

MF115910

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF115910	08-006169	149416	CULBERSON

<i>Survey</i>	PUBLIC SCHOOL LAND	
<i>Block</i>	52	
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>	38	
<i>Land Part</i>	ALL	
<i>Part Description</i>	S2	
<i>Acres</i>	320.7	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>

Leasing: DC

Analyst: _____

Maps: JK

GIS: MC

DocuShare: _____

<i>Name</i>	DEVON ENERGY PRODUCTION COMPAN
<i>Lease Date</i>	10/6/2010
<i>Primary Term</i>	5 yrs
<i>Bonus (\$)</i>	\$0.00
<i>Rental (\$)</i>	\$0.00
<i>Lease Royalty</i>	0.0625



Contents of Mineral File Number: 115910

1 Lease

1/24/17

2 Land ID

10/9/13

Scanned SM 11/24/14

3. Leases

01/10/17

4. Ltr from State Land

01/10/17

Scanned PJ 3-20-17



1.24.11

January 21, 2011

Telephone (405) 513-5500
Fax (405) 513-5364

Drew Reid
Texas General Land Office
P.O. Box 12873
Austin, TX 78711-2873

**RE: AVALON PROSPECT
Culberson County, TX**

Dear Drew:

Per your request, please find enclosed one (1) certified copy of a recorded Oil, Gas and Mineral Lease Lease pertaining to the above referenced prospect for the following:

1. **Betty Atkins Graham: S/2 Section 38, Blk 52, Public School Lands Survey, Abstract #6851 (Doc #66275)**

If you have any questions or need additional information, please contact me at the above number.

Sincerely,

Crystal McGee
CM: ec
Enclosure(s)

Doc# 00000066275

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (7/10) Revised Paid Up
With 640 Acre Horizontal Pooling Provision

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 6th day of October 2010, between Betty Atkins Graham, whose address, for the purpose of this lease, 3030 McKinney, Suite #2004, Dallas, TX 75206, Lessor (whether one or more), and, Devon Energy Production Company, L.P., whose address is 20 N. Broadway, Oklahoma City, OK 73102, Lessee WITNESSETH:

1. Lessor in consideration of Ten Dollars and other valuable consideration (\$10.00 and OVC), in hand paid and receipt of which is hereby acknowledged, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, utilizing facilities for surface or subsurface disposal of salt water, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, bridges, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Culberson County, Texas, to-wit:

Block 52, Public School Lands Survey, Abstract #6851
Section 36: S2

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 320.00, 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. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of Five (5) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipelines to which Lessee may connect its wells, the equal Three-Sixteenths (3/16ths) 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 Three-Sixteenths (3/16ths) 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 Three-Sixteenths (3/16ths) of the cost of treating oil to render it marketable pipeline oil; (b) to pay Lessor for gas and casinghead gas produced from said land (1) when sold by Lessee Three-Sixteenths (3/16ths) 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 Three-Sixteenths (3/16ths) of the amount realized from the sale of gasoline or other products extracted therefrom and Three-Sixteenths (3/16ths) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (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-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 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 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 owners of this lease, severally as to acreage owned by each.

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms 'oil well' and 'gas well' shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. 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 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 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, but only to the extent such proportion of unit production is sold by Lessee. 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, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. 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. In the absence of production in paying quantities 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 on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 90 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 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 said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 90 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 90 consecutive days,

102710 93272 Avalon P11/23 \$21

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: January 18, 2011
JENNIFER L. HARRIS, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature]

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 said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. 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.

7. 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.

8. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the aforescribed lands, Lessee shall have the continuing option by meeting any such offer to acquire such top 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 reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) 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) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

9. 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. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

10. 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.

11. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in 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, 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 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.

12. 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 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, 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 this lease 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.

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

Betty Atkins Graham
Betty Atkins Graham

ACKNOWLEDGMENT

STATE OF TEXAS }

COUNTY OF San Green }

This instrument was acknowledged before me on the 19th day of October, 2010, by Betty Atkins Graham.

My Commission Expires:

3-16-14

Sarah Elkin
Notary Public, State of TEXAS



CERTIFIED TRUE AND CORRECT COPY
STATE OF TEXAS
COUNTY OF CULBERSON

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession as the same is recorded in the _____

PAGE 1 OF 1

Filed for record on the 7th day of December, A.D. 2010 @ 11:50 o'clock A.M. and
duly recorded on the 14th day of December, A.D. 2010 @ 2:40 o'clock P.M.

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
By Linda McDonald, Deputy

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: January 18, 2011
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
By Linda McDonald, Deputy

W87

File No. 115910

Lease

Date Filed: 1/24/11

Jerry E. Patterson, Commissioner

By GH

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF CULBERSON

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Oil, Gas & Mineral Records of my office, found in VOL. 103, PAGE 481-482.

