

**SURFACE USE AND SUBSURFACE EASEMENT AND RIGHT OF WAY  
AGREEMENT**

**STATE OF COLORADO**                   §  
  §       **KNOW ALL MEN BY THESE PRESENTS:**  
**COUNTY OF KIT CARSON**       §

This Surface Use and Subsurface Easement and Right of Way Agreement ("Agreement") is made, entered and effective this 29th day of September, 2021 (the "Effective Date"), by and between **PFAFFLY FARMS**, whose address is P.O. Box 106, Stratton, CO 80836-0106, hereinafter referred to as "Surface Owner," and **TREK RESOURCES, INC.**, and **NAVEX RESOURCES, LLC**, whose address is 1020 E Levee Street Suite 130, Dallas, TX 75207 hereinafter referred to collectively as "Operator." Operator and Surface Owner are sometimes jointly referred to herein as the "Parties," and individually as a "Party."

**WHEREAS**, Surface Owner owns certain real property located in Kit Carson County, Colorado ("the Property"), more particularly described as:

**Southwest Quarter (SW/4) of Section 12 Township 11 South, Range 46 West of Kit Carson County, Colorado**

**WHEREAS**, Navex Resources, LLC is a subsidiary of Trek Resources, Inc. and a duly licensed operator of oil and gas properties in the state of Colorado; and

**WHEREAS**, Operator desires to use portions of the Property ("Utilized Surface") for the drilling, operation and production of one or more oil and/or gas wells and laying, constructing and maintaining pipelines of said wells; and

**WHEREAS**, Surface Owner is willing to grant certain surface and sub-surface rights to use the Property for the drilling, production, and other oil and gas related activities of Operator ("Operations") in exchange for a one-time payment of [REDACTED] to be paid by Operator after execution of this Agreement.

**NOW, THEREFORE**, for and in consideration of Ten and No/100 Dollars and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.     Surface Locations. Surface Owner hereby grants to Operator the right to drill and conduct Operations, on and under, the surface of the Property, including the continuing right of ingress and egress and the right to conduct geological and geophysical operations, construct and utilize, from time to time, one or more surface locations ("Surface Locations") for the purpose of drilling and producing wells and placing related equipment and facilities, including but not limited to flares, tanks, separators, pads, reserve and disposal pits, salt water disposal and injection equipment,

heater treaters, oil and gas processing equipment, flowlines, pipelines, water transfer lines, compressors and pumping units and related equipment (the "Facilities").

2. Compensation for Surface Locations. The Parties contemplate that Operator shall construct one or more pad sites for its Operations. As consideration for damages that may occur as a result of Operations, Operator agrees to pay Surface Owner, whether one or more, an initial payment in the amount of [REDACTED] for each pad site constructed thereon. All payments made hereunder shall be proportionately reduced based on ownership of the Property, and such payment(s) is accepted by Surface Owner for any and all damages to the Property by Operator, its affiliates, successors, and assigns arising out of or in any way related to its Operations or oil and gas activities on the Property, including without limitation the loss of agricultural production and income, any lost land value, any lost use of and lost access to portions of the Property, and any lost value of improvements that may be caused by its Operations. Operator shall consult with Surface Owner regarding the location of pad site(s) and locate the same as is reasonably practicable to minimize interference with Surface Owner's use of the Property.

3. Representation and Warranties. Surface Owner represents and warrants that it is entitled to receive all of the compensation for the damages to the Property and agrees to INDEMNIFY AND HOLD OPERATOR HARMLESS as to all claims by any other legal, equitable or beneficial owners of the Property as may be shown in the records of the county in which the Property is located.

4. Roads. Surface Owner hereby grants to Operator the right, to construct, improve, utilize and maintain temporary roadways on the Property to access the Surface Locations, Facilities, Pipelines, Power Lines and other equipment ("Roads"). Operator shall consult with Surface Owner regarding the location of Roads and locate the same as is reasonably practicable to minimize interference with Surface Owner's use of the Property. In the event Operator desires to abandon any road constructed on the Property, the Operator will provide Surface Owner with notice of abandonment. Within thirty (30) days after receipt of such notice, Surface Owner shall advise Operator in writing whether Surface Owner desires that: (a) the road remain intact for Surface Owner's further use; or (b) the road be abandoned. If Surface owner elects (a), the Operator shall thereafter be relieved of the maintenance, abandonment and restoration responsibility associated with such road. If Surface Owner elects alternative (b), the Operator shall, at its sole cost, abandon such road and restore the lands covered thereby to a condition that is as close to their condition before the construction of such road as is reasonably practical.

