

Producers 88 (Orig. 11/83)  
(PAID-UP)**OIL AND GAS LEASE**THIS LEASE AGREEMENT is made EFFECTIVE as of the 26<sup>th</sup> day of, AUGUST 2019, Between Julie Reese, FKA Julie Hatfield, individually and as heir as heir of Sella A. Wineberg Hatfield, deceased, who was an heir of William J. Wineberg, deceased  
PO Box 639

Amanda Park, WA 98526

As Lessor (whether one or more), and Turner Petroleum Land Services, Inc., 9624 South Vance Court, South Jordan, UT 84009, as Lessee.  
All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.**1. Description.** In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises: (use Exhibit "A" for long description):

See Attached Exhibit "A"

in the county of Box Elder, State of Utah, containing 6,179.918 Gross acres, more or less (including any interests therein which Lessor may hereafter acquire by revision, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith, and all other minerals or substances, whether similar or dissimilar. The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any royalties and shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.**2. Term of Lease.** This lease shall be in force for a primary term of Five (5) years from this date, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.**3. Payments.** This is a **PAID-UP LEASE**. In the event that payments are necessitated by other provisions of this lease, Lessee shall pay or tender such payments to Lessor or to Lessor's credit in Pay directly to Lessor at the above address

at

, or its successors, which shall be Lessor's depository agent

for receiving payments regardless of change in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft, and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails on or before the due date in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution or for any reason fail or refuse to accept payment hereunder, Lessee shall not be held in default for failure to make such payment until 60 days after Lessor has delivered to Lessee a proper recordable instrument naming another institution as depository agent to receive payment. If on or before any due date Lessee in good-faith makes an erroneous payment by paying the wrong person, the wrong depository, or the wrong amount, Lessee shall be unconditionally obligated to make proper payment for the period involved and this lease shall continue in effect as though such payment had been properly made, provided that proper payment shall be made within 30 days after receipt by a Lessee of written notice of the error from Lessor, accompanied by any documents and other evidence necessary to enable Lessee to make proper payment. Lessee may pay or tender any payment at any time in advance of its due date to the Lessor then known to Lessee as provided in Paragraph 8 and such payment or tender shall bind all persons then or thereafter claiming any part of such payment.

**4. Royalty payment.** Royalties on oil, gas and other substances produced and saved hereunder shall be paid by the Lessee to Lessor as follows: (a) for oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth (1/8th) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity, (b) for gas (including casinghead gas) and all other substances covered hereby, royalty shall be one-eighth (1/8th) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivery, processing, or otherwise making such gas or other substances merchantable, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price), pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if a well on the leased premises or lands pooled therewith is capable of producing oil or any other substances covered hereby but such well is either shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to the Lessor and if this lease is not otherwise maintain in effect, such well shall nevertheless be considered as though it were producing in paying quantities for the purpose of maintaining this lease whether during or after the primary term, and Lessee shall pay a shut-in royalty of TWO DOLLAR per acre then covered by this lease, such payment to be made to the Lessor or to Lessor's credit in the depository designated above, on or before 90 days after the next ensuing anniversary date of this lease, and thereafter on or before each anniversary date hereof while the well is shut-in or production therefrom is not being sold or purchased by Lessee or royalties on production therefrom are not otherwise being paid to Lessor. This lease shall remain in force so long as such well is capable of producing in paying quantities, and Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due but not operate to terminate this lease unless Lessee shall have failed for a period of thirty (30) days after discovery of failure to pay such shut-in payment to tender such payment in the proper amount, together with a late or improper payment penalty of \$100.00.

**5. Operations.** If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not paying quantities) ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not within its primary term for it is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well on the leased premises or lands pooled therewith within 90 days after the completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, oil, gas or other substances covered here by are not being produced in paying quantities from the leased premises or lands pooled therewith, but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pool therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same similar circumstances to (a) develop the leased premises as to formations then capable of producing paying quantities on the leased premises or lands pooled therewith, or (b) protect the lease premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

**6. Pooling.** Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land of describes here in and as to any one or more of the formations here under, to pool or unitizes the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, maybe reformed to exclude such non-producing formations. The forming or reforming of the units shall be accomplished by Lessee executing in the filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on the unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere here in specified, including shut-in gas royalties, Lessor shall receive on production from a unit so pooled royalties only on the portion of such a production allocated to this lease; such allocation shall be the proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the forgoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other land in the same general area by entering into a cooperative or unit plan of development or operation approved by any government, Indian or Tribal authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payment to be hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

**7. Lesser Interest.** If Lessor owns less than the full mineral estate in all or any part of the Leased premises, payment of royalties and shut-in royalties for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's mineral interest is such part of the leased premises bears to the full mineral estate in such part of the leased premises.

