

For KCC Use:

Effective Date: _____

District # _____

SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1

March 2010

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: _____
month day year

OPERATOR: License# _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: _____

CONTRACTOR: License# _____

Name: _____

Well Drilled For:

Well Class:

Type Equipment:

- | | | | |
|---|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Other | | |
| <input type="checkbox"/> Other: _____ | | | |

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot Description: _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(Q/Q/Q/Q) _____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____

Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): _____

Projected Total Depth: _____

Formation at Total Depth: _____

Water Source for Drilling Operations:

Well Farm Pond Other: _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: _____
Signature of Operator or Agent:

E
 W

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

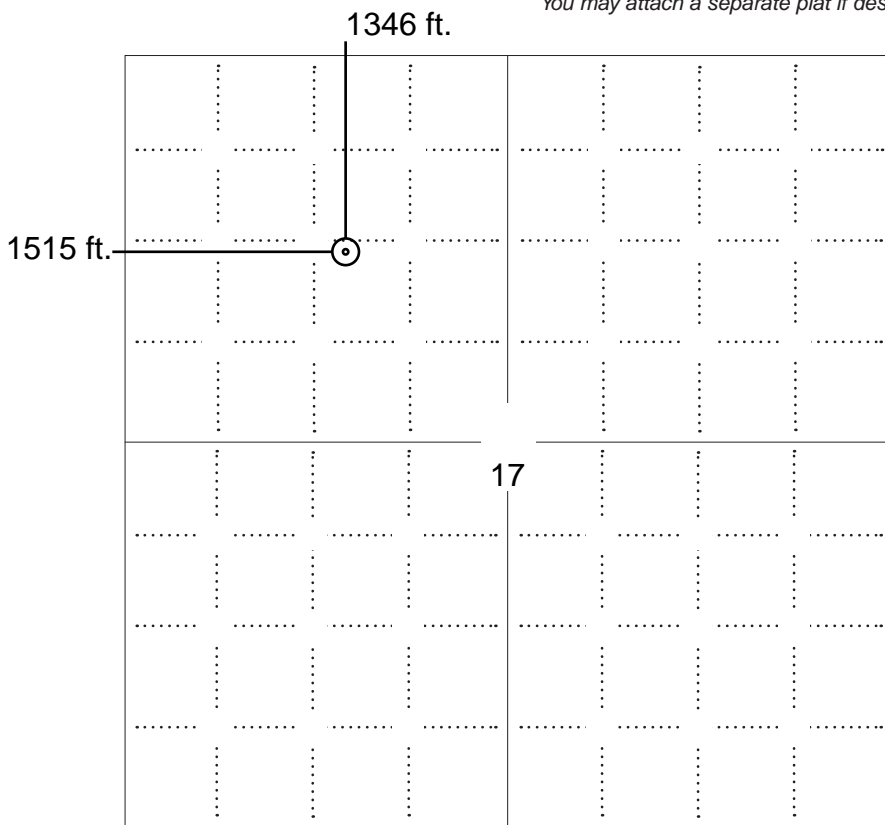
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
<h2>Submitted Electronically</h2>			

KCC OFFICE USE ONLY					
		<input type="checkbox"/> Liner	<input type="checkbox"/> Steel Pit	<input type="checkbox"/> RFAC	<input type="checkbox"/> RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No		

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2021

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____ Fax: (_____) _____

Email Address: _____

Well Location:

