

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

☐ Seismic ; _____ # of Holes☐ 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 SectionIs 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 ☐ NoPublic 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: _____

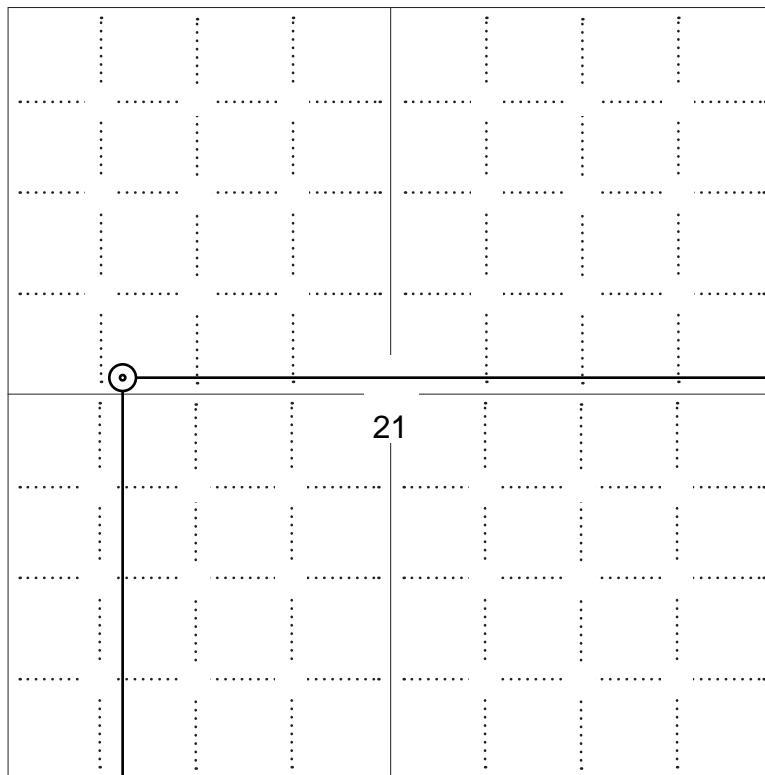
Number of Acres attributable to well: _____

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

Location of Well: County: _____

_____ feet from ☐ N / ☐ S Line of Section_____ feet from ☐ E / ☐ W Line of SectionSec. _____ Twp. _____ S. R. _____ ☐ E ☐ WIs 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.

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

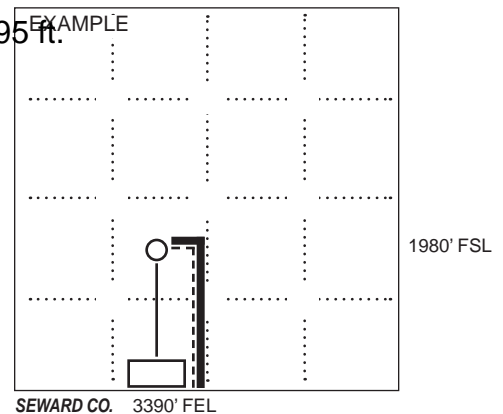
2747 ft.

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.

LEGEND

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



**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): _____-_____-_____-_____ Sec. _____ Twp. _____ R. _____ <input type="checkbox"/> East <input type="checkbox"/> West _____-_____-Feet from <input type="checkbox"/> North / <input type="checkbox"/> South Line of Section _____-_____-Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section _____-_____-County	
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.	
Submitted Electronically			

KCC OFFICE USE ONLY

☐ Liner ☐ Steel Pit ☐ RFAC ☐ RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: ☐ Yes ☐ 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

FORM 88 — (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No.
09-115



Kansas Blue Print
700 S. Broadway PO Box 793
Wichita, KS 67201-0793
316-264-6344 264-5185 fax
www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 28th day of February 2024
by and between Robert L. Welgan, Trustee of the Paul S. Jennison Trust GST Exempt f/b/o Stephanie F. Welgan dated 3-1-2016

whose mailing address is 12065 SW Lanewood Street Portland, OR 97225 hereinafter called Lessor (whether one or more),
and Palomino Petroleum, Inc.

hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, 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 housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Lane State of Kansas described as follows to-wit:

Township 16 South, Range 29 West
Section 21: W/2 NE/4 less 3.027 acre tract; E/2 SW/4 less 6.907 acre tract; NW/4

In Section _____, Township _____, Range _____, and containing 310 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 3 (three) years from this date (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, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) 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 (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) 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. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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 operation 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 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 this 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 hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee 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 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 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.

No seismic activity shall be conducted on land contained in this lease without written permission from lessor.

See Exhibit attached for description of tracts.

Surface Use Agreement (attached) is hereby made a part of this lease.

STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the
27 day of March
A.D. 2024 at 11:20 o'clock A M and
duly recorded in Book 170 on page 6
Fee \$22.00

Debra D. Perry

Register of Deeds

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

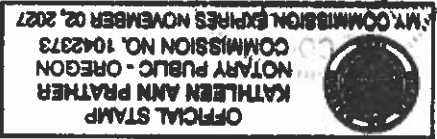
Witnesses:

Robert L. Welgan
Robert L. Welgan, Trustee

Paul S. Jennison Trust GST Exempt

f/b/o Stephanie F. Welgan dated 3-1-2016





STATE OF Oregon COUNTY OF WASHINGTON
The foregoing instrument was acknowledged before me this 8 day of MARCH
by Robert L. Weigand, Trustee of the Paul S. Jennison Trust GST Exempt f/b/o and Stephanie F. Weigand
dated 3-1-2016
My commission expires 11-02-2027
Kathleen A. Prather
Notary Public

STATE OF _____ COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____
My commission expires _____
Notary Public

STATE OF _____ COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____
My commission expires _____
Notary Public

STATE OF _____ COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____
My commission expires _____
Notary Public

STATE OF _____ COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____
My commission expires _____
Notary Public

OIL AND GAS LEASE

FROM

TO

Date

Section Twp. Rge.

No. of Acres Term

County

STATE OF

County

This instrument was filed for record on the

day of

at o'clock M., and duly recorded

in Book Page of

the records of this office.

Register of Deeds.

By

When recorded, return to

Notary Public

My commission expires _____
corporation, on behalf of the corporation.
of _____
by _____
The foregoing instrument was acknowledged before me this _____ day of _____
COUNTY OF _____
STATE OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

Exhibit - Tract Descriptions

A tract of land in the West Half of the Northeast Quarter (W/2 NE/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M., described as follows:

Beginning at the southeast corner of the West Half of the Northeast Quarter (W/2 NE/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M.; thence West along the South line of said Quarter Section, 51 Feet (51'); thence North in a straight line to a point 51 feet (51') west of the northeast corner of the West Half of the Northeast Quarter of said Section 21; thence East along the North line of said Quarter Section 51 feet (51') to the northeast corner of the West Half of the Northeast Quarter of said Section 21; thence South along the East line of the West Half of the Northeast Quarter of said Section 21 to the point of beginning, containing three and twenty-seven thousandths acres (3.027).

A tract of land in the East Half of the Southwest Quarter (E/2 SW/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M., described as follows:

Beginning at the Southeast Corner of the Southwest Quarter of said Section 21; thence West along the South line of said Quarter-Section one hundred fifty six feet five inches (156'5"); thence north in a straight line to a point on the North line of said quarter-section which is Seventy-six feet four inches (76'4") west of the Northeast corner of the said Southwest Quarter of Section 21, Township 16, Range 29; thence east along the north line of said quarter-section to the Northeast Corner of the Southwest Quarter of Section 21, Township 16, Range 29; thence South along the East Line of said Quarter-Section to the point of beginning, containing six and nine hundred seven thousands (6.907) acres.

SURFACE USE AGREEMENT

SURFACE USE AND RESTORATION: In the event of drilling operations on said land, Lessee or assigns agree the drill site will be restored to its original topography and surface condition as nearly as practicable within six (6) months after completion date or as soon as pit dries sufficiently to fill and cover properly. Lessee or assigns agrees to pay for all damages of any nature arising from its operations on the leased lands, Lessee further agrees to pay to Lessor a reasonable amount, but not less than \$2,000.00 for each drill site location on the leased premises.

ELECTRIC LINE BURIAL: Upon Lessor's request, Lessee shall bury all electric lines below plow depth on cultivable land, tame pastures and prairie meadows and below the surface in native pasture. No overhead electric lines shall be erected without Lessor's written permission.

SALT WATER DISPOSAL: 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.

LIVESTOCK DAMAGES: Lessee shall pay the Lessor the market value of any livestock killed or injured on the leased premises by the Lessee's operations.

GATES AND FENCES: The Lessee agrees to operate the lease in a workmanlike manner and agrees to close and secure all gates located upon the premises and agrees that no fences shall be cut without prior authorization and reasonable compensation therefore. Lessee agrees to repair any gates, waterways, terraces, pasture, or fences if damaged by Lessee's operation.

FENCES AND DIKES: A sufficient dike shall be placed around tank batteries. Tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo or corn stalks or wheat. Lessee or assigns agree to comply with all applicable Federal, State, and Local laws and regulations.

CRP CLAUSE: In the event that the land or any part of it is enrolled in the Conservation Reserve Program (CRP) administered by the U.S. Department of Agriculture, the following provisions will be applicable: Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands; Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder; Lessee shall reseed to grass all acres thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed by the Conservation Reserve Program as a result of Lessee's operations.



NUMERICAL
DIRECT
INDIRECT
COMP. ORIG
COMPUTER

STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the
27 day of March
A.D. 2024 at 1:25 o'clock A M and
duly recorded in Book 170 on page 7
Fee 2.00

AFFIDAVIT BY TRUSTEE(S)

Dana D. Prather

Register of Deeds

COMES NOW the undersigned, of lawful age and upon his oath(s) being first duly sworn, and state(s) as follows:

1. That this affidavit is made in connection with the following lands in Lane County, Kansas, to-wit:

Township 16 South, Range 29 West

Section 21: W/2 NE/4 less 3.027 acre tract; E/2 SW/4 less 6.907 acre tract; NW/4

2. That I am the presently-existing trustee of the trust known as the Paul S. Jennison Trust GST Exempt f/b/o/ Stephanie F. Welgan dated 3-1-2016 to which the above-described property was conveyed by deed in the records of the Register of Deeds of said county.

