

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS §
 §
COUNTY OF WEBB §

MEMORANDUM OF SUBSURFACE EASEMENT

Whereas, WEBB COUNTY, TEXAS, a political subdivision of the State of Texas, located at 1000 Houston St., Laredo, Webb County, Texas 78040, hereinafter referred to as "**Grantor**" and Pursuit Oil & Gas, LLC, a Delaware Limited Liability Company, whose address is 840 Gessner Road, Suite 850, Houston, Texas 77024, hereinafter referred to as "**Grantee**," have entered into a Subsurface Easement (the "**Agreement**") made as of October 3, 2019, the "**Effective Date**," and;

WHEREAS, Grantor and Grantee have mutually agreed not to record the Agreement in its entirety in the records of Webb County, Texas, and instead have agreed to record this Memorandum of Subsurface Agreement, the "**Memorandum**,";

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, Grantor does hereby Grant unto the Grantee a non-exclusive subsurface easement covering the subsurface of the following described land situated in Webb County, Texas, to-wit:

TRACT NO. 1

El Penjamo Pasture containing approximately 4,364.53 acres of land, more or less granted to Webb County, Texas as School lands by the State of Texas being Survey No. 1383 in said County, and located approximately 36 miles Northeast of Laredo, Texas.

TRACT NO. 2

El Llano Pasture containing approximately 4,465.04 acres of land, more or less granted to Webb County, Texas as School lands by the State of Texas being Survey No. 1384 in said County, and located approximately 38 miles Northeast of Laredo, Texas.

All in accordance with the terms and conditions of the Agreement, this Agreement shall remain in effect so long as Grantee (or its heirs, successors or assigns) maintains a valid oil and gas lease covering any portion of the Mineral Acreage covered by an Oil and Gas Lease dated February 24, 2017 between La Santa Cruz Cattle Corp., as Lessor, and Pursuit Oil and Gas, LLC, as Lessee, a memorandum of which is recorded at Volume 4207, Page 721, Document No. 1292159, Webb

County, TX. Should there be any conflict between this Memorandum and the Agreement herein referred to, then in all cases, the Agreement shall take precedence.

The Agreement and this Memorandum may be executed either as one instrument or in several partially executed counterparts and the original and all counterparts shall be construed together and shall constitute one legal document. For recordation purposes, the separate signature pages and acknowledgments may be affixed to the body of an original Memorandum without the necessity of recording the entirety of each separate counterpart.

The provisions hereof shall extend to and be binding upon the heirs, successors and legal representative and assigns of the parties hereto.

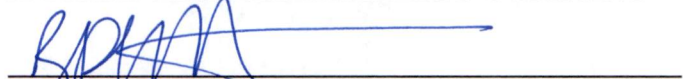
IN WITNESS WHEREOF, this instrument was prepared in duplicate originals and is executed as of the date of each acknowledgment below but made effective as of October 3, 2019.

**GRANTOR:
WEBB COUNTY, TEXAS**




**TANO E. TIJERINA
WEBB COUNTY JUDGE
Date: October 3, 2019**

**GRANTEE
PURSUIT OIL & GAS, LLC.
A TEXAS LIMITED LIABILITY COMPANY**



**RYAN FITZPATRICK
VICE-PRESIDENT-LAND
Date: October 8, 2019**

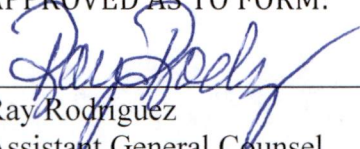
ATTESTED:



Margie Ramirez-Ibarra
Webb County Clerk



APPROVED AS TO FORM:



Ray Rodriguez
Assistant General Counsel
Webb County Civil Legal Division*

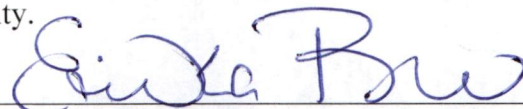
*The General Counsel, Civil Legal Division's office, may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

Passed and approved by the Webb County Commissioners
Court on August 12th, 2019; Item No. 49.

THE STATE OF TEXAS §

COUNTY OF WEBB §

This instrument was acknowledged before me on the 3rd day of October, 2019 by Webb County Judge Tano E. Tijerina, in his Official Capacity.