I hereby certified on January 18, 2011

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY [Signature] DEPUTY

**Basefile Number - 149416**

Information for this County -

CULBERSON COUNTY[Related GloBase Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS****LAND CLASS NUMBER - 08****BASEFILE NUMBER - 149416****CONTROL NUMBER 08-006169****SURVEY INFORMATION****SURVEY NAME - PSL****GRANTEE NAME - Armstrong, D C****ABSTRACT - 6851****BLOCK - TOWNSHIP - South 1/2 38 PS 52****SECTION NUMBER - 38****SECTION/PART -****CURRENT ACRES - 320.7****ORIGINAL ACRES - 320.70****PATENT INFORMATION:****PATENTEE NAME -****DISTRICT - Bexar****CLASSIFICATION - School****FILE NUMBER - 149416****PATENT DATE -****CERTIFICATE -****PATENT NUMBER -****PATENT VOLUME -****LEASE INFORMATION****POOLING AGREEMENTS:**

No Uplands Units

No SubMerged Units

OIL & GAS LEASES:

No Upland Oil & Gas Leases

No Submerged Oil & Gas Leases

HARD MINERAL LEASES:

NONE

PSF SURFACE LEASES:

NONE

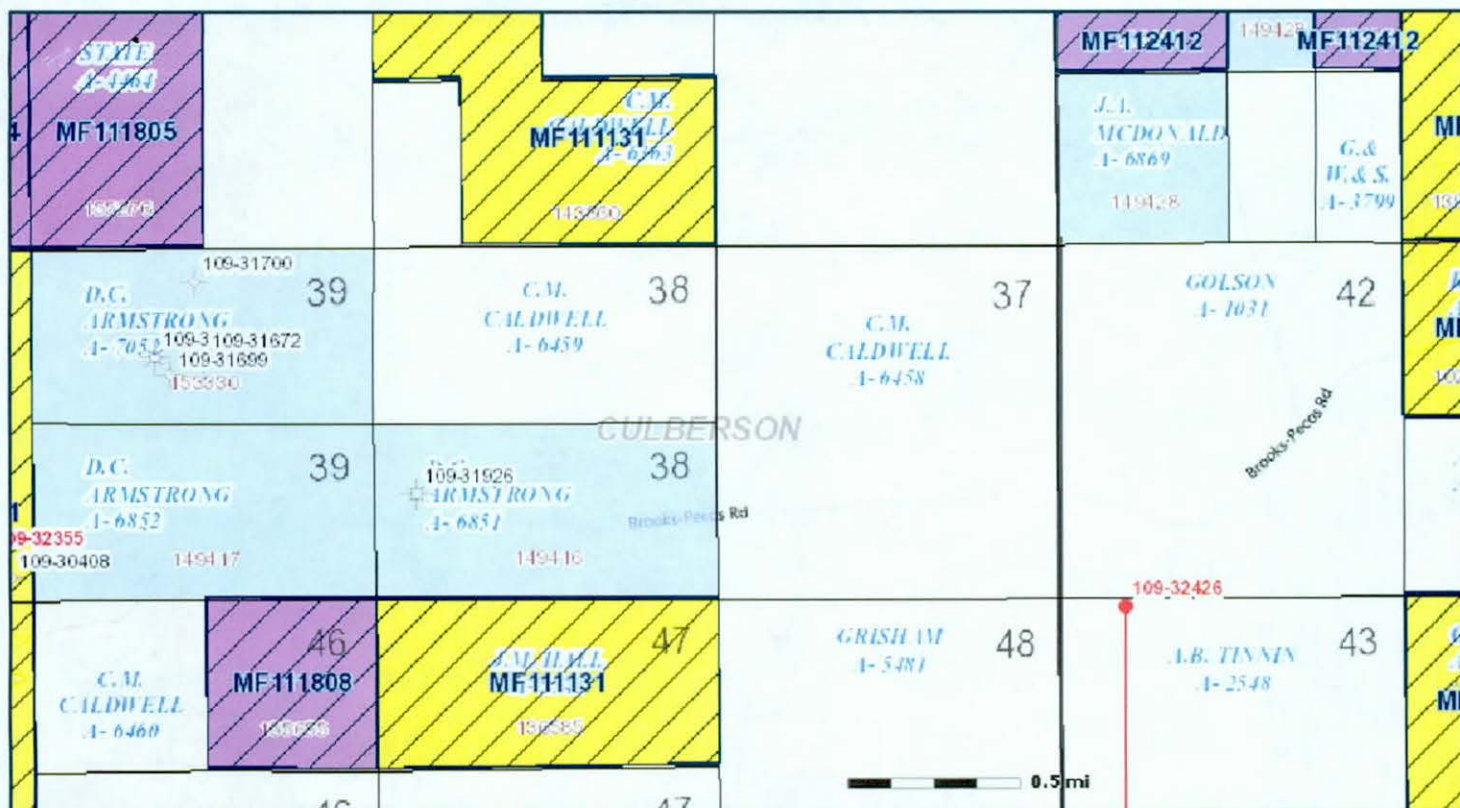
HISTORIC LEASES FOR THIS PARCEL**POOLING AGREEMENTS:**

No Uplands Units

No SubMerged Historical Units

OIL & GAS LEASES:

No Upland Oil & Gas Leases



The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.

