

DOC NO: 3193074

03/28/2025 11:48:43 AM PAGES: 3

OL FEE: 30.00

DENISE SIMMONS, OGEMAW CO. REGISTER

OIL AND GAS LEASE
(PAID-UP)

THIS AGREEMENT, Made and entered into this 28th day of February 2025, by and between **Petro Properties LLC**, a Florida Limited Liability Company, 940 Cape Marco Drive #1701, Marco Island, FL 34145, hereinafter called Lessor and **Miller Resources, Inc.**, 410 South Union Street, Traverse City, MI 49684, hereinafter called Lessee.

WITNESSETH, That Lessor, for and in consideration of ten and more dollars, the receipt of which is hereby acknowledged, and the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let exclusively unto Lessee, for the sole and only purpose of exploring by geophysical and other methods, drilling, mining, operating for and producing oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe lines, building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any easements, rights-of-way, land underlying alleys, streets, roads, riparian rights and submerged land along and/or underlying rivers, lakes or other bodies of water located in the County of **Ogemaw**, State of **Michigan**, described as:

TOWN 23 NORTH – RANGE 2 EAST

SECTION 6: SW 1/4; SW/4 NE 1/4

containing 210.24 acres, more or less. It is agreed that this lease shall remain in force for a term of **three (3)** years from the date of this lease (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land by Lessee.

Notwithstanding anything herein to the contrary, Lessor's royalty, under the terms of this lease, shall be computed without any deduction or charge for any cost or expense whatsoever except severance tax.

Notwithstanding anything herein to the contrary, Lessee shall release, at the end of the primary term of this lease or the extension thereof (a) All land not included in an authorized unit upon which oil and/or gas is being produced in paying quantities or operations are being conducted, and (b) All formations below the base of the deepest formation producing oil and/or gas in paying quantities.

1. The royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, **three-sixteenths (3/16ths)** of that produced and saved from said land, the same to be delivered to the credit of Lessor into tank reservoirs or into the pipeline to which the wells may be connected. (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products therefrom, the market value at the well of **three-sixteenths (3/16ths)** of the product sold or used. On product sold at the well, the royalty shall be **three-sixteenths (3/16ths)** of the net proceeds realized from such sale. All royalties paid on gas sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such royalty, Lessor's proportionate amount of all post-production costs, including but not limited to gross severance tax, gathering and transportation costs from the wellhead to the point of sale, treating, compression, and processing. On product sold at the well, the royalty shall be **three-sixteenths (3/16ths)** of the net proceeds realized from such sale, after deducting from such royalty Lessor's proportionate amount of all of the above post-production costs and expenses, if any.

2. If a well capable of producing oil and/or gas in paying quantities is completed on the above-described land or acreage pooled herewith and is shut-in, this lease shall continue in effect for a period of one year from the date such well is shut-in. Lessee or any assignee may, thereafter, pay or tender to Lessor a shut-in royalty payment, in the amount of \$50.00 per acre, on or before one year from the date such well is shut-in and, if such payment or tender is made, this lease shall continue in effect for a further period of one year. In like manner and upon like payments or tenders annually made on or before each anniversary of the shut-in date of such well this lease shall continue in effect for successive periods of twelve (12) months each. Notwithstanding anything herein to the contrary, the shut-in period, under the terms of this lease, shall not exceed two (2) consecutive years in length.



A.B.

3. If Lessee shall commence actual drilling of a well with a rig capable of drilling to the permitted depth or commence reworking operations as defined as actual work in the hole of an existing well in a good-faith effort to restore the well to production within the term of this lease or any extension thereof, or on acreage pooled therewith, the Lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them be found, 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.

4. Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 160 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut-in royalty payment, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

5. In addition to the rights to unitize granted to Lessee in Paragraph 4 above, for the purpose of promoting the development of hydrocarbon production from shallow formations, as hereinafter defined, Lessee is granted the right to unitize the shallow formations in said land, or any part of said land with other lands, to establish a unit or units of any size or shape for the drilling and operation of multiple wells. The unit(s) shall consist of any number of contiguous tracts or parcels of land. The exercise of this right shall be effective only if the required well density (at least one well drilled into the unitized shallow formation for each 160 acres of the unit) is attained no later than one (1) year after recording of the written declaration of the unit. As used herein, the term "shallow formations" shall mean formations between the surface of the earth and the top of the Traverse Limestone Formation. All provisions of Paragraph 4 above shall apply in the same manner to a unit formed pursuant to this paragraph for production from shallow formations, except to the extent inconsistent with this paragraph. Lessee may expand the unit to include additional lands, provided that the required well density (one well drilled for every 160 acres) is maintained and the drilling of an additional well or wells is completed within one (1) year after each such expansion.

6. If Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to Lessor only in the proportion which his interest bears to the whole and undivided fee.

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

8. When requested by Lessor, Lessee shall bury his pipelines below plow depth.

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

10. Lessee shall pay for all damages caused by its operations to growing crops on said land.

11. 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.

12. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants and agreements hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on Lessee until Lessee has received written notice of such change and recorded copies of the documents that have been properly filed for record that are necessary to establish the validity of such change. No assignment, sale or otherwise of this lease by Lessee shall be valid until a recorded copy thereof has been furnished to Lessor.

13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation.

14. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by placing a release of record in the proper County and furnishing a recorded copy thereof to Lessor.

15. Lessor agrees that Lessee shall have the right at any time to pay any mortgage, tax or other liens on the above described land and be subrogated to the rights of the holder thereof.

16. Lessee agrees to defend, indemnify and hold harmless Lessor of and from any and all claims, demands, losses, causes of action, damage, lawsuits, judgments, including attorneys' fees and costs, arising out of or relating to any and all operations conducted pursuant to this lease. If any action at law or in equity is necessary by Lessor to enforce or interpret the terms of this lease and/or Order for Payment, Lessee shall pay to Lessor, Lessor's reasonable and actual attorneys' fees and costs in addition to any other relief to which Lessor may be entitled.

17. All written notices and/or payments permitted or required by this lease to be given Lessor and Lessee herein shall be at their respective addresses listed hereinabove, shall be sent by overnight delivery service or by United States Certified mail, postage prepaid, return receipt requested, and shall identify this lease by date, parties, description and recording data; provided that either party may change such notice address by giving written notice to the other party specifying the new address.

18. This lease may, at Lessee's option, be extended for an additional primary term of two (2) years commencing on the date that this lease would have expired but for the extension. Lessee may exercise its option by paying or tendering to Lessor an extension payment of \$225.00 per net acre. If Lessee exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of this lease and continuing from that date to the end of the extended primary term. Lessee must exercise this option on or before February 28, 2028.

Executed as of the day and year first above written.

Exempt from County Transfer Tax pursuant to MCL 207.505(n)
Exempt from State Transfer Tax pursuant to MCL 207.526(p)

LESSOR:

PETRO PROPERTIES LLC

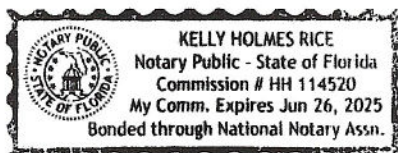


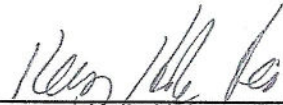
By: Terrance Burkhardt
Its: Manager

STATE OF FLORIDA)
) ss
COUNTY OF COLLIER)

The foregoing instrument was acknowledged before me this 28th day of February 2025, by Terrance Burkhardt, Manager of Petro Properties LLC

My Commission Expires:





Kelly Holmes Rice
Notary Public
Collier County, Florida

Drafted by: Terrance Burkhardt
940 Cape Marco Drive #1701
Marco Island FL 34145