

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 LICENCE NUMBER.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 1st day of September 2021 between **William Tyrus Walker, a single man, dealing in his sole and separate property**, whose address is: 4706 Washington Valley Lane, Knoxville, Tennessee 37918 as Lessor and **Kastleford Land Company, LLC, a Texas limited liability company**, whose address is: P.O. Box 51540, Midland, Texas 79710, Lessee, **WITNESSETH.**

1. Lessor, in consideration of TEN and NO/100 Dollars, and other good and valuable consideration, 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 the 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), to the base of the Permian Penn Formation, together with the right to make surveys on said land, conduct seismic surveys, lay pipe lines, construct roads, build tanks, power stations, telephone lines necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Lea**, State of New Mexico, and is described as follows:

See Legal description and Addendums attached

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **460 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 **three (3) 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 ninety (90) consecutive days. Lessee may extend the "primary term" for an additional two (2) years by paying Lessor the same dollar amount per acre as the bonus payment paid by Lessee to Lessor to secure the five (5) year "primary term".

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 twenty-two and a half percent (22.5%) 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 twenty-two and a half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks; (b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee, twenty-two and a half percent (22.5%) 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 twenty-two and a half percent (22.5%) of such gas and casing head 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 deposited in the Bank at _____ or paid directly to Lessor's address herein above described or directly to lessor at the address herein, 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 ownerships 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 casing head 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 prescribed or permitted under any governmental rule, order or authority, 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 prescribed or permitted by such governmental order, rule or authority. 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 to 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 there from 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 hereunder, and thereby be relieved of all obligations as to the released acreage or interest except for obligations that have accrued prior to said release.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: Pad site work, 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 right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing.

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 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

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BY ANGELA REED CHANE

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 so 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 cancelled for any cause, is shall nevertheless remain in force and effect as to (1) sufficient acreage around each well 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's rights and interest hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges created by Lessor 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 subordinate 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 money's accruing from any part as to which this covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by lease, bears to 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 force majeure, or (1) any law, order, rule or regulation (whether or not subsequently determined so 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 ninety (90) 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 ATTACHED ADDENDUM FOR ADDITIONAL PROVISIONS

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

LESSOR:

By: William Tyrus Walker
William Tyrus Walker, a single man, dealing in his sole and separate property.

LESSEE:

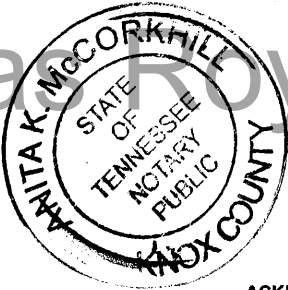
By: Ben Williams
Kastleford Land Company, LLC, a Texas limited liability company, Ben Williams, President

ACKNOWLEDGEMENT

STATE OF TENNESSEE

COUNTY OF Knox

Before me the undersigned authority on this day personally appeared, William Tyrus Walker, a single man, dealing in his sole and separate property, who upon oath said he signed this document for the purposes and considerations stated therein. This instrument was acknowledged before me on the 8th day of September, 2021.



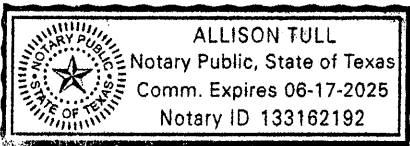
Anita K. McCorkhill
Notary Public, State of
Notary's name (printed):

Commission expires on 08-31-2024

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF MIDLAND

Before me the undersigned authority on this day personally appeared Ben Williams, President of Kastleford Land Company, LLC, a Texas limited liability company, who upon oath said he signed this document for the purposes and considerations stated therein. This instrument was acknowledged before me on the 10 day of November, 2021.



Allison Tull
Notary Public, State of Texas
Notary's name (printed):

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BY ANGELA BEAUCHAMP

ADDENDUM TO OIL, GAS AND MINERAL LEASE

DATED: September 1, 2021, By: William Tyrus Walker, a single man, dealing in his sole and separate property, AS LESSOR
AND Kastleford Land Company LLC, a Texas limited liability company, AS LESSEE

THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL AND GOVERN OVER ANYTHING HEREIN ABOVE PROVIDED WHICH MAY BE IN CONFLICT HEREWITH.

