EAP OHIO LLC LEASE

Name of Client(s): Greg Unkefer

Address of Client(s): 2819 Edgewood Ave
Alliance, Ohio 44601

Phone Number: 330-771-0026

Approximate Acres to Lease: 16.486

Date Lease Signed: 8-21-2024

Client(s) hereby agrees to pay Attorney John P. Ward a **one-time fee** equal to two and one-half percent (2.5%) **of** the signing bonus (**$100.00 per acre**) paid to client(s) in conjunction with the EAP OHIO LLC Oil and Gas Lease signed by client(s) on the above date. Payment of the fee is due upon client(s)' receipt of the signing bonus and may be made payable to: John P. Ward at 115 N. Beaver St., Lisbon, OH 44432. In the event that Client(s) does not receive a signing bonus, then no fees shall be charged to Client(s).

Greg Unkefer — Client Signature — Date: 8-21-2024

Client Signature — Date

Client Signature — Date

Client Signature — Date

EAP Ohio, LLC

ORDER OF PAYMENT

Date: 2024

EAP Ohio, LLC ("EAP Ohio, LLC") will tender payment to the Lessor identified in the Paid-Up Oil and Gas Lease ("Lease") as indicated herein by check within 90 days of EAP Ohio, LLC's receipt of this original executed Order of Payment and the original executed Lease. Payment is conditioned upon title to the property interests leased being confirmed acceptable to EAP Ohio, LLC, in its sole discretion. A title defect is a basis to render title unacceptable and shall include, but shall not be limited to, a prior unsubordinated mortgage, unreleased lease or delinquent property taxes. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely. Lessor shall retain a copy of this Order of Payment. No default for non-payment may be claimed by Lessor during said 90-day period.

If Lessor owns more or less than the net interest defined herein, EAP Ohio, LLC may, without immediate notice to Lessor, increase or reduce the consideration payable hereunder proportionate to the actual interest owned by Lessor or render title unacceptable at its sole discretion.

EAP Ohio, LLC retains the right to surrender the Lease associated with the Order of Payment at any time and for any reason. If the Lease is surrendered before payment is due under this Order of Payment, the Lessor may retain any consideration paid at the time of signing the Lease, but Lessor is not entitled to any additional amount. If the Lease has not been surrendered or payment made by the specified due date, then Lessor shall notify Lessee in writing and Lessee shall have 30 days from receipt of such written notice to make payment or surrender the Lease without any liability.

Lessor acknowledges and agrees that the Lease is a valid and binding agreement, subject to the terms and conditions contained herein. Lessor represents he/she has a full understanding of the risks involved in leasing property for oil and gas development and that Lessor has read and understands the terms and provisions of the Lease and this Order of Payment. Lessor agrees this is an arm's length transaction entered into as a result of his/her own free act and will and EAP Ohio, LLC or anyone acting on its behalf has made no representations of value or exerted any duress or coercion. Lessor agrees that payment made hereunder is final and will not seek to amend or modify the payment, or seek additional consideration based upon any differing terms which EAP Ohio, LLC has or will negotiate with any other lessor/oil and gas owner. Non-acceptance by Lessor of timely payment shall not serve to void the Lease.

PAY TO: **Gregory Unkefer and Magdalene Unkefer**

in the amount of

Sixty-Five Thousand Nine Hundred Forty-Four and 00/100 Dollars ($65,944.00)

Address: ~~PO Box 87, Minerva, OH 44657~~ 2819 Edgewood Ave Alliance, OH 44601

Phone: 330-771-0026 SSN/TIN: ____

Send 1099 Form to: **Gregory Unkefer and Magdalene Unkefer**

STATE	COUNTY	SECTION/TOWNSHIP/RANGE
OHIO	**Stark**	**See Below**
PROSPECT/PROJECT NAME		BONUS PER ACRE **$ 4,000.00**
LEASE NUMBER	[X] New	[ ] Renewal

This payment is for Bonus Consideration for Oil & Gas Lease dated _____, 2024, which covers property described as follows:

Township 17 North; Range 6; West; Section 25; Quarter Section NE/4

Parcel(s) 4104530

Gross Acres: 32.972 Net Acres: 16.486 Mineral Interest 50%

Landowner's signature: Gregory Unkefer Witness _____

Gregory Unkefer

Landowner's signature: Magdalene Unkefer Witness _____

(if needed)

Magdalene Unkefer

Approved By: _____

Forward to:
LAND DEPARTMENT:
EAP Ohio, LLC
5847 San Felipe, Suite 300
Houston, TX 77057

FOR INTERNAL USE ONLY	DATE PAID	DATE BY
	AMOUNT	CHECK NUMBER
	NOTE	

2011-07-01-SOUTHTOP

OIL AND GAS LEASE

This oil and gas lease (the "Lease") made this ____ day of _____, 2024, between **Gregory Unkefer and Magdalene Unkefer, his wife**, herein called "Lessor" (collectively if there is more than one) whose address is **PO Box 87, Minerva, OH 44657**, and **EAP Ohio, LLC**, a Delaware limited liability company, hereinafter called "Lessee", whose address is 5847 San Felipe, Suite 300, Houston, TX, 77057.

ARTICLE I. GRANT OF LEASE

Lessor, in consideration of the payments described herein and the covenants and agreements hereinafter contained, does hereby lease to the Lessee the land described below exclusively for the purpose of carrying on geophysical and other exploratory work, including core drilling, and the drilling, operating for producing and gathering of all the oil, gas, casinghead gas, casinghead gasoline and all other gases and their respective constituent vapors, liquid or gaseous hydrocarbons produced in association therewith other than as reserved unto Lessor herein below (herein called "Lease Products").

1. **Description of the Land Included in this Lease**

The land included in this Lease, herein called the "Leased Premises" is located in the State of Ohio, County of **Stark**, Township of **Paris**, parcel number(s) **4104530**. A legal description is attached hereto as Exhibit A.

2. **Limitations on Grant of Lease**

(a) Lessor's Reserved Rights. Lessor reserves all rights not specifically granted to Lessee in this Lease. Lessor hereby EXCEPTS AND RESERVES all formations from the surface of the earth to a depth of two hundred feet (200 ft.) above the top of the Utica Formation, and also EXCEPTS AND RESERVES all formations below two hundred feet (200 ft.) below the bottom of the Point Pleasant Formation. It is the intent of the parties herein for this Lease to cover all interest in each of the Utica and Point Pleasant Formations. Lessor hereby additionally GRANTS to Lessee an easement through all formations and depths excepted and reserved by the Lessor for the purposes of conducting operations in and through the depths and formations subject to this Lease.

(b) Lessor Structures and Improvements. Lessor reserves the right to construct any structure or other improvements at any location selected by Lessor anywhere on the Leased Premises provided the exercise of such reserved rights by Lessor does not impair the exercise and enjoyment of rights granted Lessee hereunder. If prior to Lessee coordinating site location for any operations of Lessee's on the Leased Premises pursuant to Article V, Section (1)(q) of this lease, Lessor commences construction of a structure or other improvement on the Leased Premises, Lessee will not locate any equipment, nor conduct any operations within 300 feet of the proposed structure or improvement (within 500 feet if a habitable structure) without Lessor's prior written permission.

(c) Agricultural Activities. Lessor reserves the right to initiate or continue irrigation and agricultural activities (including timbering) on the Leased Premises. If Lessor decides to conduct agricultural activities on the Leased Premises, Lessee will accommodate Lessor's agricultural use to the extent practical in light of the rights granted to Lessee hereunder and the potential use of the property for the purposes set forth in the Lease.