____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West

County: _____

Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

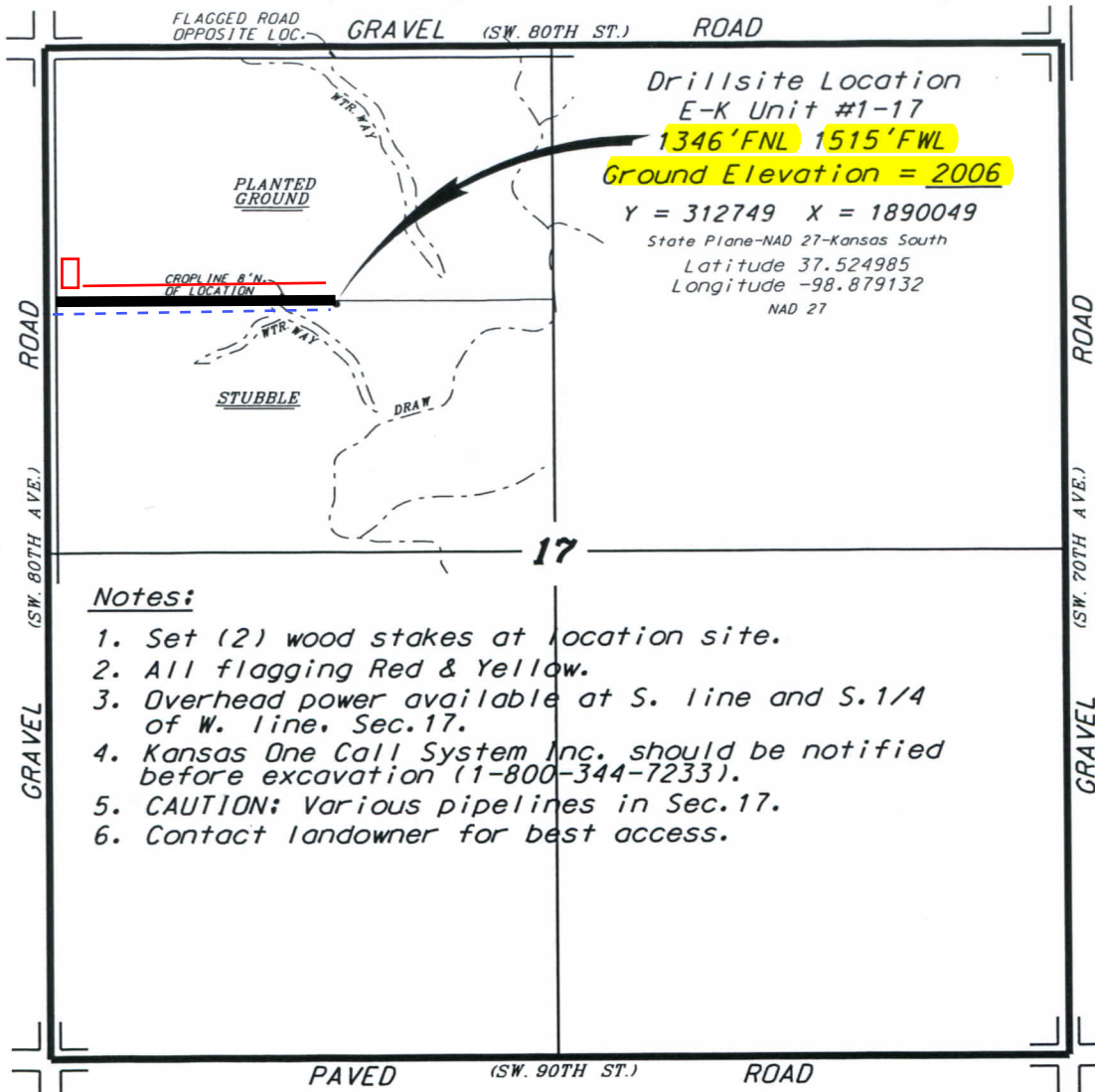
- I certify that, pursuant to the Kansas Surface Owner Notice Act (see Chapter 55 of the Kansas Statutes Annotated), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I Submitted Electronically

I

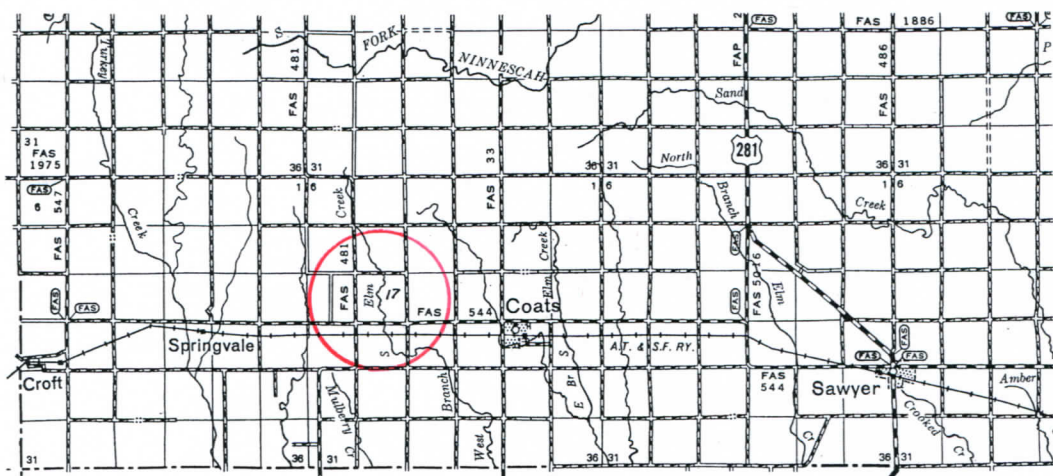
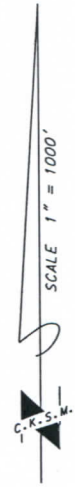
SHELBY RESOURCES, LLC
E-K UNIT LEASE
NW.1/4, SECTION 17, T29S, R14W
PRATT COUNTY, KANSAS



Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S. line and S. 1/4 of W. line, Sec. 17.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 17.
6. Contact landowner for best access.

* Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 * Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
 * Elevations derived from National Geodetic Vertical Datum.

Date January 3, 2023



Register of Deeds Pratt County, Kansas
Sherry L. Wenrich

Book: 518 Page: 402-405
Receipt #: 37748 Total Fees: \$72.00
Pages Recorded: 4
Date Recorded: 9/2/2022 10:30:05 AM

FORM 88 - (PRODUCERS SPECIAL)(PAID-UP W/OPT)
63U (Rev. 2004 CRI)

OIL & GAS LEASE

AGREEMENT, Made and entered into the 24th day of August, 2022, by and between Christopher W. Eubank and Terra M. Eubank, husband and wife, whose mailing address is 40479 SW 70th Street, Coats, KS 67028, hereinafter called Lessor (whether one or more), and **SHELBY RESOURCES, LLC**, 3700 Quebec Street, Suite 100, PMB 376, Denver, CO 80207, hereinafter called Lessee.

Lessors, in consideration of ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and temporary housing and otherwise caring for its employees, the following described land, together with an reversionary rights and after-acquired interest, therein situated in County of Pratt, State of Kansas described as follows, to-wit:

TOWNSHIP 29 SOUTH, RANGE 14 WEST OF THE 6TH PRINCIPAL MERIDIAN

Tract # 1: Section 4: Lot 1 (40.00), Lot 2 (40.00), S2 NE (aka: NE4)

Tract # 2: Section 17: N2 NW

Containing 240.00 acres, more or less.

Each Tract is a separate Oil and Gas Lease

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Subject to the provisions herein contained, this lease shall remain in force for a term of two (2) years (called primary term), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said Lessee covenants and agrees:

- 1st. To deliver to the credit of Lessor, free of cost the equal one eighth (1/8th) part of all oil produced and saved from the leased premises.
- 2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

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 for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now located on said premises without written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

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 expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a

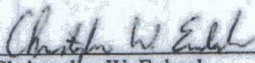
Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 10 acres each in the event of an oil well, or into a unit or units not exceeding 40 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty 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 so pooled in the particular unit involved.

Lessee, its successors and assigns, shall have the sole and exclusive option, but not the obligation, ending upon the expiration date of the primary or secondary term of this lease, to elect to extend the term of all or any part of said lease for a term of one (1) year by tendering to Lessor the sum equal to the original Bonus per net mineral acre (as Bonus and paid up rentals) prior to the expiration of said lease. Lessee shall file an Affidavit of Extension in the records of Pratt County, Kansas, upon its election to exercise the foregoing option.

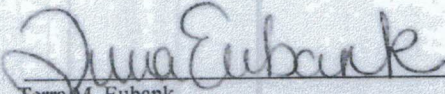
Lessee shall first obtain the approval of Lessor prior to any change of operator on this lease, which approval shall not be unreasonably withheld.

Upon request from Lessor, soil damage from oil and/or saltwater or other fluids resulting from Lessee's operations will be remediated as necessary to restore soil to the original condition as possible. Reasonable damage payments may be requested for the loss of land productivity until the soil is restored to the original condition.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.



Christopher W. Eubank




Terra M. Eubank

STATE OF KANSAS

COUNTY OF PRATT

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 25th day of AUGUST, 2022, personally appeared Christopher W. Eubank and Terra M. Eubank.

My Commission Expires: 8-6-2024

Notary Public: 

Address: GREAT BEND KS

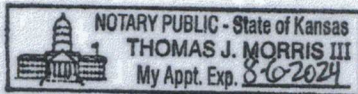



EXHIBIT "A"

Attached hereto and made a part hereof to that certain Oil and Gas Lease dated August 24, 2022, by and between, by and between Christopher W. Eubank and Terra M. Eubank husband and wife, hereinafter called Lessors, (whether one or more), and Shelby Resources, LLC, hereinafter called Lessee. In the event of conflict between the lease provisions and the provisions provided in this Exhibit "A", the provisions of this Exhibit "A" shall be binding.