Notary Public in and for the State of Texas



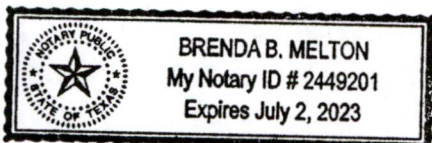
STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was personally acknowledged before me this 8th day of October, 2019 by Ryan Fitzpatrick, Vice-President –Land, for **PURSUIT OIL & GAS, LLC**, a Texas Limited Liability Company, on behalf of said company and in such capacity.



Notary Public in and for the State of Texas

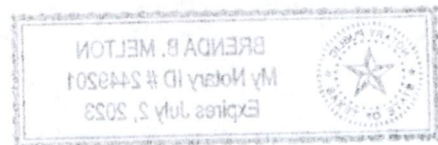
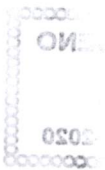


MARGIE R. IBARRA
COUNTY CLERK
FILED

2019 OCT 22 PM 4:47

WEBB COUNTY, TEXAS

BY _____ DEPUTY



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WEBB §

SUBSURFACE EASEMENT

Whereas, WEBB COUNTY, TEXAS, a political subdivision of the State of Texas, located at 1000 Houston St., Laredo, Webb County, Texas 78040, hereinafter (“Grantor”), whether one or more), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, in hand paid by the Grantee herein, the receipt and sufficiency of which are hereby acknowledged, have **GRANTED**, and by these presents do **GRANT**, unto Pursuit Oil & Gas, LLC, a Texas Limited Liability Company, whose address is 840 Gessner Road, Suite 850, Houston, Texas 77024 (“Grantee”), a non-exclusive subsurface easement covering the subsurface of the following described lands (“**Webb County School Lands**”), **situated in Webb County, Texas; to wit:**

1. PROPERTY DESCRIPTION:

TRACT NO. 1

El Penjamo Pasture containing approximately 4,364.53 acres of land, more or less granted to Webb County, Texas as School lands by the State of Texas being Survey No. 1383 in said County, and located approximately 36 miles Northeast of Laredo, Texas.

TRACT NO. 2

El Llano Pasture containing approximately 4,465.04 acres of land, more or less granted to Webb County, Texas as School lands by the State of Texas being Survey No. 1384 in said County, and located approximately 38 miles Northeast of Laredo, Texas.

The Subsurface Easement granted hereby shall be limited to the right to make reasonable

use of the “**Subsurface Only**” of the **Webb County School Lands**, as described herein-above in conjunction with Grantee’s exploration and development of the minerals underlying the following adjoining described lands and any lands pooled therewith (“**Pursuit Mineral Acreage**”):

Oil and Gas Lease dated February 24, 2017 between La Santa Cruz Cattle Corp., as Lessor, and Pursuit Oil and Gas, LLC, as Lessee, a memorandum of which is recorded at Volume 4207, Page 721, Document No. 1292159, Webb County, TX.

This Subsurface Easement shall remain in effect so long as Grantee (or its heirs, successors or assigns) maintains a valid oil and gas lease covering any portion of the Mineral Acreage.

This Subsurface Easement does not affect the ownership of any oil, gas or hydrocarbons produced from the Mineral Estate.

2. COMPENSATION: Pursuant to this Subsurface Easement by and between Webb County, Texas, a political subdivision of the State of Texas, as Grantor, and Pursuit Oil & Gas, LLC, as Grantee, Grantee shall pay to Webb County as consideration, on a well-by-well basis, a sum equal to twenty-five thousand dollars (\$25,000) for each well drilled under the subject Subsurface Easement. Within fifteen (15) days after drilling operations have commenced, Grantee shall pay to Grantor a sum equal to fifty thousand dollars (\$50,000.00) for the La Muela – Quick PSA 1H and the La Muela Quick PSA 2H.

3. AGENTS: **GRANTEE** assumes full responsibility and liability for the acts and omissions of all of its servants, agents, employees, contractors, subcontractors including, but not limited to "Independent Contractors" and any other person, firm or corporation which may act on the behalf of **GRANTEE** in connection with this Agreement. However, this provision is not intended for the benefit of any third party other than those herein described, nor does **GRANTEE** waive the defense of "Independent Contractor" as to any other such third party.

