

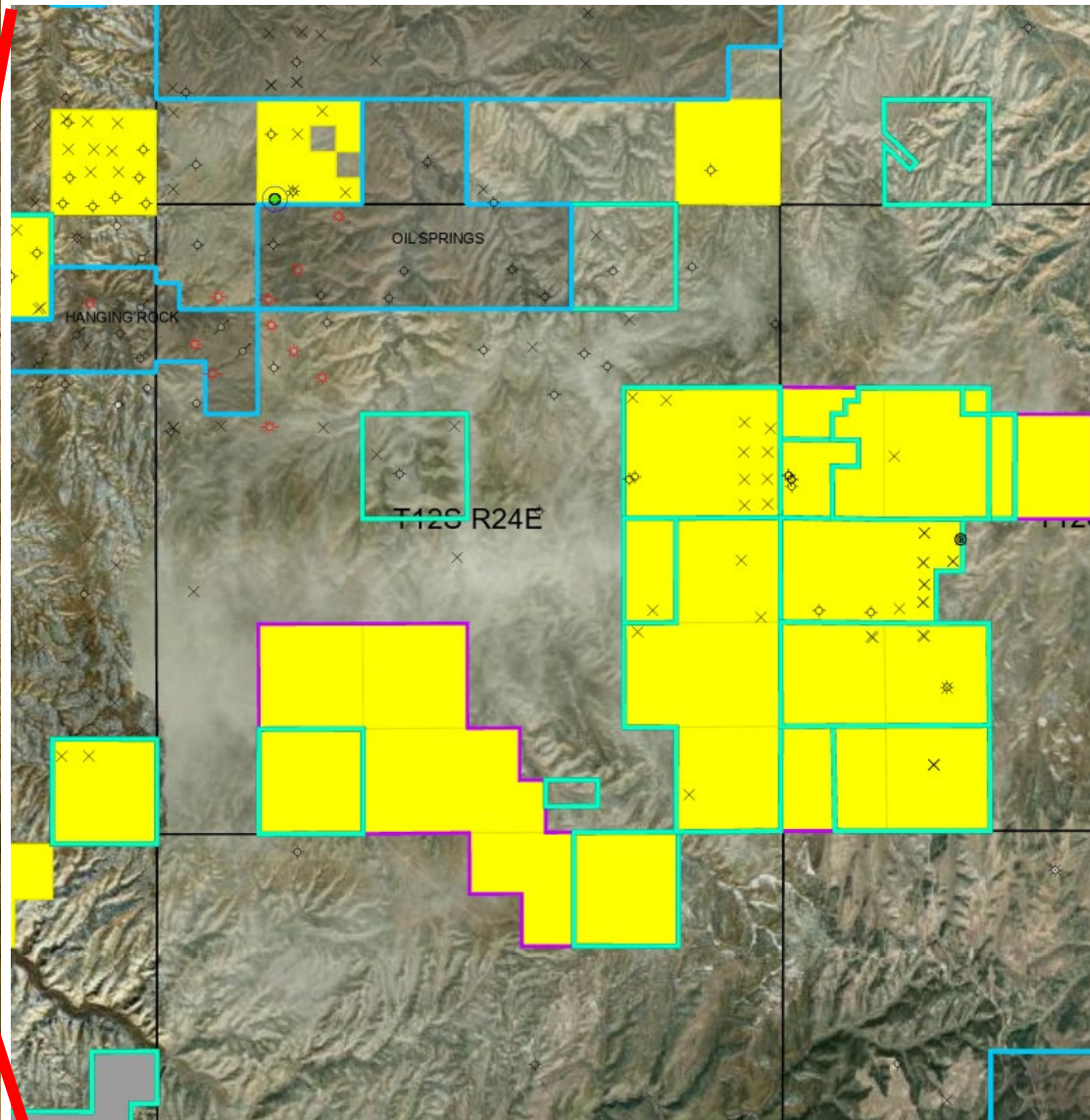