1. Lessee shall bury pipelines and utility lines to a depth of not less than thirty-six (36) inches below the surface. All slush pits shall be filled and leveled within sixty (60) days after well completion or abandonment unless a longer time therefore is granted by Lessor, at Lessor's option.
2. Lessor reserves the right to designate all routes of ingress and egress. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee shall consult and agree with the surface owner as to the location and direction of the same.
3. The Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time this Oil and Gas Lease was executed. Within six (6) months after the expiration of the lease by its terms, Lessee shall have the obligation to restore subject lands made a part of this Oil and Gas Lease, as nearly as practicable.
4. Lessee shall maintain all roads, well sites and production facilities in a clean and respectable condition, reasonably free of weeds and trash.
5. Should a well drilled on the premises be abandoned for any reason, Lessee shall have 90 days from the dates of abandonment to remove all materials, including buried pipelines. Any such materials remaining on the premises after 90 days shall become the property of Lessor.
6. Lessee agrees that it will comply with all regulations and statutes of all government entities having jurisdiction over compliance with environmental legislation. Lessee further agrees to accept the leased premises in its "as is" condition. It is acknowledged that the Lessee has been advised to inspect the property to determine that it is suitable for the purpose intended and to ascertain that no environmental hazards or toxins are now present.
7. Lessor and Lessee will mutually agree to settle all damages occasioned to the land by Lessee's operations hereunder, including grass, livestock, crops and improvements. Upon completion of Lessee's drilling operations on each well, Lessee agrees to restore the premises to as nearly as practical the same condition as they were prior to commencing of operations hereunder. Lessee will pay the surface owner Two Thousand Five Hundred Dollars (\$2,500.00), in advance of ingress of drilling equipment, as a deposit toward damages to land and grass caused by Lessee's operations thereon. In the event Lessor and Lessee mutually agree that damages are greater than the aforementioned Two Thousand Five Hundred Dollars (\$2,500.00), Lessee shall settle promptly for excess damages. In the event damages are less than or equal to the deposit paid, no additional amount will be owed.
8. When preparing development locations, the topsoil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling and tank locations shall be restored to original height and contour as nearly as practicable.
9. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo stalks or wheat. Lessee or assigns agree with all applicable Federal, State and Local laws and regulations.
10. Lessee and / or assigns will consult with Lessor as to the location of all roads on the property and will locate roads so as to minimize interference with the farming operations. It is recognized that Lessor may irrigate the above described land or apart thereof. Any and all activities and operations by lessee or its agents shall not interfere with Lessor's desired use of irrigation, including, at no cost to the Lessor, keeping said Lessee's pipe lines or laterals from interfering with said land being operated as and irrigated farm. Any tank battery placed by Lessee on the above described land shall be located in a place which will not unreasonably interfere with the operation of an irrigation system.
11. If any lands made a part of this Oil and Gas Lease are subject to or enrolled in the Conservation Reserve Program, Lessee shall reseed to grass all acres thereof affected by Lessee's operations and hold Lessors harmless from penalties or liquidated damages assessed under the Conservation Reserve Program as a result of Lessee's operations.
12. Lessee shall not deduct from royalty payments due to Lessor any costs, including but not limited to compression, dehydration, transportation and gathering, or such other costs to produce gas or oil, and their constituents products,

15. Lessee shall indemnify and hold Lessor harmless from any claims, damages, actions or clauses of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this lease. Lessor shall indemnify and hold Lessee harmless from any claims, damages, actions or clauses of action from any environmental damage or contamination caused or contributed to by Lessor or by previous parties Lessor may have leased property to prior to the commencement of this lease.
16. It is understood and agreed that any shut in royalties due and payable under the terms of this lease shall be computed and paid on the basis of ten dollars (\$10.00) per net mineral acre covered hereby. Notwithstanding any other provisions of this lease, it is expressly understood and agreed that after the primary term, this lease cannot be maintained in force solely by the payment of shut in gas royalty for any one period in excess of two (2) years, consecutive or otherwise.
17. When preparing development locations, the top soil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height and contour as nearly as is practicable.
18. It is expressly agreed, notwithstanding anything to the contrary herein, that if this lease be in force and effect for five (5) years after the expiration of the primary term or any extension thereof, the lease shall thereupon terminate as to the oil and gas rights in all formations of the leased premises 100 feet below the deepest well drilled on the leased premises or lands unitized therewith. Lessee shall be obligated to file of record in the courthouse a release of the lease covering such non-producing formations within sixty (60) days following written demand thereof after the expiration of the primary term or any extension thereof.
19. Lessee agrees to furnish Lessor promptly, upon written request, a true copy of all of the following information pertaining to the leased premises or land unitized therewith, copies of any filings made to the Kansas Corporation Commission.



