

## **MINERAL RESERVATION LANGUAGE IN VESTING DEED**

“GRANTOR hereby reserves, retains and excepts from this conveyance (a) all of the oil, gas and associated hydrocarbons in, on or under the Property, but excluding all other minerals and clays, sand, gravel, aggregate and other mined or quarried stone or rock materials, and ore deposits of any kind or character, with full rights of ingress and egress for the purpose of searching for, drilling, and/or mining for, producing, developing, using, saving, manufacturing and transporting any of such oil, gas and hydrocarbons by pipelines or vehicles, and (b) all interest in (i) all rights to groundwater (defined below) in and under the Property which shall be extracted from those reserved surface easement areas consisting of not more than nine (9), three-acre water drilling and extraction pads at the locations shown on the maps attached, including without limitation the right to access, explore for, drill for, capture, produce, pump, withdraw, remove, develop, test, treat, transport from the Property and/or otherwise beneficially use groundwater for any purpose, including the commercial development and sale of such groundwater; and any and all real and personal property rights, appurtenances, authorities, licenses, consents, permits, and contracts, if any, relating or pertaining to the groundwater, including, without limitation, ownership of all equipment, personal property, and/or fixtures used in connection therewith, and the right to take any legal or regulatory action with respect thereto; and (ii) subject to the rights of the mineral interests, the rights of ingress and egress to that portion of the Property on which the easements relating to which are reserved herein and the right to conduct surface and subsurface operations and to use the surface and subsurface (including existing roads) and to construct, repair, replace, maintain, operate, and utilize on, in or under the Property such roads, pipelines, equipment, utilities and other improvements and facilities as are reasonably required to access, explore, drill, capture, produce, pump, withdraw, remove, develop, test, treat, store, process, market and/or transport water and any other activities reasonably related thereto, together with an easement on, under and across the portions of the Property on which the easements relating to which are reserved herein for improvements reasonably related and necessary to such activities and any sanitary control easements or other protective measures required by law that relate to the protection of water infrastructure and water supplies at those locations the easements relating to which are reserved herein. GRANTEE may request that GRANTOR approve the relocation of a water drilling or extraction pad site, with GRANTOR’S approval not to be unreasonably withheld.

Prior to conducting any such surface or subsurface activities related to the drilling or extraction of groundwater, GRANTOR shall provide advance notice to GRANTEE along with a survey or GIS coordinates showing the location and extent of the groundwater-related operations it intends to conduct on the Property. As compensation for surface damages attributable to the reserved pad sites, GRANTOR shall pay GRANTEE an amount equal to \$1,850 per acre (with such price per acre increased by the increase in the Consumer Price Index from December 2013 to the month in which GRANTOR provides GRANTEE with such notice of its intention to commence drilling operations) for the area on which such drilling and extraction pad is located. Such payments shall be made prior to commencement of GRANTOR’S commencement of operations. GRANTEE may harvest all timber located on the pad sites after such notice has been provided by GRANTOR. GRANTEE must approve the location of any pipeline or other easements for the transportation of the water extracted from the pad sites, and GRANTOR shall compensate GRANTEE for any easements approved by GRANTEE in such amounts as agreed to by GRANTOR and GRANTEE. GRANTOR shall also compensate GRANTEE for damages to any portion of the Property located outside of the pad sites and pipeline easements caused by GRANTOR, including but not limited to, damages to standing and down timber, crops, fences, gates, roads and other improvements located thereon. If GRANTOR and GRANTEE are unable to agree on the amount of such damages within ninety

(90) days following the event which resulted in the damages, the amount shall be determined by an appraiser and each party shall pay one-half of the cost of the appraisal. GRANTEE shall have the right to use any roads constructed by GRANTOR. GRANTOR must maintain any existing roads used by GRANTOR in its operations. GRANTOR shall clean up the area on which such operations were conducted and remove all machinery, equipment, pipelines and other improvements within a reasonable period of time following cessation of operations.

GRANTOR'S right to extract groundwater shall terminate as to any of the three separate tracts (i.e., the Bateman Tract, the Operation Whitetail Tract and the Needmore Tract) if drilling operations have not commenced by January 1, 2034 on any single pad located on one of the three tracts. For example, if GRANTOR has commenced drilling operations as to any of the three (3) designated pads on the Bateman Tract prior to January 1, 2034, GRANTOR'S right to extract groundwater therefrom shall not terminate as to any of the pads or reserved groundwater rights on the Bateman Tract.

For the purposes hereof, groundwater means all water in and under the Property including without limitation, any and all percolating water, artesian water, stored water and any other water from or within any and all depths, formations, strata, horizons, aquifers and any other sources below the surface of the Property. Nothing herein shall prevent GRANTEE, its successors and assigns, from using groundwater for domestic, household, recreational and other non-commercial uses, including, but without, limitation, for watering livestock and crops. It is the intention of GRANTOR and GRANTEE that neither GRANTEE nor its successors and assigns shall use the groundwater for commercial purposes, but that any other use by GRANTEE, its successors and assigns, shall be permitted. As used herein, "commercial purposes" shall mean the production of groundwater from the Property for sale to third-party purchasers.