5. Pipelines and Flow Lines. Surface Owner hereby grants to Operator the right to construct, lay, maintain, inspect, replace, add, operate and remove flow lines and pipelines and any necessary fittings and/or appurtenant facilities on the Property necessary to transport gas or gaseous substances to and from Operator's production Facilities ("Pipelines"). The construction of Pipeline shall create a permanent right-of-way and easement ("Easement") thirty feet (30') in width centered on the Pipeline(s). Operator, its agents, contractors, assigns and successors shall have the right of ingress and egress to any Easement created under the terms of this Agreement on an ongoing basis even in the event that part or all of this Agreement is released or otherwise



terminated. Operator shall consult with Surface Owner regarding the location of Pipeline(s) and locate the same as is reasonably practicable to minimize interference with Surface Owner's use of the Property.

6. Salt Water Disposal: Surface Owner hereby grants to Operator the right, from time to time, to construct, maintain, operate and/or remove salt water disposal wells and equipment for the purpose of disposing of or injecting salt water and other constituent fluids. As consideration for damages that may occur as a result of Operations related to the drilling of a new salt water disposal or injection well, Operator agrees to pay Surface Owner, whether one or more, an initial payment in the amount of [REDACTED] for new each pad site constructed for the purpose of drilling a salt water disposal well. Operator shall consult with Surface Owner regarding the location of pad site(s) and locate the same as is reasonably practicable to minimize interference with Surface Owner's use of the Property.

7. Electric Power Lines. Surface Owner hereby grants to Operator the right, from time, to construct and maintain new electric power lines on the Property necessary for its Operations ("Power Line(s)"). Operator shall consult with Surface Owner regarding the location of Power Lines and locate the same as is reasonably practicable to minimize interference with Surface Owner's use of the Property.

8. Reservations. This Agreement shall have no effect on the ownership or other interests in the minerals underlying the Property, or any other property.

9. Fences. If any fence or fences are cut, Operator shall install suitable (H) braces and tie off the fence before cutting. Any cattle guards installed by Operator shall be kept clean and usable at all times while this Agreement is in effect.

10. Water Wells. Operator shall not have the right to use water from wells, tanks or reservoirs now controlled or drilled by Surface Owner on the Property, unless Surface Owners consent in writing to allow Operator to use water from such sources. However, Operator shall have the right to drill and complete as many water wells on the Property as Operator may deem necessary to use in its oil and gas operations on the Property. Operator agrees that after cessation of its use of any water well drilled by Operator on the Property and prior to plugging or removing casing therefrom, it will give notice tendering such well or wells to Surface Owner. If Surface Owner elects to accept same, such water well or wells shall be and become the property of Surface Owner without payment or consideration therefore, and Surface Owner shall assume all obligations to regulatory authorities for the proper plugging and abandoning of such wells.

11. Ingress/Egress. Operator and its designees shall have the rights and benefits necessary or convenient for the full enjoyment of the rights herein granted including, without limitation, the continuing right of ingress and egress to and from existing and any hereinafter newly constructed roads accessing the Surface Locations, the Facilities and the Pipelines.



12. Term. This Agreement shall terminate at such time Operator does not operate any wells on or otherwise conduct Operations on the Property for a period of twenty-four (24) consecutive months.

13. Surface Restoration. At any time within one hundred eighty (180) days after the termination of this Agreement, Operator shall have the right to remove from the Property any and all Facilities and related equipment of Operator and any other personal property improvements made to or placed on the Property by Operator; and Operator shall restore, as is reasonably practicable, the Utilized Surface of the Property to substantially the same condition existing as of the date of this Agreement. In the event that the Surface Owner's roads are utilized by third parties, the Parties agree that Grantee shall only be obligated to bear its proportionate share of such maintenance costs based upon its usage of existing or new roads and the usage of any third parties utilizing such roads; and Surface Owner further agrees to require any such third party using such roads or portions of the Property also utilized by Operator to enter into a separate agreement with Grantor with respect to such road use, maintenance, repair and restoration.

