

## SELLER'S AGREEMENT FOR THE SALE OF OIL AND GAS PROPERTIES

**THIS AGREEMENT for the Sale of Oil and Gas Properties** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, between **EnergyNet.com, LLC**, 7201 W. Interstate 40, Ste 319, Amarillo, TX 79106 and \_\_\_\_\_ (hereinafter "**SELLER**") whose address is \_\_\_\_\_

whose EnergyNet Seller ID (Username) is \_\_\_\_\_

**IN CONSIDERATION** of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency which are hereby acknowledged, **SELLER** and **EnergyNet.com, LLC** agree as follows:

### EXCLUSIVE RIGHT TO SELL

**SELLER** hereby grants to **EnergyNet.com, LLC** the exclusive right to sell the Properties of **SELLER** identified by **SELLER** on any "**Property Listing Agreement**" submitted by **SELLER** to **EnergyNet.com, LLC** (hereinafter "Property" or "Properties" whether used in the singular or plural tense or properties making up a lot). A **Property Listing Agreement** is not effective until signed by both **SELLER** and **EnergyNet.com, LLC**. An example of a **Property Listing Agreement** is attached as Exhibit "A". The sale of the Properties will be subject and pursuant to the terms and conditions of this Agreement as may be amended as provided herein, any additional terms as posted on the Lot, Property Narrative, **Property Information Page**, or Additional Information on the **EnergyNet.com, LLC** Website ("the Website"), and additional terms on the **Property Listing Agreements** that have been accepted by **EnergyNet.com, LLC** in a writing executed by **EnergyNet.com, LLC**. In the event of any conflict in terms and conditions, the terms and conditions of a **Property Listing Agreement** executed by both **SELLER** and **EnergyNet.com, LLC** will control.

### SALE OF PROPERTIES IN AUCTION OR SEALED BID

In the Auction, Sealed Bid or other designated sale method (hereinafter "Sale Process"), **SELLER** may offer Properties for sale with or without a minimum reserve sales price. A specific date and time can be designated for the beginning and ending dates and times that potential **BUYERS** may make bids or offers on the Property in the Sale Process.

In an Auction Sale Process, the Properties are offered for sale through **EnergyNet.com, LLC**'s auction platform conducted on the Website. **BUYERS** will bid on the Properties until the ending date and time of the auction. **BUYER** with the highest bid or offer at the ending time and date whose bid or offer meets the minimum reserve sales price (if any) or the **BUYER** whose bid or offer is accepted by **SELLER**, will be obligated to purchase the Property for that price.

In a Sealed Bid Sale Process, the **SELLER** will receive sealed bids offered by the **BUYER**. The **SELLER** has the right to accept or reject any offer at any time. If **SELLER** offers the Properties in a Sealed Bid Sale Process and **SELLER** chooses to accept an offer, the **SELLER** must accept the offer in writing. This Agreement will govern the transaction(s) between **SELLER** and **BUYER** unless and until the **SELLER** and **BUYER** execute a separate purchase and sale agreement. If **SELLER** and **BUYER** execute a separate purchase and sale agreement, the terms of the purchase and sale agreement will control over any similar or related terms in this Agreement for the Properties that are the subject of the purchase and sale agreement. If the **SELLER** and **BUYER** enter into a purchase and sale agreement, the terms of this Agreement will apply to: (1) the Properties not conveyed in the purchase and sale agreement, if any; and (2) Properties conveyed by the purchase and sale agreement but only to the extent the purchase and sale agreement is silent as to terms in this Agreement. Notwithstanding anything to the contrary in this Agreement, the terms of this Agreement will control over the terms of any purchase and sale agreement entered into between **SELLER** and **BUYER** with regard to the duties and obligations between **EnergyNet.com LLC** and either **SELLER** or **BUYER**. No purchase and sale agreement between **SELLER** and **BUYER** will alter Fees and Commission Schedule payable to **EnergyNet.com LLC** as set out in Exhibit "C".

For any Sale Process, **SELLER** shall prepare an assignment that conveys the Properties. **SELLER** hereby acknowledges and agrees that the assignment prepared by **SELLER** is the controlling document with regard to the interest that is conveyed by the **SELLER**. In the event of a conflict between the assignment and this Agreement, the assignment will control. As between **SELLER** and **BUYER** the terms and conditions of the assignment provided by the **SELLER** and displayed on the Website shall supersede and control over any conflicting terms and conditions in this Agreement or in the Buyer's Agreement.

### SELLER'S REPRESENTATIONS, AGREEMENTS, WARRANTIES AND ASSURANCES

#### *I. OWNERSHIP*

**SELLER, if an individual, represents SELLER** is of legal age and has the capacity to enter into this Agreement. **SELLER** represents it is the sole owner, agent, fiduciary or trustee of Properties identified by **SELLER** on each **Property Listing Agreement** submitted to **EnergyNet.com, LLC**. If **SELLER** is a corporation, partnership or limited liability company, **SELLER** warrants and represents that the consummation of the transactions contemplated by this Agreement will neither violate nor be in conflict with any provision of the applicable Articles of Incorporation, By-Laws, Partnership Agreements, and/or Company Agreements and that the transactions contemplated by this Agreement have been duly and validly authorized by **SELLER**. Except as specifically set forth in this Agreement, **SELLER** represents that its execution of this Agreement will not conflict with or result in any breach, violation or default of any contract, loan, note or credit agreement of **SELLER**. **SELLER** further represents that no third-party consent is required for **SELLER** to sell Properties. **SELLER** further represents that there is no litigation, proceeding or investigation pending or threatened against **SELLER** relating in any way to the Properties. **SELLER** further represents that, except as set forth in the **Property Information**, the Properties listed are free and clear from all encumbrances, liens, mortgages, pledges, production payments, and security interests created by **SELLER**, and any other defects of title that adversely affect or interfere with the operation or use of the Properties as currently operated or used or the ownership or value thereof. **SELLER** has not incurred any obligation or liability contingent or otherwise other than those usual in day-to-day management, and **SELLER** has the authority to enter into this Agreement and to fully and freely convey the Properties identified on each **Property Listing Agreement** submitted. **SELLER** will not assign, dispose or encumber any Property submitted on a **Property Listing Agreement** during the Sale Term identified in Paragraph 19, without the prior written consent of **EnergyNet.com, LLC**

**SELLER** is to disclose to **EnergyNet.com, LLC**, for review by potential **BUYERS**, all mortgages, liens, encumbrances and contractual obligations that burden the Properties. **SELLER** is to provide **EnergyNet.com, LLC**, for review by potential **BUYERS**, all pertinent documentation and releases as to outstanding mortgages, liens, encumbrances and contractual obligations if noted in said **Property Information** or if discovered by potential **BUYERS** ten (10) working days prior to EnergyNet.com, LLC beginning the Sale Process for the Property. **SELLER** agrees and acknowledges that certain Properties subject to mortgage liens may be subject to the mortgagee attending the closing, receiving funds to fully satisfy said mortgage and paying all costs associated with any such release or recording of any release. At or before closing, **SELLER** shall pay and fully satisfy any such liens and obtain a release of any such liens. Encumbrances are allowed for gas imbalances and preferential rights of purchase as discussed below, **SUBJECT TO FULL DISCLOSURE OF THE SAME AND ACCEPTANCE THEREOF BY BUYER**. Such Acceptance by **BUYER** shall be by **BUYER'S** placement of any bid or offer on said Properties.

**SELLER** represents **SELLER** is engaged in the business of exploration for or producing oil, gas and other minerals as an ongoing business.

## 2. FURNISHING OF INFORMATION

**SELLER** hereby agrees to provide, if reasonably obtainable, to **EnergyNet.com, LLC** all well data for Properties listed on **EnergyNet.com, LLC's Property Information** request attached as Exhibit "B" hereto. Upon request of **EnergyNet.com, LLC** or a potential **BUYER**, **SELLER** agrees to cooperate and furnish all additional data requested outside of data identified on Exhibit "B", if reasonably obtainable and in **SELLER'S** possession, including but not limited to: all records and instruments relating to the leases such as title opinions, title reports and curative materials, gas purchase contracts, gathering and transportation agreements, processing agreements, gas balancing agreements, operating agreements, joint venture agreements, well data, production, pricing and operating expense data or other files maintained by **SELLER** covering such Properties. **SELLER** must provide the information identified in Exhibit "B" to **EnergyNet.com, LLC** twenty (20) working days prior to EnergyNet.com, LLC beginning the Sale Process for the Property. **SELLER** agrees and represents that **SELLER** will delete, redact or cover Personal Information included in all data and information furnished to **EnergyNet.com, LLC** or a potential **BUYER**. Personal Information includes social security numbers, driver's license numbers, credit card numbers, and information related to assets or financial accounts owned by individuals unless directly related to the Properties.

For Auction Sale Processes, **SELLER** must provide **EnergyNet.com, LLC** an original Assignment and/or Bill of Sale unilaterally executed by **SELLER**, leaving the name of the assignee blank, to serve as the conveyance instrument to **BUYER** upon a successful sale. Such Assignment should be drafted, notarized and executed in accordance with the applicable state laws in which the Properties are located. If any of the Properties include oil and gas leases from any governmental agencies, **SELLER** agrees to execute and deliver to **BUYER** an assignment of such leases on the forms prescribed by such governmental agencies, subject to the reservations or limitations listed on the applicable **Property Listing Agreement** or **Property Information**. In addition, for the sale of operated Properties, **SELLER** is to furnish **EnergyNet.com, LLC**, at least ten (10) working days prior to EnergyNet.com, LLC beginning the Sale Process for the Property, a fully executed, notarized, if required, original Change of Operator form or other form or forms necessary for the transfer of operations in the state in which the Properties are located.

For Sealed Bid Sale Processes, **SELLER** must provide **EnergyNet.com, LLC** a draft Assignment and/or Bill of Sale. Such Assignment should be drafted in accordance with the applicable state laws in which the Properties are located. If any of the Properties include oil and gas leases from any governmental agencies, **SELLER** agrees to execute and deliver to **BUYER** an assignment of such leases on the forms prescribed by such governmental agencies, subject to the reservations or limitations listed on the applicable **Property Listing Agreement** or **Property Information**. For Sealed Bid Sale Processes, **SELLER** must provide a fully executed original Assignment and/or Bill of Sale to **EnergyNet.com, LLC** prior to or on the specified closing date as mutually determined by the **SELLER** and **BUYER**.

For Auction Sale Processes, **EnergyNet.com, LLC** will not allow a Property or Lot to be viewed on the Website until such time as the herein required original executed conveyancing documents and other documents and information requested of **SELLER** hereunder are received by **EnergyNet.com, LLC**.

**SELLER** hereby consents and acknowledges that all information furnished will be available to third parties, including pre-approved prospective, qualified and accredited **BUYERS**, to download the information from the **EnergyNet.com, LLC** Website, or to receive data by other means. **SELLER** further consents and agrees that the **Property Information** and all other data furnished by **SELLER** may be circulated, published and distributed by **EnergyNet.com, LLC**. In no event will **SELLER** be required or obligated to deliver to any **BUYER** any proprietary or confidential information, including but not limited to geology, geophysical, seismic, or other information, that, in **SELLER'S** reasonable determination, it is prohibited from disclosing by contract.

**SELLER** hereby consents and grants to **EnergyNet.com, LLC** the limited use of its logos, trademarks and promotional designs for use on **EnergyNet.com, LLC's** Property Listing, information and brochures whether on the Website or published in a brochure.

**SELLER** will review all information and well data posted by **SELLER** and or **EnergyNet.com, LLC** and notify **EnergyNet.com, LLC** of any corrections or clarifications to be made by **EnergyNet.com, LLC**. **SELLER** HEREBY INDEMNIFIES AND AGREES TO HOLD **ENERGYNET.COM, LLC** AND ITS RELATED ENTITIES AND THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS AND REPRESENTATIVES HARMLESS FROM AND AGAINST ANY LIABILITY, SUIT, CLAIM, DEMAND, DAMAGE, HARM, COST OR EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES AND COURT COSTS) THAT **ENERGYNET.COM, LLC** MAY SUFFER OR INCUR RELATING TO THE PERFORMANCE OF SELLING THE PROPERTIES, INCLUDING ENTERING AND POSTING WELL DATA AND OTHER INFORMATION RELATING TO THE PROPERTIES, INCLUDING PERSONAL INFORMATION PROVIDED BY THE **SELLER** TO **ENERGYNET.COM, LLC** FOR POSTING ON THE WEBSITE ON BEHALF OF **SELLER**.

## 3. RESALE OF PROPERTIES

Except and unless **SELLER** notifies **EnergyNet.com, LLC** in writing to the contrary, **SELLER** hereby acknowledges and states that the Properties to be posted for sale on the Website by **SELLER** were not acquired by **SELLER** with a view to resale, unless the **SELLER** was forced to acquire the mineral or property interest in a package in order to obtain other Properties in the package.

