

The background of the slide is a photograph of a desert landscape. In the foreground, there is a cactus with several bright red, five-petaled flowers. The cactus has thin, green, needle-like leaves. Behind the cactus, there are dry, light-colored branches and some sparse green vegetation. The ground is sandy and light-colored. The overall scene is bright and sunny.

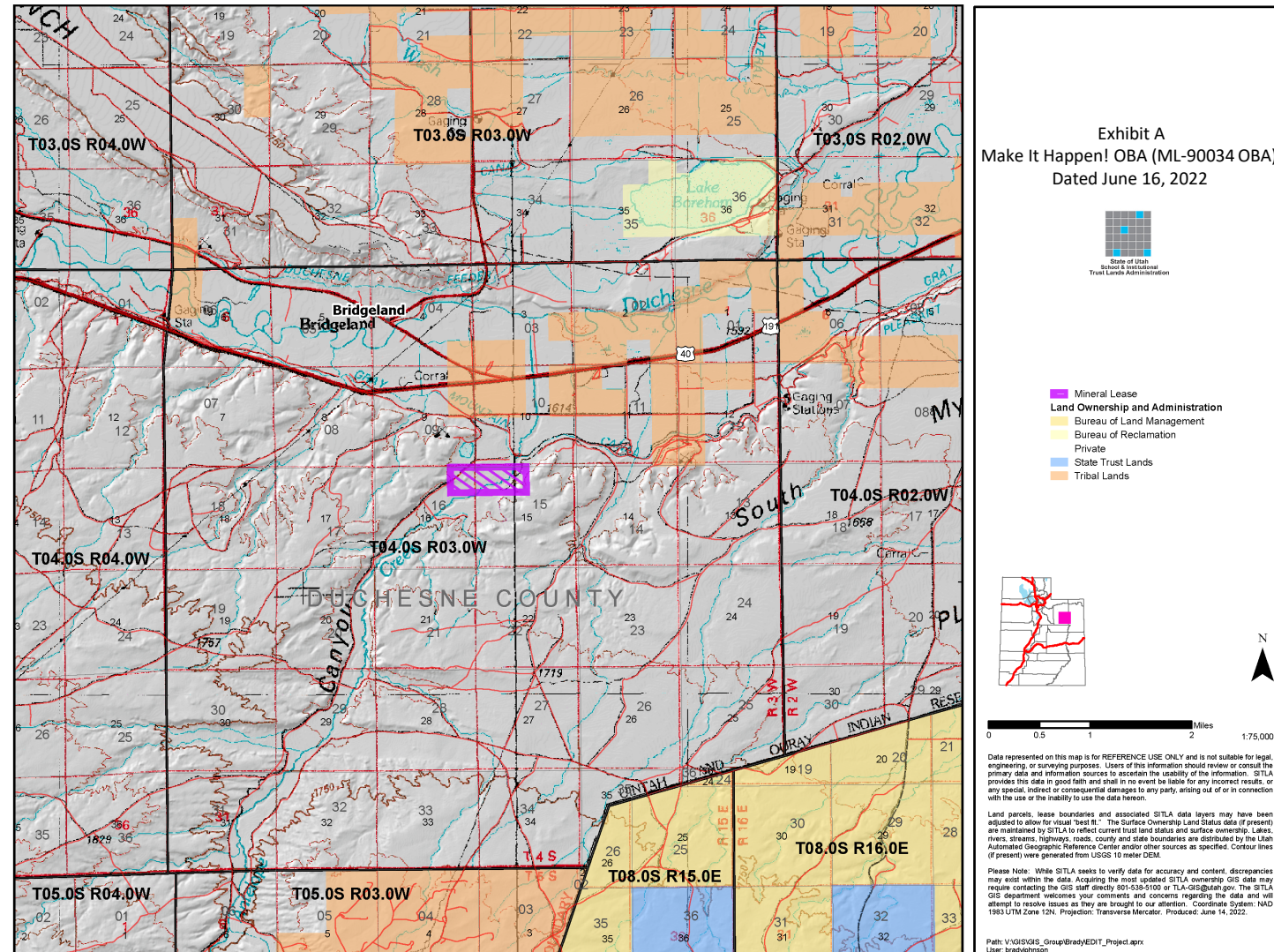
Make It Happen! OBA

SITLA Board of Trustees Meeting: 6/19/2022

Chanse Rinderknecht- Lease Manager/ Oil & Gas
Energy & Minerals Team

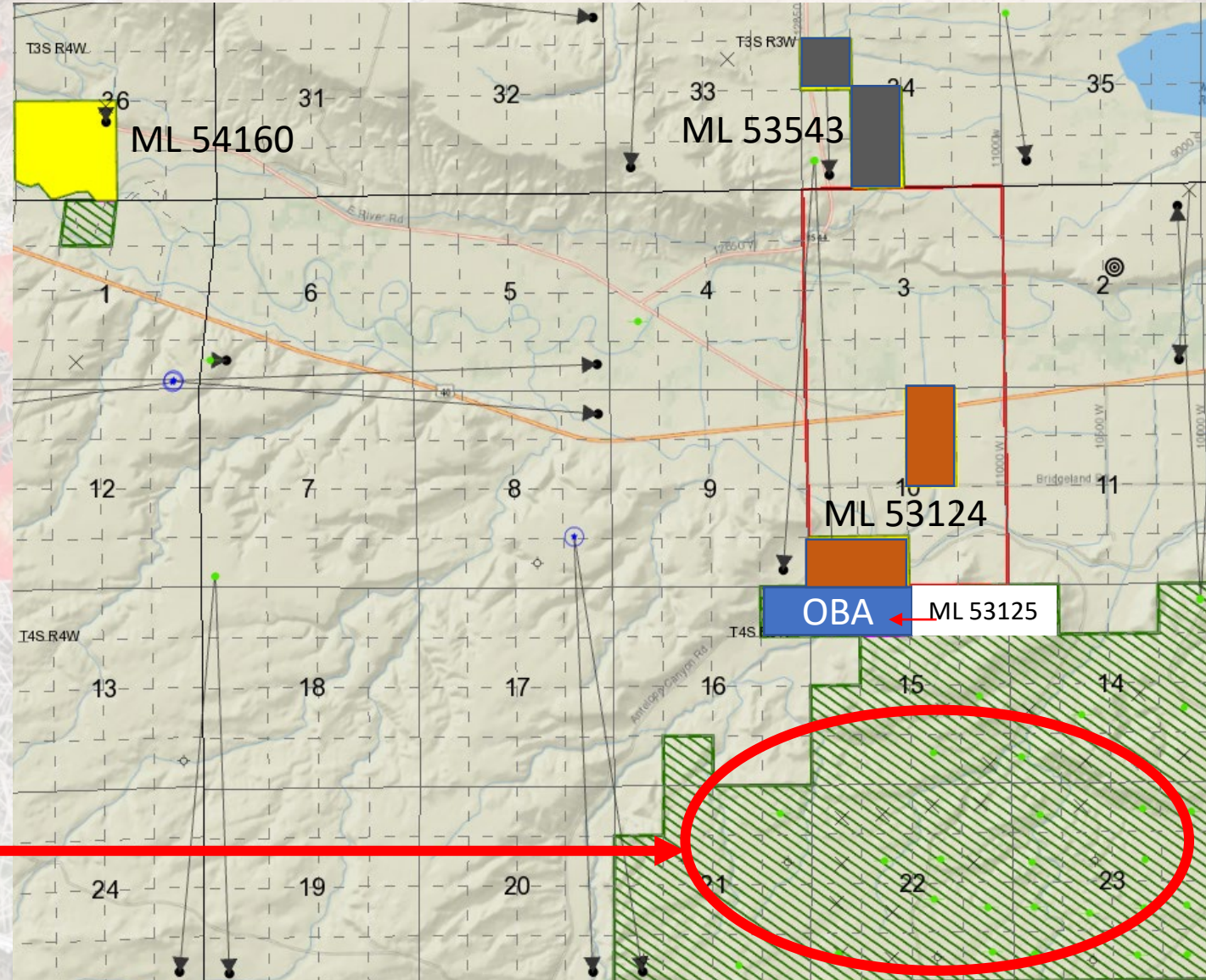
OBA Key Terms

1. Issue International Petroleum new lease covering approximately 120 acres for the exploration and production of oil
 - Predicated on the stacked fluvial-deltaic channel sandstones of the Green River Formation
 - OBA is in the Duchesne Fault Zone
2. A Paid-up Bonus of \$1,000/acre for 2-year primary term (no rental payment during primary term) with a royalty rate of 17.5%
3. International Petroleum will drill or have production allocated to the lease within 18 months on or before January 1, 2024
 - Failure to drill or have production by this date will result in a \$100,000 liquidated damages payment to SITLA
4. International Petroleum can option to extend the lease two years by paying an additional \$20,000 (\$120,000 total).



