

MID-CONTINENT ENERGY EXCHANGE

Oil & Gas Asset Auctions



Lot 5952 Data Packet

McClain County, OK

Term Leasehold

In this Document:

[Lot Summary](#)

[Production](#)

[Maps](#)

[Misc.](#)

[Outgoing Conveyance](#)



Summary

BidEx Lot #5952

Lease Name:	McClain OK Term Leasehold
County/State:	McClain, OK
Asset Type:	Leasehold
Acres:	12 NMA
Legal Description:	Sec 34-6N-2W
API:	35-087-22450
Operator:	Charter Oak Production Co.

Disclaimer: Bidders must conduct their own due diligence prior to bidding at the auction. Bidders shall rely upon their own evaluations of the properties and not upon any representation either oral or written provided here. This is a summary of information provided by the seller to Mid-Continent Energy Exchange.



Monday, July 24, 2023

James Harris Rooney Trust
c/o Patrick T. Rooney, Timothy P. Rooney,
James Harris Rooney & L.F. Rooney, III, as Co-Trustees
12000 Brookhollow Road
Oklahoma City, OK 73120-5503

Re: Oil and Gas Lease Offer
Section 34-T06N-R02W
McClain County, Oklahoma

Dear Co-Trustees:

Capstone Land Company is currently extending offers for Oil and Gas Leases in the above captioned lands. **Our records indicate that you are the owner of an undivided 2.22222 net mineral acres, (which are non-producing and open to lease), in Section 34-06N-02W, in McClain County, OK.** We plan on drilling a well in the above-mentioned section and will be going before the Oklahoma Corporation Commission in the upcoming months.

To that end, I would like to extend the offer of the following terms:

- ☐ Bonus Consideration: \$75.00 Per Net Mineral Acre
Royalty: 12.5% Royalty in the event of production.
Primary Term: 3 Year + 2 Year Option to Renew
- ☐ Bonus Consideration: \$50.00 Per Net Mineral Acre
Royalty: 15 % Royalty in the event of production.
Primary Term: 3 Year + 2 Year Option to Renew
- ☐ Bonus Consideration: \$0 Per Net Mineral Acre (No Bonus)
Royalty: 18.75% Royalty in the event of production.
Primary Term: 3 Year + 2 Year Option to Renew

If you have any questions, comments or require additional information please do not hesitate to contact me at **(405) 494-9191**, or by email at **sowens@capstoneland.net**. Thank you in advance for your prompt consideration of this offer.

Sincerely,

Stacy Owens, Landman
(405) 494-9191 (Office)
(405) 652-2260 (Cell)
sowens@capstoneland.net

Signature (w/Title If Applicable): _____

Best Telephone Number: _____



Monday, July 24, 2023

L.F. Rooney III Trust
c/o Patrick T. Rooney, Timothy P. Rooney,
James Harris Rooney & L.F. Rooney, III, as Co-Trustees
12000 Brookhollow Road
Oklahoma City, OK 73120-5503

Re: Oil and Gas Lease Offer
Section 34-T06N-R02W
McClain County, Oklahoma

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Stacy Owens, Landman
(405) 494-9191 (Office)
(405) 652-2260 (Cell)
sowens@capstoneland.net

Signature (w/Title If Applicable): _____

Best Telephone Number: _____



Monday, July 24, 2023

Lucy Rooney Kapples Trust
c/o Patrick T. Rooney, Timothy P. Rooney,
James Harris Rooney & L.F. Rooney, III, as Co-Trustees
12000 Brookhollow Road
Oklahoma City, OK 73120-5503

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Section 34-T06N-R02W
McClain County, Oklahoma

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(405) 494-9191 (Office)
(405) 652-2260 (Cell)
sowens@capstoneland.net

Signature (w/Title If Applicable): _____

Best Telephone Number: _____



Monday, July 24, 2023

Rebecca Finch Rooney Trust
c/o Patrick T. Rooney, Timothy P. Rooney,
James Harris Rooney & L.F. Rooney, III, as Co-Trustees
12000 Brookhollow Road
Oklahoma City, OK 73120-5503

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Section 34-T06N-R02W
McClain County, Oklahoma

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(405) 652-2260 (Cell)
sowens@capstoneland.net

Signature (w/Title If Applicable): _____

Best Telephone Number: _____



Monday, July 24, 2023

Timothy P. Rooney Trust
c/o Patrick T. Rooney, Timothy P. Rooney,
James Harris Rooney & L.F. Rooney, III, as Co-Trustees
12000 Brookhollow Road
Oklahoma City, OK 73120-5503

Re: Oil and Gas Lease Offer
Section 34-T06N-R02W
McClain County, Oklahoma

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Stacy Owens, Landman
(405) 494-9191 (Office)
(405) 652-2260 (Cell)
sowens@capstoneland.net

Signature (w/Title If Applicable): _____

Best Telephone Number: _____



Monday, July 24, 2023

Patrick T. Rooney Trust
c/o Patrick T. Rooney, Timothy P. Rooney,
James Harris Rooney & L.F. Rooney, III, as Co-Trustees
6604 N Hillcrest
Oklahoma City, OK 73116

Re: Oil and Gas Lease Offer
Section 34-T06N-R02W
McClain County, Oklahoma

Dear Co-Trustees:

Capstone Land Company is currently extending offers for Oil and Gas Leases in the above captioned lands. **Our records indicate that you are the owner of an undivided 2.222222 net mineral acres, (which are non-producing and open to lease), in Section 34-06N-02W, in McClain County, OK.** We plan on drilling a well in the above-mentioned section and will be going before the Oklahoma Corporation Commission in the upcoming months.

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sowens@capstoneland.net

Signature (w/Title If Applicable): _____

Best Telephone Number: _____



Production



NOTE: THE TERM LEASEHOLD IS OFFSET TO THE BIG KAHUNA, NOT UNDER IT.