(d) Other Minerals Reserved. This Lease does not include and there is hereby excepted and reserved unto Lessor all of the sulfur, coal, lignite, uranium, and other fissionable material, geothermal energy, base and precious metals, rock, stone, gravel, and any other mineral substances (excepting those described above in the Grant of Lease) presently owned by Lessor in, under, or upon the Leased Premises, together with rights of ingress and egress and use of the Leased Premises by Lessor or its lessees or assignees for purposes of exploration for and production and marketing of the materials and minerals reserved hereby.

3. **Unitization – Pooled Units**

Subject to any limitations below, Lessee is granted the right, at its option, to pool or unitize any land covered by this Lease with any other contiguous lands included with other leases as to any or all horizons or gas, oil, or other minerals described above in the Grant of Lease in this Lease so as to establish pooled units. No pooled unit for any vertical well with no horizontal drilling component which includes any portion of the Leased Premises shall exceed eighty (80) acres. No pooled unit for any well that includes lateral or horizontal well shall exceed one thousand two hundred eighty (1,280) acres plus ten percent (10%) tolerance. Lessee shall furnish to Lessor a copy of the declaration of the unit of

which any portion of the Leased Premises shall be a part, including a copy of all plats, maps, and exhibits to such application or declaration. For the purposes of this Lease, operations on and production from any lands which are included in a pooled unit with the Leased Premises shall be considered operations on and production from the Leased Premises. The payment of royalty or other like payments due under this Lease shall be proportionately reduced to such proportional share from, or attributable to, each well unit as the number of acres covered by this Lease and included in the unit bears to the total number of acres in the unit.

4. **Unit Configuration**

Insofar as possible, taking into consideration the productive limits of the producing interval, the configuration of the mineral ownership boundaries and the unit configuration for the Leased Premises, the lands included within the production unit for a well shall be in the form of a square or rectangle. Reasonable efforts shall be made by Lessee in designating production units to avoid excluding small or irregular shaped portions of the Leased Premises. Units assigned to wells producing from different zones may overlap, and shall overlap when necessary to comply with the requirements of this section. If a well is producing from more than one formation, its production unit's size and configuration shall conform to the to the limitations set forth herein or the Ohio Department of Natural Resources ("ODNR") (or other government entity with jurisdiction) rules applicable to the well which provides the largest production unit (subject to the size limitations stated above). If all or a portion of the Leased Premises is included in a pooled unit, then for purposes of this paragraph all the lands within the pooled unit shall be considered a part of the Leased Premises, and the size and configuration of the production unit(s) must conform to the requirements of this paragraph for a production unit if such unit is established by Lessee. Lessor specifically recognizes that Lessee, at Lessee's option, may drill multiple wells within a unit provided that such is permitted by the ODNR.

5. **Definitions**

(a) Operations. "Operations" shall mean only (a) the production of oil, gas or other liquid hydrocarbons in paying quantities subsequent to drilling or (b) the actual drilling, completing, stimulating, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas, conducted in good faith and with due diligence.

(b) Division Order. Documents setting forth the proportional ownership of Lessor in Lease Products.

ARTICLE II. TERM OF LEASE

1. **Primary Term**

This Lease shall become effective on the date of signing, which date will be inserted where provided below the title of this document ("Effective Date"). Except as provided herein, this Lease shall remain in full force and effect for a period of five (5) years from such date (hereinafter referred to as "Primary Term").

2. **Extension of Primary Term**

This Lease may be extended beyond the Primary Term only under the condition that an active deep well has been commenced to the extent that the bit has hit the ground prior to the end of the Primary Term, or by the other terms and conditions contained herein, including, but not limited to, the provisions of Article II. Section 3 below, or if at the expiration of the Primary Term, or any extension thereof, Lessee is then engaged in drilling, deepening, plugging back or reworking operations, then this Lease, as to all acreage covered hereby, shall remain in full force and effect so long as: (i) the drilling, deepening, plugging back or reworking operations are prosecuted to completion with due diligence; and (ii) no cessation of more than ninety (90) consecutive days occur from the completion of the operations and the commencement of drilling, deepening, plugging back or reworking operations of a different well; and (iii) Lessee continues to commence the drilling, deepening, plugging back or reworking of a well within ninety (90) days after the completion of operations on the prior well.

3. **Option To Renew**

Lessee is hereby given the option to extend by renewal the Primary Term of this Lease for one (1) additional three (3) year period. This option may be exercised by Lessee by notifying Lessor in writing of Lessee's intent to exercise its option and simultaneously therewith paying to Lessor in full, prepaid at any time prior to termination of the Primary Term a lease bonus for the 3 year renewal period in an amount equal to the 5 year Primary Term bonus paid by Lessee under Article III, Section 1 herein. Such payment shall be based upon the net acres then covered by this Lease and not at such time being maintained by other provisions hereof. Should this option be exercised, it shall be considered for all purposes as though this Lease originally provided for a Primary Term of eight (8) years.

4. **Shut-In Limitation**

In the event all wells drilled upon the Leased Premises are shut-in, the Lease will continue in force and effect while production is shut in; provided, however, this Lease may not be maintained in force for any continuous period of time longer than thirty-six (36) consecutive months or forty-eight (48) cumulative months after the expiration of the Primary Term hereof solely by provision of the shut-in royalty clause. The shut-in status of any well shall persist only so long as it is necessary to correct, through the exercise of good faith and due diligence, the condition giving rise to the shut-in of the well.

5. **Pugh Clause**

(a) As to any acreage of the Leased Premises which is not included within any production unit at the expiration of the Primary Term, including any extension of the Primary Term in accordance with Article II, Section 2 and/or Section 3 of this lease, this lease shall automatically terminate and be of no further force or effect as to any acreage not within such designated units.

(b) In addition, at the end of the Primary Term or extension thereof, this Lease shall terminate as to all depths and horizons under each production unit below two hundred (200) feet below the stratigraphic equivalent of the base (bottom) of the deepest formation from which production of oil or gas in paying quantities is being maintained (or, in the case of a shut-in gas well, can be maintained) in the well on such production unit.

(c) Notwithstanding Article II(5)(a) and (b) above, Lessee may continue to utilize access roads, pipelines, or other surface use in effect at the time of termination described above, with Lessee deemed to hold such rights by surface easement so long as such use by Lessee shall continue. Lessee's rights shall not prevent Lessor from re-leasing rights terminated as described above, so long as Lessee's retained surface rights are not disrupted.

6. **Held by Production**

This Lease may be held in force after the termination of the Primary Term, including any extensions in accordance with Article II, Section 2 and/or Section 3 of this Lease, only by terms and conditions contained herein, including but not limited to production from, or operations conducted on the Leased Premises or any units in which the Leased Premises is included.

7. **Partial Releases**

Lessee shall have the right at any time during this Lease to release from the lands covered hereby any lands subject to this Lease and thereby may be relieved of all obligations hereafter accruing as to the acreage so released, provided that (a) Lessee may not release any portion of this Lease included in a pooled unit so long as operations are being conducted on such unit, and (b) any such partial release must release all depths in and under the lands so released except as provided in Article II, Section 5(b) above.

8. **Termination of Record**

Upon termination of this Lease as to any portion of the Leased Premises, Lessee shall promptly deliver to Lessor a plat showing the designated production units around each well and a partial release containing a description (metes and bounds and map) of the acreage and depths not retained, in form suitable for recording. In addition, Lessee shall peaceably surrender the released premises to Lessor and remove any and all facilities, equipment and machinery from the site within 90 days at Lessee's expense if the same are not necessary for continued operations as described in Article II, Section 5(c) above. Further, the affected land shall be reclaimed in accordance with Article V, Section 1(m) of this Lease.

Upon termination of this Lease or any portion thereof, or upon expiration of this Lease, Lessee shall provide Lessor documentation in recordable form of such termination or expiration within thirty (30) calendar days after the date of termination or expiration. Should Lessee fail to provide such documentation, Lessee hereby grants to Lessor the right and authority, after thirty (30) days prior written notice delivered to Lessee by certified mail at the address shown on this lease, or such other address as has been subsequently provided by Lessee to Lessor, to file an affidavit on record reflecting such expiration or termination, which filing shall be binding upon Lessee.

