

OIL & GAS LEASE
(PAID-UP)

BOOK 5878 PAGE 1463

AGREEMENT, Made and entered into this 11th day of February, 1989
by and between Ronald Dean Marlett and Elizabeth Waring Marlett, husband and wife
5736 NW 46th
Oklahoma City, OK 73122 Party of the first part, hereinafter called lessor (whether one or more),
and Magnarex Corporation, One Marienfeld Place, part y of the second part, hereinafter called lessee.
Suite 405, Midland, TX 79701

WITNESSETH, That the said lessor, for and in consideration of *****Ten and More***** DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept
and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose
of exploring by geophysical and other methods, mining and operating for or including but not limited to oil, gas and other hydrocarbons, including casinghead gas
and helium and all other constituents, and for laying pipe lines, and building tanks, towers, stations and structures thereon, to produce, save and take care of
said products, all that certain tract of land, together with any reversionary rights therein, situated

in the County of Oklahoma State of Oklahoma described as follows, to-wit:

Lot 1 of a Resubdivision of a portion of Blocks 7 & 8,
Cockrell's Premier Addition, a part of the NW/4

BOOK NUMBER 00016591

FINE 02-48 PM

FEE 10.00

DATE FEB. 15 1989

DAVID HESS

OKLAHOMA COUNTY CLERK

RECORDED AND FILED

of Section 15 Township 12N Range 4W and containing 3209 acres, more or less.

It is agreed that this lease shall remain in force for a term of four (4) years from date (herein called primary term) and as long thereafter as oil or
gas, or either of them is produced from said land by the lessee.

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

1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its wells, the one-eighth (1/8) part of all oil (including but not limited
to condensate and dissolved gas) produced and saved from the leased premises.

2nd. To pay lessor for gas of whatever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the
manufacture of products therefrom, one-eighth (1/8) of the gross proceeds received for the gas sold, used off the premises, or in the manufacture of
products therefrom, but in no event more than one-eighth (1/8) of the actual amount received by the lessee, said payments to be made monthly. During any
period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no
current production of oil or operations on said leased premises sufficient to keep the lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per
year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the
expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the
royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casinghead gasoline or dry commercial
gas, one-eighth (1/8) of the gross proceeds, at the mouth of the well, received by lessee for the gas during the time such gas shall be used, said payments to be
made monthly.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on
acres 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 in paying quantities, this lease shall continue and be in force with full effect as if such well had been
completed within the term of years last mentioned.

Lessee is hereby granted the right at any time and from time to time to utilize 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 dissolves.
However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without dissolves more than
80 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing acreage
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
acreage. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall
be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire
acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall
be as before provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually
embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion
of the royalties stipulated herein as the amount of the acreage placed in the unit, or the royalty interest therein on an acreage basis bears to the total acreage in
the unit.

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

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.

When requested by the lessor, lessee shall bury its pipe lines below plow depth.

Lessee shall pay for all damages caused by its 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. 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 the lessee until after the lessee has been furnished with a
written transfer of 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.

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.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the
lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor,
although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or making a release thereof to
lessor, or by placing a release of record in the proper County.

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, lease 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.

It being intended to include all lands and interest therein contiguous to or
appurtenant to said described lands owned or claimed by lessor including streets,
alleyways and right-of-ways. There shall be no drilling operation on the above
described lands. All references contained herein to a 1/8 royalty are hereby
amended to read 3/16 royalty.

IN TESTIMONY WHEREOF we sign this the 11th day of February, 1989.

x Ronald Dean Marlett

Ronald Dean Marlett

SS#

x Lizabeth Waring Marlett

Lizabeth Waring Marlett

SS#

STATE OF Oklahoma } BOOK 5878 PAGE 1464 (ACKNOWLEDGMENT FOR INDIVIDUAL)
County of Oklahoma }

Before me, the undersigned, a Notary Public, in and for said County and State, on this 11th day of February, 1989
personally appeared Ronald Dean Marlett and Lizabeth Waring Marlett, husband and wife

who acknowledged to me that they
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 official signature and affixed my official seal the day and year first above written.

My commission expires 9-10-91

Michael J. Thayer
Notary Public

STATE OF _____ }
County of _____ } ss.

(ACKNOWLEDGMENT FOR CORPORATION)

On this _____ day of _____ A.D., 19____, before me, the undersigned, a Notary Public, in and for the County and
State aforesaid, personally appeared _____

to me known to be the identical person _____ who subscribed the name of the maker thereof to the foregoing instrument as its
and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed and as the free and voluntary
act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires _____

Notary Public

No. _____

Oil and Gas Lease

FROM _____

TO _____

Date _____ 19____

Section _____ Township _____ Range _____

No. of Acres _____ County _____ Term _____

STATE OF _____ } ss.

County of _____ }

This instrument was filed for record on the _____ day
of _____ 19____
at _____ o'clock _____ M., and duly recorded
in book _____ page _____ of the
records of this office.

By _____
Registrar of Deeds - County Clerk

By _____
Deputy

Record and Val to: _____

T.S. DUDLEY LAND COMPANY
125 PARK AVENUE
OKLAHOMA CITY, OK 73102-9005