3. That said trust is irrevocable and is presently in existence.

4. That I am authorized, without limitation, to execute and deliver to Palomino Petroleum, Inc. as lessee, an oil and gas lease covering the above-described lands for a primary term of three (3) years.

FURTHER AFFIANT(S) SAITH NAUGHT.

Robert L. Welgan

Robert L. Welgan, Trustee
Paul S. Jennison Trust GST Exempt
f/b/o Stephanie F. Welgan dated 3-1-2016

SUBSCRIBED AND SWORN TO this 8 day of March, 2024.

Kathleen A. Prather
Notary Public

ACKNOWLEDGMENT

STATE OF OREGON)
COUNTY OF WASHINGTON) ss

BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 8 day of March, 2024, appeared Robert L. Welgan, Trustee of the Paul S. Jennison Trust GST Exempt f/b/o Stephanie F. Welgan dated 3-1-2016 to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires: 11-02-2024

Kathleen A. Prather
Notary Public



63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No.
09-115



Kansas Blue Print
708 S. Broadway PO Box 793
Wichita, KS 67201-0793
316-264-9344 • 264-5165 fax
www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 18th day of January, 2024
by and between Richard L. Jennison, Agent for Blue J Farm, LLC

whose mailing address is 239 N. Hickock Road Healy, KS 67850 hereinafter called Lessor (whether one or more),
and Palomino Petroleum, Inc.

hereinafter called Lessee:

Lessor, In consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, 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 housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Lane State of Kansas described as follows to-wit:

Township 16 South, Range 29 West
Section 21: W/2 SW/4

In Section _____, Township _____, Range _____, and containing 80 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 3 (three) years from this date (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, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) 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 (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) 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. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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 operation 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 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 this 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 hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee 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 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 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.

MT No seismic activity shall be conducted on land contained in this lease without written permission from lessor.
RJD



NUMERICAL
DIRECT
INDIRECT
COMP. OF
COMPUTER


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

Witnesses:

Richard L. Jennison, Agent

Blue J Farm, LLC

STATE OF Kansas
COUNTY OF Lane ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this 19th day of January, 2024,
by Richard L. Jennison, Agent for Blue J Farm, LLC and _____

My commission expires _____

Notary Public Mark Horchem

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ and _____

My commission expires _____
Notary Public

No. _____
OIL AND GAS LEASE
FROM _____
TO _____
Date _____ Section _____ Twp. _____ Rge. _____
No. of Acres _____ Term _____ County _____
STATE OF Kansas
County Lane
This instrument was filed for record on the 19th
day of January, 2024,
at 12:35 o'clock P. M., and duly recorded
in Book 169 Page 147 of
the records of this office.
By Debra D. Stangor Register of Deeds.
When recorded, return to _____



STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____
of _____ a _____
corporation, on behalf of the corporation.
My commission expires _____
Notary Public

NUMERICAL
DIRECT
INDIRECT
COMP. ORIG.
COMPUTER

FORM 88 — (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No.
09-115



Kansas Blue Print
700 S. Broadway PO Box 793
Wichita, KS 67201-0793
316-264-9344 • 264-5185 fax
www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 28th day of February, 2024
by and between Richard L. Jennison, Agent for Blue J Farm, LLC

whose mailing address is 239 N. Hickock Road Healy, KS 67850 hereinafter called Lessor (whether one or more),
and Palomino Petroleum, Inc.

hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, 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 housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Lane State of Kansas described as follows to-wit:

Township 16 South, Range 29 West
Section 21: W/2 NE/4 less 3.027 acre tract; E/2 SW/4 less 6.907 acre tract; NW/4

In Section _____, Township _____, Range _____, and containing 310 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 2 (two) years from this date (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, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) 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 (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) 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. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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 lease 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 operation 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 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 this 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 hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee 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 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 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.

No seismic activity shall be conducted on land contained in this lease without written permission from lessor.

See attached Exhibit for tract descriptions.

Surface Use Agreement (attached) is hereby made a part of this lease.

If, at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$15.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then, subject to this lease, and subject to the other provisions of this lease, the primary term shall be extended for an additional term of one (1) year from the end of the primary term hereof.

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

Richard L. Jennison, Manager
Richard L. Jennison, Agent Manager

Blue J Farm, LLC

STATE OF Kansas
COUNTY OF Lane ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this 2nd day of March, 2024,
by Richard L. Jennison, Agent for Blue J Farm, LLC and _____
Manager
M.H.