## 4. NO FRACTIONALIZATION OF MINERAL INTERESTS

**SELLER** hereby acknowledges and confirms that the definition of "Mineral Interest" means an interest in or under oil, gas or mining lease, fee or title, including real property from which the minerals have not been severed or contracts relating thereto. **SELLER** hereby acknowledges and states that the prospective sale of the Properties will not involve the fractionalization of the Mineral Interest for purposes of applicable securities laws, which means that there will be no sharing of the Mineral Interest through concurrent ownership. Where all **SELLER** currently owns is a partial Mineral Interest in the Properties (such as a royalty, overriding royalty, or undivided fractional working interest), this non-fractionalization requirement is met if **SELLER** does not retain concurrent ownership in the Properties, such as a tenancy in common or a joint tenancy. Moreover, the **SELLER** shall not be considered to be fractionalizing its Mineral Interest in the Properties for this purpose where **SELLER** retains only a royalty or an overriding royalty interest, or where the

**SELLER** horizontally severs the Properties by retaining a Mineral Interest, including a working interest, in a separate horizontal zone that is distinguishable from the zones being conveyed or severs and sells only the wellbore. **SELLER** further represents that (i) the Properties are offered free of any agreement by **SELLER** (or any affiliated or related party) to provide for future development of the Properties and (ii) it will not directly or indirectly otherwise exercise control over the management of the Properties being conveyed or offer incidental service for the management or exploration of the Properties unless **SELLER** is the operator of the Properties.

#### 5. SECURITIES

**SELLER** hereby acknowledges and confirms that the Properties to be offered for sale are not intended or considered by **EnergyNet.com, LLC** to be "securities," including an investment contract, under applicable securities laws. Notwithstanding the foregoing, there can be no assurance that a judicial tribunal and/or applicable regulatory agency will not take a contrary position.

#### 6. ENVIRONMENTAL LIABILITIES

**SELLER** hereby acknowledges and agrees that prior to closing on the subject Properties, it is responsible for any and all losses attributable to any and all environmental events or impacts, including without limitation, damage to property, injury or death of persons or other things, natural resource damages, CERCLA response costs, environmental remediation and restoration, costs or fines or penalties, arising out of or attributable to, in whole or in part, either directly or indirectly, the ownership, condition or operation of the Properties at any time prior to closing. Upon the closing of the purchase of subject Properties by the **BUYER**, future responsibility for environmental damages and/or impacts occurring after closing date passes to the **BUYER**, and **SELLER** remains responsible for environmental damages and/or impacts occurring prior to closing of the sale of the subject Properties.

#### 7. ROYALTY, OVERRIDING ROYALTY AND WORKING INTEREST AND CONTRACTUAL LIABILITIES AND OPERATION LIABILITIES

**SELLER** hereby acknowledges and agrees that any and all liabilities related to **SELLER'S** obligations to pay royalties, overriding royalties and contractual obligations under Oil and Gas Leases, Joint Operating Agreements and liabilities associated with the ownership, condition or operation of the subject Properties remain **SELLER'S** liability from **SELLER'S** period of ownership to the effective date of the assignment. Upon closing, **BUYER** assumes all such liabilities associated with ownership of the Properties, accruing after the effective date of the assignment.

#### 8. NO WARRANTIES (EXPRESS OR IMPLIED)

Notwithstanding any provision contained in this Agreement to the contrary, **SELLER** agrees that the conveyance of the Property, wells, equipment or other Property located thereon shall be without warranty whatsoever, express, statutory, or implied as to description, title, condition, quality, fitness for purpose, merchantability, or otherwise. **SELLER** makes no representation or warranty whatsoever as to the physical condition of the Property. **SELLER** has made no statements or representation concerning the present or future value of the anticipated income, costs, or profits, if any, to be derived from the Property. **ALL PROPERTY IS SOLD ON AN "AS IS, WHERE IS" CONDITION.** **SELLER** acknowledges and agrees that **BUYER** shall have the right to full substitution and subrogation in and to any and all rights and actions of warranty that **SELLER** has or may have against any and all preceding owners or vendors of the Property.

#### 9. TITLE

Prior to **EnergyNet.com, LLC** beginning the Sale Process **SELLER** is to provide to **EnergyNet.com, LLC** all instruments of title to the subject Properties for review by potential **BUYERS**. If **SELLER** fails to timely deliver its assignments, the **BUYER** agrees to accept such assignment "AS IS", in its form and substance as prepared by **SELLER** when delivered by **SELLER** to **EnergyNet.com, LLC**. **SELLER** does not warrant title either express or implied and all title to the Property is on an "AS IS" basis. It is the duty of the **BUYER** to satisfy **BUYER** as to whether the title is marketable, defensible or acceptable to the **BUYER**.

**SELLER** represents that prior to the auction date or the receipt of sealed bids, whichever is applicable, **SELLER** will review the assignment provided by **SELLER** to **EnergyNet.com, LLC** to determine if there are any discrepancies between the assignment and what is represented in the **Property Information**. **SELLER** represents that it will notify **EnergyNet.com, LLC** of any discrepancies in writing prior to the auction date or the receipt of sealed bids. **SELLER HEREBY INDEMNIFIES AND AGREES TO HOLD BUYER AND ENERGYNET.COM, LLC AND ITS RELATED ENTITIES AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, REPRESENTATIVES, CONTRACTORS, SUCCESSORS AND ASSIGNS HARMLESS FROM AND AGAINST ANY LIABILITY, SUIT, CLAIM, DEMAND, DAMAGE, HARM, COST OR EXPENSE (INCLUDING REASONABLE ATTORNEY'S FEES, AND COURT COSTS) RESULTING OR ARISING FROM ANY DISCREPANCIES BETWEEN SELLER'S ASSIGNMENT AND THE PROPERTY INFORMATION.**

#### 10. LESSER INTEREST

**SELLER** hereby acknowledges and agrees that if: (1) the Properties conveyed by the **SELLER** is of lesser interest than what is represented in the **Property Information** and associated data or any modifications or changes thereto; (2) **BUYER** contacts the **SELLER** in writing within sixty (60) days from the date of the sale objecting to the lesser interest; (3) **BUYER** provides adequate proof of said lesser interest; and (4) **BUYER** provides **BUYER'S** opinion of the value of the lesser interest compared to the total price paid for the full or represented interest and the basis for **BUYER'S** opinion; then **SELLER** must cure the lesser interest in one of the following three ways:

- (a) refund the value of the lesser interest, or
- (b) cure the defect that is attributed to the lesser interest, subject to the **BUYER'S** reasonable satisfaction of the recovery and confirmation of the lost interest, or
- (c) rescind the sale and refund to **BUYER** the amount paid for the Property plus all recording costs associated with the sale of the Property and **BUYER** will reassign the same, such assignment to be effective the same date of the **SELLER'S** assignment to **BUYER**.

**SELLER** has the option to choose one of the three options. In addition, **SELLER** must provide notice to **BUYER** which option **SELLER** has chosen within thirty (30) days of receipt of written notification from **BUYER**.

If **SELLER** elects to cure the defect pursuant to clause (a) above, **SELLER** shall refund the value of the lesser interest within ten (10) days of **SELLER'S** election. If **SELLER** disagrees with **BUYER'S** opinion of the value of the lesser interest, **SELLER** shall provide to **BUYER** the basis for **SELLER'S** opinion as to the value of the lesser interest when **SELLER** refunds the value of the lesser interest. If **SELLER** does not refund to **BUYER** the **BUYER'S** opinion of the value of the lesser interest, **BUYER** may accept and receive **SELLER'S** refund of the value of the lesser interest without waiver of any right or cause of action against **SELLER** to make a claim that **SELLER** failed to refund the full value of the lesser interest. If **SELLER** elects to cure the defect pursuant to clause (b) above, the **SELLER** has sixty (60) days from the date **SELLER** makes the election to cure the defect. If **SELLER** does not cure the

defect within this sixty (60) day time period, **BUYER** may elect either the remedy set forth in clause (a) above or the remedy set forth in clause (c) above, by providing written notice to **SELLER**. If **SELLER** does not make the election in writing within the thirty (30) day period, **SELLER** agrees that **BUYER** may elect either the remedy set forth in clause (a) above or the remedy set forth in clause (c) above, by providing written notice to **SELLER** within thirty (30) days after the expiration of **SELLER'S** option period. **EnergyNet.com, LLC** shall be entitled to retain any commission paid by **SELLER**, and **BUYER'S** sole remedy shall be against **SELLER**.

## 11. GAS IMBALANCES

All Properties shall be sold without warranty on an “AS IS, WHERE IS” basis. No adjustment in the purchase price shall be made as a result of an inaccuracy in the estimated gas imbalance amount disclosed by **SELLER** to **EnergyNet.com, LLC** for review by potential **BUYERS**. **SELLER** shall provide information it believes accurate as to the status of gas imbalances for the offered Properties but makes no representations or warranties as to the accuracy of such information.

**SELLER** acknowledges and agrees that Properties offered for sale may be subject to gas imbalances pursuant to Gas Balancing Agreements between working interest parties or in the absence of agreements between the working interest parties in the unit. As to interests subject to Gas Imbalance Agreements, **SELLER** agrees to fully disclose the Gas Balancing Agreement in the **Property Information**, and **SELLER** will present therein the last production figures available as to gas imbalances on the subject properties. It is the **BUYER'S** responsibility to monitor the gas imbalance from the effective date of the last Gas Balance Statement to the effective date of assignment. However, **SELLER** agrees to provide up to date figures on gas imbalances as they occur either prior to or during the Sale Process or subsequent negotiations. All gas imbalances are the responsibility of the **BUYER** upon the effective date of the assignment.

**SELLER** acknowledges and agrees that the consideration paid by the **BUYER** includes the acceptance by the **BUYER** of the either over or under production on the Properties. **BUYER** is responsible for removing or clearing any balancing obligation. **BUYER** shall indemnify and hold **SELLER** and **EnergyNet.com, LLC** and its related entities harmless as to any and all claims of gas imbalances or liabilities either before or after the effective date of the assignment. If within sixty (60) days from the date of sale of the properties, **BUYER** notifies **SELLER** that the amount of **SELLER'S** over production gas imbalance is understated by at least 50% in the **Property Information** or in any other information provided by **SELLER**, and uploaded to the Website, or by subsequent statements prior to sale on the Website by **SELLER** and **BUYER** notifies **SELLER** of the amount of overproduction within the sixty (60) day period providing **SELLER** with written evidence of said overproduction, **BUYER**, may, at the sole option of the **BUYER**, void the sale. In the event, **BUYER** voids the sale of the Property, **SELLER** shall return to **BUYER** the purchase price plus pay all recording costs associated with the sale of such Property. **BUYER** will assist **SELLER** in the drafting and execution of any conveyancing documents, of which **SELLER** will pay all recording fees. In addition, **SELLER** agrees to pay and will be liable and responsible to pay to **EnergyNet.com, LLC** a sum equal to the commission that would have been realized on said Property had the sale not been declared void by the **BUYER**, as described and calculated in accordance with Exhibit “C” attached hereto and made a part hereof.

## 12. INDEMNIFICATIONS

- A. As to any breach between **BUYER** and **SELLER** as to the purchase of the Property, **SELLER** agrees that **EnergyNet.com, LLC**, its related entities and their officers, directors, employees, shareholders, agents, representatives, contractors, successors and assigns are not liable to the **SELLER** for any breach resulting from **BUYER'S** failure to close the sale of the Properties or any other breach of duty owed to the **SELLER** from the **BUYER** by nature of **BUYER'S** agreement with **EnergyNet.com, LLC** or any other agreements between the parties. **SELLER'S** sole remedy is against the **BUYER**.
- B. If prior to the date the escrowed funds are disbursed, a dispute arises between **SELLER** and **BUYER** as to the proper disbursement of such funds to be made by **EnergyNet.com, LLC**, **EnergyNet.com, LLC** is hereby authorized to receive from Escrow Bank any commission or other fees payable to **EnergyNet.com, LLC** as provided for herein, and **EnergyNet.com, LLC** shall direct Escrow Bank to retain the remaining funds until **EnergyNet.com, LLC** receives written instructions executed by **SELLER** and **BUYER** as to the disposition and disbursement of such funds or until ordered by final court order, decree or judgment, that has not been appealed, to deliver such funds to a particular party, in which event such funds shall be delivered in accordance with such instruction, order, decree or judgment.
- C. **SELLER** HEREBY INDEMNIFIES AND AGREES TO HOLD **ENERGYNET.COM, LLC** AND ITS RELATED ENTITIES AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, REPRESENTATIVES, CONTRACTORS, SUCCESSORS AND ASSIGNS HARMLESS FROM AND AGAINST ANY LIABILITY, SUIT, CLAIM, DAMAGE, HARM, COST OR EXPENSE (INCLUDING REASONABLE ATTORNEY'S FEES, AND COURT COSTS) RESULTING OR ARISING FROM BREACHES BY **SELLER** UNDER THIS AGREEMENT AND ANY AND ALL CAUSES OF ACTION RELATED TO OR ARISING FROM **SELLER'S** DUTIES UNDER THIS AGREEMENT AND AS A RESULT OF OR ARISING FROM **SELLER'S** DUTIES OWED TO THE **BUYER** OUTSIDE OF THIS AGREEMENT.