Printed: Oct 09, 2013

Ledger 164

LAND AWARD AND RECEIPT

File No. 149416Page 486-ADate of Award Jan. 17, 1940GENERAL LAND OFFICE,
AUSTIN, TEXASWHEREAS, D. C. Armstrong

of Van Horn, Texas, Texas, has, in the manner and form prescribed by law,
filed in this office an application and obligation to purchase the following land, to-wit:

SECTION	BLOCK	TOWNSHIP	CERTIFICATE	GRANTEE	ACRES	PRICE	COUNTY
<u>S$\frac{1}{2}$ 38</u>	<u>52</u>			<u>Public School</u>	<u>320.7</u>	<u>\$ 2.21</u>	<u>Culberson</u>

Date of Sale Jan. 3, 1940Amount of Note \$ 691.03Rate of Interest 5% Per CentDue November 1st Annually
SCHOOL LAND

And the State having received \$ 17.72 as
first cash payment thereon, I do hereby award to said
applicant the survey of land described above with a
reservation of one-eighth of the sulphur and one-
sixteenth of all the other minerals as a free royalty to
the State.

Bascom Giles

Commissioner General Land Office.

Transfer to
J. S. Atkins & Frances
Walker

1964

File No. 115910

Land ID

Date Filed: 10/2/13

Jerry E. Patterson, Commissioner

By JEP

MEMORANDUM OF PAID UP OIL & GAS LEASE

State: Texas

County: Culberson

Lessor: Debbie Morris
4819 Century Dr.
San Angelo, Texas 76901
P.O. Box 691
Wister, OK 74966

Lessee: Changier Shale Oil WL, LLC
203 W. Wall St., Suite 700
Midland, Texas 79701

Effective Date: October 1, 2016

As of the Effective Date stated above, Lessor, named above, whether one or more, executed and delivered to Lessee, named above, a Paid Up Oil & Gas Lease (the "Lease") in which Lessor granted, leased, and let to Lessee all of Lessor's mineral interest in the lands (the "Lands") located in the county and state named above, described as follows:

The South Half (S/2) of Section 38, Block 52, Public School Land Survey, Abstract No. 6851, containing 320.7 acres, more or less.

The Lease grants Lessee the exclusive rights to: explore for, drill for, produce and market oil, gas, and other hydrocarbons from the Lands during the term of the Lease; construct and maintain such facilities as are provided for in the Lease; and, the right of ingress and egress through, on and over the Lands.

The Lease contains a three (3) year primary term.

This Memorandum of Paid Up Oil & Gas Lease is executed by Lessor and Lessee and placed of record in the county in which the Lands are located for the purpose of placing all persons on notice of the existence of the Lease, which is not, at the request of both parties, being placed of record.

This Memorandum of Paid Up Oil & Gas Lease may be executed in multiple counterparts, each of which, when so executed, shall constitute one and the same instrument. For recordation purposes, the separate signature pages and acknowledgments may be affixed to the body of one original instrument without the necessity of recording each separate counterpart in its entirety.

This Memorandum is signed by Lessor and Lessee as of the date of the acknowledgment of their signatures below, but is effective for all purposes as of the Effective Date stated above. This Memorandum may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, and all such counterparts, when taken together, shall constitute one and the same instrument. For recordation purposes, the separate signature pages and acknowledgments may be affixed to the body of one original instrument without the necessity of recording each separate counterpart in its entirety.

Lessee

Debbie Morris, a single woman

Kathryn Kromer, a single woman

By: Joseph Magallon
Typed name: Joseph Magallon
Title: President and CEO

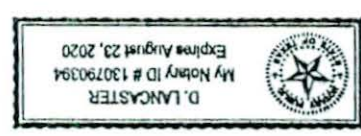
Changier Shale Oil WL, LLC

True and Correct
Copy of
Original in
Culberson County
Clarks Office



10101

True and correct
Notary Public
in and for the State of
Texas
Commission Expires
8-23-20



Notary Public in and for the State of TEXAS
Printed Name: D. LAMCASTER
Commission Expires: 8-23-20

STATE OF TEXAS
COUNTY OF Mudland
This instrument was acknowledged before me on Nov. 15th, 2016 by Joseph Magolo, as President and CEO of Charter Shale Oil W.L.L.C., a Texas Limited Liability Corporation, on behalf of said corporation.



STATE OF OKLAHOMA
COUNTY OF Le Flore
This instrument was acknowledged before me on the 2 day of November, 2016, by KATHIRYNN KRONHILK, a single woman.



STATE OF TEXAS
COUNTY OF TOM GREEN
This instrument was acknowledged before me on the 30 day of November, 2016, by DEBBIE NORMAN, single woman.

STATE OF TEXAS §

COUNTY OF TOM GREEN §

This instrument was acknowledged before me on the 2 day of November, 2016, by DEBBIE NORRIS, a single woman.



Geneva Salazar
Notary Public, State of Texas

STATE OF OKLAHOMA §

COUNTY OF LeFlore §

This instrument was acknowledged before me on the 2 day of November, 2016, by KATHRYN KROMER, a single woman.

notary stamp

Kathryn Kromer
Notary Public, State of Oklahoma
EXP. 11/15/2020



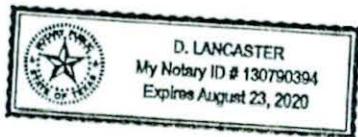
STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on Nov 15th, 2016 by Joseph Magoto, as President and CEO of Charger Shale Oil WL, LLC, a Texas Limited Liability Corporation, on behalf of said corporation.

notary stamp

D. Lancaster
Notary Public in and for the State of Texas
Printed Name: Debra Lancaster
Commission Expires: 8-23-20



Filed for record on the 21st day of November, A.D. 2016 @ 1:40 o'clock P.M.
and duly recorded on the 21 day of November, A.D. 2016 @ 4:35 o'clock P.M.

