

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.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 2 day of November, 2023, between **Kerry Barlow Graham, a married person**, dealing in his sole and separate property, whose address is 43230 Regency Forest, San Antonio, TX 78249, as LESSOR, and **West Pecos Trading Company, LLC, a Texas Limited Liability Company**, whose address is 303 W. Wall St., Ste. 1160, Midland, TX 79701, as LESSEE.

WITNESSETH:

1. Lessor, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid and hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let exclusively 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 and gas together with the right to make surveys on Leased Premises, conduct exploration, inject gas, water and other fluids, and air into subsurface strata, lay pipe lines, construct roads and bridges, and build tanks and other structures on Leased Premises reasonably necessary in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting oil and gas produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "Leased Premises", is located in Reagan County, Texas and is described as follows:

SEE EXHIBIT "A"

2. This is a paid up lease requiring no rentals and is subject to the other provisions contained herein. 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 oil or gas is produced in paying quantities from Leased Premises or land pooled therewith.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the Leased Premises 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 Leased Premises. For the purpose of determining the amount of any bonus or other payment hereunder, Leased Premises shall be deemed to contain 320 gross 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.

3. As royalty, Lessee covenants and agrees: At Lessor's election, to deliver to the credit of Lessor, in the pipelines to which Lessee may connect its wells, the equal of 25% of all oil produced and saved by Lessee from Leased Premises. In the absence of such notice of an election, Lessee shall sell the leased substances produced and covered by the Lease and pay to Lessor as royalty: (a) for oil produced and saved from Leased Premises (1) 25% of the gross proceeds of sales of such oil, or (2) the average posted market price of such 25% of such oil at the wells as of the day it is run to the pipe line or storage tanks, whichever of the two is higher; (b) for gas and casinghead gas produced from Leased Premises (1) when sold by Lessee, 25% of the amount realized by Lessee, or (2) when used by Lessee off Leased Premises or in the manufacture of gasoline or other products, 25% of the amount realized from the sale of gasoline or other products extracted therefrom and 25% of the amount realized from the sale of residue gas. If, at the expiration of the primary term or at any time or times thereafter, there is any well on Leased Premises or on lands with which Leased Premises or any portion thereof has been pooled, capable of producing oil or gas in paying quantities, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on Leased Premises for so long as said wells are shut-in, 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 one hundred twenty (120) consecutive days, and during such time there are no operations on Leased Premises, then at or before the expiration of said one hundred twenty day period, Lessee shall pay

or tender, by check or draft of Lessee, as royalty, a sum equal to TEN DOLLARS (\$10.00) 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 one hundred twenty 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. If at any time that Lessee pays or tenders shut-in royalty, and 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 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 on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. Lessee's failure to pay or tender or to properly or timely pay or tender such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease.

4. Lessee, at its option, is hereby given the right and authority to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order to properly explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for vertical wellbore development of oil hereunder shall not substantially exceed 160 acres each in area, and units pooled for horizontal wellbore development of oil hereunder shall not substantially exceed 640 acres each in area plus a tolerance of ten percent (10%) thereof, and units pooled for vertical wellbore development of gas shall not substantially exceed 160 acres in area, and units pooled for horizontal wellbore development of gas hereunder shall not substantially exceed 640 acres each in area plus a tolerance of ten percent (10%) thereof, provided that should a governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, 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, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. For the purpose of the foregoing, the term "horizontal wellbore development" means a well in which the horizontal component of the gross completion interval in the reservoir is at least one hundred (100) feet. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling, completion, or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling, completion or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended nor 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 as provided above with consequent allocation of production as above 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. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, so long as the total acreage therein does not exceed the maximum herein specified. Also each such drilling or production unit, when limited to any one or more formations and to any one or more of the minerals therein or produced therefrom, may from time to time be enlarged and extended by Lessee to include additionally any other formation or formations and any other mineral or minerals therein or produced therefrom. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may place and

use on each unit created hereunder common measuring and reworking tanks for production from such unit. In the absence of production from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If, at the expiration of the primary term, oil, gas or other mineral is not being produced from Leased Premises or land pooled therewith but Lessee is then engaged in operations for drilling, mining or reworking of any well or mine thereon or shall have completed a dry hole thereon within one hundred eighty (180) days prior to the end of the primary term, this lease shall remain in force so long as operations on said well or for the drilling or reworking of an additional well are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than one hundred eighty (180) consecutive days, and, if they result in production, so long thereafter as oil, gas or other mineral is produced from Leased Premises or land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas or other mineral is produced from Leased Premises or land pooled therewith, production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within one hundred eighty (180) days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than one hundred eighty (180) consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from Leased Premises or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within two hundred (200) feet of and draining Leased Premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

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 bore in search for or in an endeavor to obtain production of oil or gas, whether or not obtained in paying quantities.