ALL INDEMNIFICATIONS IN THIS AGREEMENT (INCLUDING BUT NOT LIMITED TO, PARAGRAPH 2 HEREOF) EXTEND TO THE BENEFIT OF THE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, REPRESENTATIVES, CONTRACTORS, SUCCESSORS, AND ASSIGNS OF EACH INDEMNIFIED PARTY, AND SUCH PERSONS ARE THIRD PARTY BENEFICIARIES OF THIS AGREEMENT. ALL SUCH INDEMNITIES SURVIVE THE TERM OF THIS AGREEMENT.

## 13. COMMISSION AND FEES AGREEMENT

**SELLER** hereby agrees to pay to **EnergyNet.com, LLC** the fees and/or commission as set out in Exhibit “C” attached hereto based on the gross sales price for each Property or lot sold; or by mutually agreed upon other means of sale between **SELLER** and **EnergyNet.com, LLC** in writing, including but not limited to a sale negotiated by the parties subsequent to the Sale Process. For the purpose of determining Commission, gross sales price shall mean the total of all cash, plus the fair market value of all other non-cash forms of payment received by **SELLER** in connection with a sale.

## 14. EFFECTIVE DATE AND CLOSING

The date of sale for Properties sold in an Auction Sale Process is when **BUYER** is declared to be the successful bidder on **SELLER'S** Property as declared by **EnergyNet.com, LLC**. The date of sale for Properties sold in a Sealed Bid Sale Process is the date on which **SELLER** provides notice that **SELLER** has accepted **BUYER'S** bid. The date of sale for Properties sold as the result of negotiations following the Sale Process is the date **SELLER** and **BUYER** agree upon a sales price. The date of sale is different than the effective date of sale. **SELLER** acknowledges and agrees that the effective date of sale is the date reflected in **SELLER'S** assignment, which date will be the first (1<sup>st</sup>) day of the month prior to or after the date of the sale.

**SELLER** further agrees to provide to **BUYER** within ten (10) days after notification to **SELLER** of receipt of funds by **EnergyNet.com, LLC** all original files, records, information and data, whether written or electronically stored, relating to the Properties, including without limitation, all leases, contracts,

well data, gas contracts and accounting files maintained by the **SELLER** covering the Properties. **SELLER** is not required to deliver to **BUYER** any proprietary or confidential information including, but not limited to, geological, geophysical, seismic or other information, that in **SELLER'S** reasonable determination is prohibited by contract from disclosing.

**BUYER** has the responsibility to notify any operators and or disbursers of revenue of any change in ownership. Following the effective date of a sale, **SELLER** agrees (1) to cooperate with **BUYER** as necessary to replace **SELLER** with **BUYER** as the appropriate recipient of revenue from operators and disbursers of revenue; and, (2) to execute documents as may be required by operators or disbursers of revenue to confirm any change in ownership.

**SELLER** acknowledges and agrees that since **BUYERS** are not at the physical location of the sale, the total amount of funds to purchase the Property are to be received by designated Escrow Bank (currently the Wells Fargo Bank of Amarillo, Texas; provided however, that **EnergyNet.com, LLC** may, from time to time, at its sole discretion, change the Escrow Bank to another bank of its choice in Texas) by one of the following methods:

- A. Wire transfer from **BUYER'S** bank or financing institution made payable to **EnergyNet Services, LLC** (the Wells Fargo Bank of Amarillo, Texas as escrow agent);
- B. Next day delivery overnight mail from **BUYER** to **EnergyNet Services, LLC** Funds must be either certified or check pre-approved by **EnergyNet Services, LLC**, or, made payable to **EnergyNet Services, LLC** (the Wells Fargo Bank of Amarillo, Texas, as escrow agent); or
- C. Hand or carrier delivered to **EnergyNet Services, LLC** at its offices at 7201 W. Interstate 40, Ste 319, Amarillo, TX, 79106, with funds made payable to **EnergyNet Services, LLC**, (the Wells Fargo Bank of Amarillo, Texas, as escrow agent).
- D. In addition to the purchase price, **BUYER** will, by payment of any of the methods listed above in Paragraph A, B or C and within the time provided for below, pay the applicable recording fees, sales tax, if any, and handling/administrative fees due **EnergyNet Services, LLC** associated with **BUYER'S** purchase.

Escrow Bank is to be considered as a depository only for funds escrowed pursuant to this Agreement, and it shall hold and disburse such funds solely on the basis of written instructions it receives from **EnergyNet Services, LLC**. Escrow Bank shall be entitled to rely at all times on the written instructions given to it by **EnergyNet Services, LLC** without any necessity of verifying the authority therefore. Neither **SELLER** nor **BUYER** shall have any authority to give instructions to or otherwise direct the actions of Escrow Bank with respect to the escrowed funds. **ESCROW BANK SHALL NOT AT ANY TIME BE HELD LIABLE FOR ACTING IN ACCORDANCE WITH THE WRITTEN INSTRUCTIONS IT RECEIVES FROM ENERGYNET SERVICES, LLC, OR ENERGYNET.COM, LLC. SELLER AND BUYER AGREE TO SAVE AND HOLD ESCROW BANK HARMLESS FROM ANY LOSS AND FROM ANY CLAIMS OR DEMANDS ARISING OUT OF ACTIONS TAKEN OR OMITTED TO BE TAKEN BY ESCROW BANK PURSUANT TO SUCH WRITTEN INSTRUCTIONS AND HEREBY AGREE TO INDEMNIFY AND HOLD HARMLESS ESCROW BANK FROM ANY ALL CLAIMS, EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES INCURRED BY ESCROW BANK) OR DEMANDS FOR LOSSES ARISING OUT OF ITS ACTIVITIES AS ESCROW BANK.**

**THE INDEMNITIES HEREUNDER IN FAVOR OF ESCROW BANK SURVIVE THE TERM OF THIS AGREEMENT.**

**SELLER** acknowledges and agrees that **BUYER** shall have two (2) full banking days to complete the transfer of funds, unless the parties both agree otherwise in writing.

Unless otherwise provided in the assignment to be delivered to **BUYER**,

- (a) **SELLER** is entitled to receive all production (including oil in the tanks), revenues and joint interest billings accruing prior to the effective date of the assignment to **BUYER**;
- (b) **SELLER** is obligated to pay all expenses related to operation and control of the Properties incurred prior to the effective date of said assignment;
- (c) **SELLER** and **BUYER** shall be solely responsible for all post sale settlements and adjustments, including but not limited to the proration of production, revenues and expenses; and
- (d) **SELLER** AGREES TO INDEMNIFY AND HOLD **BUYER** HARMLESS AS TO ALL EXPENSES INCURRED PRIOR TO THE EFFECTIVE DATE OF THE ASSIGNMENT AND TO PAY **BUYER'S** REASONABLE COSTS, LEGAL OR OTHERWISE, RELATING TO ANY SUCH EXPENSES NOT PAID BY **SELLER**.

Upon disbursement of escrowed funds in the Escrow Bank, **SELLER** acknowledges and agrees that **EnergyNet.com, LLC** shall immediately receive its commission from Escrow Bank net of Listing Fee for Minimum Reserve Price Property Listings, if any, as set out in the **EnergyNet.com, LLC's** Fees and Commission Schedule as set out in Exhibit "C", attached hereto. All other funds will be held in escrow until **SELLER** provides all executed documents of conveyance.

**SELLER** acknowledges and agrees that settlement can be withheld if **SELLER** fails to provide requisite assignments or conveyancing documents or if **SELLER** has failed to obtain waiver of preferential rights, consents to assignments, releases or subordination of encumbrances or any other duty of **SELLER** to assist or assign the Properties to **BUYER**.

The assignment is to be recorded in the applicable jurisdiction by **EnergyNet.com, LLC**. **EnergyNet.com, LLC** upon receipt of executed, conveyancing documents and mailing of same for recording will direct Escrow Bank to release all funds to **EnergyNet.com, LLC** for disbursement to **SELLER** minus commissions, sales tax, and other applicable fees, if any, associated with the sale of **SELLER'S** Properties incurred by **EnergyNet.com, LLC**, within ten (10) banking days of receipt of such funds from **BUYER**, provided funds have cleared the Escrow Bank or until funds are available for distribution under the terms of this Agreement. In no event shall any conveyancing document be sent for recording prior to confirmation that 100% of the applicable purchase price and all other sums due from **BUYER** are received by **EnergyNet.com, LLC** and placed in Escrow. **BUYER** agrees to pay sales tax, if any, recording fees and **EnergyNet.com, LLC's** administrative handling fee.

#### 15. **BUYER'S AGREEMENT**

**SELLER** acknowledges and agrees that its sale of Properties is subject to terms and conditions of the **Buyer's Agreement to Purchase Properties** (the "**Buyer's Agreement**") which is attached as Exhibit "E", and hereby states that **SELLER** has read and understands the same.

#### 16. BUYER'S DEFAULT

**SELLER** acknowledges and agrees that if a **BUYER** defaults for any reason, including failure to tender the total purchase funds to the Escrow Bank within the required time, **SELLER**, and **EnergyNet.com, LLC** will have, in addition to all remedies at law, the option to do the following:

A. Sell the Property to another bidder:

B. Remove the Property from the Website and at **SELLER'S** election, offer the Property for resale at a future date.

**SELLER** acknowledges and agrees that if the **BUYER** has tendered full or partial funds to the Escrow Bank and then subsequently defaults as to other terms and conditions as set forth in the **Buyer's Agreement**, **EnergyNet.com, LLC** will receive its commission as set out in Exhibit "C" from the tendered funds deposited in the Escrow Bank. **EnergyNet.com, LLC** will be relieved of any further obligations under such sale and **SELLER'S** sole remedy for performance or damages is against the **BUYER**.

#### 17. COMMISSION DAMAGES

As used in this Agreement, "Commission Damages" means the commissions or fees EnergyNet.com, LLC would have received if a sale had been consummated, calculated pursuant to the Fees and Commission Schedule attached as Exhibit "C" or as agreed in the **Property Listing Agreement** based upon the greater of: 1) the gross sales price of the Properties if **SELLER** sold the Properties to any party not participating in the sale pursuant to a **Buyer's Agreement** ("Outside Party"), or 2) the **SELLER'S** estimated property value as identified in the **Property Listing Agreement**. In the event that **SELLER** defaults for any reason under this Agreement, including but not limited to, the sale of any or all of the **SELLER'S** Property that is subject to this Agreement, or **Property Listing Agreement**, to any Outside Party, EnergyNet.com, LLC shall be entitled, at its sole option, to recover Commission Damages from the **SELLER** or to receive from the Escrow Bank its Commission Damages. In the event of default by **SELLER**, **EnergyNet.com, LLC** will also be entitled to any additional damages, costs and fees as allowed under other provisions of this Agreement, at law or in equity.

#### 18. PREFERENTIAL RIGHTS

**SELLER** acknowledges and agrees that certain Properties may be subject to preferential rights of purchase, consents or permission to assign by nature of Joint Operating Agreements and other agreements between third parties and **SELLER** (collectively "Preferential Rights"). **SELLER** acknowledges and agrees that **SELLER** will have sixty (60) days from the date of sale to resolve Preferential Rights. If **SELLER** does not obtain waivers of Preferential Rights within sixty (60) days of the date of sale, **BUYER** will have the option to cancel the sale. If **BUYER** cancels the sale under this provision, **SELLER** agrees to pay to **EnergyNet.com, LLC** the commission as set forth on Exhibit "C".

**SELLER** agrees that upon closing of the Properties subject to preferential rights, it will within five (5) business days of the date of sale distribute the appropriate notification to the owners of all preferential rights pursuant to the terms of the preferential rights agreement. **SELLER** agrees to provide **EnergyNet.com, LLC** copies via fax or email of the Consent to Assign or Preferential Right letters as they are sent out. **SELLER** further agrees to advise **EnergyNet.com, LLC** of the status of such letters so that **BUYER** can be informed on a timely basis. **SELLER** will either obtain waivers of the preferential rights, obtain constructive waiver by failure of the third party to exercise the same within the allotted time period or will notify **BUYER** and **EnergyNet.com, LLC** of the third party's desire to purchase said Property on the same terms and conditions, which includes the payment of the commission and expenses due to **EnergyNet.com, LLC**. All proceeds paid by **BUYER** will be refunded to the **BUYER** upon **SELLER** receiving proceeds from the party exercising the preferential right to purchase.