BIG KAHUNA 1-35-2-11XH

Lease #: 08723167600000

Lease and Production Information

State	County	Operator			
OK	MCCLAIN	CHARTER OAK PRODUCTION CO LLC			
Location	Meridan	Quarter Call	Formation	Horizontal	Production Months
11-05N-02W	Indian	AL		No	2
			Oil		Gas
First Prod Date			2024-10-01		2024-10-01
Last Sale			2024-11-01		2024-11-01
Daily Rate			427.2		905.1
MoM Change			5072		20743
YoY Change			26486		33563
Cumulative			26486		33563

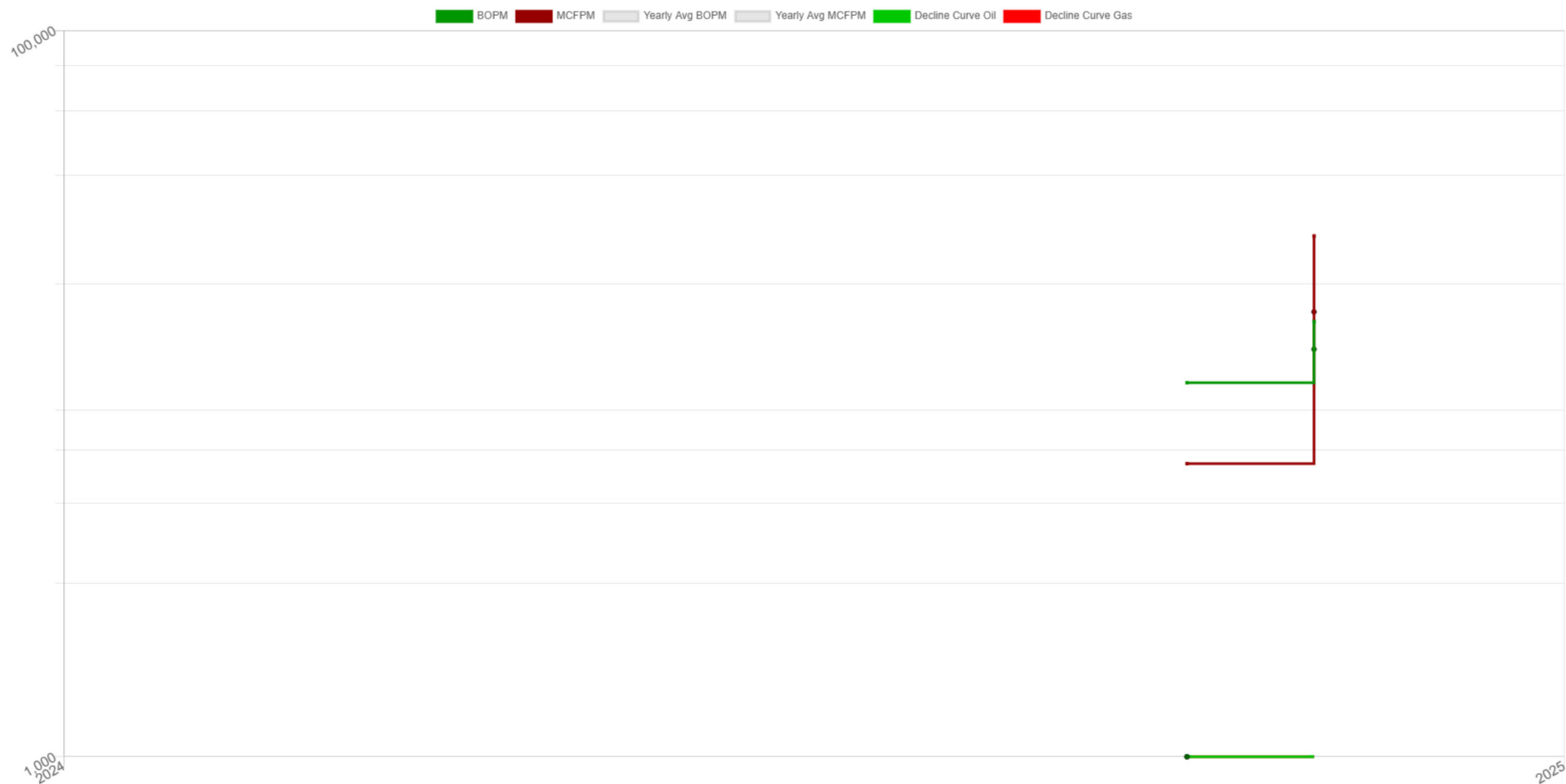
Production Snapshot

Month	BOPM	MCFPM
10-2024	10707	6410
11-2024	15779	27153
Average	13243	16782

Annual Averages

Year	Avg BOPM	Avg MCFPM
2024	13243	16782

BIG KAHUNA 1-35-2-11XH - Production Plot





BIG KAHUNA 1-35-2-11XH

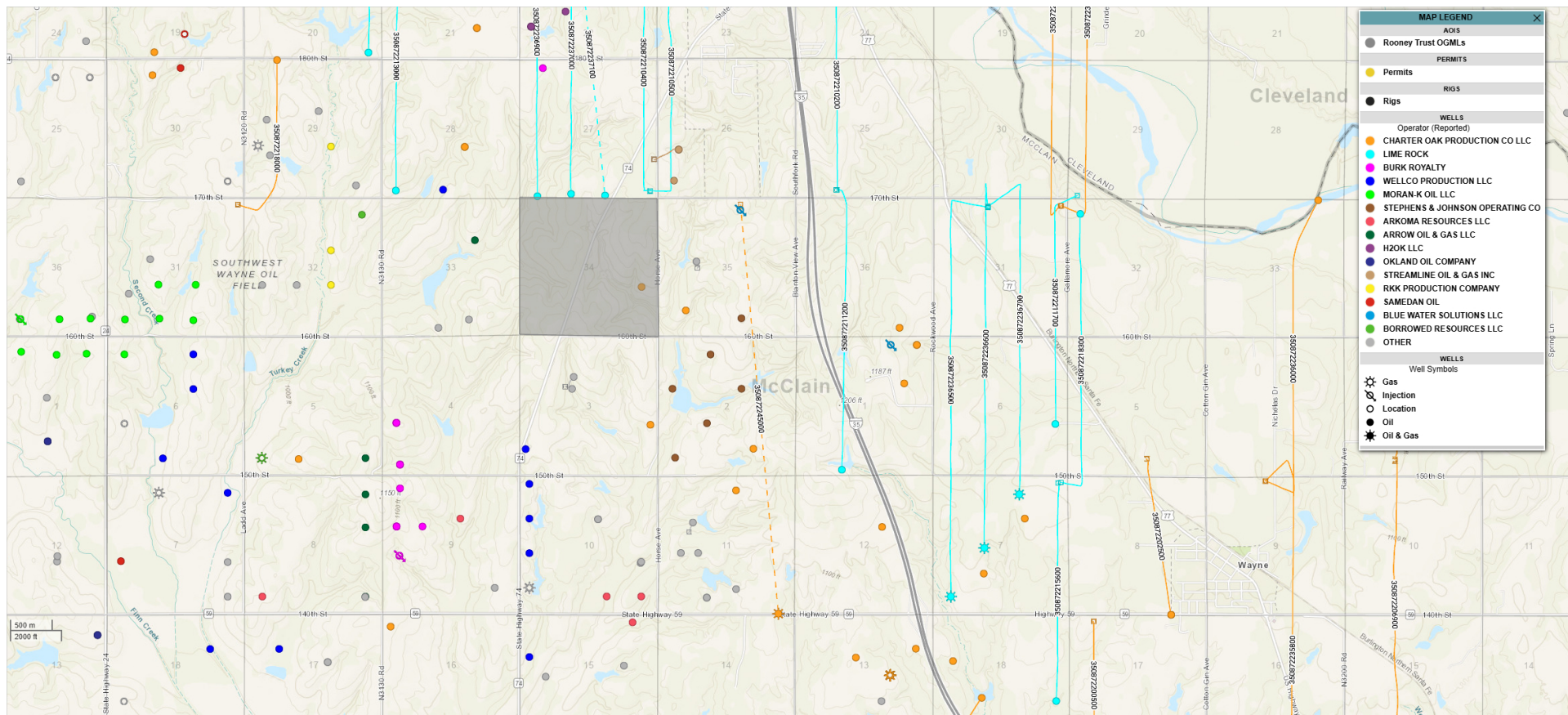
Associated Wells
Total Well Count: 1

Well Name		API		Operator		Type	Status
		35-087-22450				Intent	Active
Location	Spot	Foot-NS		Foot-EW	Foot-ref	Zone	
	NE NW NW NE	250		2119	NE	WOODFORD	
Spud	Completion			First Production			
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm	PBTD	Drill-Dir	Lateral
1183	23950						



Maps





MAP LEGEND

AOIS

Rooney Trust OGMLs

PERMITS

Permits

RIGS

Rigs

WELLS

Operator (Reported)

CHARTER OAK PRODUCTION CO LLC

LIME ROCK

BURK ROYALTY

WELLCO PRODUCTION LLC

MORAN-K OIL LLC

STEPHENS & JOHNSON OPERATING CO

ARKOMA RESOURCES LLC

ARROW OIL & GAS LLC

H2OK LLC

OKLAND OIL COMPANY

STREAMLINE OIL & GAS INC

RKK PRODUCTION COMPANY

SAMEDAN OIL

BLUE WATER SOLUTIONS LLC

BORROWED RESOURCES LLC

OTHER

WELLS

Well Symbols

Gas

Injection

Location

Oil

Oil & Gas



Misc.



12.00

By KE, Deputy

Return to:

Cotton Valley Resources
LLC**CORRECTION OIL AND GAS LEASE
(PAID-UP)**

THIS AGREEMENT, made and entered into this 5th day of **September, 2023**, made to correct the legal description in a certain Oil and Gas Lease, recorded in Book 2878, Page 233, in the County of McClain, in the State of Oklahoma, by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE TIMOTHY P. ROONEY TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