9. **Default**

(a) Examples of Default. In addition to any incidents of default described throughout this Lease, the occurrence of any of the following shall be deemed a default:

(i) If any creditor of Lessee, its agents, and/or assigns, shall take any action to execute on, garnish or attach the assets of Lessee located upon the Leased Premises, or

(ii) If a request or petition for liquidation, reorganization, adjustment of debts, arrangement, or similar relief under the bankruptcy, insolvency or similar laws of the United States or any state or territory thereof, or any foreign jurisdiction shall be filed by or against Lessee, or any formal or informal proceeding for the reorganization, dissolution or liquidation or settlement of claims against, or winding up of affairs of Lessee; or the garnishment, attachment, or taking by governmental authority of any collateral or other property of Lessee.

(b) Notice of Default or Breach of Lease. In the event Lessor considers that Lessee is in default under this Lease or that Lessee has not complied with its obligations hereunder, both express and implied, including the non-payment of royalty or rent, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee is in default or Lessee has breached this Lease. Lessee shall then have forty-five (45) days after date of receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor, or to correct any default. The service of said notice shall be precedent to the bringing of any claim or action by Lessor on this Lease for any cause, and no such claim or action shall be brought until the lapse of forty-five (45) 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 or the default shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder.

(c) Termination for Default. Upon the occurrence of the event of default, and after notice thereof and opportunity but failure to cure or commence to cure as set forth above, the Lease shall be terminated and the Lessee shall become a tenant at will for the conduct of operations on the Leased Premises. If evicted, Lessee agrees to surrender possession of the Leased Premises, or of the portion of the Leased Premises included in such termination. If Lessee should fail to deliver documents reflecting termination or expiration of this Lease or if Lessee fails to surrender possession of the Leased Premises as required under this Lease, Lessor may institute proceedings necessary to clear title or to take possession, and in that event, in addition to all other relief that may be granted to Lessor, Lessor shall be entitled to recover against Lessee all attorney fees, investigation charges, court costs and expert fees thus expended by Lessor.

(d) Other Remedies. Upon default by Lessee, Lessor shall be entitled to exercise any and all remedies available at law, in equity or otherwise, each such remedy being considered cumulative. No single exercise of any remedy set forth herein shall be deemed an election to forego any other remedy.

ARTICLE III. PAYMENT TO LESSOR

1. **Bonus Payment**

Lessee agrees to pay Lessor a signing bonus of Four Thousand and 00/100 dollars ($4,000.00) for each net acre contained within the Leased Premises, subject to the terms of the Order of Payment associated herewith. Said Order of Payment shall state that the bonus payment shall be paid to Lessor within 90 days following the date the Lessor executes this Lease. A Memorandum of Lease shall be recorded upon issuance of the full bonus payment. All bonus payments, rentals and royalty payments made to Lessor under this Lease are non-refundable.

2. **Royalty Payment**

(a) Percentage. The royalties payable to the Lessor under this Lease shall be on a well by well basis. As to each and every well completed as a producer of oil and/or gas on the Leased Premises or on lands pooled therewith, the royalties paid to Lessor by Lessee shall be twenty percent (20%) of all the oil and gas and all their liquid and gaseous constituents, including, but not limited to, ethane, pentane, propane, butane, casinghead gas, natural gasoline, condensate, and/or other hydrocarbon byproducts produced from, removed or recovered from the Leased Premises, based on the Gross Proceeds received and sold by Lessee in an arms' length transaction. In no event will the price paid to the Lessor for Lessor's share of the products be less than the price paid to Lessee for Lessee's share of the products. Lessee covenants and agrees to sell and execute division orders for the sale of all oil, gas and all their liquid and gaseous constituents, including, but not limited to, ethane, pentane, propane, butane, casinghead gas, natural gasoline, condensate, and/or other hydrocarbon byproducts produced and saved by Lessee from the Leased Premises, including Lessor's share with Lessee's share and shall pay Lessor a royalty based on the Gross Proceeds received by Lessee in a sale resulting from an arm's length transaction. If the above products are sold to an Affiliate of Lessee, the price upon which the royalty shall be based shall be the greater of a) the price paid by the Affiliate; or b) the price that would have been received from an arm's length transaction with an unaffiliated third party under an arrangement for like quantity, quality, term and at the same point of sale as that with an Affiliate. The computation of Lessor's

royalty shall include the additional consideration, if any, paid to Lessee as a result of any enhancement of the value of such products, including making marketable the natural gas liquids (including but not limited to ethane, pentane, propane, butane, casinghead gas, natural gasoline, condensate, and/or other hydrocarbon byproducts produced from, removed or recovered from the Leased Premises).

(b) Costs of Production. Lessee shall place oil and gas and other byproducts produced from the Leased Premises in marketable condition and shall market same as agent for Lessor. All oil and/or gas shall be delivered free of cost into the tank or pipeline (for oil) and into the pipeline (for gas). Lessor's royalty shall not be charged directly or indirectly with any expense required to make gas, oil, or any liquefiable hydrocarbons or byproducts marketable, including, but not limited to, the following: expenses of producing, gathering, storing, dehydrating, separating, compression, manufacturing, processing, treating, transporting or marketing of gas, oil, or any liquefiable hydrocarbons or byproducts extracted therefrom. Further, there shall be no deductions for pre or post production expenses, nor shall there be any deductions for taxes or assessments.

(c) Affiliates. For purposes of this Lease, an "Affiliate of Lessee" is any corporation, firm or other entity in which Lessee, or any parent company, subsidiary or affiliate of Lessee, owns an interest of more than ten percent (10%) whether by stock ownership or otherwise, or over which Lessee or any parent company or Affiliate of Lessee exercises any degree of control, directly or indirectly, by ownership, interlocking directorate, or in any other manner; and any corporation, firm or other entity which owns any interest in Lessee, whether by stock ownership or otherwise, or which exercises any degree of control, directly or indirectly, over Lessee, by stock ownership, interlocking directorate, or in any other manner.

(d) When Royalties Must Be Paid. All royalties that may become due hereunder shall commence to be paid on the first well completed on the Leased Premises within one hundred-twenty (120) days after the first day of the month following the month during which any well is completed and commences production into a pipeline or oil into transport for sale of such production. On each subsequent well, royalty payments must commence within ninety (90) days after the first day of the month following the month during which any well is completed and commences production into a pipeline for sale or oil into transport of such production. Thereafter, all royalties on oil shall be paid to Lessor on or before the last day of the second month following the month of production, and all royalties on gas shall be paid to Lessor on or before the last day of the third month following the month of production. Royalties not paid when due shall bear interest at the prime rate as published by the Wall Street Journal as of the date payment is first due, plus five percent (5%) per annum.

(e) Delinquency in Payment. If royalty is not paid by the date due, Lessor may give Lessee written notice of nonpayment of royalty, by certified mail, return receipt requested, and if Lessor's royalty is not paid on or before expiration of forty-five (45) days after Lessee's receipt of such notice, interest shall commence accruing on the due date and be payable by Lessee to Lessor on the delinquent balance at the rate of five percent (5%) per annum above prime interest rate (as defined above). However, Lessee may avoid any interest obligation if prior to the expiration of such forty-five (45) days Lessor is furnished an attorney's written opinion citing a bona fide dispute or a good faith question of royalty entitlement (either as to ownership or as to amount), Lessee pays to Lessor the undisputed portion and Lessee pays the disputed royalty to an escrow account to be administered by a trustee agreed to by both parties or by the American Arbitration Association, if such trustee cannot be found. If practical, such escrow funds shall be invested in interest-bearing accounts pending resolution of the entitlement issue, with the interest to follow the distribution of escrow.