**SELLER** further agrees and consents that if a Property is sold for less than \$300,000 and such Property is subject to Preferential Rights of purchase, **BUYER** will be required to tender 100% of the purchase price of such Property to the Escrow Bank until such time as the Preferential Right are exercised or waived by the holders of the same. **SELLER** further agrees and consents that if a Property is sold for \$300,000 or more and such Property is subject to Preferential Rights of purchase, **BUYER** will be required to tender 25% of the purchase price of such Property to the Escrow Bank until such time as the Preferential Rights are exercised or waived by the holders of same. If the Preferential Rights are exercised by a third party or parties, **SELLER** agrees to pay to **EnergyNet.com, LLC** the commission as set forth on Exhibit "C" upon tender of funds from third party or parties to **SELLER**. If such third parties do not exercise the Preferential Rights of purchase, **SELLER** shall notify **EnergyNet.com, LLC** and **BUYER** of the waiver. If the third party or parties do not exercise the Preferential Rights of purchase and **BUYER** previously tendered less than 100% of the purchase price of such Property to the Escrow Bank, the **BUYER** will tender the remaining purchase price balance to the Escrow Bank within two (2) full banking days of such notification by **SELLER**. **SELLER** agrees to pay to **EnergyNet.com, LLC** the commission as set forth on Exhibit "C" upon tender of funds from the **BUYER** to **SELLER**.

#### 19. SALE TERM

The Sale Term shall begin on the day **SELLER** submits a **Property Listing Agreement** and shall end sixty days following the Closing Date identified in the **Property Listing Agreement** or ninety days after the Sale Term begins, whichever is later. The Sale Term and the exclusivity referenced in the paragraph titled "Exclusive Right to Sell" will only apply to Properties identified on a **Property Listing Agreement** submitted by **SELLER**.

#### 20. SALE OF PROPERTIES PRIOR TO SALE BY ENERGYNET

If within the Sale Term **SELLER** enters into a contract to sell such Property or Properties or sells, exchanges or otherwise transfers a legal or equitable interest in such Property or Properties to any person, **SELLER** agrees to pay **EnergyNet.com, LLC** Commission Damages as defined in Paragraph 17. The term "person" is broadly construed to include any individual or entity in any capacity.

#### 21. NO RESERVE OR MINIMUM RESERVE

**SELLER** acknowledges and agrees that any Property or Properties posted for sale on the Website in an Auction Sale Process shall be offered for sale, at **SELLER'S** option, on a basis of "no reserve" or on a basis of "minimum reserve."

For the purpose of this Agreement, a "no reserve" basis sale is defined as **SELLER'S** acceptance of the sale of the Properties with no minimum monetary amount.

For the purpose of this Agreement, a "minimum reserve" basis sale is defined as **SELLER'S** request for Properties to be sold for not less than a specified minimum monetary amount as identified on a **Property Listing Agreement**.

**SELLER** agrees that Properties sold on a "no reserve" basis are to be entered into the Sale Process until sold to the highest bidder as declared by **EnergyNet.com, LLC**. "Minimum Reserve" Properties are sold to the highest bidder within the time period set for the Sale Process when the highest bid or offer entered equals or exceeds the minimum monetary amount for the Property, or when the high bid or offer is accepted by **SELLER**. "Minimum Reserve" properties failing to be sold within the time period set for the Sale Process may be sold during the Sale Term during subsequent negotiations if a

Buyer makes a bid or offer meeting or exceeding the minimum reserve price for the Properties. **EnergyNet.com, LLC** has the sole discretion to declare the highest bidder, arbitrate disputed bids and declare any changes in the Properties or lots being sold. All sales are final when **EnergyNet.com, LLC** declares the **BUYER** to be the highest bidder on the Property.

**SELLER** agrees that in the event the “minimum reserve amount” is not met during the Sale Term, **SELLER** may list the Property in a subsequent minimum reserve Sale Process. In the event the Property is listed in a subsequent minimum reserve Sale Process, **SELLER** will not be required to pay an additional Listing Fee for Minimum Reserve Price Property Listings as set out in Exhibit “C” to **EnergyNet.com, LLC**.

**22. PURCHASE REPRESENTATIVES OF BUYER**

**SELLER** acknowledges and agrees that **BUYER** may by executed Power of Attorney designate certain individuals to bid, make offers or negotiate and purchase Properties posted for sale on the Website.

Compensation, if any, is to be paid solely by **BUYER** to the representative.

**23. NON-COMPETITION OF SELLER**

**SELLER** hereby acknowledges and agrees that neither **SELLER** nor its employees, directors, officers, shareholders, affiliates, representatives, assigns and agents will participate in the bidding or in any subsequent negotiations by making bids or offers on its Properties offered for sale.

**24. DISQUALIFICATION EVENT**

- (a) **SELLER** represents that neither the **SELLER** nor its predecessors, affiliated entities, directors, executives or other officers of the **SELLER**, any beneficial owner of 20% or more of the **SELLER**'s outstanding voting equity securities, calculated on the basis of voting power at the time of sale (each, a “Seller Covered Person” and together “Seller Covered Persons”), is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i)-(viii) under the Securities Act of 1933 (a “Disqualification Event”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Disqualification Events are summarized on Exhibit “D”. **SELLER** has exercised reasonable care to determine whether any Seller Covered Person is subject to a Disqualification Event. **SELLER** has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) and has furnished to **EnergyNet.com, LLC** a copy of any disclosure provided thereunder.
- (b) **SELLER** is not aware of any person (other than **EnergyNet.com, LLC**) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of Properties.
- (c) **SELLER** will notify **EnergyNet.com, LLC** in writing prior to the Closing Date of (i) any Disqualification Event relating to any Seller Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to a Seller Covered Person.

**25. MISCELLANEOUS**

**25.1 Governing Law and Litigation Costs.** **SELLER** acknowledges and agrees that this Agreement and all **Property Listing Agreements** shall be governed by and interpreted in accordance with the laws of the State of Texas and the exclusive venue for any action arising under this Agreement shall be the Federal District Court for the Northern District of Texas, Amarillo Division and the Texas District Courts for Potter County, Texas. The assignment and matters pertaining to the Properties will be governed by and interpreted in accordance with the laws of the states in which the Properties are located. Auctions are conducted by a registered auctioneer licensed in the State of Texas as selected by **EnergyNet.com LLC**. In the event that any party to this Agreement resorts to legal proceedings to enforce this Agreement, the prevailing party in such proceedings shall be entitled to recover all costs incurred by such party, including reasonable attorney fees.

**25.2 Entirety and Amendments.** **SELLER** acknowledges and agrees that this Agreement, **Property Listing Agreements** submitted by **SELLER** and accepted in writing by **EnergyNet.com, LLC**, and all attached Exhibits and the instruments delivered or required to be delivered pursuant hereto supersede all prior negotiations, understandings and agreements between the parties relating to the subject matter hereof and constitute the entire understanding and agreement between the parties with respect thereto; and no alterations, modifications, amendments or changes in the Agreement shall be effective or binding unless the same shall be in writing and shall have been executed by **SELLER** and **EnergyNet.com, LLC**. At any time prior to **EnergyNet.com, LLC**'s acceptance in writing of a **Property Listing Agreement**, **EnergyNet.com, LLC** can require **SELLER** to execute an amended Seller's Agreement that would be applicable to any submission of **Property Listing Agreements** not yet accepted in writing by **EnergyNet.com, LLC**.

**25.3 Waiver.** Each party acknowledges and agrees that no waiver by either party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other portions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

**25.4 Captions.** **SELLER** acknowledges and agrees that the titles and headings in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

**25.5 Notices.** **SELLER** acknowledges and agrees that any notice provided or permitted to be given under this Agreement shall be in writing, and may be served by personal delivery including, without limitation by telecopier or facsimile or by depositing same in the United States mail, addressed to the party to be notified, postage prepaid, and registered or certified with a return receipt requested. Notices deposited in the mail in the manner herein above described shall be deemed to have been given and received upon the date of delivery as shown on the return receipt. Notice served in any other manner shall be deemed to have been given and received only if and when actually received by the addressee. For purposes of notice, the addresses of the parties shall be as follows:

**If to: SELLER:** (Insert Mailing Address)

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**SSN or TIN:** (Must be completed)

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If to: **EnergyNet.com, LLC**  
7201 W. Interstate 40, Ste 319

Amarillo, TX 79106  
Attn: Registered Principal

The address of any party for notice purposes may be changed by such party by giving two days written notice of such change to all other parties to the Agreement.

25.6 **Severability.** **SELLER** acknowledges and agrees that if any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any applicable rule or law, such provision will be ineffective only to the extent of such invalidity, illegality or unenforceability and all other conditions and provisions of this Agreement shall, nevertheless, remain in full force and effect so long as the economic or legal substance of the transaction contemplated hereby is not affected in a materially adverse manner with respect to either party.

25.7 **Execution.** This Agreement and **Property Listing Agreements** may be executed in multiple original counterparts, each of which shall be deemed an original for all purposes. No single counterpart of this Agreement need be executed by each party so long as each party shall have executed at least one counterpart. Facsimile and electronically transmitted signatures shall be valid.

In witness whereof, the parties have executed this Agreement as of the day and year first set forth above.

**SELLER**

**ENERGYNET.COM, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Printed or Typed Name and Title

\_\_\_\_\_  
Printed or Typed Name and Title of Registered Principal

By: \_\_\_\_\_

\_\_\_\_\_  
Printed or Typed Name and Title of EnergyNet Representative



**EXHIBIT "A"**

**PROPERTY LISTING AGREEMENT (EXAMPLE)**

This **Property Listing Agreement** is for the purpose of authorizing **EnergyNet.com, LLC** to prepare the below named **Properties** for sale and to grant **EnergyNet.com, LLC** the exclusive rights to sell the Properties pursuant to and subject to the **SELLER'S AGREEMENT FOR THE SALE OF OIL AND GAS PROPERTIES** dated \_\_\_\_\_ day of \_\_, 20\_\_\_\_ by and between \_\_\_\_\_ **SELLER** and **EnergyNet.com, LLC**. Except as specifically stated herein, all other terms and conditions of the Seller's Agreement govern the rights and obligations of **SELLER** and **EnergyNet.com, LLC**.

Prior to **EnergyNet.com, LLC** initiating the **Sale Process** for **Properties**, **SELLER** must confirm: (1) the accuracy and completeness of the information and data provided to **EnergyNet.com, LLC** for publication to **BUYERS**; (2) whether the **Properties** are offered with a reserve amount, and if so, the reserve amount; (3) the dates the **Properties** will be offered for sale. **EnergyNet.com, LLC** will provide notice and an opportunity to provide these confirmations. The confirmations must be in writing. **SELLER** may provide these confirmation via: email or facsimile to **EnergyNet.com, LLC** or by clicking the "APPROVE" button on the request for confirmation provided by **EnergyNet.com, LLC** to **SELLER**.

LOT INFORMATION

EnergyNet Lot Number: \_\_\_\_\_ Intentionally Left Blank  
Lot Reserve Price: \$ \_\_\_\_\_ Intentionally Left Blank or  No Reserve Price or Sealed Bid Sale Process  
Closing Date: \_\_\_\_\_ Intentionally Left Blank

LIST OF PROPERTIES

Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank  
Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank  
Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank  
Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank  
Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank  
Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank  
Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank  
Well or Property Name: \_\_\_\_\_ Intentionally Left Blank State and County: \_\_\_\_\_ Intentionally Left Blank

**SELLER**

**ENERGYNET.COM, LLC**

By: \_\_\_\_\_ Intentionally Left Blank  
\_\_\_\_\_ Intentionally Left Blank  
Printed or Typed Name and Title

By: \_\_\_\_\_ Intentionally Left Blank  
\_\_\_\_\_ Intentionally Left Blank  
Printed or Typed Name and Title

# EXHIBIT "B"

## PROPERTY INFORMATION

LIST OF REQUIRED INFORMATION TO BE PROVIDED BY SELLER TO ENERGYNET.COM, LLC

**DO NOT FILL IN THIS PAGE.** This data should be loaded into new lots created using the tools available on the EnergyNet.com website.