4. INDEMNITY: **GRANTEE** shall indemnify, defend and hold GRANTOR, GRANTOR’S, tenants, successors and assigns, harmless of, from and against any and all loss,

cost, expense, suits, judgments and liabilities for damages or injuries, of whatsoever kind, whether to persons or property, arising out of or in connection with the negligence, gross negligence, strict liability or any other acts or omissions of **GRANTEE**, its servants, agents, employees, contractors or subcontractors; and including, but not limited to, all damages to planted, growing or matured crops, timber, fences, roads, livestock and all other personal property and all improvements, now or hereafter placed under and/or through the subsurface of **GRANTOR'S** property, resulting from or caused by the use of the **“Webb County School Lands Subsurface Easement”** by **GRANTEE**, its servants, agents, employees, contractors or subcontractors, including any damage or injuries resulting from any of the following events, but not limited thereto: (1) interference with the drainage of **GRANTOR'S** property, or (2) any other breach of **GRANTEE'S** covenants herein, or arising out of or in connection with the rights granted herein. The payment of any damage or damages suffered by **GRANTOR**, its legal representatives, tenants, **GRANTEE'S**, successors or assigns, on any one (1) occasion shall not relieve the **GRANTEE** of the obligation to pay damages subsequently suffered and such covenants shall be continuing covenants running with the grant made herein to the **GRANTEE**.

5. WARRANTY: This Subsurface Easement Agreement is made without Warranty, neither expressed, implied, or otherwise, and is made subject to any mineral leases, grazing leases, hunting leases or other easements and/or grants, if still valid and subsisting, and any other document of legal record in the public records of the aforesaid county.

6. VENUE: This Agreement is performable in Webb County, Texas, and shall be governed by and construed and enforced in accordance with the laws of the State of Texas. Any suit arising from or relating to this Agreement shall be brought in said Webb County, Texas, and each party hereto waives any right to any plea of privilege that might exist in the absence of this

provision. In the event of any default by a party in the performance of its obligations under this Agreement, the "party obligee" (which term shall include the other parties, any third-party beneficiary hereunder, and any legal representative thereof) shall be entitled to recover from the defaulting party whatever reasonable attorney's fees, court costs and other expenses said party obligee may incur in enforcing performance.

7. ASSIGNMENT AND SUBLETTING:

(a) **GRANTEE** may assign or transfer this Agreement, however, **GRANTEE** shall remain responsible and obligated to perform all of the obligations and covenants, either expressed or implied, imposed upon and assumed by **GRANTEE** under the terms of this Agreement, unless **GRANTOR** shall relieve and release **GRANTEE** in writing of such obligations and responsibilities with respect to the interest assigned by **GRANTEE**. Should any dispute or controversy arise between **GRANTOR** and ASSIGNEE as to any obligation of the ASSIGNEE or the failure of **GRANTEE** to perform or observe any covenant contained in this Agreement or otherwise affecting this Agreement, the **GRANTOR** shall have the right, at **GRANTOR'S** election, to look solely to the **GRANTEE** to obtain performance of the obligations of the **GRANTEE** or the observance of any express or implied covenant, without the necessity of joinder of any assignee or transferee of the **GRANTEE**, unless **GRANTOR** have relieved or released the **GRANTEE** in writing of such obligations or covenant in dispute or controversy. However, in the event **GRANTEE** makes an assignment and subsequently requests a release of its obligations under this Agreement, then **GRANTEE** shall provide **GRANTOR** a copy of the Assignment together with all necessary evidence of assignee's financial records, operations history and reputation; and depending on such information **GRANTOR** will not unreasonably deny such release.

(b) **GRANTOR** may fully assign or transfer any of its rights hereunder but in such event, it is agreed that any such change, transfer, or division of **GRANTOR'S** rights hereunder shall not operate to enlarge the obligations or diminish the rights of **GRANTEE**. In no event may any assignment of this Agreement ever operate to reduce or extinguish obligations of **GRANTEE** which accrued prior to such assignment or partial assignment.