I-2023-010712

Book 2881 Pg 790

09/08/2023 8:00am

Pg 0790-0792

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK



Lessee shall pay for all damages caused by its operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.


Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 16th day of September, 2023.

LESSOR: Timothy P. Rooney Trust


Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 16th day of September, 2023 by
Patrick T. Rooney in his capacity as Co-Trustee of the Timothy P. Rooney Trust

My commission expires: 4-13-24

Notary Number: 20003962


Notary Public



I-2023-010712 Book 2881 Pg 791
09/08/2023 8:00am Pg 0790-0792
Fee: \$22.00 Doc: \$0.00
Pam Beller - McClain County Clerk
State of OK

EXHIBIT "A"

Attached to and made a part of a certain Correction of Oil and Gas Lease dated September 5, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the Timothy P. Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

I-2023-010712

09/08/2023 8:00am

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

Book 2881 Pg 792

Pg 0790-0792

10712

~~34-6N2W~~→

12.00
By KE, Deputy
Return to: Cotton Valley Resources LLC

**CORRECTION OIL AND GAS LEASE
(PAID-UP)**

THIS AGREEMENT, made and entered into this 5th day of **September, 2023**, is made to correct the legal description in a certain Oil and Gas Lease, recorded in Book 2878, Page 239, in the County of McClain, State of Oklahoma, by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE JAMES HARRIS ROONEY TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST
Section 34: Southwest Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

I-2023-010714

09/08/2023 8:00am

Fee: \$22.00 Doc: \$0.00

**Pam Beller - McClain County Clerk
State of OK**

Book 2881 Pg 796

Pg 0796-0798



Lessee shall pay for all damages caused by its operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 6th day of Sept, 2023.

