



Michael Matison
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August 16, 2024

Vinson Exploration Inc
Attn: Mr. Bryan Vinson
1525 Oliver St
Midland, TX 79701-8541

Sent Via:
Email: bryan@conchogrande.net &
Fed Ex Standard Overnight

RE: Notification of Lease Termination
See Exhibit A

Mr. Vinson,

This letter is intended to provide notice to the addressee (hereinafter, "Lessee"), the owner of a working interest in the University Lands (UL) Oil & Gas Leases (OGL), listed in Exhibit A that a review by UL indicates that Minimum Royalties were not met, invoiced and not paid timely for 2022 and 2023 resulting in terminations under their own terms.

Additionally, UL has received zero royalty payments from April 2021 to current for OGLs 76619, 76620, 76627, and 76628.

Production in Paying Quantities is defined in 1.11(n) of the Board for lease rules thusly:

"(n) "Production in paying quantities" when used in these Rules or in oil and gas Leases, shall mean production in quantities sufficient to yield a return in excess of operating costs. Failure to sell oil or gas for a BOARD FOR LEASE RULES PAGE 5 continuous one-hundred eighty (180) day period will create a rebuttable presumption that the production is not in paying quantities."

In our in-person meeting in my office on Friday, May 3rd, 2024, we discussed all of the above and you offered no rebuttal except to state that you were wanting to get out of the business.

Therefore, consistent with Texas law and its terms and conditions, the OGLs terminated effective January 1, 2024, after which, one hundred percent (100%) of all hydrocarbons produced from the OGL belong to UL.

Termination of the OGLs do not relieve Lessee of any rentals, royalties, or other financial obligations which have accrued, including, but not limited to, the plugging and abandonment of wells drilled under the terms of the OGLs and any related surface reclamation obligations. All remaining oil inventory must be sold, and royalties paid to UL within ninety (90) days of the date of this letter. Once inventory is sold and stock is cleared from the monthly production reports, it is the responsibility of Lessee to notify UL by email (SSawyer@utsystem.edu) to remove any further production reporting requirements. Lessee is required to execute and record the enclosed "Release of OGL" instrument in the applicable county records within thirty (30) days of receipt of this letter, and thereafter, is to promptly provide a recorded copy to UL.

Lessee is responsible for plugging and abandoning all wells drilled and/or completed under the terms of the OGLs, and for restoring the surface of the premises of the OGLs in accordance with the OGL terms, the Rules of the Board for Lease of University Lands, and all applicable state and federal codes, rules, laws, regulations, and procedures.

The obligations of Lessee described herein are mandatory under the terms of the OGLs and require action within the specified time frames. If there are any questions, please contact the undersigned.

Sincerely,



Michael Matison

MJM/lb

CC: Becky Martin, Daniel Gonzales, Dave Williamson, Greg Lundgren, Jeff White, Justin McGill, Lisa Belue, Matt Yates, Michael Taylor, Nick Alejandro, Ryan Kennedy, Samantha Sawyer, Sonya Barguiarena, Steven Brite, OGRregulatory@utsystem.edu

Exhibit A

UL Agreement #	Lessor	Lessee	Agreement Date	County	VOL	PG	SUR	BLK	SEC	Acres	Legal Description	Depths
76619	State of Texas – University Lands	Monsanto Company Transwestern Gas Supply Company Pacific Lighting Gas Development Company	12/07/1977	Crockett	322	111	UL	29	35	320.000	E/2	All Depths
76620	State of Texas – University Lands	Monsanto Company Transwestern Gas Supply Company Pacific Lighting Gas Development Company	12/07/1977	Crockett	322	114	UL	29	35	320.000	W/2	All Depths
76627	State of Texas – University Lands	Monsanto Company Transwestern Gas Supply Company Pacific Lighting Gas Development Company	12/07/1977	Crockett	322	102	UL	29	26	320.000	E/2	All Depths
76628	State of Texas – University Lands	Exxon Corporation	12/07/1977	Crockett	321	440	UL	29	26	320.000	W/2	All Depths

Instructions for Completing the enclosed:

1. Execute the enclosed agreement in the presence of a Notary.
2. Obtain an acknowledgement by the Notary:
 - a. Company Releasers please utilize the top Acknowledgement block provided.
 - b. Individual Releasers please utilize the bottom Acknowledgement block provided.
3. Send the fully executed and notarized agreement to the respective County Clerk's office(s) (along with any appropriate fees) for recording.
4. Upon receipt of a recorded copy, please immediately email to:
UL_LandMinerals@utsystem.edu.

THE STATE OF TEXAS §
 §
COUNTY OF CROCKETT §

RELEASE OF OIL AND GAS LEASES

THIS *RELEASE OF OIL AND GAS LEASES* is effective for all purposes as of **January 1, 2024** (the “*Effective Date*”).

Vinson Exploration Inc. (“*Releasor*”) is the owner of a leasehold interest under those certain *Oil and Gas Lease* instruments, by and between the State of Texas and the Board for Lease of University Lands (“*Lessor*”) and the respective Lessee(s) more particularly described on the attached Exhibit “A” (the “*Leases*”).

In accordance with the provisions of the Leases and *Texas Education Code* Section 66.76, Releasor does hereby RELEASE, RELINQUISH AND SURRENDER to Lessor, its heirs, representatives, successors and assigns ALL ITS RIGHT, TITLE AND INTEREST in and to the Leases.

This instrument is executed by the undersigned, a duly authorized representative of Releasor, as of the date of acknowledgement below, effective for all purposes as of the Effective Date.

Signature: _____

Printed Name: _____

Title: _____

Exhibit "A"

Attached to and made a part of that certain *Release of Oil and Gas Leases* by Vinson Exploration Inc., dated effective January 1, 2024

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76628	State of Texas – University Lands	Exxon Corporation	12/07/1977	Crockett	321	440	UL	29	26	320.000	W/2	All Depths