

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:)	
)	
BADLANDS ENERGY, INC.	)	Case No. 17-17465 KHT
EIN: 98-0204105,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
BADLANDS PRODUCTION COMPANY	)	Case No. 17-17467 KHT
EIN: 84-1461816,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
BADLANDS ENERGY-UTAH, LLC	)	Case No. 17-17469 KHT
EIN: 47-2023934,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
MYTON OILFIELD RENTALS, LLC	)	Case No. 17-17471 KHT
EIN: 20-1202389,	)	Chapter 11
)	
Debtor.)	
)	
	)	Jointly Administered Under
	)	Case No. 17-17465 KHT

**MOTION FOR ENTRY OF ORDER
(A) APPROVING REAL ESTATE SALE CONTRACT
BETWEEN MYTON OILFIELD RENTALS, LLC AND WAPITI UTAH, LLC, (B)
AUTHORIZING THE SALE OF SUBSTANTIALLY ALL PROPERTY PURSUANT
THERE TO, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND
INTERESTS, AND (C) GRANTING RELATED RELIEF**

Myton Oilfield Rentals, LLC, as debtor and debtor in possession in the above-captioned chapter 11 case (the “Debtor”), respectfully states the following in support of this Motion:

I. Jurisdiction and Venue

1. This Court (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and D.C. COLO. LCivR 84.1(a) of the United States District Court for the District of Colorado. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105(a), 363, 365, 503, and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004, and 6006, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 6004-1, and 9013-1 of the Court’s Local Bankruptcy Rules, Forms and Appendix (the “Local Rules”).

II. Background

4. On August 11, 2017 (the “Petition Date”), Debtor and its affiliates Badlands Energy, Inc., Badlands Production Company, and Badlands Energy-Utah, LLC (collectively, the “Debtors”), each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Debtors’ chapter 11 cases are jointly administered pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in the Debtors’ cases, and no committees have been appointed or designated.

5. Debtors are an onshore oil and gas exploration and production company with headquarters in Denver, Colorado, and operations located primarily in Utah’s Uinta Basin. Badlands Energy, Inc., is the 100% member of its subsidiary debtor affiliates, which operate the Riverbend project through Badlands Production Company and operate the South Altamont

project through Badlands Energy-Utah, LLC. Debtor owns real estate and related field equipment for use in operating the Debtors' assets.

6. Driven by current market conditions, the Debtors' liquidity constraints have prevented them from increasing their oil and gas production and proved productive reserves. Continuation of the Debtors' business without new capital would diminish the value of their assets. Accordingly, a sale or sales of substantially all of the Debtors' assets to the highest or best bidder(s) is in the best interests of their estates and creditors.

7. Earlier this year, the Debtors retained Parkman Whaling LLC ("PW") as investment bankers in connection with restructuring, and a potential sale, merger, or other disposition of all or a portion of the Debtors and their assets. The Debtors and PW canvassed interested parties, solicited bids, and assisted interested buyers in completing initial due diligence toward a sale or sales of their assets. The Debtors solicited bids before the Petition Date for all or some of their assets, resulting in a stalking horse purchaser for the Riverbend assets of Badlands Production Company.

8. With respect to those Riverbend assets of Badlands Production Company, on October 26, 2017, the Court entered its *Order (A) Approving the Asset Purchase Agreement between Debtor Badlands Production Company and Wapiti Utah, LLC; (B) Authorizing the Sale of Substantially All of the Debtor's Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief*, Dkt. #222. The Debtors and PW continued to market the South Altamont assets and field office assets of the Debtor and Myton Oilfield Rentals, LLC during the Riverbend sale process.

9. Pursuant to the Court's separate *Order (A) Approving Bid Procedures for Sale of South Altamont Assets of Badlands Energy-Utah, LLC, and Sale of Related Field Office Assets of Myton Oilfield Rentals, LLC, (B) Scheduling an Auction and Sale Hearing, and (C) Approving Procedures for the Assumption and Assignment of Contracts* (the "Bid Procedures Order"), Dkt. #196, the Debtors solicited any and all bids for the sale of the South Altamont assets of Badlands Energy-Utah, LLC, and the Debtor's field office assets. After receiving multiple bids on October 20, 2017, the Debtors convened an auction on October 26, 2017.