BY Linda McDonald, Deputy CULBERSON COUNTY, TEXAS
LINDA MCDONALD, COUNTY CLERK

CERTIFIED TRUE AND CORRECT COPY
STATE OF TEXAS
COUNTY OF CULBERSON

The above and foregoing is a full, true and correct copy of the
original record now in my lawful custody and possession and is
filed/recorded in the OPR Records of County found
in VOL 21, PAGE 547549

I hereby certify on 27th December 2016

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY TEXAS

BY Vannica D. Bourgeois DEPUTY

1.10.15

COPY

PAID UP OIL & GAS LEASE

THIS AGREEMENT made effective October 1, 2016, between DEBBIE NORRIS, a single woman, of 4819 Century Drive, San Angelo, Texas 76903 and KATHRYN KROMER, a single woman of P. O. Box 691, Wister, Oklahoma 74966 herein called Lessor (whether one or more), and CHARGER SHALE OIL WL, LLC whose address is 203 W. Wall Street, Suite 700, Midland, Texas 79701, herein called Lessee:

1. Lessor, in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) in hand paid, receipt of which is hereby acknowledged, the royalties herein provided, and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil and gas, laying pipeline, storing oil, building tanks, and other structures and things thereon to produce, process, store and transport said minerals and other products manufactured therefrom, the following described land in Culberson County, Texas.

The South Half (S/2) of Section 38, Block 52, Public School Land Survey,
Abstract No 6851.

The total lands included within the terms of all of the leases as set forth above are estimated to contain 320.7 acres, whether they actually comprise more or less.

Notwithstanding anything to the contrary, this is a lease for oil and gas only, and no other mineral. For the purposes of this lease, "oil and gas" shall be deemed to include oil, gas, casinghead gas, and by products thereof, other hydrocarbons, sulfur and other substances that are products necessary with and incidental to the production of oil or gas from wells on the leased premises. This lease does not include the right and privilege of Lessee to erect and maintain refining facilities or any other extraction or treating facilities not directly related to the production, treatment, and recovery of oil and gas from this lease only, and all such facilities shall be only those necessary for production, treatment, and recovery of such oil and gas from this lease.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of three years from this date (called "primary term"), and as long thereafter as oil, gas, or other mineral is produced in paying quantities from said land or, in the event pooling is permitted, land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. Notwithstanding anything contained herein to the contrary, this lease is a paid up lease and shall continue in full force and effect for the entire primary term, regardless of whether operations are conducted or ceased, or production is obtained or ceases during the primary term.

4. The royalties to be paid by Lessee are:

(a) On oil, and on other liquid hydrocarbons saved at the well, Twenty-five percent (25.0%) of that produced saved and sold from said land, same to be delivered at the wells or to the credit

of Lessor in the pipe line to which the wells may be connected;

(b) On gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value of Twenty-five percent (25.0%) of the gas so sold or used, provided that on gas sold by Lessee the royalty shall be Twenty-five percent (25.0%) of (i) the gross proceeds from such sale, or (ii) the market value at the point of sale, whichever is greater.

Notwithstanding the above, when gas is sold to an Affiliate of Lessee, the royalty shall be twenty-five percent (25.0%) of the Gross Proceeds, computed at the point of sale, from the sale of such gas by such Affiliate of Lessee. For purposes of this lease, an "Affiliate of Lessee" is any corporation, firm or other entity in which Lessee, or any parent company, subsidiary or affiliate of Lessee, owns an interest of more than ten percent (10%), whether by stock ownership or otherwise, or over which Lessee or any parent company or Affiliate of Lessee exercises any degree of control, directly or indirectly, by ownership, interlocking directorate, or in any other manner; and any corporation, firm or other entity which owns any interest in Lessee, whether by stock ownership or otherwise, or which exercises any degree of control, directly or indirectly, over Lessee, by stock ownership, interlocking directorate, or in any other manner. For purposes of this lease, "Gross Proceeds" means the total consideration paid for oil and gas produced from the premises, with the following exceptions:

- (i) Lessor's royalty shall bear its proportionate part of severance taxes actually paid by Lessee attributable to production from the leased premises.
- (ii) If gas produced from the premises is processed for the recovery of liquefiable hydrocarbon products prior to sale, and if such processing plant is not owned by Lessee or any Affiliate of Lessee, Lessor's royalty shall be calculated based upon the consideration received by Lessee (or any Affiliate of Lessee) from Lessee's (or Lessee's Affiliate's) sale of such liquefiable hydrocarbons and residue gas, less Lessee's proportionate part of severance taxes thereon.

If gas produced from the premises is processed for the recovery of liquefiable hydrocarbon products prior to sale, and if such processing plant is owned by Lessee or an Affiliate of Lessee, Lessor's royalty shall be calculated based on (a) 80% of the consideration received by Lessee (or any Affiliate of Lessee) from the sale of all products extracted from such gas, plus (b) the total consideration received by Lessee (or any Affiliate of Lessee) from the sale of all residue gas, less Lessee's proportionate part of severance taxes thereon.