LESSOR: James Harris Rooney Trust


Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 10th day of September, 2023 by
Patrick T. Rooney in his capacity as Co-Trustee of the James Harris Rooney Trust.

My commission expires: 4-13-24

Notary Number: 20003962

Notary 



I-2023-010714

09/08/2023 8:00am

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

Book 2881 Pg 797

Pg 0796-0798

EXHIBIT "A"

Attached to and made a part of a certain Correction Oil and Gas Lease dated September 5th, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the James Harris Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

I-2023-010714

09/08/2023 8:00am

Book 2881 Pg 798

Pg 0796-0798

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk
State of OK

16714

~~34-6N2W~~

12.00

By KE, Deputy
Return to: Cotton Valley Resources LLC

**CORRECTION OIL AND GAS LEASE
(PAID-UP)**

THIS AGREEMENT, made and entered into this 5th day of **September, 2023**, is made to correct the legal description in a certain Oil and Gas Lease, recorded in Book 2878, Page 242, in the County of McClain, in the State of Oklahoma, by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE L.F. ROONEY III TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST
Section 34: Southwest Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

I-2023-010715

Book 2881 Pg 799

09/08/2023 8:00am

Pg 0799-0801

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK



Lessee shall pay for all damages caused by its operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 1.33% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 6th day of September, 2023.

LESSOR: L.F. Rooney III Trust

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 6th day of September, 2023 by Patrick T. Rooney in his capacity as Co-Trustee of the L.F. Rooney III Trust.

My commission expires: 4-13-24

Notary Number: 20003962

Notary Public



I-2023-010715 Book 2881 Pg 800
09/08/2023 8:00am Pg 0799-0801
Fee: \$22.00 Doc: \$0.00
Pam Beller - McClain County Clerk
State of OK

EXHIBIT "A"

Attached to and made a part of a certain Correction of Oil and Gas Lease dated September 5, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the L.F. Rooney III Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY: MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

I-2023-010715

09/08/2023 8:00am

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

Book 2881 Pg 801

Pg 0799-0801

10716

34 = 6424

12.00

By KE, Deputy
Return to:
Cotton Valley Resources
LLC

**CORRECTION OIL AND GAS LEASE
(PAID-UP)**

THIS AGREEMENT, made and entered into this 5th day of September, 2023, is made to correct the legal description in a certain Oil and Gas Lease recorded in Book 2878, Page 236, in the County of McClain, in the State of Oklahoma, by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE LUCY ROONEY KAPPLES TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST
Section 34: Southwest Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

I-2023-010713
09/08/2023 8:00am
Fee: \$22.00 Doc: \$0.00
Pam Beller - McClain County Clerk
State of OK

Book 2881 Pg 793
Pg 0793-0795



Lessee shall pay for all damages caused by its operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 6th day of September, 2023.

LESSOR: Lucy Rooney Kapples Trust


Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 6th day of September, 2023 by Patrick T. Rooney in his capacity as Co-Trustee of the Lucy Rooney Kapples Trust.

My commission expires: 4-13-24

Notary Number: 20003962


Notary Public



I-2023-010713 Book 2881 Pg 794
09/08/2023 8:00am Pg 0793-0795
Fee: \$22.00 Doc: \$0.00
Pam Beller - McClain County Clerk
State of OK

EXHIBIT "A"

Attached to and made a part of a certain Correction Oil and Gas Lease dated September 5, 2023, between Patrick T. Rooney in his capacity as Co-Trustee of the Lucy Rooney Kapples Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

I-2023-010713

09/08/2023 8:00am

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk
State of OK

Book 2881 Pg 795

Pg 0793-0795

10713

34-6N2W

By KE Deputy
 ✓ Return to: Cotton Valley Resources
LLC

**CORRECTION OIL AND GAS LEASE
 (PAID-UP)**

THIS AGREEMENT, made and entered into this 5th day of September, 2023, is made to correct the legal description in a certain Oil and Gas Lease, recorded in Book 2878, Page 227, in the County of McClain, in the State of Oklahoma, by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE PATRICK T. ROONEY TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

I-2023-010710

09/08/2023 8:00am

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

Book 2881 Pg 784

Pg 0784-0786



Lessee shall pay for all damages caused by its operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 6th day of Sept, 2023.

LESSOR: Patrick T. Rooney Trust

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 6th day of September, 2023 by Patrick T. Rooney in his capacity as Co-Trustee of the Patrick T. Rooney Trust.

My commission expires: 4-13-24

Notary Number: 20003962

Notary Public



I-2023-010710

09/08/2023 8:00am

Book 2881 Pg 785

Pg 0784-0786

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

EXHIBIT "A"

Attached to and made a part of a certain Correction of Oil and Gas Lease dated September 5, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the Patrick T. Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY: MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

I-2023-010710

09/08/2023 8:00am

Book 2881 Pg 786

Pg 0784-0786

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

10710

34-6020

I-2023-010711

Book 2881 Pg 787

09/08/2023 8:00am

Pg 0787-0789

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

By KE, DeputyReturn to:
Cotton Valley Resource
LLC

12.00

**CORRECTION OIL AND GAS LEASE
(PAID-UP)**

THIS AGREEMENT, made and entered into this 5th day of **September, 2023**, made to correct the name of the Lessor and legal description in a certain Oil and Gas Lease, recorded in Book 2878, Page 230, in the County of McClain, in the State of Oklahoma, by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE REBECCA FINCH ROONEY TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST
Section 34: Southwest Quarter (SW4)

It is agreed that this lease shall remain in force for a term of **Three (3)** years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.
No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.
Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO ^{MADE A PART HEREOF}

IN TESTIMONY WHEREOF, I/we sign this the 6th day of Sept, 2023.