My commission expires _____



Mark Horchem
Mark Horchem Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ and _____

My commission expires _____

Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ and _____

My commission expires _____

Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ and _____

My commission expires _____

Notary Public

No. _____

OIL AND GAS LEASE

FROM _____

Date	Section	Twp.	Rge.	No. of Acres	Term	County
_____	_____	_____	_____	_____	_____	_____

STATE OF Kansas
County Lane

This instrument was filed for record on the 4th day of March, 2024, at 12:00 o'clock P M., and duly recorded in Book 170 of _____ the records of this office.

By [Signature] Register of Deeds.

When recorded, return to _____

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ of _____ a _____ corporation, on behalf of the corporation.

My commission expires _____

Notary Public

Exhibit - Tract Descriptions

A tract of land in the West Half of the Northeast Quarter (W/2 NE/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M., described as follows:

Beginning at the southeast corner of the West Half of the Northeast Quarter (W/2 NE/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M.; thence West along the South line of said Quarter Section, 51 Feet (51'); thence North in a straight line to a point 51 feet (51') west of the northeast corner of the West Half of the Northeast Quarter of said Section 21; thence East along the North line of said Quarter Section 51 feet (51') to the northeast corner of the West Half of the Northeast Quarter of said Section 21; thence South along the East line of the West Half of the Northeast Quarter of said Section 21 to the point of beginning, containing three and twenty-seven thousandths acres (3.027).

A tract of land in the East Half of the Southwest Quarter (E/2 SW/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M., described as follows:

Beginning at the Southeast Corner of the Southwest Quarter of said Section 21; thence West along the South line of said Quarter-Section one hundred fifty six feet five inches (156'5"); thence north in a straight line to a point on the North line of said quarter-section which is Seventy-six feet four inches (76'4") west of the Northeast corner of the said Southwest Quarter of Section 21, Township 16, Range 29; thence east along the north line of said quarter-section to the Northeast Corner of the Southwest Quarter of Section 21, Township 16, Range 29; thence South along the East Line of said Quarter-Section to the point of beginning, containing six and nine hundred seven thousands (6.907) acres.

SURFACE USE AGREEMENT

SURFACE USE AND RESTORATION: In the event of drilling operations on said land, Lessee or assigns agree the drill site will be restored to its original topography and surface condition as nearly as practicable within six (6) months after completion date or as soon as pit dries sufficiently to fill and cover properly. Lessee or assigns agrees to pay for all damages of any nature arising from its operations on the leased lands, Lessee further agrees to pay to Lessor a reasonable amount, but not less than \$2,000.00 for each drill site location on the leased premises.

ELECTRIC LINE BURIAL: Upon Lessor's request, Lessee shall bury all electric lines below plow depth on cultivable land, tame pastures and prairie meadows and below the surface in native pasture. No overhead electric lines shall be erected without Lessor's written permission.

SALT WATER DISPOSAL: 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.

LIVESTOCK DAMAGES: Lessee shall pay the Lessor the market value of any livestock killed or injured on the leased premises by the Lessee's operations.

GATES AND FENCES: The Lessee agrees to operate the lease in a workmanlike manner and agrees to close and secure all gates located upon the premises and agrees that no fences shall be cut without prior authorization and reasonable compensation therefore. Lessee agrees to repair any gates, waterways, terraces, pasture, or fences if damaged by Lessee's operation.

FENCES AND DIKES: A sufficient dike shall be placed around tank batteries. Tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo or corn stalks or wheat. Lessee or assigns agree to comply with all applicable Federal, State, and Local laws and regulations.

CRP CLAUSE: In the event that the land or any part of it is enrolled in the Conservation Reserve Program (CRP) administered by the U.S. Department of Agriculture, the following provisions will be applicable: Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands; Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder; Lessee shall reseed to grass all acres thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed by the Conservation Reserve Program as a result of Lessee's operations.

AFFIDAVIT OF POSSESSION

Reorder No.
09-207
Kansas Blue Print
 700 S. Broadway PO Box 700
 Wichita, KS 67201-0700
 316-264-6344 204-5188 fax
 www.kbp.com kbp@kbp.com

By Fee Owner

 State of Kansas }
 County of Lane } ss.

Richard L. Jennison, being first duly sworn
deposes and says:

My name is Richard L. Jennison, Agent
 that I am of lawful age and reside in Lane County, Kansas
 That Blue J Farm, LLC
 owns lands situated in the County of Lane
 State of Kansas, described as follows, to-wit:

Township 16 South, Range 29 West
Section 21: W/2 NE/4 less tract; E/2 SW/4 less tract; NW/4

of Section _____ Township _____ Range _____ and containing 310 acres, more or less,

That same party has been in open, adverse, exclusive, continuous, and undisputed possession of said lands for
 more than One (1) years last past.

That same party is paying taxes on, occupying and cultivating said land.

Further affiant saith not.

Richard L. Jennison
 Richard L. Jennison, Agent

STATE OF Kansas }
 COUNTY OF Lane } ss.