- Property/Well Name
- State
- County/Parish
- Section-Township.-Range or Section-Block-Survey
- Field Name
- Producing Formation
- Completion Interval (Feet to Feet)
- Completion Date
- Facility Type (Well/Compressor/Station etc.)
- Operated (Y/N)
- Operator's Name
- Operator's Address
- Operator's Telephone
- Operator's Email
- Well Type (Oil/Gas/Salt Water Disposal)
- API Number
- State Well ID Number
- Producing or Shut-In
- Plugged Back TD (Feet)
- BPO WI - Decimal
- BPO NRI - Decimal
- BPO ORRI - Decimal
- BPO RI - Decimal
- APO WI - Decimal
- APO NRI - Decimal
- APO ORRI - Decimal
- APO RI - Decimal
- Cumulative Production 8/8ths Oil (BBLS)
- Cumulative Production 8/8ths Gas (MCF)
- Average Price Received Last Month - Oil (\$/BBL)
- Average Price Received Last Month - Gas (\$/MCF)
- Average Daily Production Last 6 Months - Oil
- Average Daily Production Last 6 Months - Gas
- Average Daily Barrels Water Per Day Last 6 Months
- Payout Balance
- Payout Balance Date
- Previous 12 Months LOE (MONTHLY AVERAGE) 8/8ths
- Last Month LOE 8/8ths
- Oil Marketer and Address
- Gas Marketer and Address
- Gas Imbalance? (Y/N) If Yes state amount and date (over/under) as to interest for sale
- Depth or Wellbore Restrictions? (Y/N) If Yes state restrictions
- Environmental Problems/Issues/Wetlands/etc.? (Y/N) If Yes explain
- Preferential Rights (Y/N) If Yes give number of days & number of Preferential Right Holders
- Consent to Assign (Y/N) If Yes state holders name and address
- State Federal or Indian Jurisdiction (Y/N) If Yes state jurisdiction
- Other Outstanding Obligations including mortgages liens (Y/N) If Yes describe
- Are operations being relinquished (Y/N)
- Describe any well proposals or notices of recompletions in this unit
- Company Name
- Seller's First/Last Name
- Seller's Address
- Seller's Telephone Number
- Seller's Fax Number
- Seller's Email Address
- Seller's Website Address

EXHIBIT "C"

ENERGYNET.COM, LLC FEES AND COMMISSIONS

**PROPERTIES \$1,000,000 OR LESS**

**Commission Schedule for properties individually selling for less than \$1,000,000.**

<b>GROSS SALES PRICE</b>	<b>COMMISSION</b>
Between \$1 and \$25,000	15.0%
Between \$25,001 and \$50,000	12.0%
Between \$50,001 and \$100,000	10.0%
Between \$100,001 and \$ 200,000	9.75%
Between \$200,001 and \$300,000	9.50%
Between \$300,001 and \$400,000	9.25%
Between \$400,001 and \$500,000	8.75%
Between \$500,001 and \$600,000	8.25%
Between \$600,001 and \$700,000	7.75%
Between \$700,001 and \$800,000	6.50%
Between \$800,001 and \$900,000	5.75%
Between \$900,001 and \$1,000,000	5.50%
Greater than \$1,000,001	5.00%

COMMISSIONS ARE CALCULATED AND PAID BY SELLER ON THE AGGREGATE SALES PROCEEDS FROM ALL PROPERTIES LISTED ON ANY **PROPERTY LISTING AGREEMENT** REFERENCING THIS SELLER'S AGREEMENT WHICH ARE SOLD DURING THE CALENDAR MONTH FOR LESS THAN \$1,000,000 EACH.

**PROPERTIES GREATER THAN \$1,000,000**

**Commission Schedule for properties individually selling for greater than or equal to \$1,000,000.**

<b>GROSS SALES PRICE</b>	<b>COMMISSION</b>
First \$ Million	5.00%
Second \$ Million	4.50%
Third \$ Million	4.25%
Fourth \$ Million	3.75%
From \$4 Million to \$10 Million	3.25%
From \$10 Million to \$20 Million	2.50%
From \$20 Million to \$40 Million	2.00%
From \$40 Million to \$80 Million	1.75%
From \$80 Million to \$100 Million	1.25%
Over \$100 Million	1.00%

COMMISSIONS ARE CALCULATED AND PAID BY SELLER ON THE AGGREGATE SALES PROCEEDS FROM ALL PROPERTIES LISTED ON ANY **PROPERTY LISTING AGREEMENT** REFERENCING THIS SELLER'S AGREEMENT WHICH ARE SOLD DURING THE CALENDAR YEAR FOR GREATER THAN OR EQUAL TO \$1,000,000 EACH. **FOR EXAMPLE, ON A PROPERTY SELLING FOR \$5,500,000, THE COMMISSION IS CALCULATED AS: \$1,000,000 x 5.00% + \$1,000,000 x 4.50% + \$1,000,000 x 4.25% + \$1,000,000 x 3.75% + \$1,500,000 x 3.25% = \$50,000 + \$45,000 + \$42,500 + \$37,500 + \$48,750 = \$223,750.**

THERE IS NO SALES TAX ON COMMISSIONS.

MINIMUM COMMISSION AND LISTING FEES

- THE MINIMUM COMMISSION IS \$1,500
- LISTING FEES MAY BE CHARGED IF ENERGYNET PRICING GUIDELINES ARE EXCEEDED AND ENERGYNET AND SELLER DO NOT AGREE ON THE RESERVE PRICE SET BY SELLER.
- LISTING FEES ARE COLLECTED PRIOR TO ACTIVATION OF THE PROPERTY.
- WHEN THE PROPERTY OR LOT SELLS, **ANY LISTING FEE WILL BE DEDUCTED FROM THE FINAL COMMISSION.**

**SELLER**

**ENERGYNET.COM, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed or Typed Name and Title

Printed or Typed Name and Title

## EXHIBIT “D”

### DISQUALIFICATION EVENTS UNDER RULE 506(D)(1)

Set forth is a summary of the disqualifying events under Rule 506(1). For a full recitation of such events, you should review Rule 506(d)(1), which can be found on the SEC's website: [www.sec.gov](http://www.sec.gov).

- (1) Criminal convictions within ten years in connection with the purchase or sale of any security, making of a false filing with SEC, or arising out of the conduct of business as an underwriter, broker-dealer, investment adviser, or paid solicitor;
- (2) Court injunctions and restraining orders entered within five years in connection with the activities listed above;
- (3) Final orders by state and federal regulators (including the CFTC) that (i) bar the person from association with any entity regulated by such regulator, or from engaging in the business of securities, insurance or banking, or savings association or credit union activities, or (ii) are based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct, issued within ten years;
- (4) SEC disciplinary orders relating to the registration, activities, functions, operations, or associations of broker-dealers and investment advisers;
- (5) SEC cease-and-desist orders entered into within five years in connection with any scienter-based anti-fraud provision of the federal securities laws or Section 5 of the Securities Act of 1933;
- (6) Suspension, expulsion, or a bar from association with a self-regulatory organization for the duration of the suspension, expulsion, or bar;
- (7) SEC stop orders suspending the Regulation A exemption issued within five years or in the process of being determined whether to be issued; and
- (8) U.S. Postal Service false representation orders including temporary or preliminary orders entered within five years.

## EXHIBIT "E"

### BUYER'S AGREEMENT TO PURCHASE PROPERTIES

**THIS AGREEMENT** dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between **EnergyNet.com, LLC**, 7201 W. Interstate 40, Ste 319, Amarillo, TX 79106 and \_\_\_\_\_ Intentionally Left Blank \_\_\_\_\_, hereinafter designated as ("**BUYER**"), \_\_\_\_\_ Intentionally Left Blank \_\_\_\_\_ (address),

**IN CONSIDERATION** of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency which are hereby acknowledged, **BUYER** and **EnergyNet.com, LLC** agree as follows:

**BUYER** AGREES THAT THE WEBSITE IS MAINTAINED SOLELY FOR THE PERSONAL USE OF VISITORS. WE CANNOT GUARANTEE THE COMPLETENESS, TIMELINESS, OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NOTHING IN THIS WEBSITE OR ANY OTHER COMMUNICATION BY **ENERGYNET.COM, LLC** CONSTITUTES INVESTMENT ADVICE. ANY DECISIONS BASED UPON THE INFORMATION CONTAINED IN THIS WEBSITE ARE THE SOLE RISK AND RESPONSIBILITY OF THE USER.

### PURCHASE OF PROPERTIES IN AUCTION OR SEALED BID

In the Auction, Sealed Bid or other designated sale method (hereinafter "Sale Process"), **SELLER** may offer Properties for sale with or without a minimum reserve sales price. A specific date and time can be designated for the beginning and ending dates and times that potential **BUYERS** may make bids or offers on the Property in the Sale Process.

In an Auction Sale Process, the Properties are offered for sale through **EnergyNet.com, LLC's** auction platform conducted on the Website. **BUYERS** will bid on the Properties until the ending date and time of the auction. The **BUYER** with the highest bid or offer at the ending time and date whose bid or offer meets the minimum reserve sales price (if any) or the **BUYER** whose bid or offer is accepted by **SELLER**, will be obligated to purchase the Property for that price.

In a Sealed Bid Sale Process, the **SELLER** will receive sealed bids offered by the **BUYER**. The **SELLER** has the right to accept or reject any offer at any time. If **SELLER** offers the Properties in a Sealed Bid Sale Process and **SELLER** chooses to accept an offer, the **SELLER** must accept the offer in writing. This Agreement will govern the transaction(s) between **SELLER** and **BUYER** unless and until the **SELLER** and **BUYER** execute a separate purchase and sale agreement. If **SELLER** and **BUYER** execute a separate purchase and sale agreement, the terms of the purchase and sale agreement will control over any similar or related terms in this Agreement for the Properties that are the subject of the purchase and sale agreement. If the **SELLER** and **BUYER** enter into a purchase and sale agreement, the terms of this Agreement will apply to: (1) the Properties not conveyed in the purchase and sale agreement, if any; and (2) Properties conveyed by the purchase and sale agreement but only to the extent the purchase and sale agreement is silent as to terms in this Agreement. Notwithstanding anything to the contrary in this Agreement, the terms of this Agreement will control over the terms of any purchase and sale agreement entered into between **SELLER** and **BUYER** with regard to the duties and obligations between **EnergyNet.com LLC** and either **SELLER** or **BUYER**. No purchase and sale agreement between **SELLER** and **BUYER** will alter Fees and Commission Schedule payable to **EnergyNet.com LLC** as set out in Exhibit "C".

For any Sale Process, **SELLER** shall prepare an assignment that conveys the Properties. **BUYER** hereby acknowledges and agrees that the assignment prepared by **SELLER** is the controlling document with regard to the interest that is conveyed by the **SELLER**. In the event of a conflict between the assignment and this Agreement, the assignment will control. As between **SELLER** and **BUYER** the terms and conditions of the assignment provided by the **SELLER** and displayed on the Website shall supersede and control over any conflicting terms and conditions in this Agreement or in the Seller's Agreement.

### AGREEMENT TO PURCHASE

**BUYER** hereby agrees to participate as a bidder in the Sale Process for the sale of Oil and Gas Properties and any negotiations following the Sale Process pursuant to the terms of this Agreement. **EnergyNet.com, LLC** agrees to allow **BUYER** to participate in the sale based on the terms and conditions in this Agreement and any additional terms as posted on the Lot, Property Narrative, **Property Information**, or Additional Information on the Website. **EnergyNet.com, LLC** reserves the right in its sole discretion to exclude **BUYER** from accessing the Website or bidding on Properties

### BUYER'S REPRESENTATIONS, AGREEMENTS, WARRANTIES AND ASSURANCES

#### *I. SOPHISTICATED, ACCREDITED AND QUALIFIED INVESTOR*

Properties (hereinafter "the Property" or "Properties" whether used in the singular or plural tense) offered for sale are not intended or considered by **EnergyNet.com, LLC** to be securities under the Securities Act of 1933 (the "Securities Act"), the Securities Exchange Act of 1934 and all state securities laws (collectively, the "Securities Laws"). Nevertheless, because the sale of the Properties pursuant to the Sale Process may be deemed to be the sale of securities under Securities Laws, the **BUYER** hereby acknowledges and agrees that such sale shall not be registered under Securities Laws, and that applicable exemptions from registration under the Securities Laws are based, among other things, on the **BUYER** being a sophisticated, accredited and qualified investor. Conveyances will be made only to **BUYERS** who are registered with **EnergyNet.com, LLC** as sophisticated, qualified and accredited investors.

Therefore, **BUYER** by executing this Agreement to purchase Properties hereby acknowledges and represents:

- A. It is primarily engaged in the business of exploring for or producing oil or gas or other minerals as an ongoing business;
- B. By reason of this knowledge and experience, the **BUYER** or its representative will evaluate the merits and risks of the Properties to be purchased and will form an opinion based solely upon its knowledge and experience and not upon any statement, representation, or printed material provided or made by **EnergyNet.com, LLC** and representatives or **SELLER**;
- C. The **BUYER**, being of legal age, has sufficient financial resources in order to bear the risk of loss attendant to the purchase of the Property and "Sufficient Financial Resources" are defined as follows:

Not less than an annual income of \$200,000 for any natural person in each of the two most recent years or joint income with the person's spouse of not less than \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year, and such natural person satisfies such thresholds for such three years consistently either alone or jointly with a spouse;

- OR Any natural person whose individual net worth or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000, where net worth means the fair market value of such person's total assets less such person's total liabilities; provided, that: (i) such person must exclude the value of his primary residence as an asset; and (ii) such person may generally exclude the amount of indebtedness secured by his primary residence as a liability except that he must deduct as liabilities (A) the amount by which such indebtedness exceeds the fair market value of his primary residence; and (B) the amount of such indebtedness incurred within the 60 days preceding the purchase date (other than as a result of the acquisition of his primary residence);
- OR Any business entity (i) in which all of the equity owners have "Sufficient Financial Resources", (ii) any entity (other than a trust) not formed for the specific purpose of acquiring the Property or Properties, with total assets in excess of \$5,000,000, and that amount must be shown on its most recently prepared financial statements, or (iii) a trust not formed for the specific purpose of acquiring the Property or Properties, whose purchase is directed by a sophisticated person and with total assets in excess of \$5,000,000 and that amount must be shown on its most recently prepared financial statements. For this purpose, a sophisticated person means that such person must have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the acquisition of the Property or Properties;
- D. **BUYER** agrees and acknowledges that if a Purchaser Representative is used, such Purchaser Representative:
- (1) has no business relationships with the **SELLER**;
  - (2) represents only the **BUYER** and not the **SELLER**;
  - (3) is compensated only by the **BUYER**; and
  - (4) is a designated Attorney-in-Fact for **BUYER**, by documentation submitted to **EnergyNet.com, LLC** prior to sale; and
- E. **BUYER** acknowledges that the purchase of Properties is suitable for the **BUYER**.