8. BINDING EFFECT: This Agreement is intended as a covenant running with the **Webb County School Land Tract Subsurface Easement** and shall be binding on **GRANTOR** and any and all personal representatives, successors, and assigns of **GRANTOR**. **GRANTEE** may record a memorandum of this Agreement as evidence of **GRANTOR'S** agreement.

9. NOTICE: Any notice required or permitted to be given or served hereunder upon **GRANTOR** or **GRANTEE** shall be in writing, and the same shall be deemed to have been given, served and received by such party when deposited in the United States Mail, with postage prepaid, by United States Registered or Certified Mail, addressed to such party at the address specified below. If such notice is given otherwise than by Registered or Certified Mail, it shall be deemed to have been given and served when actually delivered to and received by the party to whom it is addressed. From time to time, **GRANTOR** or **GRANTEE** may designate other addresses or recipients of notice for all purposes of this Agreement by giving to the other party not less than five (5) days advance written notice of such change of address or recipient in accordance with the provisions hereof.

For purposes of notice, the addresses of the parties are as follows:

GRANTOR:
Webb County, Texas c/o
Webb County Judge
1000 Houston St., 3rd Floor
Laredo, Texas 78040

&
Webb County Civil Legal Division, c/o
General Counsel/Civil Legal Division
1000 Houston St., 2nd Floor
Laredo, Texas 78040

GRANTEE:
PURSUIT OIL & GAS, LLC.
840 Gessner Road
Suite 850
Houston, Texas 77024

10. ENVIRONMENTAL: As used in this Agreement, the term, "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remedial, removal, or restoration work performed in response to any federal, state, or local government authority or private attorney general action, or pursuant to any federal, state, or local statute, rule regulation or other laws. **GRANTEE** agrees (1) to remove from the covered by this Agreement, if, as, and when required by law, any Hazardous Materials placed or released under and/or upon the "**Webb County School Land Tract**" thereon by **GRANTEE**, (2) to perform Remedial work where the need therefore arises in connection with **GRANTEE'S** operations or activities and/or use of the **Subsurface Easement** under the "**Webb County School Land Tract**", and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by **GRANTEE** and Remedial Work on or associated with this Agreement. Such Remedial Work shall be performed by one or more contractors selected by **GRANTEE** and approved in advance by **GRANTOR**, and under the supervision of a consulting engineer selected by **GRANTEE** and approved in advance by **GRANTOR**. All costs and expenses of Remedial Work made necessary by **GRANTEE'S** operations shall be paid by **GRANTEE**,

including, without limitation, the charges of such contractors and/or the consulting engineer. If **GRANTEE** shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, **GRANTOR** may, but shall not be required to, cause such Remedial Work to be performed. **GRANTEE** promises to notify **GRANTOR** of any claim or other action by any governmental agency or other third party involving the actual or alleged existence of Hazardous Materials **under the “Webb County School Land Tract”** covered by this Agreement, or on **GRANTOR’S** adjoining property, and to provide **GRANTOR** with copies of (1) any notice of any release of Hazardous Materials given to **GRANTEE** pursuant to any law or regulation, and (2) any report of and response to any such incident. **GRANTEE** agrees to indemnify, pay and protect, defend and save **GRANTOR** harmless from all claims, liabilities, fees, and expenses of any kind that arise from the actual or alleged presence or release any Hazardous Material in connection with **GRANTEE’S** operations **under the “Webb County School Land Subsurface Easement Tract”**. This indemnification shall include all reasonably necessary costs and expenses including reasonable attorney's fees in connection with any Remedial Work when performed by **GRANTOR** or any third party in response to any federal, state, or local governmental authority, laws or regulations, due and payable upon demand therefore by **GRANTOR**.

11. MECHANIC'S LIENS: **GRANTEE** agrees promptly to discharge (either by payment or by filing of the necessary bond, or otherwise) any mechanic's, materialmen's, or other lien against the (“**Mineral Acreage**”) Tract covered by this Agreement and/or **GRANTOR’S** interest therein, which liens may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for the **GRANTEE** in, upon or about as a result of the Grantee’s exploration and development of the

minerals underlying the following adjoining described lands and any lands pooled therewith (“**Mineral Acreage**”) Tract covered by this Agreement.