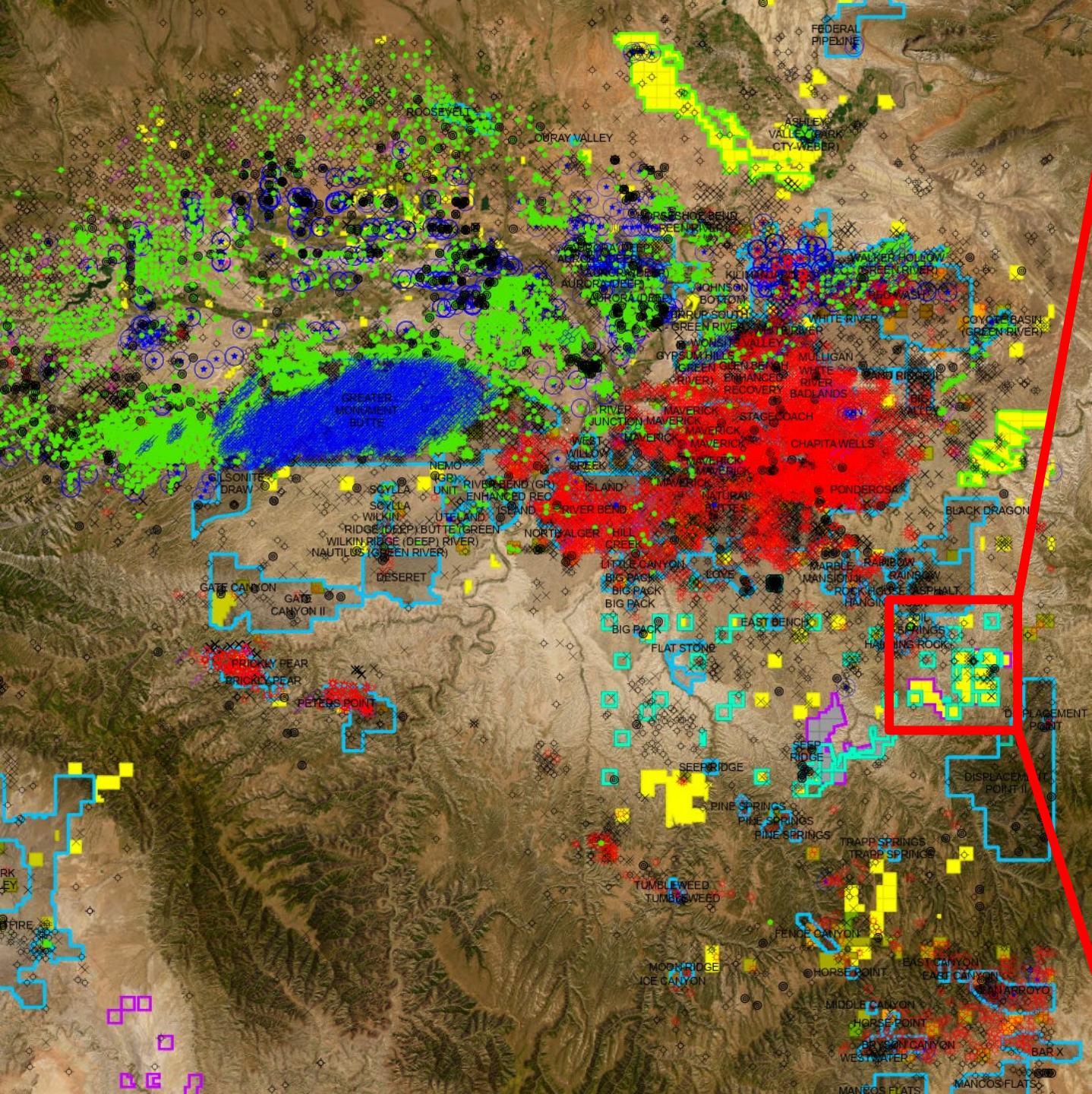
Board Meeting