**BUYER** hereby agrees and acknowledges that **EnergyNet.com, LLC** has the sole discretionary power to determine that **BUYER** is a sophisticated, qualified and accredited investor as defined above, and **BUYER** further acknowledges that this is a continuing right and power and that **BUYER** may be disqualified at any time by **EnergyNet.com, LLC**. **BUYER** hereby agrees and acknowledges that **EnergyNet.com, LLC**, at any time and in its sole and absolute discretion, may revoke Buyer's access to the Website and **BUYER**'s ability to bid or make offers on Properties.

**BUYER** acknowledges and agrees that it is under a continuing duty to **EnergyNet.com, LLC** and **SELLER** to notify the same if **BUYER** subsequently fails to qualify as a sophisticated, qualified and accredited investor.

**BUYER** agrees to indemnify and hold **SELLER** and **EnergyNet.com, LLC** and its related entities harmless as to any and all violations of Securities Laws that result from any misrepresentation of the **BUYER** being a sophisticated, qualified, and accredited investor. If it is determined by an applicable regulatory agency or a judicial tribunal that (i) the sale of the Properties constitute the sale of a security under any Securities Laws and (ii) such **BUYER** was not a sophisticated, qualified, and accredited investor, **SELLER** can rescind such sale and return 75% of the proceeds to the **BUYER** net of the total commission paid to **EnergyNet.com, LLC**. The remaining 25% of the proceeds may be retained by **SELLER** as liquidated damages and not as a penalty. **BUYER** agrees to indemnify and hold **SELLER** and **EnergyNet.com, LLC** and its related entities harmless as to any and all attorneys' fees, costs and other damages incurred by the parties in any proceeding that determines that **BUYER** was not a sophisticated, qualified, accredited investor.

## 2. *NO VIEW TO RESALE*

**BUYER** acknowledges and understands that the Properties are not intended or considered by **EnergyNet.com, LLC** to be "securities" as that term is used in Securities Laws. Nevertheless, except and unless **BUYER** notifies **EnergyNet.com, LLC** in writing to the contrary, **BUYER** hereby agrees and acknowledges that it is not purchasing such Properties with a view to or for resale in connection with a public offering within the meaning of any Securities Laws. Moreover, if it is determined by an applicable regulatory agency or a judicial tribunal that (i) the sale of the Properties constituted the sale of a security under any Securities Laws and (ii) such **BUYER** was acquiring Properties with a view to or for resale in connection with a public offering, **SELLER** can rescind such sale and return 75% of the proceeds to the **BUYER** net of the total commission paid to **EnergyNet.com, LLC**. The remaining 25% of the proceeds may be retained by **SELLER** as liquidated damages and not as a penalty. **BUYER** agrees to indemnify and hold **SELLER** and **EnergyNet.com, LLC** and its related entities harmless as to any and all attorneys' fees, costs and other damages incurred by the parties in any proceeding that determines that **BUYER** was acquiring such Properties with a view to or for resale in connection with a public offering.

**BUYER** further agrees that it is the sole purchaser of any Property acquired by it.

## 3. *DUE DILIGENCE AND INDEPENDENT EVALUATION*

**BUYER** hereby acknowledges and agrees that it has the sole responsibility to examine all information concerning ownership and production of the Properties placed for sale by the **SELLER**. Further, **BUYER** acknowledges and agrees that if it requires more information concerning said Properties, **BUYER** must contact **EnergyNet.com, LLC** or the **SELLER** to obtain requested information prior to the beginning date of the Sale Process. If **BUYER** makes a bid or offer on any Property after requesting additional information, **BUYER** waives any such request.

**BUYER** further agrees that it will make an independent evaluation of the Property and acknowledges that **SELLER** and **EnergyNet.com, LLC** have made no statements or representations concerning the present or future value of the future income, costs or profits, if any, to be derived from the Property.

**BUYER** further acknowledges that in making its bid or offer in the Sale Process or any subsequent negotiations, it has relied solely upon its independent examination of the premises and public records, and **BUYER**'S bids and offers are based solely on **BUYER**'S independent inspections, estimates, computations, evaluations, reports, studies and knowledge of the Properties. Any and all information provided by **SELLER** or **EnergyNet.com, LLC** in the Property Information, data packages as well as any other information provided by **SELLER** or **EnergyNet.com, LLC** as requested by **BUYER** are furnished to **BUYER** at **BUYER**'S sole risk. **SELLER** and **EnergyNet.com, LLC** do not warrant or represent the accuracy or completeness of the data presented to the **BUYER**, and **BUYER** agrees to indemnify and hold **SELLER** and **EnergyNet.com, LLC** and its related entities harmless from any reliance by **BUYER** on data or information provided by the **SELLER** and/or **EnergyNet.com, LLC**.

**BUYER** agrees and represents that if **BUYER** receives or has access to Personal Information from **EnergyNet.com, LLC** or **SELLER**, **BUYER** will keep such Personal Information confidential and will not use such Personal Information for any purpose other than conducting an evaluation of the Property. **BUYER** also agrees and represents that **BUYER** will not sell or provide any information obtained from **EnergyNet.com, LLC** or **SELLER**, including Personal Information, to any other person or entity. Personal Information includes social security numbers, driver's license numbers, credit card numbers, and information related to assets or financial accounts owned by individuals unless directly related to the Property.

#### 4. BUYER'S ASSURANCE OF CAPACITY

**BUYER** represents and warrants to **SELLER** that it is authorized to hold title to the Properties and is in good standing and duly qualified to conduct its business in the jurisdiction where the Properties are located.

If **BUYER** is a corporation, partnership or limited liability company, **BUYER** warrants and represents that the consummation of the transactions contemplated by this Agreement will not violate nor be in conflict with any provision of the applicable Articles of Incorporation, By-Laws, Partnership Agreements, and/or Company Agreements and that the transactions contemplated by this Agreement have been duly and validly authorized by **BUYER**.

If such Property conveys operating rights of the Property, **BUYER** represents and warrants that it is duly bonded and licensed to operate oil and gas wells within any jurisdiction where the Property is located.

After the conclusion of the purchase of the Property, the **SELLER** will not be obligated to assist the **BUYER** in any way in the management or operation of the Properties, and the **BUYER** will be dependent solely upon its own efforts to realize a profit from the Properties.

#### 5. CONTRACT COMPLIANCE

**BUYER** further states that it will comply with all applicable Joint Operating Agreements, Unitization Agreements, Communitization Agreements and any other agreements that pertain to ownership of the Properties. **BUYER** is fully responsible to obtain waivers of uniform maintenance under Joint Operating

Agreements, if needed, and agrees to indemnify and hold **SELLER** and **EnergyNet.com, LLC** and its related entities harmless, if the same are not obtained by **BUYER**, or waived by third parties.

It is further agreed by **BUYER** that it is **BUYER'S** sole responsibility to notify any operators and or disbursers of revenue of any change in ownership. Following the effective date of a sale, **SELLER** agrees to cooperate with **BUYER** as necessary to replace **SELLER** with **BUYER** as the appropriate recipient of revenue from operators and disbursers of revenue and to execute documents as may be required by operators or disbursers of revenue to confirm any change in ownership.

#### 6. LESSER INTEREST

If **BUYER** discovers that the Properties conveyed by **SELLER** is of lesser interest than what was represented in the Property Information and associated data, or any modifications or changes thereto, **BUYER** will contact the **SELLER** in writing within sixty (60) days from the date of the sale and object to the lesser interest. In **BUYER'S** objection, **BUYER** shall provide: (1) adequate proof of said lesser interest; and (2) provide **BUYER'S** opinion of the value of the lesser interest compared to the total price paid for the full or represented interest and the basis for **BUYER'S** opinion. **BUYER** agrees that **SELLER**, within thirty (30) days following receipt of **BUYER'S** objection to the lesser interest, will, at **SELLER'S** option and by written notice to **BUYER** cure the lesser interest in one of the following three ways:

- (a) refund the value of the lesser interest; or
- (b) cure the defect that is attributable to the lesser interest, subject to **BUYER'S** reasonable satisfaction of the recovery and confirmation of the lost interest; or
- (c) rescind the sale and **BUYER** shall reassign the same back to **SELLER**, free of any and all encumbrances of **BUYER**, and **SELLER** will refund the amount paid by **BUYER** upon execution and delivery of the assignment from **BUYER** to **SELLER**.

If **SELLER** elects to cure the defect pursuant to clause (a) above, **SELLER** shall refund the value of the lesser interest within ten (10) days of **SELLER'S** election. If **SELLER** disagrees with **BUYER'S** opinion of the value of the lesser interest, **SELLER** shall provide to **BUYER** the basis for **SELLER'S** opinion as to the value of the lesser interest when **SELLER** refunds the value of the lesser interest. If **SELLER** does not refund to **BUYER** the **BUYER'S** opinion of the value of the lesser interest, **BUYER** may accept and receive **SELLER'S** refund of the value of the lesser interest without waiver of any right or cause of action against **SELLER** to make a claim that **SELLER** failed to refund the full value of the lesser interest. If **SELLER** elects to cure the defect pursuant to clause (b) above, the **SELLER** has sixty (60) days from the date **SELLER** makes the election to cure the defect. If **SELLER** does not cure the defect within this sixty (60) day time period, **BUYER** may elect either the remedy set forth in clause (a) above or the remedy set forth in clause (c) above, by providing written notice to **SELLER**. If **SELLER** does not make the election in writing within the thirty (30) day period, **BUYER** may elect either the remedy set forth in clause (a) above or the remedy set forth in clause (c) above, by providing written notice to **SELLER** within thirty (30) days after the expiration of **SELLER'S** option period.

**EnergyNet.com, LLC** shall be entitled to retain any commission paid or payable by **SELLER**. In any event, **BUYER'S** sole remedy is against **SELLER**.

#### 7. GAS IMBALANCES

**BUYER** acknowledges and agrees that Properties on which it may bid or make offers may be subject to gas imbalances pursuant to Gas Balancing Agreements between working interest parties or in the absence of agreements between the working interest parties in the unit.

All Properties shall be sold without warranty on an "AS IS, WHERE IS" basis. No adjustment in the purchase price shall be made as a result of an inaccuracy in the estimated gas imbalance amount disclosed by **SELLER**. **SELLER** shall provide information it believes accurate as to the status of gas imbalances for the offered Properties, but neither **SELLER** nor **EnergyNet.com, LLC** makes any representations or warranties as to the accuracy of such information.

As to interests subject to Gas Imbalance Agreements, **SELLER** agrees to fully disclose the Gas Balancing Agreement in the **Property Information** and **SELLER** will present the last production figures available as to gas imbalances on the properties. It is the **BUYER'S** responsibility to monitor the gas imbalance from the effective date of the last Gas Balance Statement to the effective date of assignment. However, **SELLER** agrees to provide up to date figures on gas imbalances as they occur either prior to or during the Sale Process. All properties sold with gas imbalances are the responsibility of the **BUYER** upon the effective date of the assignment.

**BUYER** acknowledges and agrees that the consideration paid by the **BUYER** includes the acceptance by the **BUYER** of the either over or under production on the subject Properties. **BUYER** is responsible for removing or clearing any balancing obligation. **BUYER** shall indemnify and hold **SELLER** and **EnergyNet.com, LLC** and its related entities harmless as to any and all claims of gas imbalances or liabilities either before or after the effective date of the assignment. If within sixty (60) days from the date of sale, the amount of **SELLER'S** over production gas imbalance is understated by at least 50% in the **Property Information** or in any other information provided by **SELLER**, and uploaded to the Website or by subsequent statements

prior to sale in the Sale Process by **SELLER**, and **BUYER** notifies **SELLER** of the amount of overproduction within the sixty (60) day period by providing **SELLER** with written evidence of said overproduction, **BUYER**, may, at the sole option of the **BUYER**, void the sale. In the event **BUYER** voids the sale of the Property, **SELLER** shall return to **BUYER** the purchase price plus pay all recording costs associated with the sale of said Property. **BUYER** will assist **SELLER** in the drafting and execution of any conveyancing documents, of which **SELLER** will pay all recording fees. In addition, **SELLER** agrees to pay and will be liable and responsible to pay to **EnergyNet.com, LLC** a sum equal to the commission that would have been realized on the sale of said Property had the sale not been declared void by the **BUYER**, as described and calculated in accordance with Exhibit "C" attached hereto and made a part hereof.

