

Overview

Lippard Real Estate and Auction is coordinating the sale of 2,252.45 net acres of minerals in Kay County, Oklahoma on behalf of the Seller. The minerals have been divided into 18 separate tracts for the purpose of this auction, ranging in size from 33 to 160 net mineral acres. A summary table of the tracts follows this page.

There is an existing oil and gas lease executed in 2012 that encompasses all of sections 13 and 24 (Tracts 13-16) comprising 426.666667 net acres (1280 gross acres). A copy of the lease is included under the documents tab. The minerals subject to the lease are held by production (HBP). The current operator of this lease is Quail Oil and Gas, Garden City, KS. There are 7 producers and 3 saltwater disposal wells within the oil and gas lease as follows:

Tract 13: 1 producer, 1 SWD

Tract 14: 5 producers, 1 SWD

Tract 15: 2 producers, 1 SWD

Tract 16: 0 producers, 0 SWD

Production is from the Red Fork sand at a depth of approximately 3200'. The operator, Quail Oil and Gas, is required to report the total production from all wells on the lease, so it is not possible from publicly-available information to allocate how much production can be attributed to each individual well. The location of all of the wells can be seen on the map accompanying each individual Ownership Report.

The successful bidder in each of tracts 13-16 would receive in the future, a proportionate share of the revenue based on their proportionate ownership. As an example, a pro-forma, based on 2023 revenue of \$4,919.76 would look like this:

Tract 13: $106.666667 \text{ acres} / 426.666667 \text{ acres} \times \$4,919.76 = \$1,229.94$

Tract 14: $106.666667 \text{ acres} / 426.666667 \text{ acres} \times \$4,919.76 = \$1,229.94$

Tract 15: $106.666667 \text{ acres} / 426.666667 \text{ acres} \times \$4,919.76 = \$1,229.94$

Tract 16: $106.666667 \text{ acres} / 426.666667 \text{ acres} \times \$4,919.76 = \$1,229.94$

The Seller has recently received an offer to lease certain minerals totaling 547 acres and located in tracts 8, 9, 10, 11, 12, and 17. Seller has declined offer to lease. Successful bidder(s) of the referenced tracts, upon request, will be provided with potential Lessee's contact information in order to resume lease negotiations.

In addition to the Red Fork sand production on the property, production occurs nearby in the Oswego, Skinner Sand, Mississippian, and Simpson ("Wilcox").

Summary listing of all tracts is on the following page.

Summary of Mineral Ownership

Tract	Township	Range	Section	Portion	Net Acres	Gross Acres	
1	28 N	3 E	12	NE/4	160.000000	160.000000	Appears Open of Record
2	28 N	3 E	12	NW/4 L&E	88.730000	88.730000	Appears Open of Record
3	28 N	3 E	12	SE/4	53.333333	160.000000	Appears Open of Record
4	28 N	3 E	12	S/2 W/2 SW/4, less 20 acres	33.333333	100.000000	Appears Open of Record
5	28 N	4 E	7	NW/4	159.440000	159.440000	Appears Open of Record
6	28 N	4 E	7	NE/4	160.000000	160.000000	Appears Open of Record
7	28 N	4 E	7	S/2	106.426667	319.280000	Appears Open of Record
8	28 N	4 E	18	N/2	106.416667	319.250000	Appears Open of Record-Seller has received an offer to lease*
9	28 N	4 E	18	SW/4	159.370000	159.370000	Appears Open of Record-Seller has received an offer to lease*
10	28 N	4 E	18	SE/4	160.000000	160.000000	Appears Open of Record-Seller has received an offer to lease*
11	28 N	4 E	19	NW/4	159.650000	159.650000	Appears Open of Record-Seller has received an offer to lease*
12	28 N	4 E	19	SW/4	159.000000	159.000000	Appears Open of Record-Seller has received an offer to lease*
13	28 N	3 E	13	N/2	106.666667	320.000000	HBP-All depths
14	28 N	3 E	13	S/2	106.666667	320.000000	HBP-All depths
15	28 N	3 E	24	N/2	106.666667	320.000000	HBP-All depths
16	28 N	3 E	24	S/2	106.666667	320.000000	HBP-All depths
17	28 N	4 E	17	NW/4	160.000000	160.000000	Appears Open of Record-Seller has received an offer to lease*
18	28 N	4 E	8	SW/4	160.000000	160.000000	Appears Open of Record
					2252.366667	3704.720000	

* Seller has declined offer to lease. Successful bidder(s), upon request, will be provided potential Lessee's contact information in order to resume lease negotiations.