

## OIL & GAS LEASE

THIS AGREEMENT made this 21<sup>st</sup> day of July, 2021 between REALEZA DEL SPEAR, LP, whose address is P.O. Box 1684, Midland, Texas 79702 herein called Lessor (whether one or more) and DEL REY MINERALS, LLC, whose address is P.O. Box 470981, Fort Worth, Texas 76147 herein called Lessee.

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata laying pipelines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

**Township 24 South, Range 33 East, N.M.P.M.**

Section 13: W/2NE/4 as to all depths lying 50' below the Deckard Fed Com 3H well, being 11,212' total vertical depth

Section 13: E/2NE/4 as to all depths lying 50' below the Deckard Fed Com 4H well, being 11,153' total vertical depth

Said land is estimated to comprise 160 gross acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 25% of that produced and saved from said land same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 25% of the gas used, provided that on gas sold on or off the premises, the royalties shall be 25% of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut-in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties or shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions or paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Spacing units pooled hereunder shall not exceed the spacing unit fixed by law, from time to time during the term hereof, or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent (10%). Lessee shall file written unit or project area designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Operations (including, but not limited to, drilling operations) on or production from any part of any such unit or project area shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease, including, for a horizontal well, those cases in which the location of the well site tract for such well is not located on the leased premises or on any other lands included within the project area for such well. There shall be allocated to the land covered by this lease included in any such unit or project area that portion of the total production of pooled minerals from wells in the unit or project area, after deducting any used in lease or unit (or project area) operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit or project area. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be amended or dissolved by Lessee, in whole or in part, at any time and from time to time, by recording an appropriate instrument in the County where the land is situated. As used in this lease, the term "horizontal well" shall mean a well containing a single lateral that is drilled in a manner in which the horizontal component of the completion interval extends at least one hundred (100) feet in the objective formation and which exceeds the vertical component of the completion interval in the objective formation. A horizontal well may have more than one lateral as long as each lateral component meets the above requirements for a single lateral. As used in this lease, the term "lateral" shall mean that portion of the well bore that deviates from approximate vertical orientations to approximate horizontal orientation and the remainder of the well bore beyond such deviation to the end of the well bore. A "vertical well" is a well other than a horizontal well.

6. If at the expiration of the primary term there is no completed well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 90 consecutive days which operations must include completion of any drilled and uncompleted well, whether such operation be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 90 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipelines on cultivated lands below ordinary plow depth and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor but not otherwise, and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

12. At the expiration of the Primary Term or at the conclusion of the continuous development program as hereinafter defined, whichever occurs later, this Lease shall terminate as to (1) all of the Leased Premises covered hereby except as to those lands which are included within the geographical boundaries of a pooled or communitized unit and/or spacing or proration unit established in conformity with field rules or spacing laws of the applicable governmental body on which there is located a well producing or capable of producing oil and/or gas in paying quantities; and (2) all depths 100' below any formation producing in each pooled or communitized unit and/or proration unit. Lessee, at its option, may earn the lands outside the boundaries of a pooled or communitized unit and/or proration unit by commencing a continuous development program as defined herein. If, prior to the end of the Primary Term, Lessee has drilled and completed a well on the Leased Premises or lands pooled or communitized therewith either as a dry hole or as a well capable of producing oil and/or gas in paying quantities or has commenced operations for drilling or reworking on the Leased Premises or lands validly pooled or communitized therewith prior to the end of the Primary Term, then the commencement date of the continuous development program shall be one hundred eighty (180) days after the expiration date of the Primary Term or one hundred eighty (180) days after the completion of any well drilled across the expiration of the Primary Term of this lease, and completed as a dry hole or a productive well, whichever is the later. Once the continuous development program has been commenced, this lease shall remain in full force and effect as to the Leased Premises as long as Lessee, at its option, drills, or causes to be drilled, wells on the Leased Premises or lands pooled or communitized therewith without a lapse of more than one hundred eighty (180) days between the completion or abandonment of one well (such date of completion or abandonment to be fixed by the Official New Mexico Oil Conservation Commission potential date or plugging date) and the commencement of operations for the drilling of the next well. Upon the expiration of the Primary Term of this Lease or conclusion of the continuous development program provided for herein, whichever is the last to occur, Lessee will execute a good and sufficient release as required herein to Lessor. Lessee is under no obligation to conduct any drilling operations under the continuous development program or to drill any well or wells on the Leased Premises.