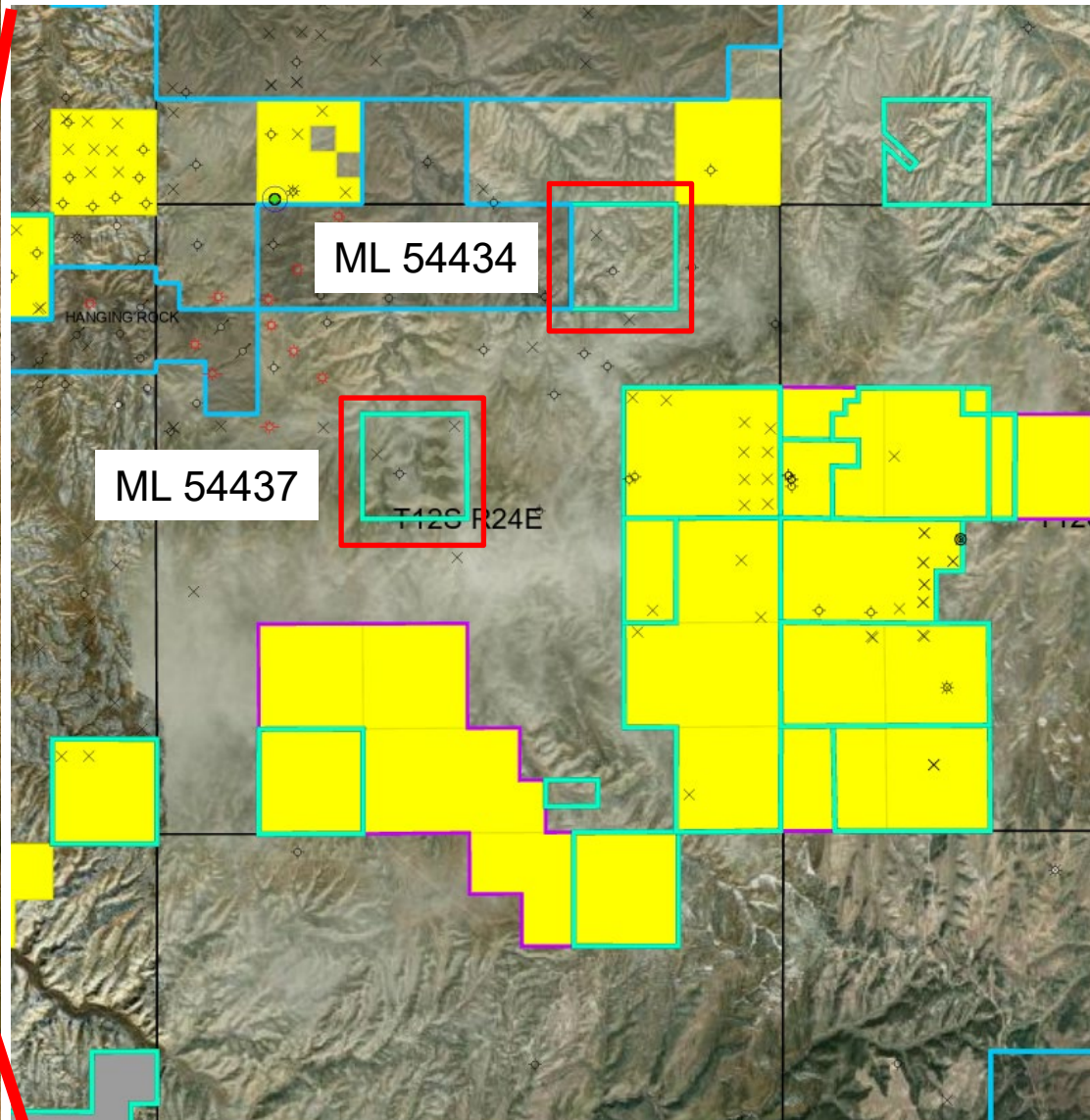
