

## PURCHASE AGREEMENT (OIL & GAS PROPERTY)

BIDDER # \_\_\_\_\_

This Purchase Agreement made the 18<sup>th</sup> day of May, 2017 by and between Seller/Sellers: Kim Elaine Davis, John Roy Davis, Sue Davis Pendell, Robert Link Davis, William Dewight Davis, Deirdre Ann Davis, Deborah Claire Mote, Mary Claire Davis whose address is: c/o Steven Greever, 11200 FM 759 Spearman, TX 79081

Buyer's Name: \_\_\_\_\_

**Buyer's Qualification:** Buyer hereby acknowledges and represents that Buyer is experienced in the oil & gas business and is aware of the risks associated with purchasing oil & gas properties. Buyer's assessment and value of the Property is determined solely by Buyer's independent evaluation and not by any statement or representation from Mineral Marketing LLC or the Seller.

**Agreement to Purchase:** In consideration of the sum as described below, the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell to Buyer, by a Mineral Deed (without warranty) and Buyer agrees to purchase from Seller, pursuant to the terms and conditions hereinafter set forth, the oil, gas and other minerals in, on, under and that may be produced from the following property, to-wit:

Tract # \_\_\_\_\_

Legal Description \_\_\_\_\_

**Price:**

High Bid Price.....\$ \_\_\_\_\_

5% Buyer's Premium.....\$ \_\_\_\_\_

Total Purchase Price.....\$ \_\_\_\_\_

Non-Refundable Down Payment/Deposit.....\$ \_\_\_\_\_

In U.S. Funds, based on 10% of the Total Purchase Price, to be held in a non-interest bearing escrow account by Closing Agent.

Balance of Purchase Price.....\$ \_\_\_\_\_

In U.S. Funds, due at Closing, not including Buyer's Closing Costs or financing costs, prepaids or prorations, in immediately available cash or by confirmed wire transfer.

**Closing Agent:** The Closing shall be at the offices of: Covenant Title  
210 S. Main St.  
Perryton, TX 79070  
(806) 434-3410

Initial: \_\_\_\_\_  
Buyer Seller

**Title:** Transfer of the Property will be conveyed by Mineral Deed (without warranty) in a form and substance reasonably acceptable to properly convey title and subject to instruments filed of record of record. Abstracts and/or title documentation will not be provided by Seller. It shall be Buyer's sole responsibility to examine all records concerning title to satisfy Buyer of title condition. **Buyer must notify Seller in writing of any valid title objections no later than June 7, 2017**, or all title objections will be waived. Notification to Seller is to be sent in care of Closing Agent at the address listed above. Seller shall have a reasonable amount of time to satisfy requirements. The Seller agrees to use Seller's best efforts to deliver merchantable title to the Buyer; however, if delivery of merchantable title is determined to be legally impossible or economically unreasonable, Seller may rescind this contract, return the Earnest Money to Buyer, and neither party shall thereafter have any further obligation to the other.

**Property Taxes:** If the property is located in a state requiring the payment of mineral property tax, the current year taxes shall be prorated between Buyer and Seller to the effective date of ownership transfer. Current year taxes, if unobtainable, will be based on the latest available tax rate and assessed valuation.

**Closing:** The Buyer and the Seller agree to close this sale on or before **June 23, 2017**, or within (5) days after all valid title requirements, if any, are met, or within (5) days after Buyer passes title without requirements, or fails to make title requirements within the time allowed. At the Closing the balance of the purchase price shall be paid by the Buyer in Cash, Electronic Transfer of Funds, or Certified Funds, and all documents necessary to pass title will be exchanged and delivered to Buyer. Closing is to be at the office of Closing Agent. The Closing/escrow fee is to be paid ½ by the Seller and ½ by the Buyer. Buyer shall pay for recording fees.

**Production:** In the event production exists in reference to the property being sold, Seller shall maintain all royalty payments for production, through the month of Closing. Buyer shall be entitled to royalty payments, if any, for production thereafter, and shall be responsible for informing all operators, payors and any other party of the change of ownership, although Seller will cooperate as reasonably requested to effectuate any change of ownership upon request. Seller will not execute any new lease, or modify the terms and conditions of any existing contract or agreement affecting the Property without the prior written consent of the Buyer.

**Default:** If Buyer should fail to complete the purchase agreement according to the terms listed herein, the 10% Earnest Money shall be paid as liquidated damages to Seller and one-half (1/2) thereof shall be retained by Mason & Morse Ranch Company LLC (auction services).

**Mason & Morse Ranch Company, LLC (Auctioneer) Disclaimer:** It is expressly understood by the Seller and Buyer that Auctioneer, their associates, agents and representatives do not warrant the present or future value, the size or area, the physical condition, limiting restrictions, access, costs, anticipated profit/loss, or the condition of title and/or merchantability to any property being offered within this agreement. The parties hereto will hold harmless Auctioneer, their associates, agents and representatives for any claims arising out of any representation or misrepresentation relating to such matters. All Parties specifically understand and agree that said property is being sold "AS IS, WHERE IS" without representation or warranty of any kind, other than as expressly set forth herein.

**Binding Effect:** This Agreement shall be binding upon the parties hereto and on their respective heirs, legal representatives, successors and permitted assigns. This Agreement sets forth the complete understanding of Seller and Buyer and supersedes all previous negotiations, representations and agreements between them. This Agreement can only be amended, modified, or assigned by written agreement signed by both Seller and Buyer. In the event of litigation arising out of this agreement the parties hereto agree to both jurisdiction and venue in Ochiltree County, Texas.

**Acceptance Time:** The Buyer understands this is an absolute auction and has read this contract. An executed contract with Buyer Signature, Seller Signature and escrow payment will be required at the conclusion of the auction. Buyer also understands that Steven Greever is acting as an attorney-in-fact for the sellers of this oil and gas property.

IN WITNESS WHEREOF, this Agreement has been executed by the parties.

Initial: \_\_\_\_\_  
Buyer                      Seller

**BUYER SIGNATURE (authority):** \_\_\_\_\_

Buyer Name (print name): \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

**SELLER SIGNATURE (authority):** \_\_\_\_\_

Seller Name (print name): \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

**THIS IS A BINDING CONTRACT, IF NOT UNDERSTOOD SEEK LEGAL ADVICE**

***Earnest Money Receipt:** Title Company: \_\_\_\_\_ Received the sum of  
\$ \_\_\_\_\_ (Check, Cash, Wire transfer) as Earnest Money, to be held and applied in  
accordance with the terms and conditions of the foregoing offer.*

*Closing Agent:* \_\_\_\_\_ *Date:* \_\_\_\_\_

Initial: \_\_\_\_\_  
Buyer Seller