7. Lessee shall have free use of oil and gas from Leased Premises, for all operations hereunder including repressuring, pressure maintenance, cycling and secondary recovery operations, and the royalty shall be computed after deducting any so used. Any structures and facilities placed on Leased Premises by Lessee for operations hereunder and any well or wells on Leased Premises drilled or used for the injection of salt water or other fluids may also be used for Lessee's operations on other lands in the same area. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on Leased Premises, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on Leased Premises without Lessor's consent. Lessee shall pay for damages caused by its operations to growing crops and timber on Leased Premises.

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach.

9. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have thirty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

10. Lessor hereby warrants and agrees to defend the title to Leased Premises herein described by, through, and under Lessor, but not otherwise and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon Leased Premises, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil or gas in all or any part of Leased Premises 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 monies 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. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by (1) reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, or (2) any other cause, whether similar or dissimilar, beyond the reasonable control of the Lessee (except financial), then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable in damages for failure to comply therewith; and the primary term hereof shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress and egress from the lands still subject to this Lease, retained lands, for all purposes described and allowed hereunder.

13. If, at the end of the primary term, (i) Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, operations for drilling the first Continuous Development Program well must be commenced within 120 days after the expiration of primary term, or (ii) Lessee is engaged in the Actual Drilling of an oil or gas well, or has reached total permitted depth to a formation reasonably believed to contain hydrocarbons in paying quantities on an oil or gas well within the previous one hundred twenty (120) days, this lease shall continue so long as drilling is continued with no cessation or interruption of more than one hundred twenty (120) consecutive days between the completion of one well and the commencement of Actual Drilling of the next succeeding well ("Continuous Development Program"). For all purposes of this lease the term "Actual Drilling" will be defined as having a rig on location that is capable of drilling to the permitted total depth, which must be within a formation reasonably believed to contain commercially recoverable deposits of oil and/or gas.

Notwithstanding any other provisions in the lease to the contrary, upon the expiration of the Continuous Development Program, or the expiration of the primary term if there is no Continuous Development Program, this lease shall automatically expire as to all lands covered by this lease, except as to (i) acreage inside a pooled unit and (ii) 40 acres around each well classified as an oil well and 160 acres around each well classified as a gas well or, in each case, such larger area as may be prescribed by the Railroad Commission of Texas (or such Governmental Agency having jurisdiction) as the proration unit for such well "Well Production Unit," and this lease shall additionally terminate as to all depths 100 feet below the base of the deepest producing formation within each such pooled unit and Well Production Unit. If this lease partially terminates pursuant to this paragraph, or is canceled for any cause, Lessee shall retain or shall be granted any easements necessary to operations on the acreage retained.

14. Lessee is hereby given the option to extend the Primary Term of this lease for an additional two (2) years from the expiration of the Primary Term. This option may be exercised by Lessee at any time prior to the expiration of the Primary Term by paying to Lessor or Lessor's heirs, legal representatives, successors or assigns, a bonus consideration per net mineral acre equivalent to \$5,500.00 per Net Mineral Acre owned by Lessor or Lessor's heirs, legal representatives, successors or assigns in the Leased Premises. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor or to said bank at any time during the original primary term hereof. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept payment, Lessee shall not be held in default for failure to make such payment until thirty (30) days after Lessor's delivery to Lessee of a proper recordable instrument naming another bank as agent to receive such payment. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a Primary Term of Five (5) years.

15. Notwithstanding any other provisions in the lease to the contrary, except for Lessor's proportionate share of all taxes, the royalty provided in paragraph 3 shall be without reduction or deduction, either directly or indirectly, for any part of production or post-production costs and expenses, including but not limited to production, gathering, separating, storing, dehydrating, compressing, transporting, manufacturing, processing, treating, marketing, delivering, or any other costs of transporting, marketing, or rendering the leased substances marketable or more valuable, including but not limited to costs and expenses incurred between the wellhead and Lessee's point of delivery or sale of such share to a third party, including but not limited to non-arm's length transactions.

16. Lessee may assign this lease or any rights accruing to Lessee under the terms hereof, provided that Lessee give prior written notice to Lessor. No assignment by Lessee shall be effective until Lessee provides said written notice and a copy of the assignment to Lessor. Lessor shall have the right to assign any part or all of Lessor's interests and rights, but

no change or division in the ownership of the Leased Premises, rentals or royalties shall be binding upon Lessee until such person acquiring any interest has furnished the other party with the instrument or instruments, or certified copies thereof.

17. This lease is made expressly subject to all of the terms, provisions and conditions of the additional paragraphs of Exhibit "B" and said provisions of Exhibit "B" shall prevail over any conflicts or ambiguities noted in said Lease.

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

LESSOR:

Texas Royalty Brokers



ACKNOWLEDGMENT

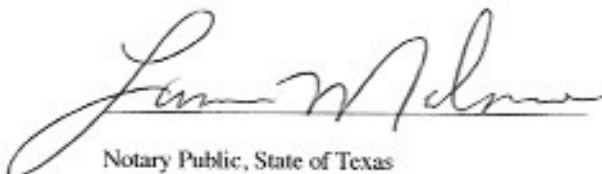
STATE OF TEXAS

COUNTY OF BEXAR

Texas Royalty Brokers

Before me, the undersigned, a Notary Public in and said County and State, on this 2 day of November, 2023, personally appeared Kerry Barlow Graham, known to me to be the identical person(s) who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.



