



EHVIEXPLORATION

June 4, 2019

City of Clinton, a Municipal Corporation
P.O. Box 1177
Clinton, OK 73601

Re: Section 8, Township 11N, Range 19W, Washita County, OK

Dear Mr. Berrong:

We are enclosing our Oil and Gas Lease together with a W-9, payable at \$750.00 per net mineral acre for a three (3) year term and 3/16ths royalty (\$750.00 x 109.7000 NMA = \$82,275.00).

Please follow these instructions for returning the instruments:

- A. Execute the original Oil and Gas Lease and any attachments exactly as your name appears and have your signature properly notarized. *If your name is incorrect and changes need to be made, please notify our office immediately.*
- B. As soon as possible thereafter, return the Oil and Gas Lease, and the completed W-9 to our office. We will submit the same for payment and remit a check directly to you no later than thirty (30) days from the time we receive the Lease and W-9.
- C. When executing the documents, please do not sign into the margins and do not alter any of the documents, as we cannot accept any handwritten changes, so please contact us as soon as possible to make any necessary changes.

Further, please be advised that you **MUST** submit the Oil and Gas Lease, and W-9 to us within ten (10) days from receipt thereof. If you do not submit the Lease and W-9 for payment within this time period, our client may withdraw its offer to lease without any further notice to you. This offer is also dependent upon the verification of your mineral title.

We certainly appreciate your leasing this interest to us. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

Elli Fuller

Elli Fuller
(405) 203-6555
Enclosures

OIL AND GAS LEASE
(PAID UP)

THIS AGREEMENT, made and entered into this June 4, 2019, by and between **City of Clinton, a Municipal Corporation**, whose address is P.O. Box 1177, Clinton, OK 73601, Party of the First Part, hereinafter called "Lessor" (whether one or more), and **Ehvi Exploration, LLC**, whose address is 100 N. Broadway, Suite 1000, Oklahoma City, OK 73102, Party of the Second Part, hereinafter called "Lessee".

WITNESSETH, That the said Lessor, for and in consideration of TEN 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 sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Washita, State of Oklahoma, described as follows, to-wit:

A tract in the SW/4 described as follows: Beginning at the SW/C of section; thence North 660'; thence East 1320'; thence North 790' to the South right of way line of the CRI&P Railway; thence Easterly along said right of way line 1420' to the East line of SW/4; thence South 970' to the SE/C SW/4; thence West 2640' to the point of beginning

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A tract in the SE/4 described as follows: Beginning at the SE/C of section; thence West 2640'; thence North 970' to the South right of way line of the CRI&P Railway; thence Easterly along said right of way line 2720' to the East line of section; thence South 980' to the point of beginning

Township 11N, Range 19W
Section 8
and containing 109.70 acres, more or less

It is agreed that this lease shall remain in force for a term of three (3) years from date, (hereinafter called primary term) and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee. ~~In the event this lease is not continued beyond the primary term by production, on-going operations or by any other means or provision herein contained, Lessee shall have the option, but not the obligation, to extend the primary term of this lease, as to all or any portion of the leased premises, for an additional and extended term of two (2) years, and for so long thereafter as this lease is continued or maintained in force and effect by the production, or allocation to the leased premises, of oil, gas or other hydrocarbons, or by any other means or provisions herein contained. Lessee may exercise the option to extend this lease, as to all or any portion of the leased premises, by tendering to Lessor, at the address stated above and on or before the expiration date of the initial primary term of this lease, an additional per acre bonus consideration equal to the same per acre bonus consideration originally paid for this lease.~~

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 connect its wells, the 3/16ths 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 and/or oil of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, 3/16ths of the net proceeds received for the gas sold, used off the premises, or in the manufacture of products therefrom, but in no event more than 3/16ths of the actual amount received by the Lessee, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

3rd. To pay Lessor for gas and/or oil produced from any oil well and used off the premises, or for the manufacture of casinghead gasoline or dry commercial gas, 3/16ths of the net proceeds, at the mouth of the well, received by Lessee for the gas during the time such gas shall be used, said payments to be made monthly.

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 80 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided, however, units formed for the production of either oil or gas by the drilling of horizontal wells shall be allowed if the unit does not exceed 640 contiguous acres. 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, 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.

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 to use, free of cost, gas, oil and water produced by Lessee on said land for its operations thereon.

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.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is hereby expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in