12. Any title defect which renders lessor's title unmerchantable shall either be waived by lessee or corrected at lessee's sole cost.
13. Release of Lease Or Any Part Thereof By Lessee: Amend Paragraph 5 to read as follows: "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 hereunder, and thereby be relieved of all obligations, as to the released acreage or interest, except for any unsatisfied accrued obligations of lessee, if any."
14. No Warranties of Title: This Lease is executed without warranties of title, or otherwise, whether statutory, express or implied, and any warranty which may be implied by law is expressly disclaimed.
15. Shut-in Provision: It is expressly agreed and provided that this lease cannot be held, maintained, nor extended under and by virtue of the shut-in gas well provision of this lease for a longer term beyond the primary term than two (2) consecutive years immediately thereafter, or for shorter terms at various intervals not to exceed in the aggregate two (2) years in all. Shut in royalty payments shall equal \$25.00 per net acre.
16. Oil and Gas Only: It is expressly understood and provided that this lease covers oil and gas and liquid hydrocarbons, along with the products and by-products thereof, but this lease does not cover any other minerals of any type, here making particular mention of water, the Lessee herein being given no right to explore for, nor develop any part of the land for production of water therefrom.
17. Drilling Notification: The Lessee must notify Lessor not less than 48 hours prior to first entrance on the leased premises for drilling. This will not apply, however, to normal well inspection operations (gaugers, etc.)
18. Regulatory Compliance and Indemnification: (a) It is agreed and understood between the Lessor and the Lessee that the Lessee will in its operations on the leased premises comply with all Federal and State laws, rules and regulations with regard to the avoidance of pollution and contamination, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource, Conservation and Recovery Act ("RCRA"), The New Mexico Surface Owner's Protection Act, Rules and Regulations of any State or Federal administrative agency and all amendments thereto as and when they become effective.
 (b) Lessee assumes all responsibility to protect, defend, indemnify, and save Lessor harmless from and against all claims, demands, and causes of action of every kind and character arising directly or indirectly from any and all pollution or contamination which may occur during the conduct of operation hereunder whether above the land surface or below, including, but not limited to, those which result from spills of materials or which may result from fire, blowout, seepage, or flow of oil, gas, water or other substance, as well as from the use or disposition of oils, fluids, contaminated cuttings, lost circulation and fish recovery materials and fluid.
 (c) Lessee agrees to indemnify, hold harmless and defend Lessor at Lessee's cost against all claims for damages to person or property arising out of or connected with Lessee's operations on or occupancy of the leased premises.
19. No hunting or fishing: There shall be no hunting or fishing allowed on the leased premises, nor shall any firearms be brought onto the leased premises by the Lessee or its assigns, or by any employee, agent, contractor or representative of Lessee or Lessee's assigns.
20. Royalty: Notwithstanding anything contained in this Lease to the contrary, Lessor's royalty shall never bear nor be chargeable with, either directly or indirectly, any part of the costs and/or expenses of production, gathering, dehydration, compression, transportation, manufacturing, processing, treating, marketing or distributing revenue of the oil or gas produced from the leased premises. Further there shall be no deductions from Lessor's royalty for costs and expenses associated with that construction, operation or depreciation of any plant or other facility or equipment for processing or treating oil or gas produced from the leased premises.
21. Continuous Drilling Provision with Pugh Clause: Notwithstanding anything contained hereinabove to the contrary, it is understood and agreed that at the expiration of the primary term, this lease shall terminate as to all lands covered hereby not included in or otherwise allocated to a "well unit" as hereinafter defined, unless lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or is drilling upon said lands across the expiration of the primary term as provided for in the body of this lease, and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced (a) within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term, or (b) within 180 days of completion of the well which is being drilled, tested or completed across the expiration of the primary term. Should lessee fail to timely commence a well in accordance with aforesaid 180 days continuous drilling or development prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit or pooled unit. For the purpose hereof, the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas or other hydrocarbons in paying quantities as is the smallest size then prescribed or permitted in accordance with the applicable rules and regulations of the New Mexico Oil Conservation Division or other government authority having jurisdiction as the minimum proration unit for obtaining the maximum allowable production, and the term "fully developed" shall mean the point in time when the entirety of the leases premises has been included in a well unit or units as defined. The date of completion of a well shall be the date of a

potential test if a producing well and the date of plugging if a dry hole or abandoned well. At the end of the continuous drilling program, if any, this lease will automatically terminate as to all lands covered hereby which have not been so fully developed and as to lands so fully developed shall terminate as to all depths lying more than 100' below the deepest producing formation.

Legal Description:

(TRACT 1) The Southwest Quarter (SW/4) of Section 21, Township 14 South, Range 34 East, Lea County, New Mexico.

(TRACT 2) The East Half (E/2), Save and Except the North Half of Northwest Quarter of Northeast Quarter (N/2 of NW/4 of NE/4), of Section 21, Township 14 South, Range 34 East, Lea County, New Mexico.

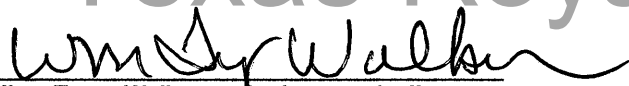
From the Surface of the Earth to 10,500 feet, or the base of the Permo Penn Formation, whichever is shallower.

SIGNED FOR IDENTIFICATION:

LESSOR:

Texas Royalty Brokers

By:



William Tyrus Walker, a single man, dealing in his sole and separate property.

LESSEE:

By:



Kastleford Land Company, LLC, a Texas limited liability company, Ben Williams, President

Texas Royalty Brokers

Texas Royalty Brokers

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