Notary Public, State of Texas

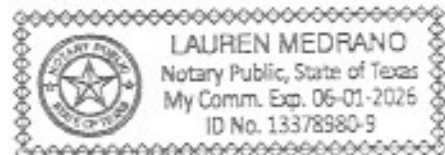


EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated November 2, 2023 by and between Kerry Barlow Graham, as Lessor and West Pecos Trading Company, LLC, as Lessee.

DESCRIPTION

Lands:

320 acres of land, more or less, being the West Half (W2) of Section 192, Block 2, Abstract No. 64, T&P Ry. Co.

Survey, Reagan County, Texas.

Texas Royalty Brokers

Texas Royalty Brokers

Texas Royalty Brokers

EXHIBIT "B"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated NOVEMBER 2nd, 2023 by and between KERRY BARLOW GRAHAM, as Lessor, and WEST PECOS TRADING COMPANY, LLC, as Lessee (the "lease").

Notwithstanding anything to the contrary in the foregoing Lease, said Lease is made expressly subject to all of the terms, provisions and conditions of the additional paragraphs of this Exhibit "B" and said provisions of this Exhibit "B" shall prevail over any conflicts or ambiguities noted in said Lease.

- **OIL AND GAS ONLY**

Notwithstanding any other provision hereof, the Lease covers only oil and gas. The term "oil and gas" only means oil, gas, and other liquid and gaseous hydrocarbons and their constituent elements produced through a well bore.

- **PUGH CLAUSE**

Following the expiration of the primary term of this Lease, production from a pooled unit or pooled units established under the provisions of paragraph 4 of the Lease, which includes a portion or portions of the Leased Premises and other land, shall maintain this Lease in force only as to lands included within the surface boundaries of such unit or units.

- **DEEP RIGHTS RELEASE**

Following the expiration of the Continuous Development Program, or the expiration of the primary term if there is no Continuous Development Program, Lessee shall release all rights and depths as to acreage lying outside of (i) any pooled unit or (ii) any Well Production Unit, and Lessee shall release all depths 100 feet below the base of the deepest producing formation within each such pooled unit and Well Production Unit.

- **SHUT-IN LIMITATION**

Notwithstanding any provisions hereof to the contrary, it is expressly agreed and understood that Lessee shall have no right to maintain this Lease in force after the expiration of the primary term hereof by payment of shut-in royalty under the provisions of paragraph 3 of the Lease for any period exceeding twelve (12) consecutive months.

- **FORCE MAJEURE**

Should Lessee be prevented by reason of Force Majeure from complying with any express or implied covenant of this Lease (other than a requirement to pay money), from conducting drilling or reworking operations on the Leased Premises or on lands pooled therewith, or from producing oil or gas, then while so prevented, that covenant will be suspended; Lessee will not be liable for damages for failure to comply therewith; this Lease will be extended so long as Lessee is prevented from conducting drilling or reworking operations on or from producing oil or gas from the Leased Premises or lands pooled therewith; and the time while Lessee is so prevented will not be counted against Lessee. "Force Majeure" means any Act of God; any

federal, state or local law affecting the purposes of this Lease; pandemic or shut down; scarcity in obtaining materials, equipment, or labor; or other causes beyond the control of a reasonably prudent Lessee (other than financial reasons). Force Majeure shall extend this Lease for a maximum 180 days beyond the end of the actual Force Majeure, in order for Lessee to prepare for and to proceed with conducting the desired operations on or from producing oil or gas from the Leased Premises.

- **RECORD REVIEW**

Lessor shall have the right to audit Lessee's production records, review title opinions, examine plats, maps or other documents pertaining to wells drilled on the Leased Premises in Lessee's office, by specific previously arranged appointment, during normal business days from 8:00 A.M. to 5:00 P.M., at no cost to Lessee.

- **TIMELY PAYMENT OF ROYALTY**

Lessee or the purchaser of oil and/or gas or other products produced from the Leased Premises will pay to Lessor the royalties provided for herein within the time provided in § 91.402 of the Natural Resources Code of the State of Texas and upon failure to pay within the stated time to pay interest thereon as provided in § 91.403 of the Natural Resources Code of the State of Texas.

- **NO WARRANTY OF TITLE CLAUSE**

This Lease is made and accepted without covenants or warranty of title of any kind. Lessee at its option may pay and discharge any taxes, mortgages, or other liens existing, levied or assessed on or against the Leased Premises, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same.

- **HOLD HARMLESS CLAUSE**

Lessee agrees to indemnify and hold Lessor harmless from any and all liability, damages, environmental damages, reasonable attorney's fees, expenses, causes of action, suits, claims or judgments of any kind or character for injury to persons or property caused by Lessee's operations on the Leased Premises.

- **MEMORANDUM OF LEASE**

This Lease and the Exhibits attached hereto may be filed in an abbreviated format as a Memorandum of Lease in the county where the Leased Premises are located. A copy of same, after filing, will be provided to Lessor.

Texas Royalty Brokers