10. Wapiti Utah, LLC ("Wapiti Utah") has been identified as the Successful Bidder (as defined in the Bid Procedures Order) for the field office assets of the Debtor (the "Property"). Through this Motion, and in accordance with the Bid Procedures Order, the Debtor seeks entry of an order approving the Real Estate Sale Contract with Wapiti Utah, on terms and conditions substantially set forth in the form of agreement attached as **Exhibit A** (the "Purchase Agreement"). Under the Purchase Agreement, Wapiti Utah proposes to purchase the Debtor's Property, and substantially all of the Debtor's assets, for a purchase price of \$400,000 (the "Purchase Price"). The Debtor's personal property (vehicles and related equipment) will be transferred upon entry of an order granting this Motion via bill of sale, certificate of title or other appropriate transfer documents, consistent with the Sale of substantially all of the Debtor's assets.

III. Relief Requested

11. The Debtor seeks entry of an order at the conclusion of the Sale Hearing, substantially in the form submitted with this Motion as a proposed order (the "Sale Order"):

- (a) authorizing and approving the Sale of the Debtor's Property to Wapiti Utah as the Successful Bidder (as defined in the Bid Procedures) on the terms substantially set forth in the final form of Purchase Agreement;

- (b) authorizing and approving the Sale free and clear of liens, claims, encumbrances, and other interests to the extent set forth in the final form of Purchase Agreement; and
- (c) granting any related relief.

12. The Debtor reserves the right to file and serve before the Sale Hearing any supplemental pleading or declaration that it deems appropriate or necessary in its reasonable business judgment, including any pleading summarizing the competitive bidding and sale process and the results thereof, in support of its request for entry of the Sale Order.

IV. Notice

13. The Debtor will provide notice of this Motion to: (a) the Office of the United States Trustee for the District of Colorado (the “U.S. Trustee”); (b) the administrative agent under the Debtor’s prepetition credit facility; (c) all creditors on the Debtor’s list of creditors with the 20 largest unsecured claims; (d) the United States Attorney’s Office for the District of Utah; (e) the Internal Revenue Service; (f) the Environmental Protection Agency; (g) the office of the Attorney General for the State of Utah; (h) counsel to the Successful Bidder; (i) the United States Bureau of Land Management; (j) the Utah Department of Environmental Quality; (k) all parties identified as secured creditors in Debtor’s Schedule D filed as required by Section 521(a)(1)(A) of the Bankruptcy Code; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given at this time.

V. The Proposed Sale and Debtor’s Business Judgment

14. The Debtor believes a prompt Sale of the Property represents the best alternative available for all stakeholders in its chapter 11 case. Moreover, it is critical for the Debtor to execute on the proposed Sale transaction within the timeframe contemplated by the Bid Procedures Order and debtor-in-possession financing and cash collateral order entered on

September 14, 2017. *See* Dkt. #136 (the “DIP Order”). Delays in the sale process may trigger an event of default under the DIP Order, among other things.

15. Section 363(b)(1) of the Bankruptcy Code provides that a debtor, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). A sale of the debtor’s assets should be authorized pursuant to section 363 of the Bankruptcy Code if a sound business purpose exists for the proposed transaction. *See, e.g., In re Martin*, 91 F.3d 389, 395 (3d. Cir. 1996) (“Under Section 363, the debtor in possession can sell property of the estate . . . if he has an ‘articulated business justification’”); *see also In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (same); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Castre, Inc.*, 312 B.R. 426, 428 (Bankr. D. Colo. 2004).

16. Once the Debtor articulates a valid business justification, “[t]he business judgment rule ‘is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.’” *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill 1995) (citations omitted); *In re Filene's Basement, LLC*, 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate”) (citations omitted); *Integrated Res.*, 147 B.R. at 656; *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“a presumption of reasonableness attaches to a Debtor’s management decisions.”).

A. A Sound Business Purpose Exists for the Sale.

17. As set forth above, the Debtor has a sound business justification for selling the Property. *First*, the Debtor believes the Sale maximizes value and is the result of a competitive bidding process at the Auction.

18. *Second*, the sale of the Property was subject to competing bids, enhancing the Debtor's ability to receive the highest or otherwise best value for the Property. Consequently, the Successful Bid was the result of a competitive Auction, and, in the Debtor's reasonable business judgment, is the highest or otherwise best offer for the Property, geared to provide a greater recovery for its estate than any known or practicably available alternative. *See, e.g., In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at *4 (Bankr. D. Del. 2001) (while a "section 363(b) sale transaction does not require an auction procedure," "the auction procedure has developed over the years as an effective means for producing an arm's length fair value transaction.").