14. Maintenance. Operator will maintain the Utilized Surface in good repair and appearance, clean of all litter and trash during periods of construction, operation, maintenance, repair or removal. All construction debris shall be cleaned up and removed from the Utilized Surface upon completion drilling and completions operations on the Surface Locations and upon completion of construction of the Pipelines and Roads.

15. Indemnity. OPERATOR SHALL DEFEND, INDEMNIFY, PROTECT AND HOLD HARMLESS SURFACE OWNER, SURFACE OWNER'S HEIRS, SUCCESSORS, ASSIGNS, TRANSFEREES, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS, AS WELL AS TRUSTEES, BENEFICIARIES, RELATIVES, PARTNERS, OFFICERS, DIRECTORS AND RELATED OR AFFILIATED ENTITIES (COLLECTIVELY KNOWN AS "SURFACE OWNER'S GROUP") FROM ANY AND ALL LIENS, CLAIMS, DEMANDS, COSTS (INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, ACCOUNTANT'S FEES, ENGINEER'S FEES, CONSULTANT'S FEES AND EXPERT'S FEES), EXPENSES, DAMAGES, LOSSES AND CAUSES OF ACTION FOR DAMAGES BECAUSE OF INJURY TO PERSONS (INCLUDING DEATH) AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS ARISING FROM OR CAUSED BY THE ACTS AND/OR OMISSIONS OF OPERATOR, REGARDLESS OF WHETHER OR NOT OR TO WHAT EXTENT SURFACE OWNER IS PROTECTED FROM SUCH CLAIMS BY OPERATOR'S INSURANCE COVERAGE. THE INTENT OF THIS INDEMNITY PROVISION IS TO PROVIDE INDEMNITY FOR SURFACE OWNER SO THAT SURFACE OWNER SHALL NOT BE LIABLE FOR ANY CLAIMS, DEMANDS, COSTS, EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES BECAUSE OF INJURY TO PERSONS OR PROPERTY ARISING FROM OR CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE OR STRICT LIABILITY OR OTHER ACTS OR OMISSIONS OF OPERATOR ON SURFACE OWNER'S LANDS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS INDEMNITY IS NOT INTENDED TO AND DOES NOT PROVIDE FOR

INDEMNIFICATION ARISING FROM OR CAUSED BY SURFACE OWNER'S GROUP'S NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

16. Assignment. This Agreement may be assigned in whole or in part, and an assignee shall be bound by and subject to the terms and provisions of this Agreement. The terms, conditions and provisions hereof shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the Parties hereto.

17. Breach. Any Party in breach of this Agreement shall have 60 days (upon receipt of notice from the non-breaching Party, sent via certified mail to the addresses set forth above) to commence to remedy said breach.

18. Confidentiality. Surface Owner agrees to hold in confidence and not disclose the terms and Conditions of this Agreement (the "Confidential Information") to any third party without the express written consent of Operator; provided, however, Surface Owner may disclose the Confidential Information as may be required by applicable law, lawful subpoena or securities or stock exchange regulation. If Surface Owner is legally compelled to disclose any Confidential Information in connection with any proceeding, Surface Owner shall provide Operator with immediate written notice prior to any such disclosure so that Operator may seek a protective order or other appropriate remedy as it may deem advisable or waive compliance with the applicable provisions of this Paragraph 18.

19. Entire Agreement. This Agreement constitutes the entire agreement among the Parties and supersedes any prior or contemporaneous understanding or agreement with respect to the transactions contemplated. It may be amended only by a written instrument executed by all of the Parties hereto. The Parties have not relied on any statement, representation, warranty or agreement of the other party or of any other person on such Party's behalf, except for the representations or agreements expressly contained in this Agreement.

20. Signatures. This Agreement may be executed in multiple counterparts, each of which shall constitute a valid and binding grant by the signatory party and shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.



**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the date written above.

**OPERATOR:**

TREK RESOURCES, INC.