ACKNOWLEDGMENT FOR INDIVIDUAL
 (KsOkCoNe)

Before me, the undersigned, a Notary Public, within and for said County and State on this 2nd
 day of March, 2024, personally appeared Richard L. Jennison, Agent for Blue J Farm, LLC
 and _____, to me personally known to be the identical
 person who executed the within and foregoing instrument and acknowledged to me that he executed
 the same as a free and voluntary act and deed for the uses and purposes therein set forth, and at the same
 time the affiant was by me duly sworn to the foregoing Affidavit of Possession.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above
 written.

My commission expires _____

NOTARY PUBLIC - State of Kansas
 MARK HORCHEM
 My Appt Expires 02-09-2025

Mark Horchem
 Mark Horchem Notary Public

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No.
09-115NUMERICAL
DIRECT
INDIRECT
COMP. ORIG
COMPUTERKansas Blue Print
700 S. Broadway PO Box 783
Wichita, KS 67201-0783
316-264-8344 • 264-5185 fax
www.kbp.com • kbp@kbp.comAGREEMENT, Made and entered into the 6th day of March

2024

by and between Karen L. Fisher, Trustee of the Paul S. Jennison Trust GST Exempt f/b/o Elizabeth A. Proia dated 3-1-2016whose mailing address is 1399 Ygnacio Valley Road, Suite 25 Walnut Creek, CA 94598 hereinafter called Lessor (whether one or more),
and Palomino Petroleum, Inc.

hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, 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 housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Lane State of Kansas described as follows to-wit:Township 16 South, Range 29 WestSection 21: W/2 NE/4 less 3.027 acre tract; E/2 SW/4 less 6.907 acre tract; NW/4In Section _____, Township _____, Range _____, and containing 310 acres, more or less, and all accretions thereto.Subject to the provisions herein contained, this lease shall remain in force for a term of 3 (three) years from this date (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, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) 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. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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 operation 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 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 this 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 hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee 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 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 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.

No seismic activity shall be conducted on land contained in this lease without written permission from lessor.

See Exhibit attached for description of tracts.

Surface Use Agreement (attached) is hereby made a part of this lease.

STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the8 day of April
A.D. 2024 at 10³⁰ o'clock A. M and
duly recorded in Book 170 on page 12
Fee \$89.00

Register of Deeds

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

Karen L. Fisher, Trustee

Paul S. Jennison Trust GST Exempt

f/b/o Elizabeth A. Proia dated 3-1-2016

OIL AND GAS LEASE

FROM

TO

Date

Section Twp. Rge.

No. of Acres Term

County

STATE OF

County

This instrument was filed for record on the

day of

at o'clock M., and duly recorded

in Book Page of

the records of this office.

Register of Deeds.

By

When recorded, return to

No.

STATE OF COUNTY OF

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

The foregoing instrument was acknowledged before me this day of

by of a corporation, on behalf of the corporation.

My commission expires

Notary Public

STATE OF

COUNTY OF

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this day of and

by

My commission expires

Notary Public

STATE OF

COUNTY OF

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this day of and

by

My commission expires

Notary Public

STATE OF

COUNTY OF

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this day of and

by

My commission expires

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this day of and

by Karen L. Fisher, Trustee of the Paul S. Jennison Trust GST Exempt f/b/o Elizabeth A. Proia dated 3-1-2016

2024

see page to follow

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

State of California)
County of Contra Costa)

On March 25, 2024 before me, Lara Mays, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the state of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Lara Mays
Signature of Notary

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and prevent fraudulent reattachment of this form to another document

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Oil and Gas Lease
Date of Document: _____ Number of Pages in words: _____
(including this page)

Signer(s) Other Than Named Above: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name: _____
☐ Individual(s)
☐ Corporate Officer
Title(s): _____
☐ Partner(s) - ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

RIGHT THUMB

SIGNER IS REPRESENTING: _____

Signer's Name: _____
☐ Individual(s)
☐ Corporate Officer
Title(s): _____
☐ Partner(s) - ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

RIGHT THUMB

SIGNER IS REPRESENTING: _____

Exhibit - Tract Descriptions

A tract of land in the West Half of the Northeast Quarter (W/2 NE/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M., described as follows:

Beginning at the southeast corner of the West Half of the Northeast Quarter (W/2 NE/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M.; thence West along the South line of said Quarter Section, 51 Feet (51'); thence North in a straight line to a point 51 feet (51') west of the northeast corner of the West Half of the Northeast Quarter of said Section 21; thence East along the North line of said Quarter Section 51 feet (51') to the northeast corner of the West Half of the Northeast Quarter of said Section 21; thence South along the East line of the West Half of the Northeast Quarter of said Section 21 to the point of beginning, containing three and twenty-seven thousandths acres (3.027).

