PRODUCERS 88 -PAID UP Rev. No.4 (CBG) VER304

## **OIL AND GAS LEASE**

This Oil and Gas Lease ("Lease") is made this day of address is, ("Lessor", whether one or more) and	, 20, by	, whose
WITNESSETH, For and in consideration of TEN DOLLARS, the covenants and		
consideration the receipt and sufficiency of which are hereby acknowledged, Lessor d		
Lessee, with the exclusive rights for the purposes of mining, exploring by geophysical		
oil and all gas of whatsoever nature or kind (including coalbed gas), and laying pipeline		
stations, roadways and structures thereon to produce, save and take care of said pro-		
exclusive surface and subsurface rights and privileges related in any manner to any and		
necessary, incident to, or convenient for the operation alone or conjointly with neighbor		
land situated in County,	described as	s follows, to-wit:
(Legal description of lands to l	he leased)	
(Legal description of lands to t	be leased)	
and containing acres, more or less, (the "Premises"). In addition to the	lands described above,	Lessor hereby grants, leases and lets
exclusively unto Lessee, to the same extent as if specifically described, lands which are	owned or claimed by Lo	essor by one of the following reasons:
(1) all lands and rights acquired or retained by avulsion, accretion, reliction or otherwi	se as the result of a char	nge in the boundaries or centerline of
any river or stream traversing or adjoining the lands described above; (2) all riparian	lands and rights which	are or may be incident, appurtenant,
related or attributed to Lessor in any lake, stream or river traversing or adjoining the		
lands described above; (3) all lands included in any road, easement or right-of-way tra		
may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's owner		
of land adjacent or contiguous to the lands described above owned or acquired by Less	sor through adverse poss	session or other similar statutes of the
state in which the lands are located;		
1. It is agreed that this Lease shall remain in force for a term of years from		
of whatsoever nature or kind is produced from the Premises or on acreage pooled or		
provided. If, at the expiration of the Primary Term, oil or gas is not being produced from		C 1
Lessee is then engaged in drilling reworking or dewatering operations thereon, then the	is Lease shall confinile in	a torce so long as such operations are

- of whatsoever nature or kind is produced from the Premises or on acreage pooled or unitized therewith, or operations are continued as hereinafter provided. If, at the expiration of the Primary Term, oil or gas is not being produced from the Premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking or dewatering operations thereon, then this Lease shall continue in force so long as such operations are being continuously prosecuted. Operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the Premises or on acreage pooled or unitized therewith, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling, reworking or dewatering operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the Primary Term, this Lease shall continue in force so long as oil or gas is produced from the Premises or on acreage pooled or unitized therewith.
- 2. This is a PAID-UP LEASE. In consideration of the payment made herewith, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the Primary Term. Lessee may at any time or times during or after the Primary Term surrender this Lease as to all or any portion of the Premises and as to any strata or stratum, by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.
  - 3. Lessee covenants and agrees to pay royalty to Lessor as follows:
- (a) On oil, to deliver to the credit of Lessor, free of cost in the pipe line to which Lessee may connect wells on the Premises, the equal of Three-Sixteenths (3/16ths) of all oil produced and saved from the Premises.
- (b) On gas of whatsoever nature or kind, including coalbed gas and other gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, three-sixteenths (3/16ths of the gross proceeds (less fuel used on the lease and taxes applicable to the royalty interest) realized by Lessee from the arms length sale to an unaffiliated third party; provided, that Lessee shall bear any and all costs incurred in producing such oil and gas and conditioning such oil and gas for markets, including, without limitation, costs related to gathering, transporting, dehydrating, compressing, processing, marketing and treating the Oil and Gas incurred prior to delivery into a market pipeline.
- 4. Where Gas from a well capable of producing Gas is not sold or used after the expiration of the Primary Term, Lessee shall pay or tender as royalty to Lessor at the address set forth above One Dollar per year per net mineral acre, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well is shut in or dewatering operations are commenced and thereafter on or before the anniversary date of this Lease during the period such well is shut in or dewatering operations are being conducted. Lessee's failure to pay or tender, or properly pay or tender, any such sum shall render Lessee liable for the amount due but it shall not operate to terminate this Lease.
- 5. If Lessor owns a lesser interest in the Premises than the entire and undivided fee simple estate therein, then the royalties (including any shutin gas royalty) herein provided for shall be paid Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
- 6. Lessee shall have the right to use, free of cost, Gas, oil and water produced on the Premises for Lessee's operations thereon, except water from the wells of Lessor.
  - 7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.
  - 8. No well shall be drilled nearer than 200 feet to the house or barn now on the Premises without written consent of Lessor.
  - 9. Lessee shall pay for damages caused by Lessee's operations on the Premises.
  - 10. Lessee shall have the right at any time to remove all machinery and fixtures (including casing) Lessee has placed on the Premises.
  - 11. The rights of the Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Premises shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this Lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.
- 12. 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 Premises and as to any one or more of the formations thereunder, to pool or unitize 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 it 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, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and 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, reworking or dewatering operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this Lease shall be treated as if it were production, drilling, reworking or dewatering operations or a well shut in for want of a market under this Lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive royalties on production from such unit only on the portion of such production allocated to this Lease; such allocation shall be that 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 foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the Premises as to one or more of the formations thereunder with other lands in the same gener

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 the Premises 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 royalty payments to be made 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 authority executing the same upon request of Lessee.

- 13. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules or 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 if such failure is the result of, any such Law, Order, Rule or Regulation. Any delay or interruption caused by storm, flood, act of God or other event of force majeure shall not be counted against Lessee. If, due to the above causes or any cause whatsoever beyond the control of Lessee, Lessee is prevented from conducting operations hereunder, such time shall not be counted against Lessee, and this Lease shall be extended for a period of time equal to the time Lessee was so prevented, anything in this Lease to the contrary notwithstanding.
- 14. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the Premises, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the Premises, insofar as said right of dower and homestead may in any way affect the purposes for which this Lease is made, as recited herein.
- 15. Should any one or more of the parties named as Lessor herein fail to execute this Lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this Lease, shall mean any one or more or all of the parties who execute this Lease as Lessor. All the provisions of this Lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
- 16. In the event Lessor considers that Lessee has not complied with any of its obligations hereunder, either express or implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this Lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. In the event Lessee disagrees with Lessor's allegations of breach, Lessor and Lessee agree to negotiate in good faith a resolution of the allegations during said 60-day period. The service of said notice and the conduct of good faith negotiations to resolve an alleged breach shall be prior to the bringing of any action by Lessor on said Lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. This Lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists, and Lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.
  - 17. This Oil and Gas Lease is limited in depth from the surface of the earth to the base of the Fruitland Coal Formation.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

STATE OF	SS.	FORM ACKNOWLEDGEMENT	
	knowledged before me this	day of	, 2022
My Commission Expires:		Notary Public	
		State of:	
		Name of Notary Printed:	