

OIL AND GAS LEASE

THIS AGREEMENT, ENTERED INTO this 20th day of February, 2024 by and between **Carol A. Gingrich, Trustee of the Carol A. Gingrich Revocable Trust, dated September 30, 2010** whose mailing address is 622 W. 17th St., Larned, Kansas 67550 hereinafter called Lessor (whether one or more), and **JEL Resources, LLC** whose mailing address is 4093 Connor Ct., Castle Rock, Colorado 80109, hereinafter called Lessee, does witness:

1. That Lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, excluding coal found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines, service poles to establish the electric connection from the power lines with a transformer, cathodic protection pipelines and structures, shut off valves, saltwater transfer station equipment, which such placement and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of PAWNEE, State of KANSAS described as follows:

Township 23 South, Range 15 West, of the 6th P.M.
Section 18: Northeast Quarter (NE/4)

and containing 160.000000 acres, more or less.

2. This Lease shall remain in full force and effect, subject to the provisions herein contained, for a term of **Three (3) Years** (called "Primary Term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. **Royalty Payment** The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipe line to which Lessee may connect its wells the equal **1/8 (one-eighth)** part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such **1/8 (one-eighth)** royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is sold from storage tanks.

4. The Lessee shall pay to the Lessor, as a royalty, **1/8 (one-eighth)** of the proceeds received by the Lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while shut in said royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during primary term without further payments or drilling operations.

6. In the event said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the Lessor. When required by Lessor, the Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the Lessor. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrations, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the Lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to Lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of Lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the Lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced with no cessation of more than one hundred twenty(120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the Lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the Lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If Lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby given the right and power to voluntarily form a unit with respect to the acreage covered by this lease and/or to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 160 acres each in the event of a vertical oil well, or into a unit or units not exceeding 640 acres each in the event of a vertical gas and/or condensate or distillate well or a combination well that produces both oil and gas, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Should a horizontal well be drilled, a unit or units not exceeding 640 acres shall be used for the land covered by this lease, or any portion thereof, with other land covered by another lease or leases for unitization of oil and/or gas and condensate or distillate well or a combination well that produces both oil or gas. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified Lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said Lessor and Lessee.

16. The breach of any obligation under any provision or covenant of this lease, express or implied, shall not work a forfeiture or termination of this lease nor be grounds for cancellation unless Lessor first notifies Lessee in writing of the breach and the facts relied upon as constituting such breach, together with a demand for the specific performance thereof, and the Lessee, if in default, fails within a reasonable time thereafter to commence compliance with the obligations imposed.

17. For the consideration first stated above, Lessor conditionally grants to Lessee easement(s) and right of way(s) as provided herein. The use of such easement(s) and right of way(s) are conditioned upon Lessee first paying or tendering to Lessor the sum of Ten dollars (\$10.00) per linear rod. Such payment or tender may be made at any time while this Lease is in effect. Such easement(s) and right of way(s) are described as follows: Lessor grants to Lessee a strip of land forty (40) feet wide for the purpose of laying, constructing, operating, inspecting, maintaining, repairing, replacing and removing pipeline(s) for the transportation of water, brines, oil, gas and other substances, and electrical line(s), at a location or locations to be determined by Lessee, on, in over and through the land described hereinabove. The centerline of such easement(s) and right of way(s) shall be the center of the pipeline(s) and /or electric line(s) as actually laid. Lessee will consult with Lessor on course, route and direction of line(s) so as to minimize interference with surface use by Lessor. Such pipeline(s) and electric line(s) shall be buried when reasonably possible below plow depth, at least 36 inches. Lessee shall pay for actual damages to growing crops, grasses, fences or other structures of Lessor that are caused by the construction, maintenance and operation of the rights granted herein. The easement(s) and right of way(s) shall be constructed as if conveyed by separate instrument, without regard to the oil and gas lease or the term thereof; provided, however, that if use of such easement(s) and right of way(s) is not actually commenced within the term of said oil and gas lease or any extension or renewal thereof then this easement(s) and right of way(s) and all rights granted thereunder shall cease and terminate on the date said oil and gas lease expires. The easement(s) and right of way(s) are independent of, and are not a substitute for, the rights of Lessee under said lease, which rights are not hereby diminished or affected, it being understood that the easement(s) and right of way(s) provides for the transporting products mentioned herein which may be produced, obtained, stored, or transported upon or across lands adjacent thereto or in the vicinity thereof. The easement(s) and right of way(s) granted herein are a covenant running with the land and shall extend to Lessee and Lessee's successors and assigns, and shall remain in force for the used by Lessee, it successors term of said oil and gas lease and as long thereafter as such easement(s) and right of way(s) are and assigns, for the purposes herein mentioned.

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

Carol A. Gingrich, Trustee of the Carol A. Gingrich Revocable Trust, dated September 30, 2010

Carol A. Gingrich
CAROL A. GINGRICH, TRUSTEE

STATE OF _____)

)ss. ACKNOWLEDGMENT FOR LESSOR(S)

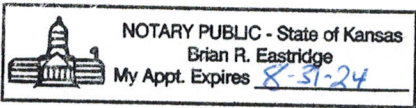
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for said County and State on this May 9th day of 2024, personally appeared **Carol A. Gingrich, Trustee of the Carol A. Gingrich Revocable Trust, dated September 30, 2010,** to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires: 8/31/24

Brian R. Eastridge
Notary Public



LEASE ADDENDUM

THIS ADDENDUM attached to and made a part of the certain "Oil and Gas Lease" dated **February 20th, 2024**, by and between **Carol A. Gingrich, Trustee of the Carol A. Gingrich Revocable Trust, dated September 30, 2010**, as Lessor(s), and **JEL Resources, LLC** as Lessee. In the event that any of the provisions provided for herein conflict with those in the Lease referenced above, the provisions of this Lease Addendum shall prevail.

LEGAL DESCRIPTION: As shown on Oil and Gas Lease

Containing **160.000000** acres more or less, located in PAWNEE County, KANSAS.

1. When preparing development locations, the topsoil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height and contour as nearly as is practicable.
2. In the event of drilling operations on said land, Lessee or assigns agree to backfill all dry slush pits, level the location and restore the surface as nearly as is practicable. Lessee or assigns agrees to pay for all damages of any nature arising from its operations on the above land.
3. It is understood and agreed that upon the termination of production on the Lease, all equipment of Lessee shall be removed within nine (9) months and all sites shall be restored to their original condition as nearly as is practicable.
4. A sufficient dike shall be placed around tank batteries. Also, tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle.
5. In the event of drilling operations on said land, Lessee or assigns agree to bury pipelines below 36" in depth.
6. Lessee shall consult with Lessor regarding the route of ingress and egress on said premises for the purpose of drilling and production.
7. If the lands covered hereby are irrigated by the use of a self-propelled overhead sprinkler system, presently in operation or installed hereafter, the Lessee, prior to conducting operations hereon, shall consult with the Lessor in regard to said drilling operations. Said operations shall be conducted in such a manner as will least disturb or interfere with Lessor's irrigation system or the surface contours of the leased premises. Should any alterations to the surface contours be caused by its operations, Lessee, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said overhead sprinkler irrigation systems.

END OF ADDENDUM