Executed this 22nd day of July 2021 but effective for all purposes July 21, 2021.

REALEZA DEL SPEAR, LP

By: [Signature]  
Shane Spear, Manager Spear Brothers Group, LLC  
General Partner of Realeza Del Spear, LP

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

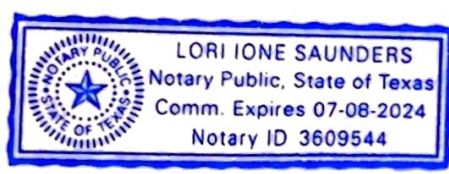
STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 22nd day of July, 2021 by Shane Spear, Manager, Spear Brothers Group, LLC a New Mexico Limited Liability Company, General Partner of Realeza Del Spear, LP, A Texas Limited Partnership.

My Commission Expires July 8, 2024

[Signature]  
Notary Public



**EXHIBIT "A"**

Attached hereto and made a part of that certain Oil and Gas Lease by and between Realeza Del Spear, LP, Lessor and Del Rey Minerals, LLC, Lessee, dated July 21, 2021.

13. The royalties to be paid by Lessee are (a) on oil, and other liquid hydrocarbons saved at the well, twenty-five percent (25.00%) of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipeline to which the wells may be connected (b) on gas, including casinghead gas or other gaseous substances produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of twenty-five percent (25.00%) of the gas used provided that on gas sold on or off the premises, the royalties shall be twenty-five percent (25.00%) of the amount realized from such sale, (c) and at any time when this Lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut-in, either before or after production there from, then on or before 90 days after said well is shut-in, and thereafter at annual intervals, Lessee may pay or tender an advance shut-in royalty equal to ten (\$10.00) dollars per net acre of Lessor's gas acreage then held under this Lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this Lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this Lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders.

14. Shut-in royalty payments shall not serve to extend this Lease for a period in excess of two years beyond the date on which it is first paid.

15. Lessee shall be solely responsible for all damage to property and injury to persons, including death, by reason of, or in connection with, its operations hereunder and does hereby agree to protect, save harmless, and indemnify Lessor from and against any and all claims and liability for damages to property and injuries, including death, to persons, including, but not limited to, Lessee's employees, agents, and contractors, such damages or injuries arising out of, or in connection with Lessee's operations hereunder, and Lessee shall, at Lessee's sole expense, handle all such claims, defend suits which may be brought against Lessor therein, pay all judgments rendered against Lessor therein, and reimburse Lessor for any expenditure which it may make on account thereof, unless such damage or injury is caused wholly or partially by Lessor's acts, omissions, or gross negligence.

16. Lessee agrees that it will reimburse Lessor for, and hold Lessor harmless from, all fines and penalties made or levied against Lessor by any governmental agency or authority as a result of, or in connection with, Lessee's use of the leased premises or of the facilities thereon or as a result of any release of any nature onto or under the ground, into the water or ground water, or into the air by Lessee from or upon the leased premises. Lessee also agrees that it will reimburse Lessor for, and hold Lessor harmless from, any and all costs and/or expenses, and attorney's fees and from all civil judgments or penalties incurred, entered, assessed, or levied against Lessor as a result of Lessee's use of the leased premises or as a result of any release of any nature onto or under the ground, or into the water or ground water, or into the air by the Lessee from or upon the leased premises. Such reimbursement or indemnification shall include, but not be limited to, any and all judgments or penalties to recover the cost of cleanup or any such release by Lessee from or upon the leased premises and all expense incurred by Lessor as a result of such civil action including but not limited to attorney's fees. The provisions of this Paragraph 17 shall apply regardless of acquiescence or allegations thereof on the part of either party and shall apply notwithstanding any other provision of this agreement to the contrary.

17. This lease made without any warranties express or implied. In the event of conflict between the lease and this Exhibit, the Exhibit shall control.

End of Exhibit "A"

REALEZA DEL SPEAR, LP



Shane Spear  
Manager, Spear Brothers Group, LLC  
General Partner Realeza Del Spear, LP