19. Thus, the Debtor submits that Wapiti Utah's Successful Bid, the Purchase Price and the final form of Purchase Agreement, constitute the highest or otherwise best offer for the Property and will provide a greater recovery for the Debtor's estate than would be provided by any other available alternative. As such, the Debtor's determination to sell the Property to Wapiti Utah is a valid and sound exercise of business judgment. The Debtor will submit evidence at the Sale Hearing to support these conclusions. Therefore, the Debtor requests that the Court find and conclude that the proposed sale of the Property is a proper exercise of the Debtor's business judgment and is duly authorized under the Bankruptcy Code.

B. Adequate and Reasonable Notice of the Sale Has and Will Be Provided.

20. As described above, the Sale Notice: (a) will be served in a manner that provides notice of the date, time, and location of the Sale Hearing, in accordance with the Bid Procedures Order; (b) informs parties in interest of the deadlines for objecting to the Sale or the assumption

and assignment of the Assumed Contracts; and (c) otherwise includes all information relevant to parties interested in or affected by the Sale. Significantly, the form and manner of the Sale Notice has been approved by this Court pursuant to the Bid Procedures Order, which itself entered after notice and a hearing.

21. On October 18, 2017, the Debtors filed and served their Notice of Auction and Sale Hearing under the Bid Procedures Order, serving notice of the date of the auction and the date of the Sale Hearing on more than 1,000 creditors and parties in interest, including a list of potentially interested purchasers as reflected in the certificate of service. *See* Dkt. #201.

C. The Sale and Purchase Price Reflects a Fair Value Transaction.

22. It is well-settled that, where there is a court-approved auction process, a full and fair price is presumed to have been obtained for the assets sold, as the best way to determine value is exposure to the market. *See Bank of Am. Nat'l Trust & Sav. Ass'n. v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999); *see also In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, *4 (Bankr. D. Del. 2001) (while a “section 363(b) sale transaction does not require an auction procedure,” “the auction procedure has developed over the years as an effective means for producing an arm’s length fair value transaction.”).

23. The Debtors have marketed their assets with the assistance of PW as investment advisor, and solicited offers before and after the Petition Date. PW contacted more than 100 potential buyers in that process, and provided acceptable bidders with data room access and requested information, while assisting the Debtors in considering a variety of alternative transaction structures, to increase overall transaction value. The result of those efforts is the Wapiti Utah transaction, which represents fair value for the Debtor’s field office and related assets.

D. The Sale Has Been Proposed in Good Faith and Without Collusion, and the Successful Bidder Is a “Good-Faith Purchaser.”

24. The Debtor requests that the Court find that Wapiti Utah as the Successful Bidder arising from the Auction, is entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the sale of the Property.

25. Section 363(m) of the Bankruptcy Code provides in pertinent part:

[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease or property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

26. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal, as long as such purchaser leased or purchased the assets in “good faith.” While the Bankruptcy Code does not define “good faith,” courts have held that a purchaser shows its good faith through the integrity of its conduct during the course of the sale proceedings, finding that where there is a lack of such integrity, a good-faith finding may not be made. *See, e.g., In re Abbotts Dairies of Pa., Inc.* (“Typically, the misconduct that would destroy a [buyer’s] good faith status at a judicial sale involves fraud, collusion between the [proposed buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”); *In the Matter of Andy Frain Services, Inc.*, 798 F.2d 1113 (7th Cir. 1986) (same); *In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (same).

27. The Debtor submits that Wapiti Utah, as the Successful Bidder arising from the Auction, is a “good faith purchaser” within the meaning of section 363(m) of the Bankruptcy Code, and the final form of Purchase Agreement, is a good-faith agreement on arms’-length terms entitled to the protections of section 363(m) of the Bankruptcy Code. *First*, as set forth in more detail above, the consideration to be received by the Debtor pursuant to the Purchase Agreement is substantial, fair, and reasonable. After closing the auction for the South Altamont assets of Badlands Energy-Utah, LLC, the Debtors opened bidding for the two interested purchaser for the Property. The Debtors’ opened the bidding at the Purchase Price, in the exercise of their business judgment consistent with the Bid Procedures Order, and solicited competing bids from any and all parties willing to submit them. Wapiti Utah was identified as the Successful Bid shortly thereafter. *Second*, the parties are negotiating the final form of Purchase Agreement in good faith and at arm’s-length, during which all parties are represented by competent counsel. *Third*, there is no indication of any “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders” or similar conduct that would cause or permit the Sale or Purchase Agreement to be avoided under section 363(n) of the Bankruptcy Code. And, with respect to all potential bidders, the Bid Procedures Order was designed to ensure that no party was able to exert undue influence over the process. *Finally*, Wapiti Utah’s highest and best offer was evaluated and approved by the Debtor in consultation with its advisors. Accordingly, the Debtor believes that Wapiti Utah as the Successful Bidder arising from the Auction under the final form of Purchase Agreement, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

