

**Coal Seam I (2024) Lease Bank Project
Overriding Royalty Lease Bank AGREEMENT**

This Overriding Royalty Agreement is dated as of the _____ day of _____, 2024, by and between _____, (hereinafter called "PARTICIPANT"), and PETRON ENERGY, INC., (hereinafter called "PETRON").

The following exists:

RECITAL A: PETRON is acquiring certain lease(s) within the "Area of Mutual Interest" described in Exhibit "A" attached hereto and made a part hereof. In order to meet the reentry requirements on said lease(s) PETRON will commence reentry operations on the first well on or before _____ 2024, located on said lease(s), and to prosecute the reentry completion of such leases to a depth sufficient to properly test the Coal Seam formation or, approximately 1200' beneath the surface of the soil, whichever is shallower.

RECITALB: PARTICIPANT desires to purchase a _____% Overriding Royalty (ORRI) in all the leases obtained by PETRON within the area identified in Exhibit "A", herein called the Coal Seam I (2024) Lease Bank Project which is estimated to ultimately include 20 leases for the turnkey price of \$_____. PETRON and PARTICIPANT agree that in the event a minimum of 20 leases is not leased within the area defined in Exhibit "A", PETRON will substitute the balance of the leases with mutually agreeable acreage within the Coal Seam Formation area.

RECITAL C: PARTICIPANT will be assigned a _____% ORRI in each Oil and Gas Mineral lease(s) upon completion of Lessor execution and recordation. Participant will have a first lien on all leases until such time as PETRON remits to PARTICIPANT a \$_____ reentry fee payment thereby earning one reentry lease per \$_____ payment.

RECITAL D: PETRON agrees to make full repayment (\$_____) to PARTICIPANT in a time period not to exceed 60 months from the date of funding herein contemplated. PETRON will make repayment through a minimum of twenty (20) leases that will be developed at a payment of \$_____ per lease to be designated by PETRON. PARTICIPANT will release to PETRON a complete lease less _____% ORRI upon the receipt of each \$_____ payment made to PARTICIPANT. In the event that PETRON elects to develop less than twenty (20) leases on the designated leases specified in this agreement, then PETRON will be obligated to substitute alternative mutually agreeable leases, at PETRON's expense, to fulfill the terms of this agreement.

RECITAL E: PARTICIPANT agrees that upon repayment of the full \$_____ not to exceed 60 months, PARTICIPANT will release the balance of all acreage and leases then retained by PARTICIPANT situated within the described Exhibit "A" (less the ____% Royalty (ORRI) earned by and retained by PARTICIPANT.

NOW THEREFORE, for and in consideration of the sum of _____ (\$_____) and other good and valuable considerations, PARTICIPANT and PETRON, each intending to be legally bound, do hereby agree with each other as follows:

1. **ASSIGNMENTS OF RIGHTS:** PETRON hereby bargains, sells, assigns, transfers and conveys unto PARTICIPANT an undivided _____% **OVERRIDING ROYALTY INTEREST** in and to Oil and Gas Mineral Leases acquired by PETRON contained in the Coal Seam I (2024) Formation Lease Bank Project, herein described in Exhibit "A" with such interest being subject to all the terms and conditions of the original lease(s) and/or Farmout Agreements. PARTICIPANT shall receive formal assignments, as they are reasonably available.

2. **LEASE MANAGER/AGENT:** PARTICIPANT hereby nominates PETRON, or its assigns, as **LEASE MANAGER/AGENT** of all the leases obtained in Exhibit "A" for the benefit of PETRON and PARTICIPANT. In such capacity, PETRON is authorized and shall do and perform all such acts as may be reasonable and necessary to accomplish the leasing, reentering, and completion, or plugging and abandonment of well(s) as hereinafter provided. PETRON or its assigns as **MANAGER/AGENT**, shall conduct all said leasing operations, reentering operations and other operations in a workmanlike manner and as a reasonably prudent **MANAGER/AGENT** and/or Oil and Gas operator would do under the same or similar circumstances in the same areas in accordance with the usages and customs in the Coal Seam Formation area fields. Subject to the provisions hereof, PETRON shall have exclusive charge and control of selecting reentry locations and the specific lease and shape that make up the lease units, as well as the reentering, completion, equipping and operating the well(s). Pursuant to the operations to be conducted under this agreement, PETRON shall furnish and have exclusive control of all services, materials, suppliers, services and other independent contracts.

3. (a) Participant's total consideration for this entire transaction is the payment of the turnkey **Overriding Royalty Lease Bank** cost of \$_____.

- (b) PETRON specifically agrees to develop the Coal Seam I (2024) Formation Lease Bank Project leases in a prudent manner by developing the lease(s) in accordance with existing customs and

usages in the oil industry in the Coal Seam Formation area. PETRON, or its assigns, will provide for the necessary reentry drilling, completions, operations, which shall include, but not by way of limitation; rig, drill pipe, drill collars, labor, fuel, bits, water, chemicals, trucking, surveys, clearing site, pits, tanks, surface pipe, cement, testing, logging and plugging costs, if necessary.

PETRON further agrees to PARTICIPANT's desire to pay a fixed figure on a "turnkey" basis with PETRON to have all other responsibilities involved in the securing of the Oil and Gas Mineral Leases, including but not limited to the payment of Lease bonus payments, landman cost, legal and PETRON agrees to defend said title to all lands and leases acquired in attached Exhibit "A", by creditor or creditors claim arising by, through or under PETRON.

4. MANAGER/AGENT AS OPERATOR Contemporaneously with the execution of this agreement, PETRON and PARTICIPANT hereto agree that PETRON or its assigns to be the operator of wells on the Coal Seam I (2024) Formation Lease Bank Project.

5. ASSIGNMENT: Any conveyance or transfer made at any time of interest under this agreement shall be subject to all of the terms hereof and all of the rights, duties, obligations and burdens hereunder shall be deemed to be covenants running with the land and shall be binding upon and inure to the benefit of each party's heirs, successors, representatives or assigns.

6. NOTICES: All notices shall be mailed or sent to the parties at the addresses hereinbelow indicated:

<u>MANAGER/AGENT AND OPERATOR:</u> PETRON ENERGY, INC. 17950 Preston Rd. Ste. #960 Dallas, Texas 75252	PARTICIPANT _____ _____ _____
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7. INFORMATION: PETRON shall furnish PARTICIPANT with all information and reports concerning the lease and the development of the well(s). PARTICIPANT or his representatives may be present at all operations, but such presence shall be at PARTICIPANT's or his representative's sole risk and expense.

8. COMPLETE AGREEMENT: This agreement represents the entire understandings and agreements between the parties and neither may be altered, amended or revoked except by another instrument in writing.

9. COUNTERPARTS: This agreement may be executed in separate counterparts and shall be binding upon each party from and after the date of his execution of any such counterpart and the execution of a counterpart by all parties named herein.

AGREED AND EXECUTED THIS _____ DAY OF _____, 2024.

PETRON ENERGY, INC PARTICIPANT

By: _____

SS# _____

FED ID # _____

Home Phone #(_____) _____

Work Phone #(_____) _____

Cell Phone #(_____) _____

E-Mail: _____

Fax: _____

MAKE CHECK PAYABLE TO: PETRON ENERGY, INC.