anderson County, Texas**, being the same land more particularly described in that certain Warranty Deed dated January 4, 1955, from Mary E. Kendrick to Lacy Kendrick and wife, Adell Kendrick, as recorded in Volume 498, Page 60, Deed Records, Anderson County, Texas.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 320 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus, as lump sum consideration, for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **FIVE (5) YEARS** from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than one hundred and eighty (180) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which lessee may connect its wells, the equal **sixteen percent (16%)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay Lessor the average posted market price of such **sixteen percent (16%)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear **sixteen percent (16%)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee, **sixteen percent (16%)** of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **sixteen percent (16%)** of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-ins, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be **PAID DIRECTLY TO LESSOR** or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownership's thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10 % acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the

other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land" or "leased premises", is located in the County of ANDERSON, State of TEXAS, and is described as follows:

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4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10 % acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said 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 and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the

proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring sixty (60) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

(SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF FOR FURTHER PROVISIONS TO THIS LEASE.)

12. In the event of any of the terms and provisions of any of the following provisions shall conflict with any of the terms and provisions of any of the preceding provisions of this lease, then the terms and provisions of these following paragraphs shall control and take precedence.
13. Lessee, or its heirs, successors or assigns shall have the sole and exclusive right and option, at any time prior to the expiration of the original primary term hereof, to extend the primary term of this lease for an additional **three (3) year** term by the direct payment to Lessors, their heirs, successors or assigns, at Lessors address listed above, the sum of the original bonus paid per net mineral acre for each net mineral acre then covered by this lease according to Lessee's records and not then allocated to a well or included within a pooled unit for a producing oil well or for a producing or shut-in gas well in accordance with the terms of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease provided for a primary term of **(8) years**. As evidence of the payment of the additional bonus and the extension of the primary term, Lessee may, contemporaneously with the payment of the additional bonus, execute and file of record in the county where the Leased Premises are located, a notice that it has elected to and has paid to Lessors the additional bonus, and the primary term of the lease has been so extended.
14. Lessee agrees to defend, protect, indemnify and hold harmless Lessors and/or the Surface Owner, and their heirs, executors, administrators and assigns as the owners of the Leased Premises, from and against any and all losses, liabilities, demands and claims for damages for personal injury, death of persons and for damage to or loss of property as well as reasonable attorney's fees, costs and expenses of Lessors and/or the Surface Owner, may incur by reason of such claims, demands or causes of action caused by or resulting from operations by Lessee, Lessee's employees, agents, licensees, representatives, contractors or subcontractors unless the personal injury, death of persons or damages to or loss of property is caused by the sole negligence of Lessors and/or the Surface Owner, and their agents, servants, employees, representatives or contractors.
15. If at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease covering all or part of the aforesaid lands, Lessee shall have the continuing option by meeting any such offer to acquire such lease. Any offer must be in writing, and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized which form should reflect all pertinent and relevant terms and conditions of the lease. Lessee shall have fifteen (15) business days after receipt from Lessor, of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) business days period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Lessee's continuing option to acquire shall also include bona fide offer(s) to acquisition all or part of the mineral and royalty estate in the Leased Premises subject to the same terms and conditions as above stated for lease offer(s). Notwithstanding anything herein to the contrary, Lessor hereby grants Horseshoe Energy, Inc. the first exclusive right to purchase all or part of the Leased Premises mineral or royalty estate at terms acceptable to Lessor.
16. Notwithstanding anything herein to the contrary, pooled units for horizontal drainholes may include up to the amount of acreage permitted to be assigned to a drilling proration unit, or to be assigned for the purpose of allocating allowable, or to conform to a well spacing or density pattern, as any of the foregoing may be authorized or permitted for a horizontal well by any governmental authority having jurisdiction to do so. Horizontal drainhole shall mean a horizontal completion that is classified as either an oil well or gas well. The term "horizontal completion" shall mean an oil well or gas well in which the horizontal component of the gross completions interval exceeds one hundred fifty feet (150') in length.
17. This Oil, Gas and Mineral Lease may not be recorded in the records of Anderson County, Texas. For recording purposes, Lessor agrees to execute a Memorandum of Oil, Gas and Mineral Lease. The recording of said Memorandum of Oil, Gas and Mineral Lease shall be binding upon Lessors and Lessee, and their respective heirs, successors, legal representatives and assigns, the same as if this lease was filed for record in its complete text.
18. This Lease represents the entire agreement between Lessor and Lessee with respect to the Leased Premises and shall supersede and replace all prior agreements, both oral and written, between the parties hereto. This Lease may be amended only by a subsequent written instrument executed by both Lessors and Lessee.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR:

JANET A. DANCE, a married woman herein leasing her sole and separate property:

JANET A. DANCE

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.

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS

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COUNTY OF ANDERSON

KNOW ALL MEN BY THESE PRESENTS:

JANET A. DANCE, a married woman herein leasing her sole and separate property, hereinafter referred to as Lessor, whose address is: 14157 Alis Lane, Frisco, Texas 75035, and **HORSESHOE ENERGY, INC.**, hereinafter referred to as Lessee, whose address is: P.O. Box 653, Fairfield, Texas 75840, do hereby acknowledge and give notice that Lessor has entered into an Oil, Gas and Mineral Lease with Lessee, covering all of Lessor's undivided interest in the lands and premises situated in Anderson County, Texas, and being further described as follows:

320 acres of land, more or less, out of the A. G. Monroe League, A-46, Anderson County, Texas, being the same land more particularly described in that certain Warranty Deed dated January 4, 1955, from Mary E. Kendrick to Lacy Kendrick and wife, Adell Kendrick, as recorded in Volume 498, Page 60, Deed Records, Anderson County, Texas.

Said Oil, Gas and Mineral Lease is dated September 1, 2024, and provides for a primary term of five (5) years, with an option to extend for an additional three (3) years, and subject to all the terms and provisions as set out in said Lease. The original of such Oil, Gas and Mineral Lease is in the offices of the Lessee, where it is open to examination and investigation by interested parties during reasonable business hours.

This notice is given to place every person on notice of the existence of said Oil, Gas and Mineral Lease, and all of the terms, provisions and conditions thereof, and this notice is given in lieu of filing the original of such Oil, Gas and Mineral Lease for record in the County in which the land is located.

EXECUTED this ____ day September, 2024.

LESSOR:

JANET A. DANCE, a married woman herein leasing her sole and separate property:

JANET A. DANCE

ACKNOWLEDGEMENT

STATE OF TEXAS

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COUNTY OF COLLIN

This instrument was acknowledged before me on this the ____ day of September, 2024 by **JANET A. DANCE**.