(c) At any time, after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) and all such well or wells are shut in before or after production therefrom, this lease shall continue in force for a period of either: (1) ninety (90) days from the date such well or wells are shut-in; (2) ninety (90) days from the effective date for inclusion of said land or a portion thereof within a unit on which is located a shut-in gas well; or (3) ninety (90) days from the date this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and before the expiration of any such period Lessee or any

assignee hereunder may pay or tender an advance annual royalty ("gas shut-in royalty") of ten (\$10.00) dollars per acre for the acreage then held under this lease by the party making such payment or tender to the owners of royalty hereunder. If such payment or tender is made, this lease shall continue in force and it shall be considered that gas is being produced from said land in paying quantities within the meaning of Paragraph 2 hereof for one (1) year from the date of such payment, and in like manner subsequent advance annual royalty payments may be made or tendered and this lease shall continue in force and it will be considered that gas is being produced from said land in paying quantities within the meaning of said Paragraph 2 during any annual period for which such gas shut-in royalty is so paid or tendered. Notwithstanding anything herein to the contrary however, Lessee may not pay a gas shut-in royalty in order to maintain this lease in force for a period or periods of more than two consecutive years.

(d) The payment or tender of gas shut-in royalty may be made by check or wire transfer of Lessee, mailed or delivered to said royalty owner or owners if more than one, on or before the due date, and the payment or tender will be deemed made when the check or draft is so delivered or mailed. If Lessee shall, on or before the gas shut-in royalty payment date, make a bona fide attempt to pay a gas shut-in royalty payment to a royalty owner entitled thereto under this lease according to Lessee's records at the time of such payment, and if such payment shall be returned as undeliverable, Lessee shall make a diligent attempt to find the current address of Lessor's attorney in fact who is at this time a Certified Public Accountant practicing in San Angelo, Texas and deliver such payment to him, but this lease shall be maintained in the same manner as if such erroneous payment or deposit had been properly made, provided that Lessee shall correct such erroneous payment within a reasonable period.

(e) Without limiting Lessor's rights or Lessee's obligations under any other provision of this lease, commencing on the completion date of the first well drilled on the leased premises as a producing well, no more often than once in any two-year period during the term of this lease Lessor shall have the right to have an audit of the books, accounts, contracts, records, and data of Lessee pertaining to the development, production, saving, transportation, sale, and marketing of the oil, gas, and sulphur produced from or attributable to the leased premises conducted. If the exceptions or deficiencies in royalty payments by Lessee as revealed by the audit (the "audit exceptions") are, either by agreement of Lessor and Lessee or by a final, non-appealable judgment binding on the parties, determined to be more than the cost and expense of such audit, then Lessee shall reimburse Lessor for the cost of such audit within sixty (60) days after the earlier of (i) the date of the agreement of the parties respecting the amount or amounts of the audit exceptions or (ii) the date upon which a judgment binding on the parties and determining the amount or amounts of the audit exceptions becomes final and non-appealable. If the audit exceptions are, either by agreement of Lessor and Lessee or by a final, non-appealable judgment binding on the parties, determined to be less than the cost and expense of the audit, such cost and expense shall be borne by Lessor.

(f) Lessee agrees that all royalties accruing and payable under this lease shall be without deduction for any costs attributable to producing, gathering, storing, compressing, separating, treating, dehydrating, processing, transporting, marketing or making oil, gas or other hydrocarbons produced from said land merchantable and/or ready for sale or use (which costs are hereinafter collectively referred to as "Marketing Costs"). For purposes of this paragraph, if gas is sold or used off the land and the "market value" definition of royalty in Paragraph 4 above is used

to determine royalty, "market value" shall mean the amount received by the Lessee plus any amount incurred by Lessee as "marketing costs" except as expressly provided herein. It is intended and agreed regardless of any case law to the contrary, that the terms of this paragraph be controlling, and not merely "surplusage," regardless of any court decisions to the contrary. Notwithstanding anything contained herein, provided Lessee sells oil and or gas and the byproducts to an arm's length purchaser, then Lessor's royalty will be based upon the same price as that received by Lessee.

5. If, at the expiration of the primary term, oil, gas or other mineral is not being produced on said land but Lessee is then engaged in operations for drilling, mining, completing reworking, sidetracking, repairing or plugging back or recompletion of any well or mine thereon; (hereafter in this paragraph defined as the "continuous drilling program"), or on land properly pooled or unitized with said land, or portion thereof, this lease shall remain in force so long as Lessee is engaged in drilling, mining, completing reworking, sidetracking, repairing or plugging back or recompletion (hereafter in this paragraph described as "operations") of any well with no cessation of more than one hundred eighty (180) consecutive days between the operations on any one well and the commencement of the next well, and if they result in production, so long thereafter as oil or gas are produced from said land or on land properly pooled or unitized with said land, or portion thereof. If any of the wells during the continuous drilling program, that Lessee is engaged in operations on, result in a dry hole Lessee shall have 180 days from the plugging of that well to commence operations on another well to perpetuate this lease and maintain the continuous drilling program. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and draining said land, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. Completion and commencement are defined in section 11. (l) of this lease.