(f) Split Royalties. If, by reason of assignments of undivided interests in Lessee's interest in this Lease, more than one party becomes entitled to a portion of Lessee's share of gas produced from any well on the Leased Premises, and if any or all of such co-owners elect to take their share of gas in kind, resulting in split-stream deliveries of gas to different purchasers, Lessor shall be entitled, at Lessor's election, to require the operator of the Leased Premises to pay and account to Lessor for all royalties due on gas production from the well or wells from which split-stream deliveries are being made, so that Lessor shall not be required to receive royalties from more than one (1) purchaser or party on the same gas stream. If Lessor exercises such election, the operator of the Leased Premises (or of that portion of the Leased Premises upon which the split-stream production is located) shall pay to Lessor all royalties due on such gas production and shall provide production statements from all purchasers of such gas showing the amounts sold and the price paid therefore, with any applicable adjustments. Such election, if made, shall

not relieve any party otherwise liable for payment of royalties from such liability, and all parties owning an undivided interest in all or any portion of the Leased Premises shall be and remain jointly and severally liable for the payment of all royalties due on production therefrom.

3. **Audit Rights**

Lessee grants to Lessor or Lessor's designee the right at Lessor's expense, to examine, audit, copy or inspect books, records, and accounts of Lessee pertinent to the audit purpose of verifying the accuracy of the reports and statements furnished to Lessor, and for checking the amount of payments lawfully due to Lessor under the terms of this agreement. In exercising this right, Lessor shall give reasonable notice to Lessee of its intended audit and such audit shall be conducted during normal business hours at the office of Lessee at the sole cost and expense of Lessor. Lessor shall not have the right to audit more than once every twelve (12) month period. However, if the amount of exceptions or deficiencies in royalty payments revealed by the audit equal or exceed 125% of the cost and expense of the audit, then the Lessee shall bear the cost and expense of the audit and all monies due as a result of the audit findings (audit exceptions, costs, and expenses) shall be payable within 30 days of the final determination of the amounts due.

4. **Payment to Lessor in Lieu of Free Gas**

In the event any well is drilled upon the Leased Premises or any portion thereof, and the Lessor is the owner of the surface where the well is located, Lessee shall pay annually to Lessor in lieu of any right to free gas a sum equal to the value of the first three hundred fifty thousand (350,000) cubic feet of natural gas produced from each such well, up to a maximum of four (4) wells. Said amount shall be paid in quarterly installments, with the value based upon the prior twelve (12) months average price received by Lessee for gas sold from the Leased Premises, as of January 1st of each calendar year in which the payments are made.

5. **Shut-In and Minimum Royalties**.

(a) Payment Amount. If all wells on the Leased Premises capable of producing gas or gas and condensate in paying quantities, are shut-in for any reason and neither gas nor condensate is sold or used off the Leased Premises (which wells are herein sometimes called a "shut-in" gas well), for longer than sixty (60) consecutive days, Lessee shall pay or tender to Lessor, as shut-in gas well royalty, a yearly sum (payable quarterly or at the end of the shut-in period, whichever first occurs) equal to Fifty and 00/100 Dollars ($50.00), indexed to the Producers Price Index for All Commodities issued for the anniversary month by the U.S. Department of Labor, Bureau of Labor Statistics, and recalculated every five (5) years thereafter, multiplied by the number of acres subject to this Lease at the time such payment is made. The first such payment of shut-in gas well royalty is to be made on or before thirty (30) days after the end of the above referenced sixty (60) day period. Succeeding payments may be made annually thereafter on or before the anniversary of the due date of such payment. Notwithstanding the making of such shut-in gas well royalty payments, Lessee shall be and remain under the continuing obligation to (a) use all reasonable efforts to find a market for said gas and to commence or resume marketing same when a market is available, (b) reasonably develop the lands then subject to this Lease, and (c) drill all such wells on the lands then subject to this Lease as may be reasonably necessary to protect same from drainage by wells on adjoining or adjacent lands.

(b) Limited Duration. After expiration of the Primary Term, or extension thereof, the portion of the Leased Premises being held by the Lessee solely by the payment of shut-in royalty, shall be released after a period of thirty-six (36) consecutive months or a cumulative total of forty-eight (48) months, unless given written consent by the Lessor to continue the well to be shut-in.

6. **Sitting/Spud Fee**

Lessee shall pay to Lessor in consideration for damages to the Leased Premises the sum of Fifty Thousand Dollars ($50,000.00) prior to commencement of drilling of any well on the Leased Premises, such payment to be considered a "pad" payment. A "pad" for purposes hereof is defined as a preparation designed to facilitate one or more wells in a concentrated surface area and access thereto not to exceed a total of ten (10) acres, including roadway access to the pad. If Lessee should locate more than one pad on the Leased Premises, a separate pad payment shall be paid for each pad. Lessee shall not be required to pay any separate per-well payment for additional wells drilled in sequence after the completion of drilling the initial well on a pad. In the event Lessee reclaims the well location pad after drilling the initial well or group of wells as the case may be, and then at any time thereafter returns to the pad for the purpose of drilling an additional well or wells on that pad, Lessee shall pay to Lessor an additional full pad payment. Furthermore, upon prior separate written consent and agreement of Lessor,

Lessee shall pay Lessor (a) an amount of at least Ten Thousand Dollars ($10,000.00) for each post-drilling pit, pond or other in-ground containment excavation in which fluids or liquids pertaining to and involved with operations are to be stored (other than drilling pits) located on the Leased Premises, and (b) in the event Lessee desires a pad to include over ten (10) acres, including access roadway to the pad, Lessee shall pay to Lessor the sum of Five Thousand Dollars ($5,000.00) per disturbed acre in addition to the pad payment. Or Lessee shall pay to Lessor prior to the commencement of drilling any new well on the Leased Premises surface damages for any surface used, pursuant to any terms outlined within a separate Surface Use Agreement.

7. **Ad Valorem Taxes**

Lessee shall pay all Ad Valorem taxes or assessment of Lease Products or Lease Product reserves made by any local, state or federal entity or governmental unit attributable to, or resulting from the assessment of Lease Products from the Leased Premises regardless of the percentage of royalty paid to Lessor. Lessee shall, in addition, pay any and all severance taxes or other excise taxes arising out of or relating to this Lease and/or the Lease Products.

8. **Property Taxes**

In the event real property taxes pertaining to or attributable to the Leased Premises are increased in any manner by reason of the operations of Lessee on the Leased Premises, including, but not limited to any structures or improvements constructed on the Leased Premises, Lessee shall be responsible for the amount of any such tax increase attributable to such operations or improvements. Lessee shall reimburse Lessor for the amount of such increase within thirty (30) days after Lessor provides Lessee with written documentation reflecting such increase and the cause thereof.

9. **Agricultural Programs**

In the event the Leased Premises is subject to any federal, state, local and/or agricultural assistance program (CAUV, CRP or Forest Land Program, including any interest and penalties thereon), and any roll-back or reimbursement or recoupment or retroactive assessment is made against the Leased Premises on account of, arising out of, or relating to the operations of Lessee on the Leased Premises, Lessee shall be responsible for paying any and all of such amounts, but only insofar as such amounts imposed result from operations on the portion of the Leased Premises actually utilized in Lessee's operations. Lessee shall reimburse Lessor for the amount of such increase within thirty (30) days after Lessor provides Lessee with written documentation reflecting such increase and the basis thereof.

10. **Method of Payments**

All rents and royalties (except payment by gas in kind at the election of Lessor as may be provided herein) and any and all sums due hereunder from Lessee to Lessor shall be paid at the option of Lessee by one of the following methods:

(a) By check tendered directly from Lessee to Lessor at Lessor's address as stated in this Lease.