LESSOR: Rebecca Finch Rooney Trust

[Redacted Signature]

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 6th day of September, 2023 by
Patrick T. Rooney in his capacity as Co-Trustee of the Rebecca Finch Rooney Trust

My commission expires: 4-13-24

Notary Number: 20003962

[Redacted Signature]
Notary Public



I-2023-010711

09/08/2023 8:00am

Book 2881 Pg 788

Pg 0787-0789

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

EXHIBIT "A"

Attached to and made a part of a certain Correction of Oil and Gas Lease dated September 5, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the Rebecca Finch Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

- (a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.
- (b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

- (a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.
- (b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.
- (c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

I-2023-010711

09/08/2023 8:00am

Book 2881 Pg 789

Pg 0787-0789

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

10711

~~24-6-2020~~

I-2023-009952

Book 2878 Pg 239

08/21/2023 8:00am

Pg 0239-0241

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

OIL AND GAS LEASE

(PAID-UP)



✓ By 88 Deputy 12
Return to: Cotton Valley Resources LLC

THIS AGREEMENT, made and entered into this 2nd day of August, 2023 by and between, **PATRICK T. ROONEY**, in his capacity as **CO-TRUSTEE OF THE JAMES HARRIS ROONEY TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter of the Northeast Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

08/21/2023 8:00am

Pg 0239-0241

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 5th day of August, 2023.

LESSOR: James Harris Rooney Trust

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 5th day of August, 2023 by Patrick T. Rooney in his capacity as Co-Trustee of the James Harris Rooney Trust.

My commission expires: 4-13-24

Notary Number: 20003962



Attached to and made a part of a certain Oil and Gas Lease dated August 2, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the James Harris Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND *FORCE MAJEURE* TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

0952

~~34-61124~~

I-2023-009953

Book 2878 Pg 242

08/21/2023 8:00am

Pg 0242-0244

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

OIL AND GAS LEASE
(PAID-UP)✓ By SS Deputy
Return to:

Cotton Valley Resources LLC 12-

THIS AGREEMENT, made and entered into this 2nd day of August, 2023 by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE L.F. ROONEY III TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter of the Northeast Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease. Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 5th day of August, 2023.

LESSOR: L.F. Rooney III Trust

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 5th day of August, 2023 by
Patrick T. Rooney in his capacity as Co-Trustee of the L.F. Rooney III Trust.

My commission expires: 4-13-24

Notary Number: 20003962

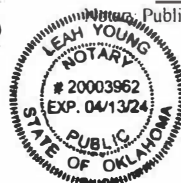


EXHIBIT "A"

Attached to and made a part of a certain Oil and Gas Lease dated August 2, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the L.F. Rooney III Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY: MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

0953

~~34-60N26~~

I-2023-009951

Book 2878 Pg 236

08/21/2023 8:00am

Pg 0236-0238

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

By SS, Deputy

Return to:

Cotton Valley Resources LLC

12-

**OIL AND GAS LEASE
(PAID-UP)**

THIS AGREEMENT, made and entered into this 2nd day of August, 2023 by and between, **PATRICK T. ROONEY, in his capacity as CO-TRUSTEE OF THE LUCY ROONEY KAPPLES TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter of the Northeast Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

08/21/2023 8:00am

Pg 0236-0238

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 5th day of August, 2023.

LESSOR: Lucy Rooney Kapples Trust

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 5th day of August, 2023 by Patrick T. Rooney in his capacity as Co-Trustee of the Lucy Rooney Kapples Trust.

My commission expires: 4-13-24

Notary Number: 200039162



Attached to and made a part of a certain Oil and Gas Lease dated August 2, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the Lucy Rooney Kapples Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND *FORCE MAJEURE* TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

9951

~~34-6N26J~~

OIL AND GAS LEASE
(PAID-UP)

THIS AGREEMENT, made and entered into this 2nd day of August, 2023 by and between, **PATRICK T. ROONEY**, in his capacity as **CO-TRUSTEE OF THE PATRICK T. ROONEY TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter of the Northeast Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this 5th day of August, 2023

LESSOR: Patrick T. Rooney Trust

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 5th day of August, 2023 by
Patrick T. Rooney in his capacity as Co-Trustee of the Patrick T. Rooney Trust,

My commission expires: 4-13-24

Notary Number: 20003962



Attached to and made a part of a certain Oil and Gas Lease dated August 2, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the Patrick T. Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

- (a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.
- (b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND *FORCE MAJEURE* TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

- (a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.
- (b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.
- (c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

9948

34-60N263

I-2023-009949

Book 2878 Pg 230

08/21/2023 8:00am

Pg 0230-0232

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

By SS Deputy

Return to:

Cotton Valley Resources LLC

12-

**OIL AND GAS LEASE
(PAID-UP)**

THIS AGREEMENT, made and entered into this 2nd day of **August, 2023** by and between, **PATRICK T. ROONEY**, in his capacity as **CO-TRUSTEE OF THE REBECCA ROONEY FINCH TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter of the Northeast Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 5th day of August, 2023.