6. Lessee shall not have free use of oil, gas or other hydrocarbons produced from and/or attributable to said land, for drilling and production operations hereunder; provided, however, Lessee shall have the right to free use of gas to fuel heaters on well sites used to heat oil in tanks, gas to fuel heater treaters to separate oil and water, gas to fuel gas engines for pumping units and oil for hot oil treatments.

7. The rights of either party hereunder may be assigned in whole or in part except as provided in this paragraph 7 and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of said land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of said land, rentals or royalties shall be binding upon Lessee for any purposes until such person acquiring any interest has furnished Lessee with the instrument or instruments or certified copies thereof, constituting his chain of title from the Lessor. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of the other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and, if Lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such Lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers apart of said land upon which

Lessee or any assignee thereof shall make payment of said rentals.

In the event the original Lessee is not going to be the operator of any well drilled under this Lease, Lessor shall have the right to consent to the operator, which consent shall not be unreasonably withheld.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides, and lightning; acts of the public enemy; wars, blockades, insurrections or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or request of federal, state, municipal or other governments or governmental authorities, officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service, or material; lawsuits filed by or against and third party pertaining to the title to interest of Lessor and to said land purported to be covered by this lease. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of thirty (30) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, 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.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor, or Lessor's heirs and assigns, by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

11. Notwithstanding anything herein contained to the contrary, it is hereby agreed:

(a) If this lease is in force and effect at the expiration of its primary term, Lessee may continuously develop the above described land by commencing an additional well within 180 days from the date of completion of the preceding well until all proration units as prescribed or permitted by the applicable rules of the Railroad Commission of Texas, or other governmental authority having jurisdiction, have been drilled, and in the event Lessee shall fail to commence such continuous development or in the event of cessation of such continuous development this lease shall ipso facto terminate as to all of the above described land, save and except as to each proration unit allocated for production allowable purposes to each well producing oil or gas in commercial quantities. Such proration units shall be in the form of a square or rectangle as near as possible and shall be selected by Lessee by recorded instrument within ninety (90) days following such termination.

The first such development well shall be commenced on or before the expiration of the primary term of this lease if this lease has not already terminated pursuant to its terms, or within 180 days from the date of completion of any well drilled during the primary term, whichever is the later date. Notwithstanding such termination, Lessee shall have a continuing right-of-way and easement on, over and across all the land hereby leased for the construction, use, maintenance, replacement and/or removal of pipelines, roads, telephone lines, electric lines, tanks and other facilities for its operations hereunder on land remaining covered by this lease following such termination.

As used herein "proration unit" or "governmental proration unit" shall mean the minimum acreage allowed, prescribed, permitted or required by the Texas Railroad Commission, or other governmental authority having jurisdiction over such matters to be assigned to any well for allowable, spacing, allocation or proration purposes and a 10.0% tolerance thereof. Unless required by the Texas Railroad Commission or other governmental authority having jurisdiction, no proration unit for a vertical well shall exceed 80 acres of land for wells classified by the Texas Railroad Commission or other government authority having jurisdiction as oil wells or 160 acres of land for vertical wells classified by the Texas Railroad Commission or other government authority having jurisdiction as gas wells, plus a 10% tolerance thereof. The proration unit for horizontal wells shall be governed by the Texas Railroad Commission or other governmental authority having jurisdiction.

"Completion" of any well shall be deemed to be the date that the final potential test on the well is filed with the Texas Railroad Commission or other governmental authority having jurisdiction over such matters, or one hundred twenty (120) days after the well has reached its total depth, whichever time is the earliest. The abandonment date of any well shall be that date on which the proper plugging and abandonment forms as required by the authorized governmental agency having jurisdiction are filed with said agency. Commencement of a well shall be the date the well is spudded with a drilling rig capable of reaching permitted depth.

Upon the actual termination of this lease as to any part of the said land as provided for in this paragraph, Lessee agrees to furnish Lessor a recordable release covering the lands which are no longer subject hereto.

(b) Lessee may pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, subject to the limitations herein provided. In the event Lessee elects to pool acreage covered by this lease and the well is a vertical well located on lands covered hereby, then at least one-fifth of the unit so formed shall be comprised of lands covered by this lease or the unit may be comprised of all of the remainder of the lands covered hereby available for inclusion with the unit. In the event Lessee elects to pool acreage covered by this lease and the well is a vertical well not located on lands covered hereby, then at least one-fourth of the unit so formed shall be comprised of lands covered by this lease or the unit may be comprised of all of the remainder of the lands covered hereby available for inclusion with the unit. Units pooled hereunder shall not exceed the minimum number of acres required by Texas Railroad Commission Field Rules, and if applicable, Statewide Rule 86, to be entitled to the maximum allowable in all fields of anticipated completion (see Form W-1) for the well. In the event there are no special field rules established for production allowable/density purposes within

the field or fields from which a well is producing, then Lessee shall be allowed to pool 80 acres around each oil well and 160 acres around each gas well producing or capable of producing oil and/or gas in paying quantities. Where a pooled unit well is completed in multiple fields, such that multiple field rules are applicable to that well, the pooled unit, as to all depths that are otherwise held, shall be determined upon the basis of the field rules that allow for the holding of the largest amount of acreage. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil or gas in any one or more strata. Lessee shall file for record in the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto. Lessee may exercise the pooling rights herein allowed before or after commencing operations for or completing an oil or gas well. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit a pro rata portion of the oil and gas, or either of them, produced from the pooled unit. Such allocation shall be on an acreage basis, meaning there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Notwithstanding anything herein seemingly to the contrary, in the event Lessee pools only a portion of this lease, then in such event the pooled portion and the unpooled portion shall be treated and considered as a separate and distinct lease for the limited purposes of paying shut-in royalties and extending the term of this lease by drilling, production or reworking operations or by reason of force majeure. Should this occur, the payment of any shut-in gas royalties shall be based on the number of acres then covered by each separate lease.

