

OIL AND GAS LEASE
(PAID UP)

AGREEMENT, Made and entered into this 4th Day of September, 2018, by and between Heather K. Lunsford, a married woman dealing in her sole & separate property, Party of the first part, hereinafter called lessor (whether one or more), and R.E. BLAIK, INC., 1616 E. 19th St., Ste. 201, Edmond, Oklahoma 73013, Party of the second part, hereinafter called lessee.

1. WITNESSETH. That the said lessor, for and in consideration of ONE OR MORE DOLLARS, cash in hand paid, 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, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the purpose of investigating, exploring, by geophysical or other means, prospecting, drilling, and operating for and producing oil and all gas of whatsoever nature or kind, including all associated hydrocarbons produced in a liquid or gaseous form, also including sulphur produced in association with oil or gas, hereinafter sometimes collectively referred to as "oil and gas", injecting gas, waters, other fluids, air and other gaseous substances into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines and other structures and things thereon to produce, save, take care of, treat, process, store and transport said oil and gas and other products manufactured therefrom the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of GARFIELD, State of Oklahoma, to-wit:

... Lots 3 & 4 & E/2 SW/4 ada SW/4, (less & except the mineral rights of that certain railroad corridor) of Section 18, Township 21 North, Range 4 West, containing 158.77 acres, more or less.

It is agreed that this lease shall remain in force for a term of Three (3) years from the above date (herein called primary term) and as long thereafter as oil and gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connects its wells, the 3/16th part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

2nd. To pay lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 3/16th of the net proceeds realized by lessee from the sale thereof, less a proportionate part of the production, severance and other excise taxes and the cost incurred by lessee in delivering, processing, compressing or otherwise making such gas or other substances merchantable, said payments to be made monthly. If gas from any well or wells on the premises capable of producing gas in commercial quantities is not sold or used off the premises or in the manufacture of gas for a period of one (1) year or more, during which time there is no other production from the leased premises, then lessee shall pay or tender as royalty for such annual period a sum of one dollar (\$1.00) per net acre within ninety (90) days after the end of such annual period.

If, at the expiration of the primary term, Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than 90 days, and if production is discovered, this lease shall continue as long thereafter as oil or gas, are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (subject to the force majeure provisions), this lease shall not terminate if lessee commences or resumes any drilling or reworking operations, or production, within ninety (90) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

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 160 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation 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 shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were 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. In 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 his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein whether state hereinabove as whole or partial interest, then the royalties herein provided shall be paid to the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of lessor. When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said 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.

Any structures and facilities placed on the leased premises by lessee for operations hereunder and any well or wells on the leased premises drilled or used for the injection of salt water or other fluids may also be used for lessee's operations on other lands in the same area.

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 a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion arising subsequent to the date of assignment.

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.

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 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.

This is a paid-up lease. In consideration of the cash payment acknowledged above, lessor agrees that lessee is not obligated to commence or continue any operations during the primary term.

If at any time within the primary term of this lease and while the same remains in force and effect, lessor receives any bona fide offer, acceptable to lessor, to grant an additional lease (top lease) covering all or part of the aforescribed lands, lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing, and must set forth the proposed lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized which form should 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 with lessor on equivalent terms and conditions. If lessee fails to notify lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, lessor shall have the right to accept said offer. As an alternative to recording this lease, Lessor authorizes Lessee to file of record an Affidavit which may be amended to cover other owners and other lands.

IN TESTIMONY WHEREOF, we sign this the 6th day of September, 2018.

BY: Heather K. Lunsford
Heather K. Lunsford

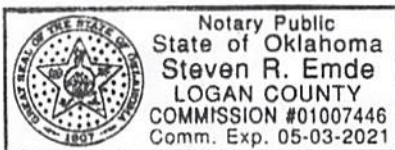
STATE OF OKLAHOMA } ss. (ACKNOWLEDGMENT FOR INDIVIDUAL)
County of Oklahoma

This instrument was acknowledged before me on this 6th day of September, 2018 by Heather K. Lunsford, a married woman dealing in her sole & separate property for the designated purposes set forth herein.

(SEAL)

My commission expires: 5/3/2021
My commission No. 01007446

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State of Oklahoma



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STATE OF OKLAHOMA,

County of _____ } ss.

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 20____ personally appeared _____

personally known to me to be the identical person... who executed the within and foregoing instrument, and acknowledge to me that executed the same as _____ free and voluntary act and deed, for the uses and purpose therein set forth.

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

My commission expires _____ Notary Public

STATE OF OKLAHOMA,

County of _____ } ss.

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 20____ personally appeared _____

personally known to me to be the identical person... who executed the within and foregoing instrument, and acknowledge to me that executed the same as _____ free and voluntary act and deed, for the uses and purpose therein set forth.

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

My commission expires _____ Notary Public

STATE OF OKLAHOMA,

County of _____ } ss.

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 20____ personally appeared _____

personally known to me to be the identical person... who executed the within and foregoing instrument, and acknowledge to me that executed the same as _____ free and voluntary act and deed, for the uses and purpose therein set forth.