LESSOR: Rebecca Rooney Finch Trust

Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 5th day of August, 2023 by
Patrick T. Rooney in his capacity as Co-Trustee of the Rebecca Finch Rooney Trust

My commission expires: 4-13-24

Notary Number: 20003962



Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

EXHIBIT "A"

Attached to and made a part of a certain Oil and Gas Lease dated August 2, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the Rebecca Finch Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY; MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

0949

~~34-6N242~~

I-2023-009950

Book 2878 Pg 233

08/21/2023 8:00am

Pg 0233-0235

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

By SS, Deputy

Return to:

Cotton Valley Resources LLC

12-

OIL AND GAS LEASE (PAID-UP)

THIS AGREEMENT, made and entered into this 2nd day of **August, 2023** by and between, **PATRICK T. ROONEY**, in his capacity as **CO-TRUSTEE OF THE TIMOTHY P. ROONEY TRUST**, whose address is: P.O. Box 54829, Oklahoma City, OK 73154, hereinafter called **Lessor** (whether one or more) and **COTTON VALLEY RESOURCES, LLC**, whose address is: 327 North Roberts Street, Gilmer, TX 75644, hereinafter called **Lessee**.

WITNESSETH That the said Lessor, for and in consideration of Ten and More DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, have granted, demised, leased and let and by these presents do grant, demise, lease and let exclusively unto the said Lessee, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of McClain, State of Oklahoma, described as follows, to-wit:

TOWNSHIP 6 NORTH, RANGE 2 WEST

Section 34: Southwest Quarter of the Northeast Quarter (SW4)

It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed.

In consideration of the premises the said Lessee covenants and agrees: to deliver to the credit of Lessor, in the pipeline to which it may connect its wells, the 21% part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, less a proportionate deduction for any transportation or other fees or taxes charged to the Lessee; to pay Lessor for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, 21% of the gross proceeds received from any party (whether or not an affiliate of Lessee) for the gas sold, used off the premises, or in the manufacture of products therefrom, less a proportionate part, of any production, severance and other excise taxes and costs and/or fees incurred by Lessee in making marketable Lessor's share of gas, and/or in gathering, transporting, processing, compressing or otherwise marketing Lessors share of gas, but in no event more than 21% of the net amount actually received by the Lessee from any such party. Said payments to be made to Lessor at the address stated above. During any period (whether before or after the expiration of the primary or extended term hereof) when neither oil nor gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net acre retained hereunder such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that oil or gas is being produced within the meaning of the entire lease.

If, at the expiration of the primary term, Lessee is engaged in operations for the drilling, testing or reworking of any well on the lands covered by this lease or on lands spaced or unitized herewith, this lease nevertheless shall continue in force and effect so long as the operations for drilling, testing or reworking of any well are being conducted with no cessation of more than ninety (90) consecutive days and, if such operations result in production, so long thereafter as oil, gas or other hydrocarbons are produced from the leased premises or from acreage spaced or unitized herewith. If, during any extension or continuation of the primary term of this lease, by production or otherwise, a change in spacing or in the well pattern, as prescribed by the Oklahoma Corporation Commission or other governmental authority would otherwise result in all or a portion of the land covered by this lease being no longer held by production or otherwise subject to the terms hereof, Lessee shall have the right to conduct the following continuous drilling operations and maintain this lease as to all lands covered hereby. For a period of ninety (90) days after such order or regulation changing the spacing or well pattern affecting all or a part of the land covered hereby becomes final, Lessee shall have the right to commence drilling operations on that part of the land covered hereby which would no longer be held by production or on other lands which are included in the area which would no longer be held by production, and if such operations result in production, as to such land, this lease shall be extended for so long thereafter as oil, gas, or other hydrocarbons is produced.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres plus a tolerance of ten-percent thereof, or for the production primarily of gas with or without distillate more than 640 acres plus a tolerance of ten-percent thereof; provided that if any governmental authority shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee is also hereby granted the right, at any time, to amend, modify, alter or cancel said unitization agreement as may be necessary in Lessee's judgment to include or exclude different strata, royalty owners or lands or such other information as is deemed necessary by Lessee. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessors' acreage placed in the unit bears to the total acreage in the unit.

Lessee shall retain a continuing right-of-way and easement over, upon and across all of the leased premises to the extent necessary for Lessee and/or its gas purchaser to conduct its operations on the leased premises or lands spaced therewith, regardless if part of the leased premises revert or be released to Lessor.

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk

State of OK

If said Lessor owns a less interest in the above described land which is less than the entire and undivided fee simple estate therein, then the royalties herein provided, shall be paid to the Lessor only in the proportion which Lessors' interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced from said land for its operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on the leased premises, without the written consent of the Lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations to the assigned portion or portions arising subsequent to the date of assignment.

If, at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, which Lessor is willing to accept from any party offering consideration to Lessor for a lease (top lease) covering any or all of the substances covered by this lease or covering all or a portion of the land described herein, with the top lease becoming effective upon the expiration of this lease, Lessor hereby agrees to immediately notify Lessee in writing of said offer, setting forth the proposed Lessee's name, bonus consideration and royalty to be paid for such lease, and Lessor shall include a copy of the lease form to be utilized which form shall reflect 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 or extend the primary term of this lease with Lessor on equivalent terms and conditions as made in the top lease. 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. It is understood that any top lease acquired by Lessee herein pursuant to this provision, shall not limit the term or otherwise affect the validity of this lease. Any top lease granted by Lessor to a third party, without prior notification to Lessee, as set out above, shall be null and void.

When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any Federal or State law, or of some order, rule, regulation, requisition or necessity of any government or governmental authority, or any official acting thereunder, or as the result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation. The provisions of this lease are contractual in nature and each party's responsibility arising out of or relating to this lease, or breach hereof, shall be limited to actual damages for breach of the provisions of this lease, and neither party shall have any liability in tort to the other party.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

Lessor agrees to give the Lessee the option to extend the primary term of this lease an additional two (2) years upon receipt of a payment equal to 133% of the original lease bonus price.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, I/we sign this the 5th day of August, 2023.