Subject to the foregoing limitations as to the acreages that may be pooled for horizontal drainhole wells under this lease, Lessee shall have the right and power to pool and unitize, for horizontal drainhole wells as such wells are prescribed or permitted by the Railroad Commission of Texas, or other regulatory authority having jurisdiction (either of these foregoing regulatory authorities having jurisdiction is referred to in this paragraph as the "Commission"), all or part of the lands covered by this lease with any other land for oil or gas to form pooled units of such size as may be permitted by the Commission for the assignment of acreage to horizontal drainhole well or wells in question based upon the permitted length of the lateral. In exercising its pooling rights for horizontal drainhole wells under this paragraph, Lessee shall file of record in the county where the lands to be pooled are located a written declaration describing the unit and upon such declaration the unit shall be effective. Lessee shall have the recurring right but not the obligation to revise any unit formed for horizontal drainhole wells by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density patterns permitted by the Commission, or to conform to any productive acreage determination made by such agency. In making such a revision, Lessee shall file of record in the county where the lands are located a written declaration describing the revised unit and upon such declaration the revised unit shall be effective. 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 under this paragraph shall be adjusted accordingly as of the effective date for the revised unit. The effective date for any unit formed for horizontal drainhole wells under this paragraph or any revision thereof shall be the date set forth as the effective date by Lessee in the written declaration that is filed of record for such unit or revision thereof.

If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest 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. In the absence of separate tracts being pooled, royalties shall be paid solely to the owners of the tract upon which the well is drilled, but Lessee shall nevertheless have the right to pool or unitize any such separate tracts as provided in this paragraph with consequent allocation of production as herein provided. Provided, in the absence of the pooling of separate tracts, royalties on production from horizontal wells shall be allocated to the separate tracts (and as allocated paid solely to the owners of the separate tracts) on the basis of the number of lateral feet of a horizontal drainhole under each separate tract so long as that well is not producing from the vertical drainhole. If a well produces from both the vertical drainhole and the horizontal drainhole, royalties on production shall be allocated to the separate tracts (and as allocated paid solely to the owners of the separate tracts) on a reasonable basis as determined by Lessee. As used in this paragraph, the words "separate tracts" shall 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 hereunder shall not constitute a cross-conveyance of interests.

(c) The terms and provisions of this lease may not be amended by any division order. Subject to Lessee's right to require Lessor to sign division orders pursuant to the applicable provisions of Section 91.401, et seq., of the Texas Natural Resources Code, within one hundred twenty (120) days following the end of the month of the first commercial sale of production, but subject to the provisions of Paragraph 4 of this lease concerning shut-in wells and the absence of any dispute of title, the initial settlement shall be made by Lessee and/or its assigns or by the product purchaser with Lessor for oil, gas or other hydrocarbons produced from said land and sold or used off of said land. After the initial settlement is made: (i) Royalties on oil shall be paid within one (1) month after the end of the calendar month during which the oil was sold; and (ii) Royalties on gas shall be paid within two (2) months after the end of the calendar month during which the gas was sold. All royalties not paid or tendered to Lessor in accordance with the time schedule outlined above shall bear interest from due date until paid or tendered at the prime rate of interest then in effect at Wells Fargo Bank, San Angelo, Texas, or its successor, plus 4.0% per annum; provided, however, that such rate of interest shall never exceed the maximum rate of interest provided for by applicable Federal and State Usury Laws.

(d) This lease is made without warranty, express or implied and Lessor shall not in any event be required to return any bonus payments made to Lessor.

(e) Any notice required or permitted to be given hereunder shall be deemed to have been properly given (a) immediately upon receipt via Federal Express or nationally recognized express mail with tracking, or (b) immediately upon receipt of Certified or Registered United States Mail, Return Receipt Requested, all of which shall be addressed to the party to whom notice is intended at the address of each party set forth above.

(f) If this lease is in force and effect as to any part of the above described lease land at the expiration of: (i) the primary term, or (ii) the expiration of the continuous drilling program defined in Paragraph 11 (a) of this lease, whichever is the later date, then this lease shall thereupon terminate as to all of the oil and gas rights in all formation within the boundary lines of each proration unit or producing unit below the depth of 100 feet below the total depth of the deepest perforation in each proration unit as established by the well log for each such well if the well is vertical or 200 feet below the total depth of the deepest perforation in each proration unit as established by the well log for each such well if the well is a horizontal well.

(g) Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interests or other charges on Lessor's interest in said land, but Lessor agrees that Lessee shall have the right, at any time, or from time to time, to pay or reduce same for subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties, delay rentals or other payments payable or which may become payable to Lessor hereunder. If this lease covers a less interest in the oil, gas or other hydrocarbons 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 in said land, then the royalties, delay rentals or other payments accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interests 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 same, without regard to whether it is executed by all parties named as Lessor herein.