(b) As soon as Lessee is capable, and upon written election by Lessor, by direct deposit by depositing the payment to the credit of the Lessor in the bank and account number as provided in writing by Lessor to Lessee prior to such payment (which bank shall continue as depository for all sums payable hereunder until any subsequent written notice otherwise is provided by Lessor to Lessee).

No payment not timely made or not made in the correct amount shall constitute a waiver by Lessor of any rights or remedies of Lessor under this Lease. A payment submitted electronically shall be considered timely paid if such payment is successfully transmitted to Lessor's account on or before the due date. A payment not submitted electronically shall be considered timely paid if delivered to the Lessor on or before the applicable due date or if deposited in a postpaid, properly addressed wrapper with a post office or official depository marked as so deposited by the United States postal service before the applicable due date.

11. **Due Date**

Any payment hereunder from Lessee to Lessor as required under this Lease (such as royalty payments or shut-in fee) shall unless otherwise specifically provided in this Lease be paid within thirty (30) calendar days following the end of the month or annual period which constitutes the period of time on which the payment is based.

12. **Default**

Failure of Lessee to timely pay Lessor any amounts required under this Lease shall be deemed a default by Lessee.

ARTICLE IV. TITLE ISSUES

1. **Lessor's Representation Regarding Title to Leased Premises**

Lessor makes no representation or warranty as to Lessor's title to the Leased Premises other than that Lessor warrants and represents that Lessor is not aware of any unrecorded encumbrances, or encroachments or conditions affecting title to the Leased Premises other than those that would be observed on a location survey. It shall be Lessee's burden and obligation to assure itself of the quality of title to the Leased Premises. Upon this Lease taking effect (thus upon Lessor's receipt of the bonus payment), to the extent Lessee's obligations under this Lease are diminished or affected by any title encumbrance on the Leased Premises, including but not limited to any mineral lease or mortgage of record that existed as of the date this Lease became effective, provided however, in the event that by operation of law Lessee is no longer afforded protection under Ohio Revised Code Section 1509.31(D), then Lessee shall have a right to demand Lessor obtain a subordination from the mortgage holder and/or Lessee shall: (i) be afforded the right to pay proceeds payable to Lessor under this Lease to the mortgagee; and/or (ii) make payment in full for amounts due mortgagee in the event Lessor defaults in its payments to mortgagee, and deduct such amounts from future payments payable to Lessor pursuant to this Lease.

2. **Lessor Encumbrances After Lease Effective**

Any mortgage, lease, easement, or other interest granted by Lessor voluntarily after this Lease becomes effective shall be subject to this Lease. In the event Lessor should become in default of any obligation of Lessor that is secured by any lien or encumbrance on the Leased Premises during the term of this Lease, Lessee may, at its option, pay and discharge any such obligation on behalf of Lessor after Lessee gives Lessor at least thirty (30) calendar days prior written notice of such intention to pay, and if, after Lessor's receipt of such notice, Lessor makes no arrangement otherwise to address the amount in default. Should Lessee make such payment on behalf of Lessor, or by any other lawful means, Lessee shall, in addition to any other legal remedies, be entitled to recover from Lessor by deduction from any future payments to Lessor, with interest at Ohio's legal rate for judgments and amounts actually paid by Lessee for such obligations.

3. **Liens against Lessee**

In the event any lien or encumbrance (except and not including any lien or encumbrance in the nature of a security interest conveyed by Lessee for purposes of financing operations on the Leased Premises) is filed against the Leased Premises out of or pertaining to the operations by Lessee, Lessee shall within forty-five (45) calendar days following the date such lien or encumbrance is recorded cause such lien or encumbrance to be released from record, and Lessee shall provide Lessor written evidence of such release. Lessee's contention that the lien or encumbrance arises from a bona fide dispute shall not be grounds for Lessee's failure or refusal to remove the lien or encumbrance as required herein.

ARTICLE V. IMPACTS AND EFFECTS

1. **Surface Issues**

The following provisions shall apply under this Lease:

(a) Compliance with Laws. Lessee shall be responsible for any and all acts or matters arising out of or pertaining to Lessee's operations on the Leased Premises whether reasonably foreseen or unforeseen. All operations conducted by Lessee shall comply with federal, state and local law, statute, regulation and/or order, and the terms of this Lease, whichever is more strict. Lessee's failure to comply with any federal, state or local law or any regulation or order of any enforcement agency having jurisdiction over Lessee's operations shall be a default under this Lease.

(b) Degree of Care. Lessee shall at all times use the highest degree of care utilized in the industry in the region where the Leased Premises is located (such region including Ohio, Pennsylvania and West Virginia), and use all reasonable care and safeguards to prevent its operations from:

(i) causing or contributing to soil erosion;

(ii) polluting or contaminating any environmental medium including the surface or subterranean soils and/or waters and ambient atmosphere in, on, under, or about the Leased Premises and surrounding properties;

(iii) decreasing the fertility of the soil;

(iv) damaging crops, native or cultivated grasses, trees, or pastures;

(v) harming or in any way injuring animals, whether domestic or wild on the Leased Premises;

(vi) damaging buildings, roads, structures, improvements, farm implements, gates or fences.

(vii) Lessee shall dispose of salt water, frac water or liquid waste oil and other waste in accordance with the rules and regulations of the Ohio Department of Natural Resources and all other applicable governmental authorities.

(viii) Lessee shall clean up, remove, remedy and repair any soil or ground water contamination and damage caused by Lessee or release of any contaminant in, on, under, or about the Leased Premises, whether or not caused by the negligence of Lessee. Lessee shall pay to any person beneficially interested in the harmed object all damages caused by Lessee's operations.

(c) Disposal. Lessee shall not use the Leased Premises for the permanent disposal of any drill cuttings, or the storage or disposal of residual wastes. No disposal wells or any other devices or means of disposal of wastes or drilling liquids are permitted on the Leased Premises.

(d) No Gas Storage. Lessee shall have no right to use the Leased Premises or any portion thereof, surface or subsurface, for gas, oil, or brine storage purposes.

(e) Replace Barriers and Drain Tile. Lessee shall promptly replace any barriers, including but not limited to fences, gates and walls removed by Lessee during its operations on the Leased Premises. Lessee shall construct gates on all access roads upon written request from Lessor, and provide an access key or double lock system allowing access by both Lessor and Lessee. Gates are to be closed and locked when Lessee personnel are not on the Leased Premises. Lessee shall promptly replace any drain tile removed or damaged by Lessee during its operations.

(f) Timber. Lessee shall notify Lessor in writing at least forty-five (45) calendar days prior to any removal by Lessee of marketable timber (marketability to be within the discretion of Lessor). At Lessor's option, Lessor may choose to harvest timber, or Lessor may require an appraisal of the timber by a qualified independent appraiser, at Lessee's expense, and Lessee shall pay Lessor the appraised value for the timber identified prior to its removal by Lessee.

(g) Use of Surface or Subsurface Water. Lessee is not permitted to use water from Lessor's surface wells, ponds, lakes, springs, creeks, water courses or reservoirs on the Leased Premises without prior written consent and agreement with Lessor, separate from this Lease. Lessee shall not drill or operate any water well, take water, or inject any substance into the subsurface, or otherwise use or affect water in subsurface water formations.

(h) Crops. Lessee will plan its surface operations in a manner that will reduce or minimize intrusion into crop fields. In the event such an intrusion cannot be avoided, Lessee shall compensate Lessor for the damage or loss of growing crops at current market value.

(i) Fencing by Lessee.

Lessee shall

(i) fence all wells and well sites, tank batteries, pits, separators, drip stations, pump engines, and other equipment placed on the Leased Premises with a fence capable of turning livestock;

(ii) keep such fences in good repair; and

(iii) keep all gates and fences closed at all times, or in lieu of gates, install cattle guards.