A tract of land in the East Half of the Southwest Quarter (E/2 SW/4) of Section Twenty-one (21), Township Sixteen (16) South, Range Twenty-nine (29) West of the 6th P.M., described as follows:

Beginning at the Southeast Corner of the Southwest Quarter of said Section 21; thence West along the South line of said Quarter-Section one hundred fifty six feet five inches (156'5"); thence north in a straight line to a point on the North line of said quarter-section which is Seventy-six feet four inches (76'4") west of the Northeast corner of the said Southwest Quarter of Section 21, Township 16, Range 29; thence east along the north line of said quarter-section to the Northeast Corner of the Southwest Quarter of Section 21, Township 16, Range 29; thence South along the East Line of said Quarter-Section to the point of beginning, containing six and nine hundred seven thousands (6.907) acres.



SURFACE USE AGREEMENT

SURFACE USE AND RESTORATION: In the event of drilling operations on said land, Lessee or assigns agree the drill site will be restored to its original topography and surface condition as nearly as practicable within six (6) months after completion date or as soon as pit dries sufficiently to fill and cover properly. Lessee or assigns agrees to pay for all damages of any nature arising from its operations on the leased lands, Lessee further agrees to pay to Lessor a reasonable amount, but not less than \$2,000.00 for each drill site location on the leased premises.

ELECTRIC LINE BURIAL: Upon Lessor's request, Lessee shall bury all electric lines below plow depth on cultivable land, tame pastures and prairie meadows and below the surface in native pasture. No overhead electric lines shall be erected without Lessor's written permission.

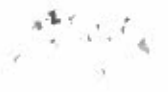
SALT WATER DISPOSAL: No well drilled on the leased premises shall be used for the disposal of salt water from wells off of the leased premises without the written consent of Lessor and without compensating Lessor for its use.

LIVESTOCK DAMAGES: Lessee shall pay the Lessor the market value of any livestock killed or injured on the leased premises by the Lessee's operations.

GATES AND FENCES: The Lessee agrees to operate the lease in a workmanlike manner and agrees to close and secure all gates located upon the premises and agrees that no fences shall be cut without prior authorization and reasonable compensation therefore. Lessee agrees to repair any gates, waterways, terraces, pasture, or fences if damaged by Lessee's operation.

FENCES AND DIKES: A sufficient dike shall be placed around tank batteries. Tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo or corn stalks or wheat. Lessee or assigns agree to comply with all applicable Federal, State, and Local laws and regulations.

CRP CLAUSE: In the event that the land or any part of it is enrolled in the Conservation Reserve Program (CRP) administered by the U.S. Department of Agriculture, the following provisions will be applicable: Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands; Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder; Lessee shall reseed to grass all acres thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed by the Conservation Reserve Program as a result of Lessee's operations.



NUMERICAL
DIRECT
INDIRECT
COMP. ORIG.
COMPUTER

AFFIDAVIT BY TRUSTEE(S)

STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the
8th day of April
A.D. 2024 at 10³⁰ o'clock A M and
duly recorded in Book 170 on page 13
Fee 55⁰⁰
Debra J. Jensen
Register of Deeds

COMES NOW the undersigned, of lawful age and upon her oath(s) being first duly sworn, and state(s) as follows:

1. That this affidavit is made in connection with the following lands in Lane County, Kansas, to-wit:

Township 16 South, Range 29 West
Section 21: W/2 NE/4 less 3.027 acre tract; E/2 SW/4 less 6.907 acre tract; NW/4

2. That I am the presently-existing trustee of the trust known as the Paul S. Jennison Trust GST Exempt f/b/o/ Elizabeth A. Proia dated 3-1-2016 to which the above-described property was conveyed by deed in the records of the Register of Deeds of said county.

3. That said trust is irrevocable and is presently in existence.

4. That I am authorized, without limitation, to execute and deliver to Palomino Petroleum, Inc. as lessee, an oil and gas lease covering the above-described lands for a primary term of three (3) years.

FURTHER AFFIANT(S) SAITH NAUGHT.

Karen L. Fisher
Karen L. Fisher, Trustee
Paul S. Jennison Trust GST Exempt
f/b/o Elizabeth A. Proia dated 3-1-2016



SUBSCRIBED AND SWORN TO this _____ day of _____, 2024.

*See page
to follow*

Notary Public

ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss

BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, 2024, appeared Karen L. Fisher, Trustee of the Paul S. Jennison Trust GST Exempt f/b/o Elizabeth A. Proia dated 3-1-2016 to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires:

*See page
to follow*


Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

JURAT

State of California
County of contra costa
Subscribed and sworn to (or affirmed) before me on this 25 day of march, 20 24
by Karen L. Fisher
proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Lara Mays
Notary Signature



NOTARY INFORMATION

Notary Name: Lara Mays
Commission Expires: 3/26/24
Notary Commission # 2322389
County of Commission: Contra Costa
Notary Phone: 925-719-5123

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Affidavit by Trustee
Date of Document: _____ 20____ # of Pages _____
including this page in words

NAME(S) & THUMB PRINT OF AFFIANT(S)

Affiant's Name: _____ Affiant Name: _____

RIGHT THUMB

RIGHT THUMB

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

State of California)
County of Contra Costa)

On March 25, 2024 before me, Lara Mays, Notary Public, personally appeared Karen L. Fisher, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the state of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Lara Mays
Signature of Notary

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and prevent fraudulent reattachment of this form to another document.