LESSOR: Timothy P. Rooney Trust

[Signature]
Patrick T. Rooney, Co-Trustee

State of OKLAHOMA

County of OKLAHOMA

The foregoing instrument was acknowledged before me this 5th day of August, 2023 by
Patrick T. Rooney in his capacity as Co-Trustee of the Timothy P. Rooney Trust

My commission expires: 4-13-24

Notary Number: 20003962



I-2023-009950

Book 2878 Pg 235

08/21/2023 8:00am

Pg 0233-0235

Fee: \$22.00 Doc: \$0.00

Pam Beller - McClain County Clerk
State of OK

EXHIBIT "A"

Attached to and made a part of a certain Oil and Gas Lease dated August 2, 2023 between Patrick T. Rooney in his capacity as Co-Trustee of the Timothy P. Rooney Trust, Lessor; and Cotton Valley Resources, LLC, Lessee

ROYALTY: MARKET VALUE:

(a) Notwithstanding anything in the Lease to the contrary, and specifically notwithstanding that the Lease provides that Lessor's royalty is determined by the market value at the well, LESSOR is entitled to receive the royalty provided herein on minerals produced based upon a price therefore not less than the prevailing market value of like grade, character and quantity at the point of sale between two or more unaffiliated persons.

(b) Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease shall be without deduction for costs before the point of sale, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and such other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

SHUT-IN RENTAL:

Notwithstanding anything in the Lease to the contrary and expressly trumping any similar provision contained therein, either during or after the primary term of the Lease, where natural gas from a gas well is not sold or used because of lack of a pipeline connected to the well or lack of demand for natural gas in the field wherein the well is located or if operations or production is any way prevented by *force majeure*, LESSEE shall pay as rental the sum of \$5.00 per net mineral acre, per year, payable within 90 days of shutting in the Well. The failure to timely pay the shut-in rental shall result in interest of 8% per annum.

SHUT-IN AND FORCE MAJEURE TIME LIMITATION:

Notwithstanding anything to the contrary, the shut-in rental and *force majeure* provisions provided for in the Lease shall not be effective, and LESSEE cannot hold the Lease under the shut-in rental or *force majeure* provisions, for more than two (2) consecutive years beyond the primary term of the Lease.

PUGH CLAUSE:

(a) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals or the production of oil and/or gas from any well for a unit embracing all or a portion of the Leased Premises and other lands not covered hereby shall only serve to maintain the Lease as to that portion of the Leased Premises embraced in such unit. This clause will apply regardless of whether the unit is created by governmental order, by voluntary agreement, by exercise of a lease pooling clause, or otherwise.

(b) Notwithstanding anything to the contrary, the commencement of operations for drilling, the drilling or reworking of a well, the payment of "shut-in" rentals, or the production of oil and/or gas will serve to maintain the Lease only as to depths between the depths initially covered hereby and the deepest producing perforation for each portion of the leased premises maintained pursuant to subparagraph (a). This paragraph (b) applies on a unit-by-unit basis to each unit encompassing the Leased Premises or portion thereof, such that the depths terminated for each unit will be defined by reference to the deepest well in each unit, and a well producing from one unit will not maintain depths beneath another unit.

(c) Any termination of the Lease as to all or certain areas or depths will be automatic and self-operative, but LESSEE shall execute and deliver to LESSOR a written release in recordable form evidencing such termination within thirty (30) days of the receipt of a written request from Lessor.

DEPTH LIMITATION:

Notwithstanding anything to the contrary, the Lease shall apply only to depths from the surface of the earth to 100 feet below the total vertical depth

END OF EXHIBIT "A"

After recording, please forward this original recorded document to:

Cotton Valley Resources, LLC
327 North Roberts Street
Gilmer, Texas 75644

9950

34-6N211



Conveyance Document

Please note the following draft deed/assignment has been prepared by the seller in advance of sale. The successful buyer agrees to accept title to the lots pursuant to said deeds or assignments. Seller shall not be obligated or required to modify or change said deeds or assignments unless a correction is required to properly convey the interests being sold.

LIMITED ASSIGNMENT & BILL OF SALE

STATE OF OKLAHOMA §
 §
COUNTY OF MCCLAIN §

That [REDACTED] whose address is [REDACTED]
[REDACTED] [REDACTED] as Assignor, hereby forever ASSIGNS, TRANSFERS, AND CONVEYS specifically limited to the proportion(s) stated herein, and specifically limited to and subject to the terms and reservations as further set forth, described and incorporated herein, **all (100%)** of Assignor's Leasehold and Working Interest ONLY (specifically excluding —without limitation— and Assignor does reserve, retain and except, any fee mineral interest, fee royalty interest, non-participating royalty interest, overriding royalty interest, and the like) to the following party, being known as Assignee:

in and to those certain Oil, Gas and Mineral Lease(s), the well(s), and any real property as it pertains to the production of hydrocarbons, as set forth herein, located in the referenced County and State (the "Property"), and limited to the interests described, as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

IT BEING SPECIFICALLY UNDERSTOOD THAT ASSIGNOR DOES RESERVE, EXCEPT AND RETAIN and the above assignment and grant is limited so as to specifically reserve and except any and all other interests Assignor owns in and to the land or lands described herein, including, but not limited to any and all rights, title and interests that Assignor received by virtue of any other Oil, Gas and Mineral Lease, or any Assignment, Bill of Sale, Conveyance or vesting document outside of those specifically delineated and described on Exhibit "A" herein.

TO HAVE AND TO HOLD, subject to the terms, limitations and reservations herein; all (100%) of Assignor's right, title, and interest in and to the Property, together with all and singular the rights and appurtenances belonging in any way to Assignor, by Assignee and Assignee's heirs, personal representatives, successors and assigns forever. Assignee agrees to assume responsibility of, including but not limited to payment of any and all expenses related to the property, ad valorem taxes and/or property taxes assessed to the Property through the calendar year 2025.