E. The Sale Should be Approved “Free and Clear” Under Section 363(f).

28. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party’s interest in the property if: (a) applicable nonbankruptcy law permits such

a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of a bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f).

29. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the Debtor's sale of the Property free and clear of all interests (*i.e.*, all liens, claims, rights, interests, charges, or encumbrances), except with respect to any interests that may be Assumed Liabilities under the Purchase Agreement. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”).

30. The Debtor submits that any interest that will not be an assumed liability satisfies or will satisfy at least one of the five conditions of section 363(f) of the Bankruptcy Code, and that any such interest will be adequately protected by either being paid in full at the time of closing, or by having it attach to the net proceeds of the Sale, subject to any claims and defenses the Debtor may possess with respect thereto. The Debtor accordingly requests authority to convey the Property to Wapiti Utah as the Successful Bidder arising from the Auction, free and clear of all liens, claims, rights, interests, charges, and encumbrances, with any such liens, claims, rights, interests, charges, and encumbrances to attach to the proceeds of the Sale.

F. Relief Under Bankruptcy Rules 6004(h) and 6006(d) Is Appropriate.

31. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” Additionally, Bankruptcy Rule 6006(d) provides that an “order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed

until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” The Debtor requests that the Sale Order be effective immediately upon its entry by providing that the fourteen-day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived.

32. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to appeal before an order can be implemented. See Advisory Committee Notes to Fed. R. Bankr. P. 6004(h) and 6006(d). Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the fourteen-day stay period, the leading treatise on bankruptcy suggests that the fourteen-day stay should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to procedure.” 10 *Collier on Bankruptcy* ¶ 6004.11 at p. 6004-22 (16th rev. ed. 2017). Furthermore, if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

33. To maximize the value received for the Property, the Debtor seeks to close the Sale as soon as possible after the Sale Hearing. Accordingly, the Debtor hereby requests that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

WHEREFORE, the Debtor respectfully requests that the Court enter an order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: October 30, 2017.

LINDQUIST & VENNUM LLP

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Company, Badlands Energy-Utah, LLC, and Myton Oilfield
Rentals, LLC*

Exhibit A

REAL ESTATE SALE CONTRACT

This Real Estate Sale Contract (the “**Contract**”) for the sale and purchase of real property is entered into this ___ day of November, 2017 (the “**Execution Date**”) by and between MYTON OIL FIELD RENTALS, LLC., a Nevada limited liability company (“**Seller**”), and Wapiti Utah, L.L.C., a Delaware limited liability company, (“**Buyer**”), effective as of November 30, 2017 (the “**Effective Date**”).

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Recitals:

A. Seller is a debtor and debtor in possession under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “**Bankruptcy Code**”) as a result of filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code on August 11, 2017 in the United States Bankruptcy Court for the District of Colorado (the “**Bankruptcy Court**”), where Seller’s bankruptcy case is administered under Case No. 17-17465 (the “**Bankruptcy Case**”).

B. Buyer desires to (i) purchase Seller’s interests in the Property (as defined herein) and Seller desires to sell its interests in the Property to Buyer, all subject to and according to the terms and conditions set forth below (such purchase and sale, the “**Sale Transaction**”).

C. Subject to the terms of this Contract and the Bid Procedure Order, Buyer and Seller (each, a “**Party**” and, collectively, the “**Parties**”) intend that the Buyer’s acquisition of the Property would be accomplished through the sale, transfer and assignment of the Property by Seller to Buyer, pursuant to sections 105, 363 and 365 of the Bankruptcy Code as provided for in the Sale Order.

D. Seller intends, pursuant to the terms of the final form of the Bid Procedures Order approved by the Bankruptcy Court, to conduct a Sale Process to sell all of the Property, all as more specifically provided for herein, and the sale of the Property shall be subject to Buyer’s offer being the highest or otherwise best offer as determined in accordance with the Bid Procedures Order at the conclusion of the Sale Process.