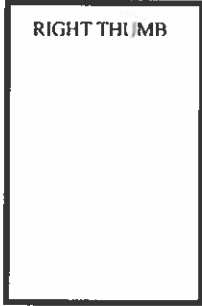
DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Affidavit by Trustee
Date of Document: Number of Pages in words: (including this page)

Signer(s) Other Than Named Above:

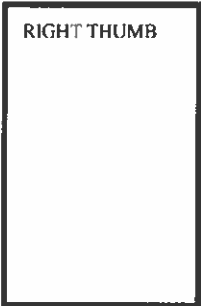
CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name:
☐ Individual(s)
☐ Corporate Officer
Title(s):
☐ Partner(s) - ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

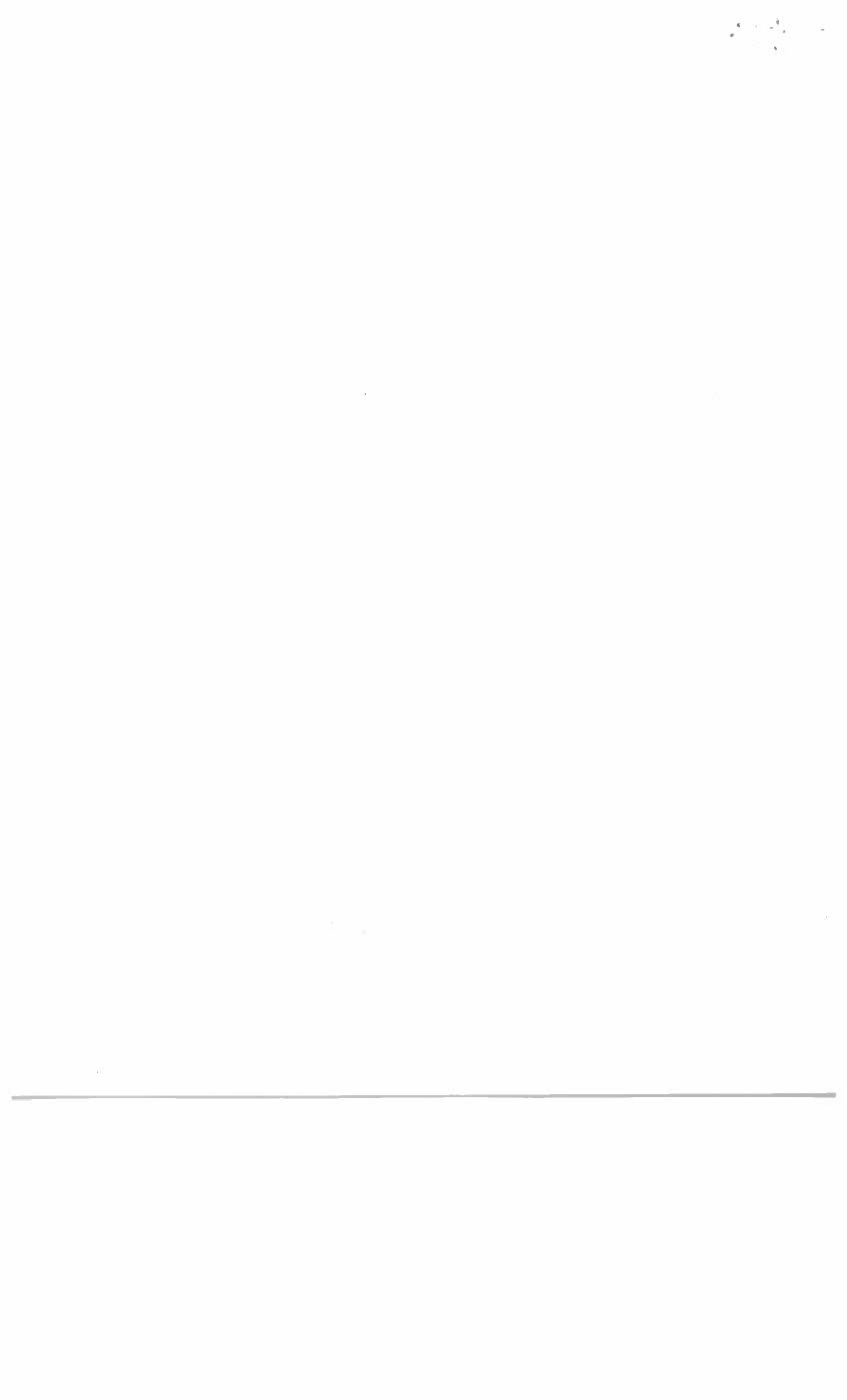


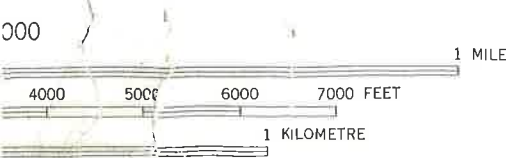
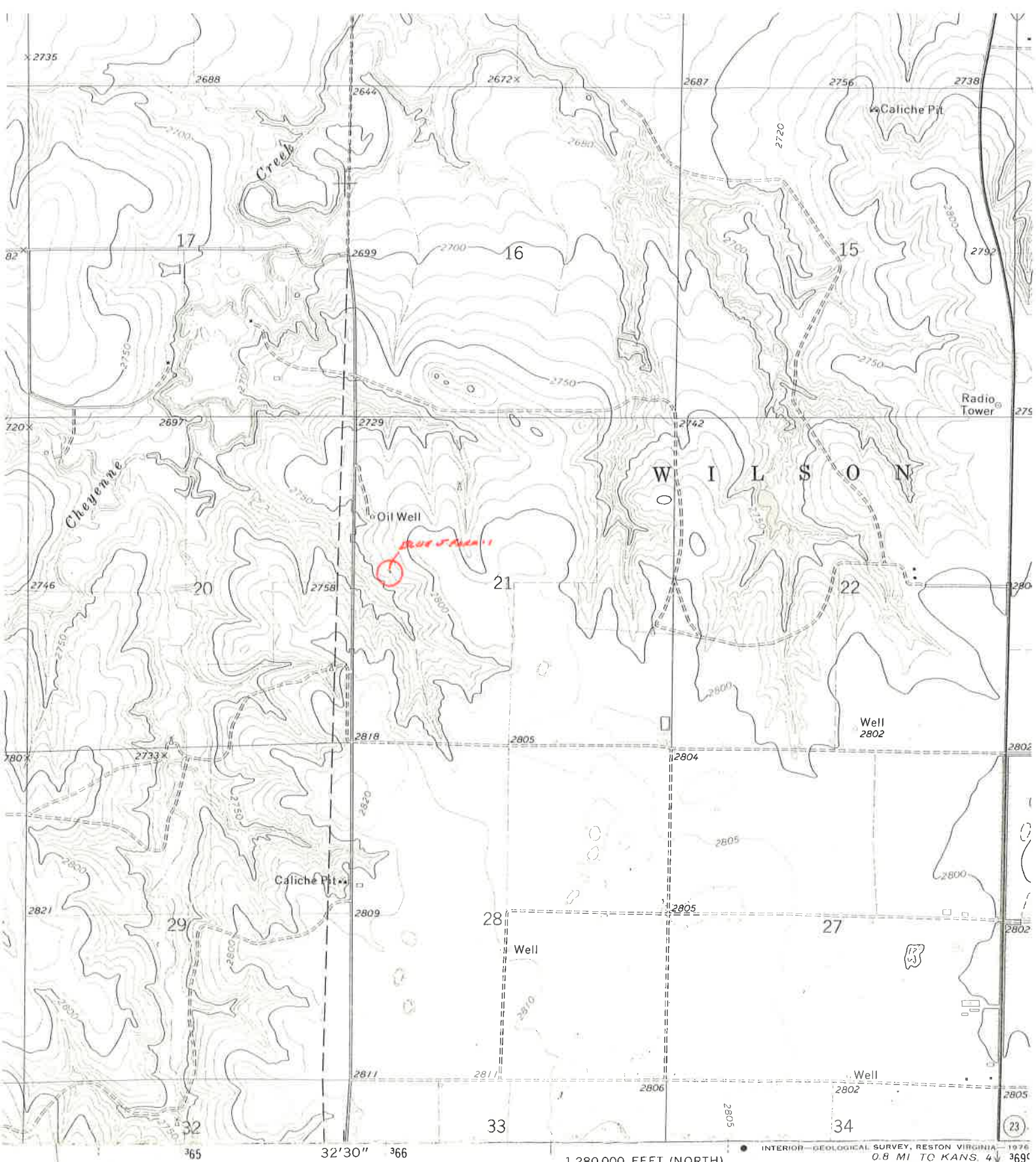
SIGNER IS REPRESENTING:

Signer's Name:
☐ Individual(s)
☐ Corporate Officer
Title(s):
☐ Partner(s) - ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:



SIGNER IS REPRESENTING:





1:50,000
 5-FOOT CONTOURS
 MEAN SEA LEVEL DATUM OF 1929



1 280 000 FEET (NORTH)

INTERIOR GEOLOGICAL SURVEY, RESTON VIRGINIA 1976
 0.8 MI TO KANS. 4
 DIGHTON 12 MI.

- ROAD CLASSIFICATION
- | | |
|------------------------------------|-------------------------------------------|
| Primary highway,
hard surface | Light-duty road, hard
improved surface |
| Secondary highway,
hard surface | Unimproved road |
- Interstate Route
 U. S. Route
 State

CHEYENNE CREEK, I

Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

May 13, 2025

Klee Robert Watchous
Palomino Petroleum, Inc.
4924 SE 84TH ST
NEWTON, KS 67114-8827

Re: Drilling Pit Application
Blue J Farm 1
NW/4 Sec.21-16S-29W
Lane County, Kansas

Dear Klee Robert Watchous:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 96 hours of completion of drilling operations.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 682-7933 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 682-7933.