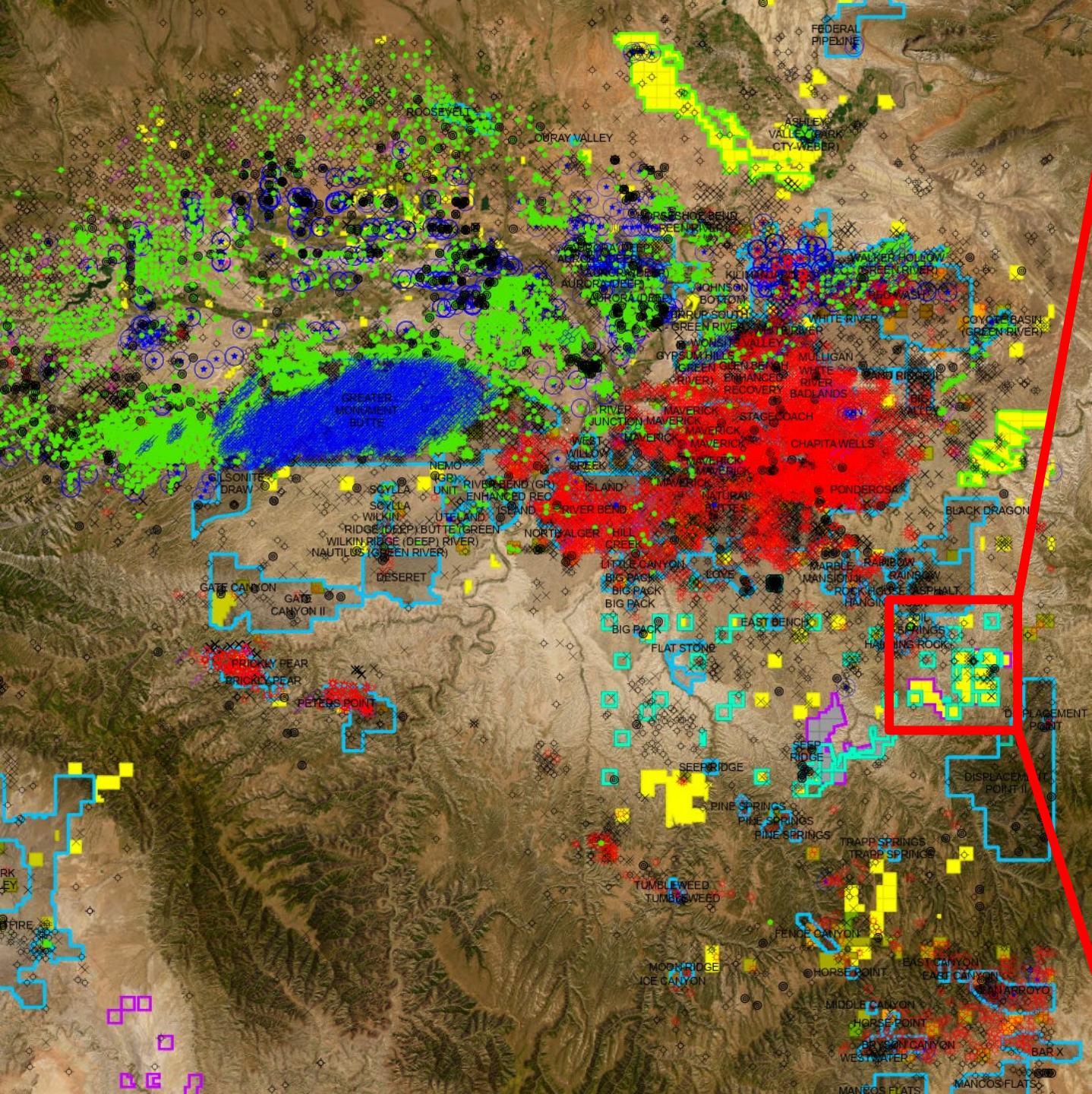
April 18, 2024