E. The Parties acknowledge and agree that the terms of this Contract are the result of arm’s length negotiations.

F. Capitalized terms used in this Contract, and in the schedules and exhibits attached hereto, shall have the meanings given to such terms in Exhibit A, Definitions.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Purchase and Sale. For the consideration herein expressed and upon the terms and conditions herein contained, Seller agrees to sell and Buyer agrees to purchase Free and Clear, except for Permitted Encumbrances, the real property and improvements and all appurtenances thereto described on Exhibit B attached hereto (the “**Property**”).

2. Price. At Closing (as hereinafter defined), Buyer will pay, in immediately available funds, a purchase price (the "**Purchase Price**") of ~~\$400,000.~~
3. Deposit. Within three (3) Business Days following the Execution Date of this Contract, Buyer will deliver to Seller, the sum of ~~\$40,000~~ to be held in an account, Account # 8095350290, at Colorado State Bank and Trust pursuant to the Escrow Instructions delivered by Buyer and Seller to the Escrow Agent, as the earnest money deposit (the "**Deposit**"). If Buyer does not timely deposit the Deposit within the time period required, Seller may terminate this Contract by written notice to Buyer and thereafter the parties hereto shall have no further rights or obligations hereunder, except for rights and obligations which, by their terms, survive the termination hereof; provided, if Buyer delivers the Deposit prior to termination of this Contract by Seller, Seller shall not have the right to terminate this Contract pursuant to this sentence. At Closing, the Deposit will be credited toward the Purchase Price pursuant to the terms of this Contract. If this Contract is terminated before the Closing, the Deposit will be delivered to Seller or to Buyer as hereinafter provided.
4. Closing Date. Provided the Buyer and Seller Conditions to Closing (as hereinafter defined) are satisfied or waived in writing by Buyer or Seller, as appropriate, the closing (the "**Closing**") shall occur on or before ten (10) days after the Sale Order has been entered by the Bankruptcy Court (such date hereinafter referred to as the "**Closing Date**").
5. Buyer Conditions to Closing. In addition to the performance by Seller hereunder, the obligation of Buyer to purchase the Property is subject to the satisfaction as of the Closing Date of the following conditions (the "**Buyer Conditions to Closing**"), any of which may be waived in whole or in part by Buyer in writing at or before Closing:
 - a. Compliance with Representations, Warranties and Covenants. The representations and warranties of Seller set forth herein will be true in all material respects on the Closing Date with the same force and effect as if such representations and warranties were made on and as of the Closing Date, and Seller's covenants shall have been performed in accordance with the terms of this Contract.
 - b. Governmental Authority. As of the Closing Date, no Action is pending or threatened before any Governmental Authority seeking to restrain, prohibit, or declare illegal, or seeking substantial damages in connection with, the transaction that is the subject of this Contract;
 - c. Sale Order. As of the Closing Date, a Sale Order has been entered approving the sale of the Property to Buyer contemplated by this Contract.

If the Buyer Conditions to Closing are not satisfied or waived in writing by Buyer on or before Closing, then this Contract is deemed terminated and Seller will refund to Buyer the Deposit. Thereafter, neither party will have any further obligations hereunder other than any

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obligations herein that expressly survive termination. If the Closing does not occur because of a default by either party, the non-defaulting party will have the right to exercise the remedies described in Sections 14 and 15 below.

6. Seller Conditions to Closing. In addition to the performance by Buyer hereunder, the obligation of Seller to sell the Property is subject to the satisfaction as of the Closing Date of the following conditions (the “**Seller Conditions to Closing**”), any of which may be waived in whole or in part by Seller in writing at or before Closing:
 - a. Compliance with Representations, Warranties and Covenants. The representations and warranties of Buyer set forth herein will be true in all material respects on the Closing Date with the same force and effect as if such representations and warranties were made on and as of the Closing Date, and Buyer’s covenants shall have been performed in accordance with the terms of this Contract.
 - b. Governmental Authority. As of the Closing Date, no Action is pending or threatened before any Governmental Authority seeking to restrain, prohibit, or declare illegal, or seeking substantial damages in connection with, the transaction that is the subject of this Contract;
 - c. Sale Order. As of the Closing Date, a Sale Order has been entered approving the sale of the Property to Buyer contemplated by this Contract.

