

Robert Johnston

From: Luke Adams <ladams@tisdalohara.com>
Sent: Monday, August 22, 2022 4:55 PM
To: Ryan Meacham; Robert Johnston
Subject: FW: Clinton Public Works Authority - Working Interest
Attachments: Consignment Contract BP.doc

See attached for Dakil's contract for selling CPWA's working interest at auction. I will get the other requested information to her.

Thanks,
Luke

From: Susan Dakil <susan@dakil.com>
Sent: Monday, August 22, 2022 3:20 PM
To: Luke Adams <ladams@tisdalohara.com>
Subject: RE: Clinton Public Works Authority - Working Interest

Luke:

I would be happy to work with you on this project. However I will need a lot more info. In addition to the working interest percentages, I will need to get the net revenue percentage. What are the expenses attributable to this interest? Also, in the Joint Operating Agreement for these wells there may be a clause where the Clinton Public Works must obtain the approval or the option for the other working interest participants to become the operator.

I look forward to hearing from you.

Susan Dakil

From: Luke Adams [<mailto:ladams@tisdalohara.com>]
Sent: Friday, August 19, 2022 11:40 AM
To: susan@dakil.com
Cc: Luke Adams
Subject: Clinton Public Works Authority - Working Interest

Mrs. Dakil,

We represent the Clinton Public Works Authority. Our client operates the J. Joe Smith No. 1 and Heard No. 3-16 wells, both located in Section 16, Township 12 North, Range 17 W.I.M., Custer County, Oklahoma. They own the following working interests in each: J. Joe Smith – 20% and Heard – 50%.

Our client desires to list these interests at auction. Please send your proposed contract and call me at your convenience to discuss.

Thank you,

Luke Adams, OBA #20602
Tisdal & O'Hara, PLLC
814 Frisco Avenue

CONSIGNMENT AUCTION CONTRACT

This Auction Contract entered into this _____ day of _____, 2022, between _____ of _____, hereinafter called OWNER and DAKIL AUCTIONEERS, INC. Oklahoma County, Oklahoma, a corporation, hereinafter called AUCTIONEER.

OWNER and AUCTIONEER hereby agree that AUCTIONEER shall sell the following described property belonging to the OWNER at public auction at 200 N. W. 114th Street, Oklahoma City, Oklahoma on or about the _____ day of _____, 2022. The property described below shall be sold to the highest bidder without minimum price, reservations, bid-ins or buy-backs.

PROPERTY TO BE SOLD BY AUCTIONEER

TITLES AND ENCUMBRANCES: OWNER represents that he owns good and valid title to the property to be sold and that he has the right to sell and convey such property free and clear of liens and encumbrances. OWNER agrees to indemnify AUCTIONEER for any liability arising from the failure of title or representations made by any party concerning the sale property. OWNER grants to AUCTIONEER a lien on the above described property with power of sale as is set out to secure AUCTIONEER for all funds advanced by AUCTIONEER for expenses of make-ready and sale, advertising, commission, and all other funds advanced to or for the benefit of OWNER in connection therewith.

ADVERTISING: AUCTIONEER shall advertise and promote the sale in what it considers to be the best interest of OWNER. OWNER agrees to pay for prorated share of said advertising and promotion. AUCTIONEER agrees to advance the above amount for OWNER'S account and OWNER agrees that AUCTIONEER shall be reimbursed for same from the proceeds of the sale. It is specifically agreed that each and every item advertised in the sale can be sold at auction only and not before sale date.

COMMISSION: OWNER shall pay to AUCTIONEER for its service a commission of _____% of the gross receipts of the sale from all sales made during the period of this contract whether such sales are made at auction, by private treaty, or otherwise. This contract constitutes an exclusive listing with AUCTIONEER of OWNER'S properties from date of execution of the contract until the listed properties are sold. AUCTIONEER shall charge a Buyer's Premium to be paid by the individual buyers and shall be retained by the AUCTIONEER.

CLOSING ARRANGEMENTS: OWNER and AUCTIONEER agree that all checks shall be made payable to DAKIL AUCTIONEERS, INC., AUCTIONEER will remit to OWNER his portion of the proceeds of the sale on or between twenty (20) banking days following completion of the auction. AUCTIONEER may at its option resell any item not paid for. AUCTIONEER shall have no risk of loss and no liability for non-collectible funds. AUCTIONEER will pursue collection of non-collectible funds.

RISK OF LOSS: OWNER agrees to hold AUCTIONEER harmless from any or bodily injury before, during, or after auction.

BREACH: This agreement is not subject to cancellation without the written consent of both AUCTIONEER and OWNER. In the event OWNER should no longer desire to sell the property described in this contract through AUCTIONEER or should discontinue the sale before the same is complete for any reason within OWNER'S control, it is agreed that OWNER shall pay AUCTIONEER as liquidated damages, and not at penalty, an amount equal to the commission which AUCTIONEER would have received had the sale been held, said commission to be based on AUCTIONEER'S appraisal of the property, plus those expenses OWNER is obligated to pay as set out above. Due to the difficulty and inconveniences to AUCTIONEER of providing damages, including the loss of business reputation, and due to unfeasibility of AUCTIONEER'S otherwise obtaining an adequate remedy, OWNER agrees that the damages described above are reasonable. Should it be necessary for AUCTIONEER to institute suit and should AUCTIONEER recover damages, OWNER agrees to pay AUCTIONEER reasonable expenses and attorney's fees expended in said suit.

COMPLETENESS OF CONTRACT: This contract constitutes the whole agreement between the OWNER and AUCTIONEER and it supersedes all previous communications, representations, and agreements, verbal or written between OWNER and AUCTIONEER. Any modification to this contract must be in writing.

Signed this _____ day of _____, 2022.

OWNER-

The above agreement is accepted by AUCTIONEER this _____ day of _____, 2022.

Louis M. Dakil, President
DAKIL AUCTIONEERS, INC.

LIEN PROVISIONS

OWNER to secure the lien granted hereinabove and in consideration of ten and no/100 (\$10.00) dollars and other good and valuable considerations, the receipt of which is hereby acknowledged, does hereby grant a security interest unto the AUCTIONEER, DAKIL AUCTIONEERS, INC. and to its successors and assigns the property which is subject to this Contract and described in said contract. This security interest is made to secure and force the payment of all advances of every nature heretofore or hereafter made by the AUCTIONEER to or for the benefit of the OWNER in connection with the performance of the Auction Agreement.

If default be made in the payment of any sum due AUCTIONEER hereunder or in performance of any agreement herein contained, the whole or the debt herein secured shall become due and payable, and may be collected by suit or by proceedings hereunder, and if said indebtedness is not paid when due, and is placed in the hands of an attorney for collection, then the owner shall be a reasonable attorney's fee and said fee shall be secured by this agreement.

In the event of default the AUCTIONEER shall have all rights and remedies granted in and law or equity under Oklahoma law and under the Oklahoma Commercial Code.

OWNER