**8. Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies, by registered US mail at Lessee's principal place of business, of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or descendant's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligation with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net average interest in this lease then held by each.

**9. Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations there after arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender rentals and shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

**10. Ancillary Rights.** In exploring for, developing, producing and marketing oil, gas or other substances covered hereby on the leased premises of lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to the exclusive right to conduct geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on leased premises, except water from lessor's wells or ponds. The right of ingress and egress granted hereby shall apply to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other termination of this lease with respect thereto. When requested by Lessor in writing, Lessee shall bury its pipelines below plow depth. No well shall be located less than 200 feet from any house or barn now on the leased premises without lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises, and to timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises during the term of this lease or within a reasonable time thereafter.

**11. Regulation and Delay.** Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including the restrictions on drilling and production of Wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure by purchasers or carriers to take or transport such production, or by any other cause not reasonably within lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. **Breach or Default.** No litigation should be initiated by lessor with respect to a breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice, by registered or certified U.S. mail addressed to the principle place of Business of Lessee, fully describing the breach or default, and then only if Lessee fails to remedy or commence to remedy all or any part of breach or default within such period. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any part of the alleged breach or default shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, the lease shall not be forfeited or cancelled in whole or in part, unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations (but in no event less than forty (40) acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered as the well or in such a shape as then existing spacing rules require; and (2) any part of said land including in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary for operation on the acreage so retained. This Paragraph 12 shall not apply to erroneous payment of rental.

13. **Warranty of Title.** Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights, may reimburse itself out of any rentals, royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of rentals, royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

14. **Subsequent Leases.** In the event that Lessor, during the primary of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this Paragraph. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall notify Lessor in writing by mail or telegram prior to the expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution on behalf of Lessor along with Lessee's draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same along with the endorsed draft to Lessee's representative or through Lessor's bank or record for payment.

15. **Lease Extension.** This lease may, at LESSEE'S option, be extended for an additional primary term of five (5) years commencing on the date that the lease would have expired but for the extension. LESSEE may exercise its option by paying or tendering to LESSOR the sum equal to the original bonus per net mineral acre payment for the land then covered by the extended lease. If LESSEE exercises this option, the primary term of this lease shall be amended from a five (5) year primary term to a ten (10) year term. All terms, provisions and conditions of the lease shall remain in full force and effect. LESSEE'S option to extend said lease shall expire upon expiration of the primary term of said lease.

16. **Homestead Exemption.** Lessor hereby expressly releases dower or curtsy rights and releases and waives all right under or by virtue of the Homestead Exemption Laws as far as they may in any way affect the purposes for which this lease is made.

17. **Counterpart.** This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original but such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

Julie Reese  
Julie Reese

STATE OF Washington  
COUNTY OF Gray Harbor } SS.

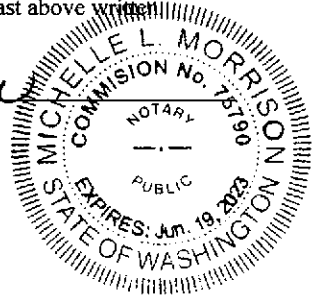
ACKNOWLEDGMENT  
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State on this 16<sup>th</sup> day of September, 2019, personally appeared Julie Reese to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My commission expires: 06-19-2023

Nichelle Morrison  
Notary Public  
Address Quinault, WA



## EXHIBIT "A"

To Oil and Gas Lease dated August 26<sup>th</sup>, 2019 by and between Julie Reese, individually and as heir as heir of Sella A. Wineberg Hatfield, deceased, who was an heir of William J. Wineberg, deceased, as Lessor, and Turner Petroleum Land Service, Inc., as Lessee, covering the following lands in Box Elder County, Utah.

### **TOWNSHIP 10 NORH, RANGE 13 WEST, SLM**

Section 13: All, Less and except Railroad Right of Way

Section 15: All

Section 17: All

Section 21: All

Section 23: All, Less and except Railroad Right of Way

Section 25: All

Section 27: All, Less and except Railroad Right of Way

Section 29: All, Less and except Railroad Right of Way

Section 33: All

Section 35: All

Containing 6,179.918 Acres, more or less