If the Seller Conditions to Closing are not satisfied or waived in writing by Seller on or before Closing, then this Contract is deemed terminated and Seller will retain the Deposit as liquidated damages. Thereafter, neither party will have any further obligations hereunder other than any obligations herein that expressly survive termination. If the Closing does not occur because of a default by either party, the non-defaulting party will have the right to exercise the remedies described in Sections 14 and 15 below.

7. Closing Procedures. At Closing:
 - a. Deed. Seller will convey the Property to Buyer by deed (the “**Deed**”) in the form attached hereto as Exhibit C.
 - b. Payment of Purchase Price. Buyer will pay to Seller, in immediately available funds, the Purchase Price for the Property less the Deposit.
 - c. Taxes. General real estate taxes and special assessments applicable to the Property will be prorated as of the Closing Date based on application of the preceding year’s rates to the latest assessed valuation or statements issued to Seller for the current year’s assessment, if available. The proration of taxes shall be final and not subject to adjustment after Closing.

- d. Non-Foreign Affidavit. Seller will deliver to Buyer an affidavit in accordance with Section 1445 of the Internal Revenue Code (“I.R.C.”) and regulations promulgated thereunder, signed by Seller stating, under penalty of perjury, Seller’s United States taxpayer identification number and that Seller is not a foreign person as defined by I.R.C. Section 1445(f)(3).
- e. Possession. Complete and sole possession of the Property will be delivered to Buyer.
- f. Miscellaneous Costs. Buyer will pay the cost of recording the deed delivered to Buyer. Each party will be responsible for the payment of its own attorney’s fees.

8. Seller’s Representations and Warranties / AS-IS.

- a. Limited Representations and Warranties. Seller represents and warrants to Buyer (i) Seller is a limited liability company validly existing and in good standing under the laws of the State of Nevada and is duly qualified and is in good standing (if applicable) to own and operate its properties and the Property and to carry on its business as now being conducted; (ii) upon approval by the Bankruptcy Court to enter into this Contract pursuant to the Sale Order, Seller has the requisite power and authority to execute and deliver this Contract and the other documents to be executed hereunder and to consummate the transactions contemplated hereby and thereby; (iii) to Seller’s knowledge, performance of this Contract will not result in any breach of, or constitute any default under, or result in the imposition of any lien or encumbrance upon the Property under, any agreement to which Seller is a party; (iv) to Seller’s knowledge, other than the Bankruptcy Case, there is no existing or pending litigation with respect to the Property nor, to Seller’s knowledge, have any such actions, suits, proceedings or claims been threatened or asserted, which could have an adverse effect on the Property or Seller’s ability to consummate the transactions contemplated hereby; (v) Seller is not a “foreign person” within the meaning of Sections 1445 and 7701 the Internal Revenue Code of 1986, as amended (hereinafter, the “Code”); (vi) to Seller’s knowledge there are no other tenants in possession of, or claiming any possession to, any portion of the Improvements; (vii) there is no pending, threatened or contemplated condemnation, proceedings to widen or realign any adjacent roadway, federal forfeiture action or similar proceeding affecting the Property or any portion thereof, nor is Seller aware of any event which could give rise to a federal forfeiture action concerning the Property; (viii) there exist no uncured notices which have been served by any Governmental Authority of violations of law, rules or regulations which would affect the Property or any portion thereof; (ix) Seller has not received any written communication from: (A) any Governmental Authority alleging any violation of or liability under any Environmental Law with respect to the Property or requesting, with respect to the Property, information with respect to an investigation pursuant to any Environmental Law; or (B) any landowner or surface owner of any tract upon which any of the Property is located alleging any actual or potential violation of

or liability under any Environmental Law; (x) there are no parties in possession of any portion of the Property other than Seller or its Affiliates (as hereinafter defined); and (xi) Seller has incurred no liability, contingent, or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Contract for which Buyer would be liable.