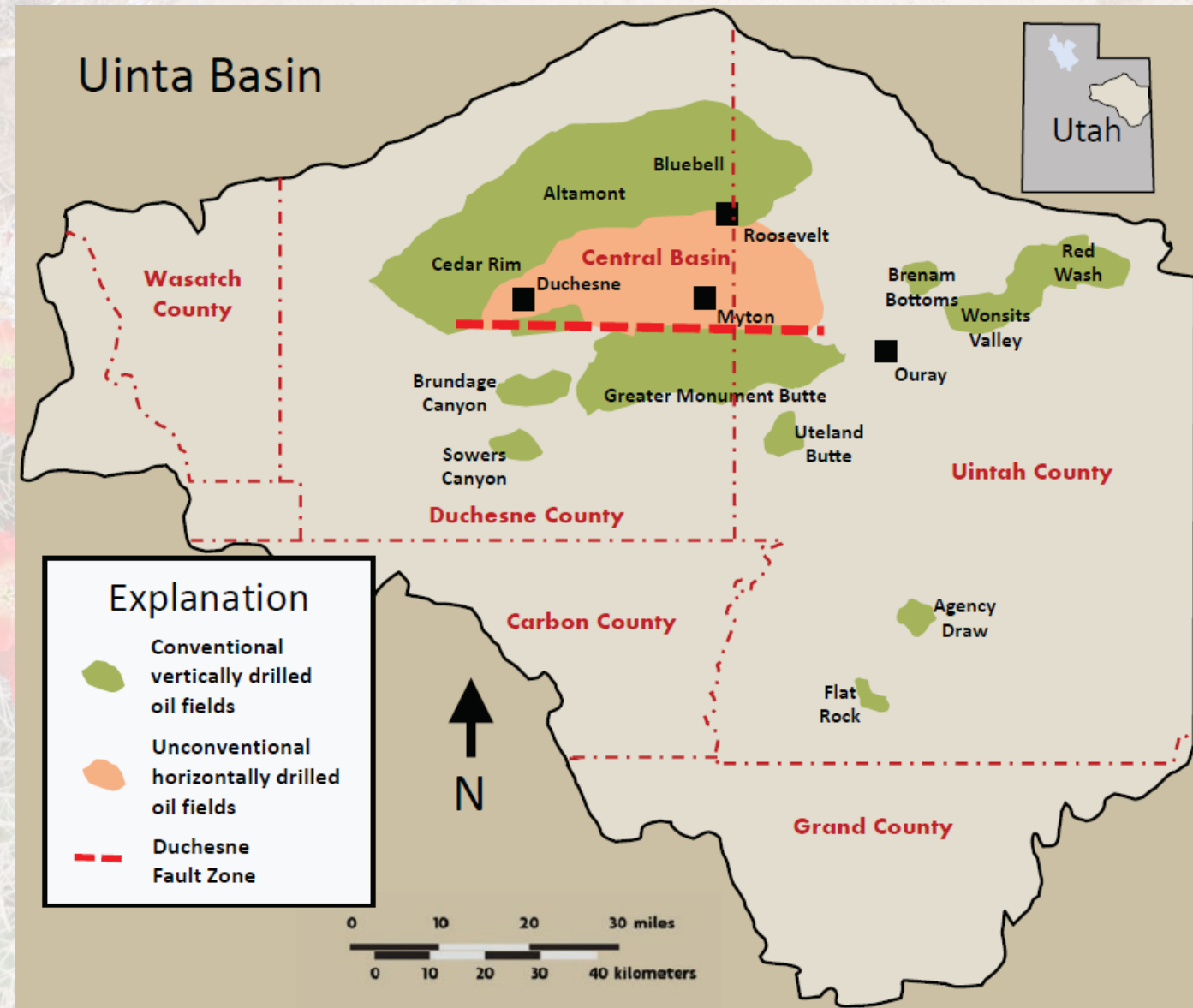
OBA Comparison & Production

1. **ML 53124 Quinex Energy Corporation**
 - \$131,928 bonus payment (\$824.55/acre)
 - 5-year primary term beginning 03/01/2015 at 16.67% royalty
 - API 4301353578 produces ~1,500Bbls oil & 7,000 Mcf gas
2. **ML 53543 Ovintiv USA INC.**
 - \$5,076 bonus payment (\$5,076/acre)
 - 5-year primary term beginning 06/01/2017 at 18.75% royalty
 - API 4301353001 produces ~3,000Bbls oil & 10,000 Mcf gas
3. **ML 54160 WEM Uintah II, LLC**
 - \$5,612 bonus payment (\$5,612/acre)
 - 5-year primary term beginning 09/01/2022 at 16.67% royalty
 - In primary term
4. **ML 53125 Quinex Energy Corporation (EXPIRED)**
 - \$65,965 bonus payment (824/acre)
 - 5-Year primary term beginning 03/01/2015 at 16.67 % royalty
5. **Duchesne Fault Zone & Production Difference**
 - 0-300 Bbls



Benefits To SITLA

- Comparable bonus (\$1,000/acre) payment with 17.5% royalty
- Two-year primary term forces quick action with penalty payment if terms are not met
- Provide geologic data within the Duchesne Fault Zone



A photograph of a desert landscape. In the foreground, a cactus with numerous thin, light-colored spines is covered with several bright red, five-petaled flowers. The cactus is surrounded by dry, tangled brush and branches. The ground is sandy and light-colored, with some small rocks and debris scattered across it. The overall scene is arid and sunlit.

Questions?