(j) Pipelines and Excavations.

The top of any pipelines installed in Lessee's operations shall be a minimum of forty-eight (48) inches from the surface where practical in areas subject to agricultural cultivation, and below local freeze levels in any event. Lessee shall utilize a double ditch method for construction of pipelines as well as any other excavation (such as drilling pits) on the Leased Premises, in which topsoil is segregated from subsoil, and when the excavation is backfilled, the subsoil is replaced first and the topsoil is placed on the top. Lessor shall have the right, subject to

forty-five (45) days advance notice to Lessee, to construct and lay drainage and other utility pipes, wires, and lines across or under Lessee pipelines in a manner which does not interfere with Lessee's use thereof and Lessor's construction of which strictly complies with Lessee's construction and safety standards. All pipelines installed under the terms of this lease shall be used to transport oil, gas and/or water from or to well(s) drilled on the leased premises or lands pooled therewith.

(k) Roads. Roadways or drives constructed by Lessee on the Leased Premises during active drilling or development phases shall not exceed fifty (50) feet in width, or a minimum width required to perform required operations without prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. In the event of a producing well on the Leased Premises, any permanent access road for well servicing purposes shall be a maximum width of twenty (20) feet, or a minimum width required to perform maintenance and other operations without prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

Lessee agrees to construct or maintain all roads used by it in good repair utilizing shale, gravel, or crushed stone, culverts, and supports as necessary to provide normal use under all reasonable weather conditions, and when such roads are no longer being used, Lessee agrees upon Lessor's request, to remove toppings and to restore the surface as nearly as possible to its former condition. Lessee shall not use shale, gravel or crushed stone from the Leased Premises without the prior written consent of Lessor. Lessee shall prevent its employees, agents and contractors from operating vehicles in a negligent manner or at speeds in excess of 25 miles per hour while on the Leased Premises.

(l) Utilities. Lessee's rights hereunder may include burying or otherwise constructing necessary phone, electric, and data collection lines on the Leased Premises in connection with production from the Leased Premises, but such rights may not be assigned to a utility company, pipeline company, or anyone else who owns no interest in the Leased Premises or is otherwise not contracted or affiliated with Lessee for the purpose of carrying out the rights and obligations under this Lease. The right to use said pipelines terminates when production from the Leased Premises ceases and all wells associated therewith are plugged and abandoned.

(m) Restoration of Leased Premises. On completion of any operations on the Leased Premises, Lessee shall restore the Leased Premises to as near as practical the pre-drilling conditions, remove all debris, equipment and personal property which Lessee placed on the Leased Premises (except for equipment needed for the operation of producing wells, which shall be removed within six (6) months after a well permanently ceases to produce). For purposes hereof, "completion of operations" shall mean the completion of drilling operations, including initial stimulation, as to equipment and facilities relating to drilling, including any associated pits, tanks (or other excavations or facilities no longer needed for production), or in the event of a dry hole, all such facilities. Lessee shall keep the Leased Premises in a neat and clean condition. "Completion of operations" with respect to a multi-well pad shall not occur until the last well drilled from the pad has been completed.

(n) Hazardous Materials. Lessee shall not use, dispose of or release on the Leased Premises or permit to exist or to be used, disposed of or released on the Leased Premises as a result of its operations any substances (other than those Lessee has been licensed or permitted by applicable public authorities to use on the Leased Premises) which are defined as "hazardous materials", "toxic substances" or "solid wastes" in federal, state or local laws, statutes or ordinances. Should any pollutant, hazardous material, toxic substances, contaminated waste or solid waste be accidentally released on the Leased Premises, Lessee shall notify Lessor immediately after notifying the applicable governmental body of such event. Lessee shall be responsible for and timely pay all costs of clean-up, remediation, and other costs related to and arising from the event, including but not limited to penalties.

(o) Firewalling and Maintenance of Production Equipment. Dikes, firewalls or other methods of secondary containment must be constructed and maintained at all times around all tanks, separators and receptacles so as to contain a volume of liquid equal to at least 1.25 times the total volume of such tanks, separators and other receptacles located within the boundaries of the firewall. Lessee shall keep all tanks and other equipment at each well location painted, and shall keep the well site and all roads leading thereto free of noxious weeds and debris.

(p) Pits. Lessee shall have no right to dig any pits other than drilling pits (not storage pits) on the Leased Premises except with Lessor's prior written consent. Any pit so permitted

shall: (i) conform to all applicable regulatory requirements (state, local and federal), (ii) be planned to be deep enough to allow at least thirty-six (36) inches of back fill over the liner after grading to surrounding pre-drill contour and (iii) promptly after completion of operations any backfill and the liners shall be removed and the pits shall be drained, prepared for burial, back filled, graded and planted within ninety (90) days (weather permitting). Lessee shall immediately notify Lessor and all applicable regulatory authorities if any pit lining is torn, punctured, or otherwise breached, allowing any fluid contained in a pit or designated to be contained in a pit to seep, leak or overflow through or around the liner.

(q) Mutual Agreement as to Location of Operations. Before commencing surface disturbing operations on the Leased Premises, Lessee and Lessor shall mutually agree in writing on the location of all wells, roads, pipelines, gates, and other equipment so as to minimize disruption of Lessor's use of the Leased Premises. To the degree practicable, operations shall be designed and laid out to be concentrated in a single area so as to avoid unnecessary utilization of surface areas. To the degree practicable, pipelines and roadways are to be within the same corridor. Lessor's agreement shall not be unreasonably withheld, conditioned or delayed assuming the preceding standards are followed. Without a separate written agreement between Lessor and Lessee, no pump stations, tank batteries, pipelines, dryers or separators shall be located on the Leased Premises unless they are for the sole purpose of transporting, processing or treating gas from the Leased Premises or lands pooled or unitized therewith, and those shall not be located nearer than, (and no well shall be drilled nearer than) five hundred (500) feet from any dwelling or residential structure or three hundred (300) feet from any barn or other non-residential structure then on the Leased Premises without the Lessor's written consent. There shall be no compressors located on the Leased Premises, except those for the sole purpose of compressing gas from the Leased Premises and lands pooled therewith, without a prior separate written agreement with Lessor. Any compressor operations permitted hereby shall be designed and installed utilizing means to minimize noise, including but not limited to, sound enclosures and barriers, and electrical motors if reasonably possible.

2. **Water Quality**

Lessee shall not have any right to interfere with, disturb, block or use water from Lessor's springs, ponds, wells, creeks, reservoirs, streams, facilities, or other sources of surface or subsurface water on the Leased Premises for any operations hereunder without Lessor's written consent. Lessee, at its cost and expense, shall test Lessor's water well supplies which are located within fifteen hundred (1,500) feet of Lessee's proposed drillsite, by testing the supplies through an independent third party, prior to the commencement of drilling operations on the leased premises to establish a base line of water quality. Said test shall include methane levels. In the event Lessor claims that Lessee's drilling operations have adversely and materially affected said water well supply, Lessee shall again test Lessor's water well supplies to ensure that said water supply is not or has not been adversely and materially affected by Lessee's drilling operations, including changes in flow or quality, color, smell or taste. Lessee shall not be responsible for diminished productivity or quality of Lessor's water well supplies for causes unrelated to the operations of Lessee, including but not limited to seasonable variability and drought conditions. Lessee will provide Lessor with a copy of the test results from each test. Should the water well supply be materially and adversely altered or polluted primarily as a result of Lessee's operations, Lessee shall take any and all reasonable steps to restore the water supply to its condition prior to Lessee's operations. During the period of water replacement/remediation, Lessee shall supply Lessor with an adequate supply of potable water consistent with Lessor's use of the damaged water supply prior to Lessee's operation and shall comply with all applicable regulations of the State of Ohio and the Federal government.