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

My commission expires _____ Notary Public

No. _____

Oil and Gas Lease

FROM _____ TO _____

Date _____, 20____

Section _____, Township _____, Range _____, County, Oklahoma _____

No. of Acres _____ Term _____

STATE OF OKLAHOMA } ss.

County of _____

This instrument was filed for record on the _____ day of _____, 20____ at _____ o'clock _____ M., and duly recorded in book _____ page _____ of the records of this office.

_____ County Clerk

By _____ Deputy

Record and Mail to: _____

D

STATE OF OKLAHOMA,

County of _____ } ss.

(ACKNOWLEDGMENT FOR CORPORATION)

On this _____ day of _____, A.D. 20____, before me, the undersigned, a Notary Public, in and for the County and state, aforesaid, personally appeared _____

to me to be the identical person... who subscribed the name of the maker thereof to the foregoing instrument as its _____ free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires _____ Notary Public

EXHIBIT "A"

attached hereto and made a part hereof, that certain oil and gas lease between R.E. Blaik, Inc., and Heather K. Lunsford, a married woman, dealing in her sole and separate property, covering the SW/4, Section 18-21N-4W, Garfield County, Oklahoma.

The foregoing lease is subject to the additional terms and provisions, and the provision, contained within this Exhibit shall apply irrespective of any provisions in the printed lease to the contrary:

1. This lease is limited to a primary term of (3) years, with no automatic extensions of said primary term, unless the term of the lease is extended by production or as otherwise provided in the lease.
2. Lessee may not use fresh water obtained from or under the leased premises, (i.e.. from ponds, creeks, springs, or wells), without the express written consent of the surface owner. If used, said water will be purchased by Lessee at a price that is mutually agreed to in writing by the surface owner and Lessee.
3. Lessee shall send to Lessor and file of record a release of this lease within six (6) months of the abandonment of the well or wells located thereon; or within six (6) months of the expiration of this lease by its terms upon written consent from Lessor; if Lessee fails to release said lease as provided above then he shall be liable to the Lessor for his costs in obtaining said release, including but not limited to attorney's fees.
4. Notwithstanding anything to the contrary, at the expiration of the primary term, this lease is to expire as to all depths and formations one hundred feet (100') below the base of the stratigraphic equivalent of the deepest penetrated formation; provided, however, if the Lessee, its successors or assigns, should be engaged in operations for drilling, deepening, sidetracking, or reworking a well or wells on the leased premises or on lands with which said lands or a portion thereof have been pooled or unitized, then this lease shall continue in effect as to all formations and depths until such operations have been completed and production has been established.
5. It is agreed between the Lessor and Lessee that all oil, gas or other proceeds accruing to the Lessor payable under this lease or by state law shall be made without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transportation and marketing the oil, gas and other products 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.
6. The terms and conditions hereof shall be considered to be covenants running with the land covered by this lease and shall be binding upon the transferees, successors or assigns of Lessee.

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LORIE LEGERE-GARFIELD COUNTY CLERK
State of Oklahoma

- B. Prior to entry upon the leased premises Lessee agrees to enter into good faith negotiations with Lessor to obtain a mutually acceptable surface use agreement. If an agreement cannot be reached, Lessor and Lessee agree to abide by the process provided for under the State of Oklahoma Surface Damage Act.
- C. Lessee agrees that no overhead electrical lines will be installed on the property. All electrical service located on the property will be buried to a minimum of four (4) feet.
- D. Lessee shall not allow any noxious or unsightly weeds or grasses to grow or accumulate on or along the well location tank batteries, access roads, or any other parcel of ground used in Lessee's operation. It is agreed that no debris, junk or other trash will accumulate along the roadway for ingress and egress or on the well site for the subject well. The same shall be kept in a clean and orderly manner. Lessee shall keep all roadways in good condition. If there is an accumulation of trash or debris the Lessor will give Lessee written notice, and five days after receiving notice, Lessee will clean up the subject premises. It is agreed if Lessee does not clean up the location, the Lessor will be authorized and allowed to have a clean-up operation and reasonable cost will be assessed as a lien against Lessee.
- E. Lessee shall not construct any ditches along any access roads it places on the property. Lessee will take no action nor permit any action which will permanently alter the natural water drainage.
- F. Lessee shall not place any deleterious substances not normally used in oil and gas drilling and completion operations on said property.
- G. Upon the request of Lessor, Lessee agrees that it will have any cattle guard which is placed upon said property cleaned out, or will replace cattle guards with gates secured by padlocks. All cattle guards installed on the leased premises shall remain with the property after the well is plugged.
- H. Lessee agrees to keep the top 12" of topsoil separate. It is the intent that Lessee restore the well site to its former condition as near as possible.
- I. To the extent that any of the leased premises are subject to State or Federal rules and regulations, including, but not limited to those rules and regulations placed on the property by the United States Department of Agriculture, Farm Service Agency, or Natural Resource Conservation Service. Lessee agrees to restore said land in accordance with the rules and regulations placed on the property by said regulatory agency.
- J. No salt water, waste drilling fluids, waste material or other deleterious substances will be injected into any well that may be drilled on the property, or pass beneath any part of the leased lands.
- K. All anchors, or "deadmen" used in the drilling, operations, or subsequent re-working operations shall be installed at the commencement of said operations and removed after the completion of said operations unless located within the fenced boundaries of the production site. The period between installation and removal may not exceed 45 days except during the initial drilling of the well.