Christopher W. Eubank



Terra M. Eubank

FORM 88 - (PRODUCERS SPECIAL)(PAID-UP W/OPT)

63U (Rev. 2004 CRI)

27th October
OIL & GAS LEASE



AGREEMENT, Made and entered into the 27th day of September, 2022, by and between Kerr Minerals, LLC, a Kansas Limited Liability Company, By: Fredric A. Kerr, Managing Member, whose mailing address is 144 SW 19th Avenue, Pratt, KS 67124, hereinafter called Lessor (whether one or more), and SHELBY RESOURCES, LLC, 3700 Quebec Street, Suite 100, PMB 376, Denver, CO 80207, hereinafter called Lessee:

Lessor, in consideration of ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and temporary housing and otherwise caring for its employees, the following described land, together with an reversionary rights and after-acquired interest, therein situated in County of Pratt, State of Kansas described as follows, to-wit:

TOWNSHIP 29 SOUTH, RANGE 14 WEST OF THE 6TH PRINCIPAL MERIDIAN

Tract # 1: Section 9: NW4

Tract # 2: The Southeast Quarter (SE/4) of Section 17, Township 29 South, Range 14 West of the 6th P.M., Pratt County, KS

Tract # 3: The Southwest Quarter (SW/4) of Section 17, Township 29 South, Range 14 West of the 6th P.M., Pratt County, KS

Tract # 4: The South Half of the North Half (S/2 N/2) of Section 17, Township 29 South, Range 14 West of the 6th P.M., Pratt County, KS

Containing 640.00 acres, more or less

Each Tract is a separate Oil and Gas Lease

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years (called primary term), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said Lessee covenants and agrees:

- 1st. To deliver to the credit of Lessor, free of cost the equal one eighth (1/8th) part of all oil produced and saved from the leased premises.
- 2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

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 for shall be paid the said Lessor only in the proportion which Lessor=s interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee=s operations thereon, except water from the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee=s pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now located on said premises without written consent of Lessor.

Lessee shall pay for damages caused by Lessee=s operations to growing crops on said land.

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 expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the

Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns his lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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.

Lessor shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, 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 described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 10 acres each in the event of an oil well, or into a unit or units not exceeding 40 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty 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 so pooled in the particular unit involved.

Lessee shall first obtain the approval of Lessor prior to any change of operator on this lease, which approval shall not be unreasonably withheld.

Upon request from Lessor, soil damage from oil and/or saltwater or other fluids resulting from Lessee's operations will be remediated as necessary to restore soil to the original condition as possible. Reasonable damage payments may be requested for the loss of land productivity until the soil is restored to the original condition.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

KERR MINERALS, LLC, A KANSAS LIMITED LIABILITY COMPANY

Fredric A. Kerr
Fredric A. Kerr, Managing Member

STATE OF KANSAS

COUNTY OF Pratt

BEFORE ME, the undersigned, a Notary Public, in and from said County and State, on this 27 day of October, 2022, personally appeared Fredric A. Kerr

My Commission Expires: 5-11-26

Jennifer Herren
Notary Public:

Address: 113 East Third
Pratt, Kansas 67124



EXHIBIT A

Addendum to Oil and Gas Lease dated 10-27-2022, by and between Herr Minerals, LLC, as Lessors and Shelby Resources, LLC, as Lessee. This addendum is a part of that certain oil and gas lease identified above by date and parties to the same extent as if the provisions hereof had originally been written in said lease. In the event of conflict between the lease provisions and the provisions provided in this addendum, the provisions of this addendum shall be binding, covering the following described property in Pratt County, Kansas, to wit:

1. Lessee shall not deduct from royalty payments due to Lessor any costs, including but not limited to compression, dehydration, transportation and gathering, or such other costs to produce gas or oil, and their constituents products, or costs to place such gas or oil in a marketable condition, only as such costs are incurred on the leased premises. However, certain costs actually paid by Lessee for processes applied after the point of sale which enhance the product and results in both Lessor and Lessee receiving a better price for the product may be deducted from the Lessor's royalty in proportion to Lessor's royalty share.
2. Lessee shall bury pipelines and utility lines to a depth of not less than thirty-six (36) inches below the surface. All slush pits shall be filled and leveled in a workmanlike manner within 60 days of receipt of Kansas Corporation Commission (KCC) permission to execute the same.
3. Lessee reserves the right to designate all routes of ingress and egress. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee shall consult and agree with the surface owner as to the location and direction of the same.
4. No well drilled on the leased premises shall be used for the disposal of salt water from wells off of the leased premises without the written consent of Lessor and without compensating Lessor for its use. This paragraph does not apply to disposal of waters from wells of Lessor on said lease premises.
5. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the lease and there is an abandonment of said lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the lease was executed. Within six (6) months after the expiration of the lease by its terms, Lessee shall have the obligation to restore, as nearly as practical.
6. Lessee shall maintain all roads, well sites and production facilities in a clean and respectable condition, reasonably free of weeds and trash.
7. Should a well drilled on the premises be abandoned for any reason, Lessee shall have six (6) months (weather permitting) from the date of abandonment to remove all materials, including buried pipelines. Any such materials remaining on the premises after six (6) months shall become the property of Lessor.
8. Lessee agrees that it will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation. Lessee further agrees to accept the leased premises in its "as is" condition. It is acknowledged that Lessee has been advised to inspect the property to determine that is suitable for the purpose intended and to ascertain that no environmental hazards or toxins are now present.

9. Lessee shall indemnify and hold Lessor harmless from any claims, damages, actions or clauses of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this lease. Lessor shall indemnify and hold Lessee harmless from any claims, damages, actions or clauses of action from any environmental damage or contamination caused or contributed to by Lessor or by previous parties Lessor may have leased property to prior to the commencement of this lease.
10. It is understood and agreed that the Lessee agrees to pay for damages to property caused by the drilling of any well or placing of any pipes, pipelines, pumps and tank batteries relating to such well which shall be placed on said property. Damages shall be paid to the surface owner at the start of drilling operations and shall be at least \$2,500.00 which will cover one well site of not more than three (3) acres and road totaling not over one (1) acre. Any land damages or use in excess of such four acres shall be paid for separately immediately after completion of drilling operations. Damages shall be equally applicable to cultivated lands and native grasses and pasture.
11. It is understood and agreed that any shut in royalties due and payable under the terms of this lease shall be computed and paid on the basis of ten dollars (\$10.00) per net mineral acre covered hereby. Notwithstanding any other provisions of this lease, it is expressly understood and agreed that after the primary term, this lease cannot be maintained in force solely by the payment of shut in gas royalty for any one period in excess of two (2) years, consecutive or otherwise.
12. When preparing development locations, the top soil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height and contour as nearly as is practicable.
13. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo stalks or wheat. Lessee or assigns agrees to comply with all applicable Federal, State and Local laws and regulations.
14. Lessee or assigns will consult with Lessor as to the location of all roads on the property and will locate roads so as to minimize interference with farming operations.
15. It is recognized that Lessor is now engaged in irrigation practices land and all activities and operations by the Lessee or its agents shall not interfere with Lessor's use or intended use of said described real estate for irrigation purposes. Seismic exploration activities or actual drilling operations on the described property shall be conducted so as not to interfere with Lessor's or tenant's farming and irrigation practices during planting and irrigation seasons and until crops are harvested. No drilling operation shall be conducted within three hundred (300') of any irrigation well. In the event production is secured and a tank battery installation is necessary, such tank battery shall be located in any corner of the described quarter section as desired by Lessor. No installation shall be placed upon any part of said land that would prohibit or interfere with the use of an irrigation system similar to what is commonly called a "center-pivot irrigation system" unless agreed to in writing by Lessor. It is the intention of the parties to reduce the amount of land used by Lessee to a minimum. No ramps shall be used to allow an irrigation system to clear any equipment placed on the property for the drilling, exploration, or production of oil or gas.
16. It is expressly agreed, notwithstanding anything to the contrary herein, that if this lease be in force and effect for five (5) years after the expiration of the primary term or any extension thereof, the lease shall thereupon terminate as to the oil and gas rights in all zones or formations of the leased premises 100 feet below the deepest well drilled on the leased premises or lands unitized therewith. Lessee shall be obligated to file of record in the courthouse a release of the lease covering such non-producing zones of formations within sixty (60) days following written demand thereof after the expiration of the primary term or any extension thereof.

17. Lessee agrees to furnish Lessor promptly, upon written request, a true copy of all of the following information pertaining to the leased premises or land unitized therewith, copies of any filings made to the Kansas Corporation Commission.

Signed for Identification:

x: Fredrick A. Kerr