ARTICLE VI. LIABILTY ISSUES

1. **Indemnity**

Lessee agrees to defend, indemnify and hold harmless Lessor and Lessor's heirs, successors, representatives, agents and assigns ("Indemnitees"), from and against any and all claims, demands and causes of action for injury (including death) or damage to persons or property or fines or penalties, or environmental matters arising out of, incidental to or resulting from the operations of or for Lessee or Lessee's servants, agents, employees, guests, licensees, invitees or independent contractors, and from and against all costs and expenses incurred by Indemnitees by reason of any such claim or claims, including attorneys' fees; and each assignee of this Lease, or an interest therein, agrees to indemnify and hold harmless Indemnitees in the same manner provided above. Such indemnity shall apply to any claim arising out of operations conducted under or pursuant to this Lease, however caused and whether based upon negligence, contract, statute, strict liability or other grounds or reasons, provided, however, such

indemnity shall not apply to claims arising out of the negligence of Lessor, Lessor's guests or invitees not arising out of, incidental to, or resulting from, the operations of or for Lessee.

2. **Insurance**

(a) A company licensed by the Ohio Department of Insurance to do business in the state shall underwrite all policies required by this Lease. Provided however, such insurance requirements may be met by a combination of self-insurance, primary and excess insurance policies.

(b) Lessee shall assure that Lessee and any person acting on Lessee's behalf under this Lease carries the following insurance with one or more insurance carriers at any and all times such party or person is on or about the Leased Premises or acting pursuant to this Lease, in such amounts as from time to time reasonably required by Lessor.

(i) Workers Compensation and Employer's Liability Insurance;

(ii) Commercial General Liability and Umbrella Liability Insurance; ($5,000,000.00 Minimum coverage)

(iii) Business auto and Umbrella Liability Insurance; ($1,000,000.00 Minimum coverage)

(iv) Environmental Liability; ($5,000,000.00 Minimum coverage)

The Lessee shall cause Certificates of Insurance evidencing the above coverage to be provided promptly upon request to Lessor, or to such other representative of Lessor as Lessor may from time to time designate.

ARTICLE VII. OTHER MATTERS

1. **Force Majeure**

Should Lessee be prevented from complying with any express or implied covenant of this Lease (except payment of money), from conducting drilling (including fracturing) or reworking operations thereon or from producing oil and gas therefrom by reason of inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority ("force majeure event"), then while so prevented Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this Lease shall be extended while and so long as Lessee is prevented by any such force majeure event from conducting drilling or reworking operations on or from producing oil or gas from the Leased Premises. The period of extension by reason of force majeure shall be limited to a cumulative total of forty-eight (48) months. Any delay beyond one hundred twenty (120) days from the date of application to obtain any required permit to drill, complete or re-work a well shall be grounds to invoke force majeure until the permit is granted. If this Lease is subject matter of any lawsuit, arbitration proceeding or action, and Lessee is ordered therein to forego or suspend its operations on the Leased Premises, or Lessee in its discretion foregoes or suspends operations solely by reason of such lawsuit, proceeding or action, then this Lease shall not expire during the pendency of such lawsuit, proceeding or action, or any appeal thereof, and the period of the lawsuit, arbitration proceeding or action, or any appeal thereof, shall be added to the term of this Lease.

2. **Governing Law**

This Lease shall be governed in accordance with the laws of the State of Ohio.

3. **Due Diligence**

If oil or gas is discovered on the Leased Premises, Lessee shall develop the Leased Premises as a reasonable and prudent operator and exercise due diligence in drilling such additional well or wells as may be necessary to fully develop the Leased Premises. Lessee shall protect the oil and gas in and under the Leased Premises from drainage by wells on adjoining or adjacent tracts or leases, including those held by Lessee or any affiliate of Lessee.

4. **Notices**

Notices, consents, or other documents required or permitted by this Lease must be given by personal delivery, facsimile, reputable overnight courier (Federal Express or other), or sent by USPS registered or certified mail, return receipt requested, and postage paid. For purposes of notice, Lessor's information is as follows:

Name Gregory Unkefer and Magdalene Unkefer
Address PO Box 87,
Minerva, OH 44657

Lessee's information is as follows:
Name EAP Ohio, LLC, a Delaware limited liability company
Address 5847 San Felipe
Suite 300
Houston, TX, 77057
Phone 866-858-9001
E-mail ownerrelations@encinoenergy.com

Either party's notice information may be changed upon prior written notice delivered to the other party.

Lessee shall designate a person who will be a point of contact for Lessor. Lessee shall provide Lessor such person's name, address, telephone number, email address, and facsimile number. Such person shall be knowledgeable as to operations on the Lease, and have sufficient authority from Lessee to reasonably respond and address Lessor concerns.

5. **Reports and Documents**

Upon Lessor's written request, Lessee shall furnish Lessor copies of all title opinions covering the Leased Premises and promptly upon receipt by Lessee, notify Lessor of any judicial proceedings brought to the attention of Lessee affecting its position and rights under the Lease or the interest of Lessor in the Leased Premises as well as copies of all filings, statements, and reports made by Lessee with the Ohio Department of Natural Resources or other government agency pertinent to drilling, completing and equipping wells. Upon Lessor's written request, Lessee shall provide to the Lessor information relevant to the production, use, transfer, disposal and sale of oil and gas from wells on the Leased Premises or lands pooled or unitized therewith. Such production information shall be strictly confidential and Lessor agrees to not provide any such information to any party without prior written consent of Lessee. Lessor shall have the right to inspect and audit relevant records of Lessee that pertain to payments due Lessor pursuant to this Lease in accordance with the provisions of Article III, Section 3 and copy all records of Lessee pertaining to the production and sale of oil and gas from the Leased Premises and the calculation and payment of Lessor's royalty hereunder. A single written request for the information referred to in this paragraph will require the information to be supplied on a continuing basis until such time as Lessee receives a written request from the Lessor to stop providing such information.

6. **Assignments**

The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any horizon, subject to the written consent of the Lessor. Lessor's consent shall not be unreasonably withheld, conditioned or delayed. Provided, however, that consent from the Lessor shall not be required in the event of an assignment by Lessee: to an affiliate, subsidiary, or internal partner, joint venture partners or in consequence of a merger or amalgamation. All of the covenants, obligations, and considerations of this Lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No assignment by Lessee (or any assignee of Lessee) of all or any part of or interest in this Lease shall relieve Lessee (or any assignee of Lessee) of any liability for breach of any covenant, warranty or other obligation of Lessee hereunder, whether theretofore or thereafter accrued. Each assignee of all or any portion of the rights of Lessee hereunder agrees to be bound by the provisions of this Lease to the same extent as if such assignee were an original party to this Lease. Notwithstanding any assignment by Lessee of a segregated portion of this Lease, default by Lessee or any assignee or subassignee of Lessee in any covenant or condition in this Lease shall constitute default as to the entire Lease. Lessee shall notify Lessor of such assignment and furnish Lessor a true copy of any assignment. Until Lessee, or any assignee of Lessee, has given Lessor written notice of the assignment by such Lessee or assignee of Lessee of all its right and interest under this lease, all notices to Lessee hereunder may be given to the Lessee named herein, despite the assignment of part of the Lease. No change or division in the ownership of the Leased Premises, royalties, or other moneys, or any part thereof, howsoever affected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof to Lessee, its successors or assigns, no change or division in the ownership of the Leased Premises or of the royalties or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this Lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successor, or assigns, notice of such change or division, supported by either originals or copies of the instruments which have been properly filed for record and which evidence such change or

division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the Lessor, Lessee may nevertheless pay or tender such royalties or other moneys, or part thereof, to Lessor or Lessor's estate.