(h) In the event Lessee enters into a gas purchase contract which contains what is commonly referred to as a "take or pay provision" (such provision meaning that the gas purchaser agrees to take delivery of a specified minimum volume or quantity of gas over a specified term at a fixed price or to make minimum periodic payments to the producer even though gas is not being delivered to the purchaser) and the purchaser under such gas contract makes payments to the producer by virtue of such purchaser's failure to take delivery of such minimum volume or quantity of gas, then Lessor shall be entitled to Twenty-five percent (25.0%) of all such sums paid to Lessee or producer under provisions of such gas purchase contract. This shall include but not be limited to any payments made in lieu of production. It is the intent of this lease that Lessor and Lessee share in all payments made by an individual or entity purchasing actual production or the right to production from the property. This shall include payments made for actual production, payments made in lieu of production, and/or payments made related to production.

(i) Lessee agrees to reimburse Lessor \$1,500 for attorney's fees and expenses relating to the preparation and negotiation of this lease.

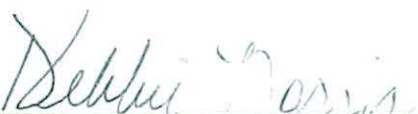
12. Lessee agrees to indemnify, save and hold harmless the Lessor, Lessor's heirs, executors, administrators, tenants and assigns ("Indemnitees") from and against all causes of action, liabilities and claims of whatever nature for damages, including but not limited to personal injury or leased premises damages, arising from the Lessee's ownership of or operations under this Lease, expressly including damages resulting from acts or omissions of Lessee, Lessee's contractors, subcontractors, licensees, agents, servants or employees, whether incurring on the leased premises, or otherwise. This indemnity and hold harmless agreement shall include indemnity against all

reasonable cost, expenses and liabilities, including reasonable attorney's fees, and Indemnities on or in connection with any such claim or proceeding brought thereon and in defense thereof.

13. This lease may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, and all such counterparts, when taken together, shall constitute one and the same instrument. For recordation purposes, the separate signature pages and acknowledgments may be affixed to the body of one original instrument without the necessity of recording each separate counterpart in its entirety.

IN WITNESS WHEREOF, we sign the day and year first above written.

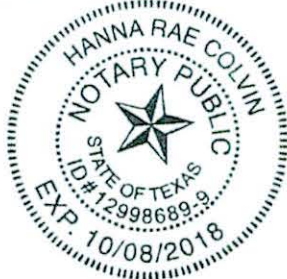
LESSOR:


DEBBIE NORRIS, a single woman

STATE OF TEXAS §

COUNTY OF TOM GREEN §

This instrument was acknowledged before me on the 3rd day of November, 2016, by DEBBIE NORRIS.




Notary Public, State of Texas

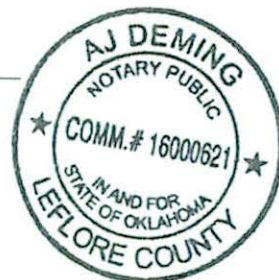
Kathryn Kromer
KATHRYN KROMER, a single woman

STATE OF OKLAHOMA §

COUNTY OF Le Flore §

This instrument was acknowledged before me on the 2 day of November,
2016, by Kathryn Kromer.

AJ Deming
Notary Public, State of Oklahoma
Exp: JAN 15 2020



File No. 115910
County _____
Leases
Date Filed: 01/10/17
George P. Bush, Commissioner
By: _____

1.70.21

2.20.21

Slate Land & Right-of-Way Services

INCLUDING LAND ADMINISTRATIVE ASSISTANCE

P. O. Box 550

BIG SPRING, TEXAS 79721-0550

(432) 267-3601

January 4, 2017

Certified Mail: 9590 9403 0539 5173 4724 43
7016 1370 0000 4329 6630

Texas General Land Office
Mineral Leasing Division
Attn: Drew Reid
1700 N. Congress Ave.
Austin, Texas 78701-1495

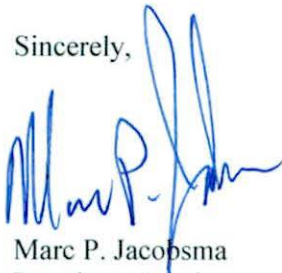
RE: Certified copy of recorded Memorandum of Paid-Up Oil and Gas Lease and xerox copy of Paid-Up Oil and Gas Lease, Debbie Norris and Kathryn Kromer, Lessors. Covering all of the South one-half (S/2) of Section 38, Block 52, Abstract No. 6851, PSL Survey, Culberson County, Texas. Containing 320.7 acres. MF 115910; Control # 08-006169; Base File # 149416.

Dear Mr. Reid:

Please find enclosed the above referenced documents and check No. 1519 in the amount of \$25.00 to cover the filing fee.

After your receipt of the above, please send to my attention the Mineral File number assigned to this interest/lease.

Sincerely,



Marc P. Jacobsma
Petroleum Landman

MPJ/df

Encl: As stated above

File No. 115910

County

Ltr from State Land

Date Filed: 01/10/17

George P. Bush, Commissioner

By [Signature]

4
4
5
4
4

1.10.17