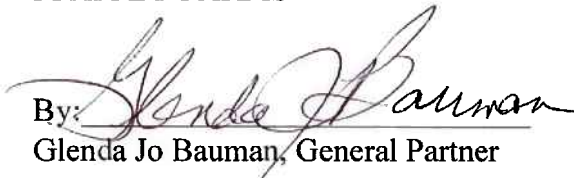
By:   
Conrad Mirochna, Chief Operating Officer

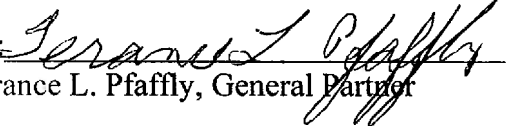
NAVEX RESOURCES, LLC

By:   
Conrad Mirochna, Senior Vice President

**SURFACE OWNER:**

PFAFFLY FARMS

By:   
Glenda Jo Bauman, General Partner

By:   
Terance L. Pfaffly, General Partner

**AMENDMENT TO SURFACE USE AND SUBSURFACE EASEMENT AND RIGHT OF  
WAY AGREEMENT**

**STATE OF COLORADO**

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**KNOW ALL MEN BY THESE PRESENTS:**

**COUNTY OF KIT CARSON**

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**WHEREAS**, on the date of September 30, 2021, **PFAFFLY FARMS**, as "Surface Owner" executed and delivered to **TREK RESOURCES, INC.** and **NAVEX RESOURCES, LLC**, collectively as "Operator", a Surface Use and Subsurface Easement and Right of Way Agreement ("Agreement"), covering the following described land ("the Property") located in Kit Carson County, Colorado to wit:

Southwest Quarter (SW/4) of Section 12 Township 11 South, Range 46 West of Kit Carson County, Colorado; and

**WHEREAS**, the Agreement is now in full force and effect and Surface Owner and Operator mutually desire to modify and amend said Agreement to the extent and manner hereinafter specified.

**NOW, THEREFORE**, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which is acknowledged, Surface Owner and Operator do hereby mutually agree to amend the Agreement as follows:

Following Paragraph "14. Maintenance" the following Paragraph "15. Drill Cuttings" will be added:

"15. Drill Cuttings: Surface Owner hereby grants Operator the right to dispose of, distribute or otherwise utilize drill cuttings on the Property by trenching and burying the cuttings on the Surface Location ("Disposal Process"). The Disposal Process will be carried out in a manner approved by the Colorado Oil & Gas Conservation Commission ("COGCC") and will be completed by the addition of 3 or more vertical feet of topsoil to cover the drill cuttings. When Operator commences work related to the Disposal Process Operator will issue a payment of [REDACTED] to Surface Owner as payment for any and all damages related to the Disposal Process on the Property. All payments made hereunder shall be proportionately reduced based on ownership of the Property, and such payment(s) is accepted by Surface Owner for any and all damages to the Property by Operator, its affiliates, successors, and assigns arising out of or in any way related to its Disposal Process on the Property, including without limitation the loss of agricultural production and income, any lost land value, any lost use of and lost access to portions of the Property, and any lost value of improvements that may be caused by the Disposal Process. Unlike roads, equipment and Facilities contemplated in paragraph "13. Surface Restoration." of the Agreement the drill cuttings

buried in the Disposal Process will be considered a permanent installation not subject to removal from the Utilized Surface.”

Said Agreement, as hereby amended, shall continue in full force and effect subject to and in accordance with all of its terms and provisions and Surface Owner does hereby in all things RATIFY and CONFIRM said Agreement and all of its terms and provisions, as hereby amended.

This Amendment to Surface Use and Subsurface Easement and Right of Way Agreement may be executed in multiple counterparts, each of which so executed shall be deemed to be an original and such counterparts shall together constitute one and the same instrument for recording purposes.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the 7<sup>th</sup> day of December, 2021 and effective as of September 30, 2021.

**SURFACE OWNER:**

PFAFFLY FARMS

By: Glenda Jo Bauman  
Glenda Jo Bauman, General Partner

By: Terance L. Pfaffly  
Terance L. Pfaffly, General Partner

**OPERATOR:**

TREK RESOURCES, INC.

Conrad Mirochna  
Conrad Mirochna, Chief Operating Officer

NAVEX RESOURCES, LLC

Conrad Mirochna  
Conrad Mirochna, Chief Operating Officer