#### 8. PREFERENTIAL RIGHTS

**BUYER** acknowledges and agrees that certain Properties may be subject to preferential rights of purchase, consents or permission to assign by nature of Joint Operating Agreements and other agreements between third parties and **SELLER** (collectively "Preferential Rights"). **BUYER** acknowledges and agrees that **SELLER** will have sixty (60) days from the date of sale to resolve Preferential Rights by waiver, consent or permission to assign. If **SELLER** does not obtain waivers of Preferential Rights within sixty (60) days of date of sale, **BUYER** will have the option to cancel the sale.

**BUYER** acknowledges and agrees that if **BUYER** is the successful bidder on Properties subject to preferential rights, **BUYER** is to allow **SELLER** to obtain waivers of the preferential rights. **SELLER** will notify **BUYER** and **EnergyNet.com, LLC** of the third parties' desire to purchase such Property on the same terms and conditions which includes the payment of the commission and expenses due to **EnergyNet.com, LLC**. All proceeds tendered by **BUYER** to Escrow Bank will be refunded to the **BUYER** upon **SELLER** receiving proceeds from the party exercising the preferential right to purchase.

**BUYER** further agrees and consents that if a Property is sold for less than \$300,000 and such Property is subject to a preferential right of purchase, **BUYER** will tender 100% of the purchase price of such Property to the Escrow Bank until such time as the preferential Rights are exercised or waived by the holders of the same. **BUYER** further agrees and consents that if a Property is sold for \$300,000 or more and such Property is subject to a preferential right of purchase, **BUYER** will tender 25% of the purchase price of such Property to the Escrow Bank until such time as the Preferential Rights are exercised or waived by the holders of same. If such third parties do not exercise the Preferential Rights of purchase, **SELLER** shall notify **EnergyNet.com, LLC** and **BUYER** of the waiver. If the third party or parties do not exercise the preferential right of purchase and **BUYER** previously tendered less than 100% of the purchase price of such Property to the Escrow Bank, the **BUYER** will tender the remaining purchase price balance to the Escrow Bank within two (2) full banking days of such notification by **SELLER**.

#### 9. ENVIRONMENTAL LIABILITIES

**BUYER** hereby acknowledges and agrees that after the effective date of the assignment, it is responsible for any and all losses attributable to any and all environmental events or impacts, including, without limitation, damage to property, injury or death of persons or other things, natural resource damages, CERCLA response costs, environmental remediation and restoration, costs or fines or penalties arising out of or attributable to, in whole or in part, either directly or indirectly, the ownership, condition or operation of the Properties.

**BUYER** acknowledges and agrees that **SELLER** is responsible for all environmental events or impacts that occurred during its period of ownership of the Properties prior to the effective date of the assignment of the Properties to the **BUYER**.

#### 10. ROYALTY, OVERRIDING ROYALTY, WORKING INTEREST, CONTRACTUAL LIABILITIES AND OPERATION LIABILITIES

**BUYER** hereby acknowledges and agrees that any and all liabilities related to obligations to pay royalties, overriding royalties and contractual obligations under Oil and Gas Leases, Joint Operating Agreements and liabilities associated with the ownership, condition or operation of the subject Properties become **BUYER'S** liability from the effective date of the assignment. **SELLER** retains liability for its period of ownership to the effective date of the assignment of the Properties.

#### 11. NO WARRANTIES (EXPRESS OR IMPLIED)

Notwithstanding any provision contained in this Agreement to the contrary, **BUYER** acknowledges and agrees that it is acquiring the Properties, wells, equipment or other property located thereon from **SELLER** without warranty whatsoever, express, statutory, or implied as to description, title, condition, quality, fitness for purpose, merchantability, or otherwise. **BUYER** acknowledges and agrees that neither **SELLER** nor **EnergyNet.com, LLC** makes any representation or warranty whatsoever as to the physical condition of the Property nor any statements or representation concerning the present or future value of the anticipated income, costs, or profits, if any, to be derived from the Property. **BUYER ACKNOWLEDGES AND AGREES THAT ALL PROPERTY IS SOLD ON AN "AS IS, WHERE IS" CONDITION.**

#### 12. TITLE

**BUYER** hereby acknowledges and agrees that it has the sole responsibility to examine all information concerning title to the Property and to conduct its own independent evaluation to ascertain title to the Properties and to satisfy itself that title is marketable, defensible or acceptable.

**BUYER acknowledges and agrees that it will indemnify and hold SELLER and EnergyNet.com, LLC and its related entities harmless as to accuracy of any documents of title to the Properties. BUYER further acknowledges and agrees that neither SELLER nor EnergyNet.com, LLC warrants title, either express or implied, and all title to the Properties is on an "AS IS" basis.**

#### 13. EFFECTIVE DATE AND CLOSING

The date of sale for Properties sold in an Auction Sale Process is when **BUYER** is declared to be the successful bidder on **SELLER'S** Property as declared by **EnergyNet.com, LLC**. The date of sale for Properties sold in a Sealed Bid Sale Process is the date on which **SELLER** provides notice that **SELLER** has accepted **BUYER'S** bid. The date of sale for Properties sold as the result of negotiations following the Sale Process is the date **SELLER** and **BUYER** agree upon a sales price.

The date of sale is different than the effective date of sale. **BUYER** acknowledges and agrees that the effective date of sale is the date reflected in **SELLER'S** assignment, which date will be the first (1<sup>st</sup>) day of the month prior to or after the date of the sale.

**BUYER** acknowledges and agrees upon notification from **EnergyNet.com, LLC** of **BUYER'S** successful bid or offer on **SELLER'S** Property, **BUYER** is to tender, subject to Paragraph 8, the total amount of funds required hereunder to purchase the Property to the designated Escrow Bank (currently the Wells Fargo Bank of Amarillo, Texas; provided however, that **EnergyNet.com, LLC** may, from time to time, at its sole discretion, change the Escrow Bank to another bank) by one of the following methods:



- A. Wire transfer from **BUYER'S** bank or financing institution made payable to **EnergyNet Services, LLC** (the Wells Fargo Bank of Amarillo, Texas as escrow agent);
- B. Next day delivery overnight mail from **BUYER** to **EnergyNet Services, LLC** Funds must be either certified or check pre-approved by **EnergyNet Services, LLC**, made payable to **EnergyNet Services, LLC** (the Wells Fargo Bank of Amarillo, Texas, as escrow agent); or
- C. Hand or carrier delivered to **EnergyNet Services, LLC** at its offices at 7201 W. Interstate 40, Ste 319, Amarillo, TX, 79106, with funds either certified or check pre-approved by **EnergyNet Services, LLC**, made payable to **EnergyNet Services, LLC** (the Wells Fargo Bank of Amarillo, Texas, as escrow agent).
- D. In addition to the purchase price, **BUYER** will, by payment of any of the methods listed above in Paragraph A, B or C and within the time period provided for below, pay the applicable recording fees, sales tax, if any, and handling/administrative fees due **EnergyNet Services, LLC** associated with **BUYER'S** purchase.

Escrow Bank is to be considered as a depository only for funds escrowed pursuant to this Agreement, and it shall hold and disburse such funds solely on the basis of written instructions it receives from **EnergyNet Services, LLC**. Escrow Bank shall be entitled to rely at all times on the written instructions given to it by **EnergyNet Services, LLC** without any necessity of verifying the authority therefor. Neither **SELLER** nor **BUYER** shall have any authority to give instructions to or otherwise direct the actions of Escrow Bank with respect to the escrowed funds. ESCROW BANK SHALL NOT AT ANY TIME BE HELD LIABLE FOR ACTING IN ACCORDANCE WITH THE WRITTEN INSTRUCTIONS IT RECEIVES FROM **ENERGYNET SERVICES, LLC. ENERGYNET.COM, LLC., SELLER AND BUYER** AGREE TO SAVE AND HOLD ESCROW BANK HARMLESS FROM ANY LOSS AND FROM ANY CLAIMS OR DEMANDS ARISING OUT OF ACTIONS TAKEN OR OMITTED TO BE TAKEN BY ESCROW BANK PURSUANT TO SUCH WRITTEN INSTRUCTIONS AND HEREBY AGREE TO INDEMNIFY ESCROW BANK FROM ANY ALL CLAIMS, EXPENSES (INCLUDING ATTORNEY'S FEES INCURRED BY ESCROW BANK) OR DEMANDS FOR LOSSES ARISING OUT OF ITS ACTIVITIES AS ESCROW BANK.

**BUYER** acknowledges and agrees that **BUYER** shall have two (2) full banking days to complete the transfer of funds, unless **SELLER, BUYER,** and **EnergyNet.com, LLC** mutually agree otherwise, in writing.

Unless otherwise provided in the assignment to be delivered to **BUYER,**

- (a) **SELLER** is entitled to receive all production (including oil in the tanks), revenues and joint interest billings accruing prior to the effective date of the assignment to **BUYER;**
- (b) **SELLER** is obligated to pay all expenses related to operation and control of the Properties incurred prior to the effective date of said assignment;
- (c) **SELLER** and **BUYER** shall be solely responsible for all post-sale settlements and adjustments, including but not limited to the proration of production, revenues and expenses; and
- (d) **SELLER** AGREES TO INDEMNIFY AND HOLD **BUYER** HARMLESS AS TO ALL EXPENSES INCURRED PRIOR TO THE EFFECTIVE DATE OF THE ASSIGNMENT AND TO PAY **BUYER'S** REASONABLE COSTS, LEGAL OR OTHERWISE, RELATING TO ANY SUCH EXPENSES NOT PAID BY **SELLER.**

**BUYER** acknowledges and agrees that upon disbursement of the escrowed funds in the Escrow Bank, **EnergyNet.com, LLC** shall immediately receive its commission from Escrow Bank, net of Listing Fee for Minimum Reserve Price Property Listings, if any, as set out in the **EnergyNet.com, LLC's** Fees and Commissions Schedule (Exhibit "C") as set out in the **SELLER'S AGREEMENT FOR THE SALE OF OIL AND GAS PROPERTIES** (the "Seller's Agreement.")

**BUYER** agrees that all funds will be held in escrow until **SELLER** provides all executed documents of conveyance and any other documents that are required under the terms of this Agreement or Seller's Agreement.

**BUYER** acknowledges and agrees that settlement can be withheld if **SELLER** fails to provide requisite assignments or conveyancing documents to **BUYER** or if **SELLER** fails to obtain waivers of preferential rights, consents to assignments, releases or subordinations of encumbrances or any other requirements of **SELLER** under the Seller's Agreement in connection with the assignment of the Properties to **BUYER.**

**BUYER** agrees that **SELLER'S** assignment will be recorded by **EnergyNet.com, LLC** in the appropriate jurisdiction, but in no event will any conveyancing document be recorded prior to receipt of 100% of the purchase price and other sums due are received from **BUYER. EnergyNet.com, LLC,** upon receipt of all executed conveyancing documents, the purchase price and other sums that are due, will direct Escrow Bank to release all funds to **EnergyNet.com, LLC** for disbursement to **SELLER** minus applicable fees and commissions as set out in Exhibit "C", recording fees, sales tax, if any, or other fees or costs incurred by **EnergyNet.com, LLC,** within ten (10) banking days of receipt of **BUYER'S** total purchase price funds, provided funds have cleared the Escrow Bank or until funds are available for distribution under the terms of this Agreement.

#### 14. DISCREPANCIES IN THE ASSIGNMENT

Both **BUYER** and **SELLER** have a duty to determine any discrepancies between the assignment and what is represented in the **Property Information** provided. If **SELLER** fails to timely deliver its assignment for examination prior to the sale, **BUYER** agrees to accept such assignment "AS IS" in the form and substance as prepared by **SELLER** when delivered to **EnergyNet.com, LLC. BUYER** agrees to indemnify and hold **EnergyNet.com, LLC** and its related entities harmless as to discrepancies between the assignment and **Property Information** provided.

#### 15. SELLER'S AGREEMENT

**BUYER** acknowledges and agrees that its purchase of Properties is subject to terms and conditions of the **Seller's Agreement for the Sale of Oil and Gas Properties** (the "Seller's Agreement") and hereby states that **BUYER** has read and understands the same.

