

PLUGGING AND RECLAMATION AGREEMENT

This Plugging and Reclamation Agreement ("Agreement") is made and entered into this day of _____, 2023, by and between ASHBAUGH FAMILY FARMS, LLC ("Owner") and MDS ENERGY DEVELOPMENT, LLC ("Operator"), sometimes referred to each as a "Party" or collectively as the "Parties."

WITNESSETH

A. **OWNERSHIP.** Owner is the surface owner of certain lands located in Weld County, Colorado as more specifically described as follows ("Lands"):

Township 7 North, Range 59 West, 6th P.M.
Section 10: SW/4

B. **OPERATOR'S OIL AND GAS OPERATIONS ON THE LANDS.** Operator intends to plug or re-plug the Jesse Newton #1, API# 05-123-05389, oil and/or gas well ("Well") on the Lands and desires the right to access as much of the surface and subsurface of the Lands as is reasonably necessary to conduct its oil and gas plugging operations, including but not limited to surveying the Well, staking the Well, obtaining permits, hauling equipment or supplies; reworking, plugging back, deepening, refitting the Well (the "Operations"); and

THEREFORE, for and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties enter into this Agreement to evidence their entire Agreement regarding the payment of surface damages, entry, surface use, and any other matters relating to Operator's use of the Lands as follows:

1. **GRANT OF ACCESS.** Owner hereby grants, demises and conveys to Operator, and its employees, designated agents, and contractors such use of the surface and subsurface of the Property, such ingress, egress and access to the Lands and such easements and rights-of-way on the Lands as may be reasonably necessary and required or convenient for the Operations.

2. **LOCATION.** Operator shall not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations; provided, however that the surface area of Operator's operations will not exceed two (2) contiguous acres without prior written consent from the Owner; and provided further that the access route and Well location will be located as depicted on Exhibit A attached hereto.

3. **CONDUCT OF OPERATIONS.** The Operations on the Lands will be conducted pursuant this Agreement, the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"), and applicable Colorado law. The Operator will make all reasonable

efforts to avoid conducting any operations on the surface of the Location which will cause damage to growing or un-harvested crops.

3. COMPENSATION AMOUNT. The Parties acknowledge that Operator will provide Owner with certain good and valuable consideration, as described in that confidential Letter Agreement of even date herewith, prior to the commencement of Operations for which consideration is agreed to be and constitutes full, complete and final consideration for settlement and complete satisfaction for any and all detriment, depreciation, injury, or damage of any nature to the Lands or crops growing thereon that may occur as a result from Operator's operations pursuant to this Agreement or the Leases. Such compensation shall be deemed full and agreed consideration for all damages caused or created by the reasonable and customary ingress, egress, plugging, work-over, and maintenance operations.

4. ADDITIONAL SURFACE USE PROVISIONS. With respect to its operations on the Lands, Operator will comply with the following provisions:

A. Access:

- (i) All access to the Location shall be directly from the route depicted on Exhibit A without traversing portions of the Lands outside of the Location.

B. Surface Restoration:

- (i) Upon permanent cessation of Operator's operations on the Lands, all areas thereof occupied or utilized by Operator will be restored by Operator to their original condition and contour as nearly as is reasonably practicable.
 - a. Operator agrees to disk the route used to access the Location and the Location.
 - b. Operator agrees to lay manure on the Location and the route used to access the Location.
- (ii) Operator shall consult Owner prior to commencing reclamation work and shall conduct activities reasonably practicable to restore the Lands to their original conditions.

C. Other:

- (i) If by reason of the activities of the Operator on the Location, there is damage to personal property of the Owner, including, but not limited to, livestock, water wells, fences, gates, culverts, bridges, pipelines, ditches, or irrigation systems, Operator will pay full market value, repair, or replace such personal property after consultation with and to the reasonable satisfaction of the Owner within thirty (30) days. Owner shall promptly notify Operator of any items damaged caused by the Operator's activities within six months of completion of the Operations, and Operator shall repair or replace such items after consultation with the Owner within thirty (30) days of the notification.

5. DEFAULT AND RIGHT TO CURE. In the event of alleged default by Operator in the payment of any of the sums provided to be made herein, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner will notify Operator, by certified mail, return receipt requested, of the alleged default. Operator will have 30 days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner may allege default. Receipt of the certified mail shall be deemed effective 3 days after the mailing unless sooner received by Operator.

Except as otherwise agreed in writing, no waiver by Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder will be deemed to be a waiver of any subsequent or continuing breach of the same, nor will any forbearance by Owner to seek a remedy for any breach by the Operator be deemed to be a waiver by Owner of its rights or remedies with respect to such breach; however in no event will Operator be liable for consequential damages.

6. INDEMNITY/RELEASE. Owner hereby releases and agrees to hold harmless Operator from any and all liability and further payment, other than what has been provided herein, for damages on the Lands which arise from, out of or in connection with the Operator's reasonable operations on the Lands, but only as to those operations which are described in and permitted by this Agreement.

Operator agrees to indemnify and hold Owner harmless from any and all claims, damages and causes of action arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the premises at the request of Operator.

7. NOTICE FOR ADDITIONAL OPERATIONS. Operator will comply with COGCC rules and regulations requiring that advance notice be provided to Owner for subsequent operations on the Wells, including, but not limited to, reworking operations thereto.

8. NOTICES. Notice by either Party will be promptly given, orally if possible (with exception of the default notice described in Paragraph 7), with subsequent written confirmation sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by notice to the other:

Owner: Ashbaugh Family Farms, LLC
Jesse Archuleta, Manager
39140 County Road 115, New Raymer, CO 80742-9153

Operator: MDS Energy Development, LLC
409 Butler Road, Ste A
Kittanning, PA 16201

9. BINDING EFFECT. The covenants and conditions herein contained are all of the provisions of this Agreement, and will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, representatives, successors or assigns. Owner agrees to contact any and all tenants of Lands or any other third parties utilizing the surface of the Lands that may be

affected by Operator's activities on the Lands. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement and Operator's right to utilize the surface of the Lands pursuant to this Agreement for the payment of any consideration, if any, due such third party from Owner.

10. ENTIRE AGREEMENT. This instrument contains the entire agreement between the Parties and may not be modified orally or in any other manner other than by agreement in writing signed by all Parties or their respective successors or assigns.

11. COUNTERPARTS. This Agreement may be executed by facsimile, in counterparts, each of which will be considered an original and enforceable against either party.

12. GOVERNING LAW AND VENUE. This Agreement will be governed by, construed, and enforced in accordance with the laws of Colorado. Venue shall be deemed to be in Weld County, Colorado.

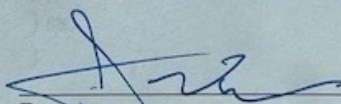
13. AUTHORITY OF SIGNATORIES. The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals.

14. SUCCESSORS. This Agreement constitutes a covenant running with the Lands and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective successors, administrators, trustees, executors, and assigns.

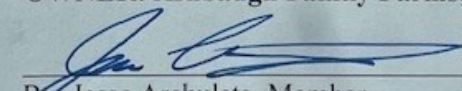
15. TERMINATION. If Operator does not commence operations within One year of this Agreement, the Agreement will terminate in its entirety without penalty to either Party or will otherwise be renegotiated.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

OPERATOR: MDS Energy Development, LLC


By: Justin Dunn, Agent

OWNER: Ashbaugh Family Farms, LLC


By: Jesse Archuleta, Member