7. **Authorship**

For the purpose of construction, interpretation, arbitration or adjudication, it shall be deemed that Lessee and Lessor contributed equally to the drafting of this instrument.

8. **Condemnation**

Any and all payments made by a Condemnor on account of a taking by eminent domain shall be the property of Lessor, except to the extent such condemnation or taking diminishes the rights granted Lessee hereunder or if such condemnation or taking reduces or otherwise devalues Lessee's interest in the oil and gas estate. In such event, Lessee shall be necessary party to any condemnation proceeding and shall have a right to independently seek compensation for its rights and interest, subject to applicable law.

9. **Severability**

If any portion of this Lease is held invalid or unenforceable by arbitration or any court of competent jurisdiction, the other provisions of this agreement will remain in full force and effect. Any provision of this agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

THE TERMS OF THIS OIL AND GAS LEASE ARE SUBJECT TO EXHIBITS A and B ATTACHED.

IN WITNESS WHEREOF, the parties have signed this Lease.

LESSOR(S):

Gregory Unkefer

Gregory Unkefer

Magdalene Unkefer

Magdalene Unkefer

LESSOR ACKNOWLEDGEMENT

STATE OF Ohio }
} ss.
COUNTY OF Columbiana }

BE IT REMEMBERED that on this 21 day of August, 2024, before me, the subscriber, a Notary Public in and for said County, personally appeared **Gregory Unkefer and Magdalene Unkefer**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

My Commission expires:
Signature/Notary Public: John P Ward
Name/Notary Public (print):

JOHN P. WARD, Attorney at Law
Notary Public - State of Ohio
My Commission Has No Expiration Date
Sec. 147.03 R.C.

EXHIBIT A.

(Article I, Section 1)

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease dated _____, 2024, by and between **Gregory Unkefer and Magdalene Unkefer, his wife**, as Lessor, and **EAP Ohio, LLC**, as Lessee, and is made a part of said lease as if incorporated therein.

Tract 1: DESCRIPTION. The leased Premises is located in the Township of **Paris** in the County of **Stark**, in the state of **Ohio**, and described as follows:

Township 17 N; Range 6 W; Section: 25; Quarter Section: NE/4; Parcel #: 4104530

Property Tax Parcel Identification Number: **4104530**
and is bounded formerly or currently as follows:

On the North by lands now or formerly of:	Bratu; Wickersham; Greer
On the East by lands now or formerly of:	Columbiana County Line
On the South by lands now or formerly of:	Stark County Park District
On the West by lands now or formerly of:	Union Ave SE; Bratu

including lands acquired from **Homer R. Unkefer and Frances C. Unkefer, husband and wife**, by virtue of deed dated **March 13, 1996**, and recorded in **Instrument No. 199603150012168**, and described for the purposes of this Lease as containing a total of **32.972** acres and including lands acquired from **Homer R. Unkefer and Frances C. Unkefer, husband and wife**, by virtue of deed dated **February 12, 1997**, and recorded in **Instrument No. 199702130007129**, and described for the purposes of this Lease as containing a total of **32.972** acres.

SIGNED FOR IDENTIFICATION ONLY:

Gregory Unkefer

Magdalene Unkefer

EXHIBIT B

ADDENDUM TO OIL AND GAS LEASE

THIS IS A NON-SURFACE LEASE

Despite any language, or indication to the contrary, in the lease that accompanies this addendum, this shall be considered a Non-Surface Lease. No well, pipeline, facilities, or access roads shall be constructed on Lessor's property, nor shall the Lessee store any equipment on said property, without Lessor's consent. This Lease is being granted specifically for the purpose of permitting the Lessee to pool or unitize the leased property with other properties, which other properties shall bear all the drilling originating from surface entry on a parcel not owned by Lessor, however the wellbore may pass through or terminate below the surface of Lessor's property.

8-21-2024
Date

Gregory Unkefer
Gregory Unkefer

8-21-2024
Date

Magdalene Unkefer
Magdalene Unkefer

MEMORANDUM OF OIL AND GAS LEASE

07/11 - OH

This Memorandum of Oil and Gas Lease made this ____ day of _____, 2024, by and between **Gregory Unkefer and Magdalene Unkefer, his wife** of **PO Box 87, Minerva, OH 44657**, hereinafter collectively called "Lessor", and **EAP Ohio, LLC**, 5847 San Felipe, Suite 300, Houston, TX, 77057, hereinafter called "Lessee".

WITNESSETH

For and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid, and other good and valuable consideration, Lessor did make and execute in favor of Lessee a Paid-Up Oil and Gas Lease dated _____, 2024, and made effective _____, 2024, (the "Lease") which provides for a **Five (5)** years primary term and an option to renew for an additional **Three (3)** years primary term covering Lessor's interest in the following described lands (the "Leased Premises") and a secondary which shall continue beyond the primary term as to the entirety of the Leased Premises if any of the following is satisfied: (i) operations are conducted on the Leased Premises or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leased Premises or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leased Premises or lands pooled/unitized therewith, or (iv) if the Leased Premises or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the Leased Premises or on other lands affecting the Leased Premises, such delay will automatically extend the primary or secondary term of the Lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption. If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term covering Lessor 's interest in the following described lands:

Township 17 N; Range 6 W; Section: 25; Quarter Section: NE/4; Parcel #: 4104530

Property Tax Parcel Identification Number: **4104530**

and is bounded formerly or currently as follows:

On the North by lands now or formerly of:	Bratu; Wickersham; Greer
On the East by lands now or formerly of:	Columbiana County Line
On the South by lands now or formerly of:	Stark County Park District
On the West by lands now or formerly of:	Union Ave SE; Bratu

including lands acquired from **Homer R. Unkefer and Frances C. Unkefer, husband and wife**, by virtue of deed dated **March 13, 1996**, and recorded in **Instrument No. 199603150012168**, and described for the purposes of this Lease as containing a total of **32.972** acres and including lands acquired from **Homer R. Unkefer and Frances C. Unkefer, husband and wife**, by virtue of deed dated **February 12, 1997**, and recorded in **Instrument No. 199702130007129**, and described for the purposes of this Lease as containing a total of **32.972** acres.

located in the Township of **Paris**, **Stark** County, State of Ohio, for the purpose of drilling, operating for, producing and removing oil and gas and all the constituents thereof.

This Lease may be extended beyond the primary term by certain activities including, without limitation, conducting operations, producing oil or gas, or making prescribed payments.

This Memorandum of Oil and Gas Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil and Gas Lease shall have no effect upon, and is not intended as an amendment of the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the properties described herein, whether or not the tracts recited herein are properly described, and further it is understood this lease includes all rights owned by the Lessor in the properties described herein.

IN WITNESS WHEREOF this Memorandum of Oil and Gas Lease is executed as of the date first above written.

Gregory Unkefer (Seal)
Gregory Unkefer

Magdalene Unkefer (Seal)
Magdalene Unkefer

ACKNOWLEDGMENT

STATE OF Ohio)
) SS:
COUNTY OF Columbiana)

On this, the 21 day of August, 2024, , before me a notary public, the undersigned officer, personally appeared **Gregory Unkefer and Magdalene Unkefer**, known to me (or satisfactorily proven) to be the person(s) whose names(s) is/are subscribed to the within instrument, and acknowledged that he/she/they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I here unto set my hand and official seal.

My Commission Expires: _____

Signature/Notary Public: John P Ward

Name/,Notary Public (print): _____

JOHN P. WARD, Attorney at Law
Notary Public - State of Ohio
My Commission Has No Expiration Date
Sec. 147.03 R.C.

Document prepared by: EAP Ohio, LLC, 5847 San Felipe, Suite 300, Houston, TX 77057
Recorder: Return to EAP Ohio, LLC, 5847 San Felipe, Suite 300, Houston, TX 77057