If a **Seller's Agreement** is modified in a way that changes rights and obligations of **SELLER** to **BUYER** or **BUYER** to **SELLER,** then **EnergyNet.com, LLC** shall clearly provide notice in the **Property Information** that the **Seller's Agreement** has been modified and shall provide such notice prior to the beginning of the Sale Process.

16. *SELLER'S DEFAULT*

In the event that **SELLER** defaults for any reason whatsoever, **BUYER'S** sole remedy is against the **SELLER** only. **BUYER** indemnifies and holds harmless **EnergyNet.com, LLC** and its related entities as to any and all defaults of **SELLER**.

17. *BUYER'S DEFAULT*

**BUYER** acknowledges and agrees that if it defaults for any reason, including failure to tender the total purchase funds to the Escrow Bank within the required time, **EnergyNet.com, LLC** and **SELLER** will have, in addition to all remedies at law, the option to do the following:

- A. Sell the Property to another bidder;
- B. Remove the Property from the Sale Process and resell the Property at a future date; or
- C. In addition, **EnergyNet.com LLC** may, with or without default by **BUYER** and at its sole option and discretion, terminate the Buyer's Agreement executed by **BUYER** and **BUYER'S** right to participate in any subsequent sale.

**BUYER** acknowledges and agrees that the above options are remedies for mitigation of damages and that **SELLER** will have the full right to seek damages against **BUYER** for its failure to tender the total purchase funds bid or offered by the **BUYER**. In the event that the Property is sold to another bidder pursuant to Paragraph 17(A), **BUYER** acknowledges and agrees **BUYER** will pay to **EnergyNet.com, LLC** the difference between the total purchase funds bid or offered by the **BUYER** and the proceeds received from the sale to the other bidder. **BUYER** will pay this difference within five (5) banking days after receiving notice of the difference. **EnergyNet.com LLC** will retain the commission on the difference as set out in the **Seller's Agreement** and remit the remainder to **SELLER**. **BUYER** further agrees that **SELLER** and **EnergyNet.com, LLC** will be entitled to recover all costs and attorney's fees resulting from any breach of this Agreement by **BUYER**.

If **BUYER** has tendered partial funds pursuant to the preferential rights provisions of this contract and then fails to tender the full total purchase price upon waiver or expiration of the third party rights, **EnergyNet.com, LLC** will be entitled to retain the partial funds towards satisfaction of its total purchase price commission as set out in the Seller's Agreement. Upon satisfaction of the commission, the remaining funds, if any, will be distributed to the **SELLER** as liquidated damages and not as a penalty. Retention of the partial funds does not release the **BUYER** from any action by the **SELLER** for **BUYER'S** breach and **SELLER** will be allowed the mitigation options as set out above and the right to seek damages from the **BUYER** for its failure to tender the total purchase funds bid or offered by the **BUYER**.

18. *NO RESERVE OR MINIMUM RESERVE*

**BUYER** acknowledges and understands that any Property or Properties offered for sale in the Sale Process shall be offered on a basis of "no reserve" or on a basis of "minimum reserve."

For the purpose of this Agreement, a "no reserve" basis sale is defined as **SELLER'S** acceptance of the sale of the Properties with no minimum monetary amount. "Minimum reserve" basis sale is defined as **SELLER'S** request for Properties to be sold for not less than a specified minimum monetary amount. "No reserve" Properties are sold to the highest bidder within the time period set for the Sale Process. "Minimum reserve" Properties are sold to the highest bidder when the highest bid or offer entered equals or exceeds the minimum monetary amount for the Property, or when the high bid or offer is accepted by **SELLER**. **EnergyNet.com, LLC** has the sole discretion to declare the highest bidder, arbitrate disputed bids or offers and declare any changes in the Properties or lots being sold.

All sales are final when **EnergyNet.com, LLC** declares the **BUYER** to be the highest bidder on the Property.

19. *PURCHASE REPRESENTATIVES OF BUYER*

**BUYER** acknowledges and agrees that a pre-approved **BUYER** may, by executed Power of Attorney, designate certain individuals to bid or make offers and purchase Properties in the Sale Process or in any negotiations following conclusion of the Sale Process.

All Attorneys-in-Fact must be pre-approved by **EnergyNet.com, LLC** prior to the beginning date of the Sale Process or any subsequent negotiations.

Compensation, if any, is to be paid solely by the **BUYER** to such Attorney-in-Fact.

20. *INDEMNIFICATIONS*

- A. As to any breach between **BUYER** and **SELLER** as to the purchase of the Property, **BUYER** agrees that **EnergyNet.com, LLC** and its officers, directors, employees, shareholders, agents, representatives, contractors, successors and assigns are not liable to the **BUYER** for any breach resulting from **SELLER'S** failure to close the sale of the Properties or any other breach of duty owed to the **BUYER** from the **SELLER** by nature of Seller's Agreement with **EnergyNet.com, LLC** or any other agreements between the parties. **BUYER'S** sole remedy is against the **SELLER**.
- B. If prior to the date the escrowed funds are disbursed, a dispute arises between **SELLER** and **BUYER** as to the proper disbursement of such funds to be made by **EnergyNet.com, LLC**, **EnergyNet.com, LLC** is hereby authorized to receive from Escrow Bank any commission or other fees payable to **EnergyNet.com, LLC** as provided for herein, and **EnergyNet.com, LLC** shall direct Escrow Bank to RETAIN the remaining funds until **EnergyNet.com, LLC** receives written instructions executed by **SELLER** and **BUYER** as to the disposition and disbursement of such funds or until ordered by final court order, decree or judgment, that has not been appealed, to deliver such funds to a particular party, in which event such funds shall be delivered in accordance with such instruction, order, decree or judgment.
- C. **BUYER** HEREBY INDEMNIFIES AND AGREES TO HOLD **ENERGYNET.COM, LLC** AND ITS RELATED ENTITIES AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, REPRESENTATIVES, CONTRACTORS, SUCCESSORS AND ASSIGNS HARMLESS FROM AND AGAINST ANY LIABILITY, SUIT, CLAIM, DAMAGE, HARM, COST OR EXPENSE (INCLUDING REASONABLE ATTORNEY'S FEES, AND COURT COSTS) RESULTING OR ARISING FROM BREACHES BY **BUYER** UNDER THIS AGREEMENT AND ANY AND ALL CAUSES OF ACTION RELATED TO OR ARISING FROM **BUYER'S** DUTIES UNDER THIS AGREEMENT AND AS A RESULT OF OR ARISING FROM **BUYER'S** DUTIES OWED TO THE **SELLER** OUTSIDE OF THIS AGREEMENT.

ALL INDEMNIFICATIONS EXTEND TO THE BENEFIT OF THE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, REPRESENTATIVES, CONTRACTORS, SUCCESSORS AND ASSIGNS OF EACH INDEMNIFIED PARTY. ALL INDEMNITIES SURVIVE THE TERM OF THIS AGREEMENT.

21. TERM OF AGREEMENT

The term of this Agreement, including any subsequent amendments hereto, is for one (1) year from the date BUYER executes this Agreement. Notwithstanding this one (1) year term, BUYER acknowledges and understands that the terms and provisions of this Agreement may be changed or amended from time to time by EnergyNet.com, LLC, and that BUYER'S use of EnergyNet.com, LLC's Website to bid or make offers on Properties will be subject to and governed by the terms of the Buyer's Agreement posted on EnergyNet.com, LLC's website as of seven days prior to the beginning date of the Sale Process.

BUYER UNDERSTANDS THAT IT IS BUYER'S RESPONSIBILITY AND DUTY TO READ BUYER'S AGREEMENT TO PURCHASE OIL AND GAS PROPERTIES SEVEN DAYS PRIOR TO THE BEGINNING DATE OF ANY SALE PROCESS IN WHICH BUYER WISHES TO PARTICIPATE. BY PARTICIPATING IN SUCH SALE PROCESS OR ANY SUBSEQUENT NEGOTIATIONS, BUYER AGREES TO BE BOUND BY THE TERMS OF SUCH BUYER'S AGREEMENT.

22. RESTRICTIONS ON PURCHASES OUTSIDE OF THIS AGREEMENT

Buyer will not take any action designed to prevent EnergyNet.com, LLC from receiving its commission for the sale of Properties. Buyer acknowledges that EnergyNet.com, LLC has the exclusive right to sell the Properties listed on its Website. Buyer agrees that it will not use the information on the Website for pursuing in any manner the purchase of Properties listed on the Website unless any such purchase is pursuant to this Agreement. Buyer agrees that neither Buyer nor any representative or intermediary of Buyer will offer to purchase from a Seller any Property listed by EnergyNet.com, LLC on the Website, except as provided by EnergyNet.com, LLC through its Sale Process. Any such offer constitutes an event of default by Buyer. For a period of six months from the posting of information on a particular Property on the Website, Buyer further agrees that Buyer will not purchase any such Property, other than pursuant to this Agreement or with the prior written consent of EnergyNet.com, LLC. Buyer acknowledges that EnergyNet.com, LLC has spent considerable time and expense to attract potential sellers and to acquire and assimilate the information available to Buyer on the Website. Buyer further acknowledges that the damages suffered by EnergyNet.com, LLC for Buyer's breach of any provision of this Agreement will be impossible to specifically identify. In the event that Buyer breaches any provision in this paragraph, Buyer agrees that EnergyNet.com, LLC will be entitled to recover from Buyer, as liquidated damages and not as a penalty, the amount of the commission EnergyNet.com, LLC would have received if the Buyer had purchased the Property pursuant to this Agreement.

23. MISCELLANEOUS

- 23.1 **Governing Law and Litigation Costs.** BUYER acknowledges and agrees that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas and the exclusive venue for any action by BUYER or SELLER arising under this Agreement shall be the Federal District Court for the Northern District of Texas, Amarillo Division and the Texas District Court for Potter County, Texas. The assignment and matters pertaining to the Properties will be governed by and interpreted in accordance with the laws of the states in which the Properties are located. Auctions are conducted by a registered auctioneer licensed in the State of Texas as selected by EnergyNet.com LLC. In the event that any party to this Agreement resorts to legal proceedings to enforce this Agreement, the prevailing party in such proceedings shall be entitled to recover all costs incurred by such party, including reasonable attorney fees.
- 23.2 **Severability.** BUYER acknowledges and agrees that if any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any applicable rule or law, such provision will be ineffective only to the extent of such invalidity, illegality or unenforceability and all other conditions and provisions of this Agreement shall, nevertheless, remain in full force and effect so long as the economic or legal substance of the transaction contemplated hereby is not affected in a materially adverse manner with respect to either party.
- 23.3 **Waiver.** Each party acknowledges and agrees that no waiver by either party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other portions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.
- 23.4 **Captions.** BUYER acknowledges and agrees that the titles and headings in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.
- 23.5 **Notices.** BUYER acknowledges and agrees that any notice provided or permitted to be given under this Agreement shall be in writing, and may be served by personal delivery including, without limitation by telecopier or facsimile or by depositing same in the United States mail, addressed to the party to be notified, postage prepaid, and registered or certified with a return receipt requested. Notices deposited in the mail in the manner herein above described shall be deemed to have been given and received upon the date of delivery as shown on the return receipt. Notice served in any other manner shall be deemed to have been given and received only if and when actually received by the addressee. For purposes of notice, the addresses of the parties shall be as follows.

If to: BUYER:  
Intentionally Left Blank  
Intentionally Left Blank

If to: EnergyNet.com, LLC  
7201 W. Interstate 40, Ste 319  
Amarillo, TX 79106  
Attn: Registered Principal

The address of any party for notice purposes may be changed by such party by giving two days written notice of such change to all other parties to the Agreement.

- 23.6 **Entirety and Amendments.** NOTWITHSTANDING PARAGRAPH 21 OR ANY OTHER LANGUAGE CONTAINED HEREIN TO THE CONTRARY, BUYER acknowledges and agrees that this Agreement and all attached Exhibits and the instruments delivered or required to be delivered pursuant hereto supersede all prior negotiations, understandings and agreements between the parties relating to the subject matter hereof and constitute the entire understanding and agreement between the parties with respect thereto; and no alterations, modifications, amendments or

changes in the Agreement shall be effective or binding unless the same shall be in writing and shall have been executed by **BUYER** and **EnergyNet.com, LLC**.

23.7 **Execution.** This Agreement may be executed in multiple original counterparts, each of which shall be deemed an original for all purposes. No single counterpart of this Agreement need be executed by each party so long as each party shall have executed at least one counterpart. Facsimile and electronically transmitted signatures shall be valid.

In witness whereof, the parties have executed this Agreement as of the day and year first set forth above.

**BUYER**

By: Intentionally Left Blank  
Intentionally Left Blank  
Printed or Typed Name and Title

**ENERGYNET.COM, LLC**

By: Intentionally Left Blank  
Intentionally Left Blank  
Printed or Typed Name and Title of Registered Principal  
By: Intentionally Left Blank  
Intentionally Left Blank  
Printed or Typed Name and Title of EnergyNet Representative