7. If Lessee violates any of the provisions of this oil and gas lease and it is necessary for Lessor to institute any legal action for the purpose of causing Lessee to comply with the provisions hereof, then Lessor shall, if successful, be entitled to recover reasonable attorney fees and all reasonable costs incurred in connection with such legal action. Provided, that if Lessee shall be the prevailing party in such legal action by Lessor, then Lessee shall be entitled to recover its reasonable attorney fees and all reasonable costs incurred by Lessee in defending such legal action.
8. Commencement of "Drilling Operations" or "Mining Operations" of the well shall be defined as when the well is "Spudded" (making hole) and not when materials are placed on the lease premises or dirt work is commenced.
9. It is understood and agreed that if this oil and gas lease is being maintained in force at the expiration of the primary term hereof, then drilling operations on or production from a drilling and spacing unit embracing only a portion of the lease premises, shall maintain this lease in force only as to those portions of the leased premises included in said drilling and spacing unit. Those portions of the leased premises which are not included in said drilling and spacing unit shall be released by Lessee at that time. For purposes of this oil and gas lease, a drilling and spacing unit shall be defined as a drilling and spacing unit created by Order of the Oklahoma Corporation Commission of the State of Oklahoma or, if no drilling and spacing unit has been created by the Oklahoma Corporation Commission, a drilling and spacing unit shall be defined as a quarter quarter section (i.e. 40 acres) for oil and a quarter section (i.e. 160 acres) for gas.
10. Notwithstanding the provisions of Paragraph 2 of the printed lease form Lessee may not keep this lease in force by making such shut in royalty payments for any aggregate period, whether consecutive or otherwise, in excess of two (2) consecutive years beyond the primary term of this lease.
11. Lessee shall plug any well drilled by Lessee upon or passing underneath the premises within six (6) months after the abandonment of any well, but Lessee shall first give the Lessor the option to buy the well.
12. SURFACE PROVISIONS are as follows:
 - A. Prior to commencement of operations. Lessee shall agree with Lessor upon the placement of any well sites, drilling locations, storage tanks, separating towers, flow lines, pipelines, and lease roads necessitated by its operations on the property so as to not interfere with Lessor's or his successor's or assign's use of the property. Further, payment for surface damages will be mutually agreed to in writing by Lessor and Lessee and paid to Lessor prior to commencement of operations; determining the amount of such damages shall be in accordance with other like operations in the area, taking into account the amount of surface damaged, the nature of the damages, the length of time anticipated for drilling and completion operations and the type of surface damaged. Additionally, said surface damages agreement shall provide that in the event production of oil and/or gas is obtained on the leased premises, Lessee shall pay to Lessors a reasonable amount for a tank battery location, if tank batteries are located on a separate site from original drilling location. In the event that the Lessor and Lessee cannot come to a mutual agreement, the surface damages will be determined pursuant to the Oklahoma Surface Damage act (52 Okla. Stat. 318.2 et seq).

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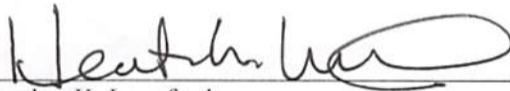
L. Lessee shall, as nearly as possible, restore that portion of the leased premises, used by Lessee, to its prior condition upon completion of its operations thereon. Lessee shall have six (6) months after the termination of the lease to remove all of Lessee's property, including casing, and will, at the request of Lessor, remove such personal property. If, within six (6) months after the termination of the lease, Lessee has not removed its property and Lessor has not requested its removal, it shall be presumed that Lessee has abandoned its property.

13. Regarding the above Provisions 3,7, 11, and 12(D) contained in this Exhibit "A," or elsewhere in this Oil and Gas Lease and Exhibit "A", which provide for the Lessor to proceed with an action which would result in reimbursement to Lessor of costs, interest and/or reasonable attorney's fee for the collection of said costs and interest, subject to the terms specified in each particular provision, said action(s) shall be permitted only after Lessor has given written notice, sent by U.S. certified mail, to Lessee of its proposed action(s), and has given Lessee thirty (30) days from receipt of said notice in which to commence performance and pursue completion of the requested or required action in good faith and with diligence.

14. This Oil and Gas Lease is subject to that certain unrecorded Letter Agreement dated the 20th day of July, 2018, between Lessor and Lessee, and said lease and agreement shall be binding upon the parties hereto, their heirs, successors and assigns.

SIGNED

LESSOR:



Heather K. Lunsford