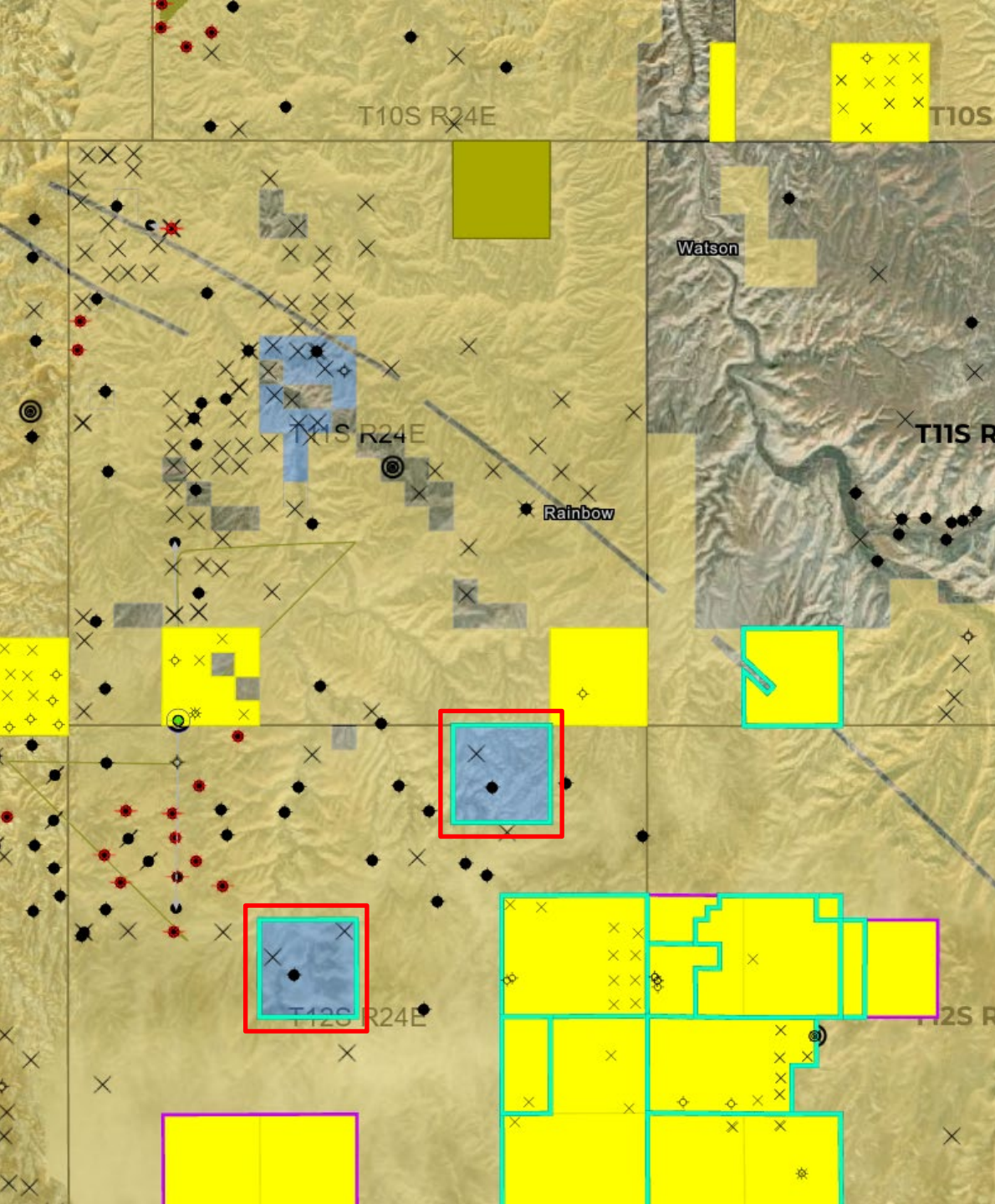
Stephanie Barber-Renteria & Chanse Rinderknecht
Energy & Minerals