ASSIGNEE AGREES TO HOLD ASSIGNOR HARMLESS FOR ANY AND ALL LIABILITY ASSOCIATED WITH PLUGGING AND/OR ENVIRONMENTAL MATTERS ASSOCIATED WITH THE PROPERTY AS DESCRIBED ON EXHIBIT "A".

This assignment is made subject to (1) the Leases described in Exhibit "A" and (2) all restrictions, covenants, leases, assignments, permits, licenses, easements, rights-of-way and all other contracts and agreements affecting or pertaining to the Subject Property, or any portion of the Subject Property, which are of record as of the effective date, and all laws, regulations and ordinances of governmental authorities affecting or pertaining to Subject Property, but only to

the extent that any such matters, are valid and subsisting. The Assignee assumes and agrees to pay, perform and discharge its pro rata share of all obligations and liabilities incurred before, on and/or after the effective date and Assignor indemnifies Assignee and Assignee indemnifies Assignor with respect hereto prior to the effective date. Assignor is expressly relieved of any plugging and abandonment expenses.

Release of Claims by Assignor. Assignor, its successors and assigns, hereby release, quitclaim, acquit, indemnify and forever discharge Assignee, its successors and assigns, from any and all known or unknown actions, causes of action, claims, demands, complaints, litigation, damages, costs, loss of service, expenses, compensation, wages, taxes, attorney's fees, covenants, contracts, controversies, agreements, promises and any and all liabilities of any kind or nature whatsoever at law and equity or otherwise, which Assignor has ever had, now has, or potentially has, on account of, or arising out of, any rights Assignor may have against Assignee, its successors or assigns.

Release of Claims by Assignee. Assignee, its successors and assigns, hereby release, quitclaim, acquit, indemnify and forever discharge Assignor, its successors and assigns, from any and all known or unknown actions, causes of action, claims, demands, complaints, litigation, damages, costs, loss of service, expenses, compensation, wages, taxes, attorney's fees, covenants, contracts, controversies, agreements, promises and any and all liabilities of any kind or nature whatsoever at law and equity or otherwise, which Assignee has ever had, now has, or potentially has, on account of, or arising out of, any rights Assignee may have against Assignor, its successors or assigns.

Mutual Release and Indemnity Contractual. The terms of the foregoing mutual release and indemnification are contractual and are not merely recitals. The foregoing mutual releases and indemnifications are given voluntarily and are not based upon any representations other than those made herein, and Assignor and Assignee agree that the releases may be pled as an absolute and final bar to any and all claims which may be made on account of the matters aforesaid. The parties acknowledge that the covenants, promises, releases, indemnities and agreements contained in this Agreement provide good and sufficient consideration for every other promise, duty, release, indemnification, obligation, covenant, agreement and right contained in this Agreement. THIS IS A GLOBAL, GENERAL RELEASE.

THIS CONVEYANCE IS SPECIFICALLY LIMITED TO ONLY THE DESCRIBED OIL, GAS AND MINERAL LEASE(S) AND THEIR ASSOCIATED REAL PROPERTY, IF ANY, DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND DOES NOT INCLUDE ANY BLANKET OR COUNTY-WIDE CONVEYANCE OF ASSIGNOR'S INTERESTS; FURTHER IT DOES NOT INTEND TO CONVEY OR ASSIGN ANY PREVIOUSLY ACQUIRED OR AFTER-ACQUIRED TITLE, OR ANY INTEREST(S) OBTAINED BY ASSIGNOR OUTSIDE OF THOSE INTERESTS SPECIFICALLY DELINEATED BY VIRTUE OF THE OIL, GAS AND MINERAL LEASE(S) SPECIFICALLY DESCRIBED ON EXHIBIT "A" HEREIN AND ACQUIRED THEREUNDER.

Assignor and Assignee agree to take all further actions and execute, acknowledge, and deliver all necessary or useful documents to carry out the purpose of this Assignment, given without Warranty of any kind or manner, express or implied. THIS ASSIGNMENT IS MADE WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED.

{Signature & Notary Pages to Follow}

Lot _____

EXECUTED as of the date herein but effective starting with production runs after March 1, 2025.

ASSIGNOR:

BY: _____

STATE OF TEXAS §

§

COUNTY OF UPSHUR §

This foregoing instrument was acknowledged before me on _____, 2025 by _____

Notary Public State of Texas

Lot _____

ASSIGNEE:

BY: _____

STATE OF _____ §
§
COUNTY OF _____ §

This foregoing instrument was acknowledged before me on _____, 2025 by
_____ in his capacity as _____ of _____.

Notary Public State of _____

EXHIBIT A

SPECIFICALLY LIMITED TO (1) ONLY THOSE INTERESTS IN THE OIL, GAS AND MINERAL LEASE(S) SPECIFICALLY DESCRIBED HEREIN; AND (2) THAT WHICH WERE OBTAINED BY ASSIGNOR ONLY BY VIRTUE OF THE FOLLOWING OIL, GAS AND MINERAL LEASES, AND/OR ASSIGNMENT(S) AND NO OTHER, FURTHER, ASSIGNOR DOES SPECIFICALLY RESERVE AND EXCEPT ANY AND ALL OTHER INTERESTS, IF ANY, RECEIVED BY ASSIGNOR BY VIRTUE OF ANY OTHER LEASE, DOCUMENT, DEED, ASSIGNMENT, CONVEYANCE OR VESTING DOCUMENT, OUTSIDE OF THE FOLLOWING:

Leases & Legal Descriptions:

Lessor:

Lessee:

Recorded Date:

Book/Page:

Legal:

Well(s):

Limitation:

Limited to only those rights acquired in the above-described properties and that were obtained by virtue of that Assignment, Conveyance and Bill of Sale, dated _____, and filed as Document _____, Official Public Records of _____.