15. MISCELLANEOUS CLAUSES:

15.1 Governing law: This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

15.2 Successors and assigns: This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable by and against the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives.

15.3 Preparation of agreement: The parties hereto expressly agree and stipulate that there shall not be a presumption that this Agreement shall be construed more strongly against the party drafting this Agreement or any paragraph, clause or provision hereof.

15.4 Exhibits: All exhibits attached hereto are incorporated herein by reference and made a part hereof as if fully rewritten or reproduced herein. Any discrepancy between a map or plat and a legal description shall be resolved in favor of the legal description.

15.5 Execution by all parties: This Agreement shall become effective as of the above date shown and upon all parties named below having executed this Agreement either on one or more counterparts.

15.6 Entire agreement: It is agreed that this Agreement covers all the agreements between the parties and that no representations or statements, verbal or Written, have been made modifying, adding to, or changing the terms of this Agreement.

15.7 Recording: In lieu of filing this Agreement for record in the office of the County Clerk in which the lands covered hereby are located, **GRANTOR**, and **GRANTEE** may agree that a memorandum of this Agreement, making appropriate reference hereto shall be filed

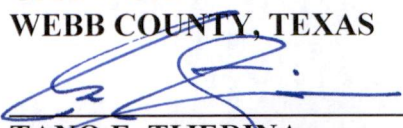
for record in said county. **GRANTEE**, by its acceptance of this Agreement, agrees and obligates itself to all terms and provisions of this Agreement.

15.8 Any rights herein granted in connection with the **Webb County School Lands Subsurface Easement** shall be a right in “Gross” and shall not be construed as an “appurtenant” easement or right-of-way. That is to say, that the right herein granted attaches to and vests only in **GRANTEE** and its successors and assigns, if any, and it is agreed and understood that this grant does not create a “dominant” or a “servient estate” or tenement.


The terms set forth herein shall be covenants running with the land and shall be binding on Grantor’s and Grantee’s respective heirs, executors, administrators, successors and assigns.

This instrument may be executed in multiple counterparts, and if so executed, each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement.

IN WITNESS WHEREOF, this instrument was prepared in duplicate originals and are executed as of the date of each acknowledgment below.

GRANTOR:
WEBB COUNTY, TEXAS


TANO E. TIJERINA
WEBB COUNTY JUDGE
Date: October 3, 2019

GRANTEE
PURSUIT OIL & GAS, LLC.
A TEXAS LIMITED LIABILITY COMPANY


RYAN FITZPATRICK
VICE-PRESIDENT-LAND
Date: October 8, 2019

ATTESTED:

Margie Ramirez-Ibarra
Margie Ramirez-Ibarra
Webb County Clerk



APPROVED AS TO FORM:

Ray Rodriguez
Ray Rodriguez
Assistant General Counsel
Webb County Civil Legal Division*

*The General Counsel, Civil Legal Division's office, may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

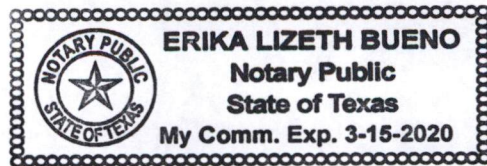
Passed and approved by the Webb County Commissioners Court on August 12th, 2019; Item No. 49.

THE STATE OF TEXAS §

COUNTY OF WEBB §

This instrument was acknowledged before me on the 3rd day of October, 2019 by Webb County Judge Tano E. Tijerina, in his Official Capacity.

Erika Lizeth Bueno
Notary Public in and for the State of Texas



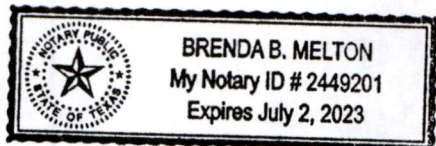
STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was personally acknowledged before me this 8th day of October, 2019 by Ryan Fitzpatrick, Vice-President –Land, for **PURSUIT OIL & GAS, LLC**, a Texas Limited Liability Company, on behalf of said company and in such capacity.

Brenda B. Melton

Notary Public in and for the State of Texas



MARGIE R. IBARRA
COUNTY CLERK
FILED

2019 OCT 22 PM 4:47

WEBB COUNTY, TEXAS

BY VZ DEPUTY