International Petroleum, LLC
(Bro Energy)
Big Park OBA







Bro Energy Offer

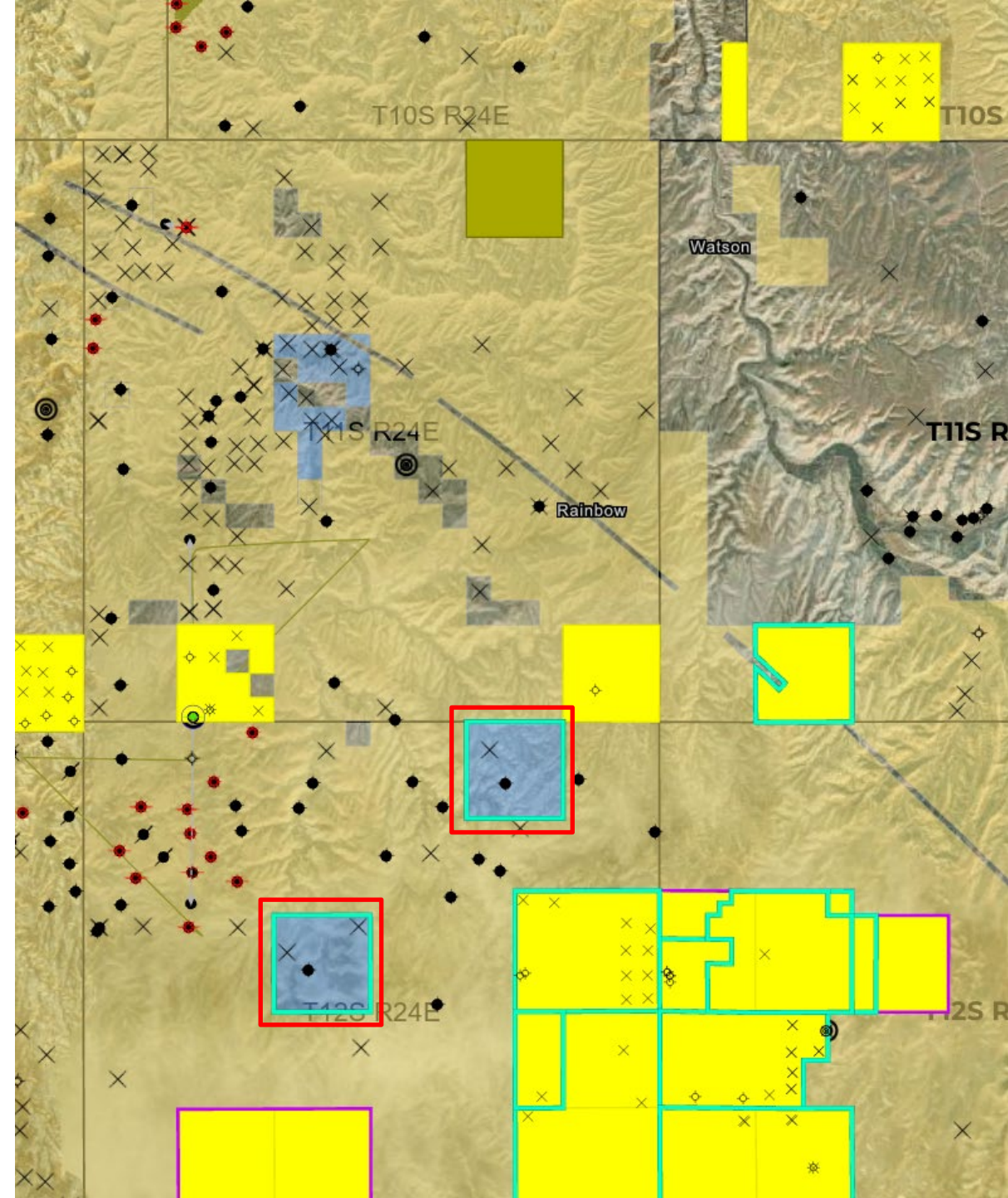
T12S R24E Section 16

T12S R24E Section 2

- \$429.63/acre bonus payment (\$550,000)
- 16.67% royalty rate
- 5-year primary term
- If a well is not drilled within 24 months Bro will pay a \$250,000 penalty...
- If Bro sells its interest in these leases within 18 months, then TLA receives 25% of net proceeds
- After Bro reaches payout plus 10%, they pay an additional \$250,000

Benefits to TLA

- Great bonus payment (\$550,000)
- 2-year drilling penalty forces action
- Additional \$250,000 bonus payment after payout
- Any divestiture results in a 25% which would be both monetarily beneficial but also discourages selling the leases
- Bro is highly motivated, has funding, is ready to work with others, and can bring in their own rig



Requested Agency Action

The agency requests that the Board approve the OBA and offers the following proposed motion:

"I Move to approve the Big Park OBA on the terms set forth in the Board Memorandum and to have the agency take all further actions necessary to finalize the transaction."

Questions?