- b. Definition of Seller's Knowledge; Representations Terminate at Closing; No Liability to Individual. As used herein, the phrase "Seller's Knowledge" or derivations thereof shall mean the current actual knowledge of Richard S. Langdon and Michael Decker without any obligation to make investigation or inquiry regarding the Property, and without obligation to make any investigation of the files, documents, or studies in the possession of other persons, and shall not include any knowledge that may be imputed to Seller. The representations and warranties of Seller contained in this Contract, including but not limited to Section 8, shall terminate at Closing. Buyer acknowledges that the individuals named above are named solely for the purpose of defining and narrowing the scope of Seller's knowledge and not for the purpose of imposing any liability on or creating any duties running from such individual to Buyer. Buyer covenants that it will bring no action of any kind against Richard S. Langdon or Michael Decker of Seller related to or arising out of representations and warranties set forth herein.
- c. AS-IS DISCLAIMER. Buyer acknowledges that Buyer will have the opportunity to independently and personally inspect the Property and that Buyer has entered into this Contract based upon its ability to make such examination and inspection. The Property is to be sold to and accepted by Buyer at Closing in its then present condition, **"AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED"**. **Notwithstanding anything contained herein to the contrary, it is understood and agreed that Seller and Seller's agents or employees have not made and are not now making, and they specifically disclaim, any warranties, representations or guaranties of any kind or character, express or implied, oral or written, past, present or future, with respect to the Property, including, but not limited to, warranties, representations or guaranties as to: (1) matters of title; (2) environmental matters of any kind relating to the Property or any portion thereof (including the condition of the soil or groundwater beneath the Property); (3) zoning to which the Property or any portion thereof may be subject; (4) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric; (5) usage of adjoining property; (6) access to the Property or any portion thereof; (7) the condition or use of the Property or compliance of the Property with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws; (8) the potential for further development of the Property; (9) the existence of vested land use, zoning or building entitlements**

affecting the Property; and (10) the merchantability of the Property or fitness of the Property for any particular purpose (Buyer affirming that Buyer has not relied on Seller's or Seller's agents' or employees' skill or judgment to select or furnish the Property for any particular purpose, and that Seller makes no warranty that the Property is fit for any particular-purpose).

SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND TO BUYER, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL CONDITION OF THE PROPERTY AND ANY IMPROVEMENTS LOCATED THEREON, OR THEIR SUITABILITY FOR ANY PARTICULAR PURPOSE OR OF MERCHANTABILITY. BUYER SHALL RELY ON ITS INVESTIGATIONS OF THE PROPERTY AND THE LIMITED REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN IN DETERMINING WHETHER TO ACQUIRE IT. THE PROVISIONS OF THIS SECTION ARE A MATERIAL PART OF THE CONSIDERATION FOR SELLER'S ENTERING INTO THIS CONTRACT, AND SHALL SURVIVE CLOSING.

9. Covenants of Seller. Seller represents, covenants and agrees with Buyer as follows:
- a. Delivery of Documents. Within two (2) Business Days after the Execution Date, Seller will make available for review by Buyer copies of all entitlements, surveys, market studies, environmental reports, preliminary and/or final plats, engineering plans, hydrology studies, flood studies, soil studies and other material documents that affect the use or development of the Property or that require the owner of the Property to perform any executory commitment or obligation and which have been prepared by or at the direction of Seller with respect to the Property, to the extent any such items are currently in Seller's possession or control (collectively, the "**Submission Documents**"). Buyer acknowledges that Seller is providing such information solely as an accommodation to Buyer and Seller makes no representation or warranty regarding the completeness or accuracy of such information, except as provided above.
 - b. Prohibited Interim Actions. From and after the Execution Date, Seller will not, without the prior written consent of Buyer (i) perform any grading or excavation, or construction upon or about the Property; (ii) create or incur any mortgage, lien, pledge or other encumbrance in any way affecting the Property other than the Permitted Encumbrances and those matters which Seller agrees to cause to be released prior to or at Closing; (iii) commit any waste or nuisance upon the Property; provided that Seller will use its reasonable efforts to observe all applicable laws, ordinances, regulations and restrictions affecting the Property; (iv) bury any trees, stumps, boulders, trash, refuse or brush on any portion of the Property; or (v) execute any document that obligates the owner of the Property

after the date of Closing and/or recording any document against the Property (except for any encumbrance that will be released prior to or at Closing.

10. Buyer's Representations and Warranties.

a. Limited Representations and Warranties. Buyer represents and warrants to Seller (i) Buyer is a limited liability company, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified and is in good standing (if applicable) to own its properties and assets and to carry on its business as now being conducted, (ii) except as would not materially hinder or impede the consummation by Buyer of the transactions contemplated by this Contract, Buyer has the requisite power and authority to execute and deliver this Contract and the other documents to be executed hereunder and to consummate the transactions contemplated hereby and thereby, subject to entry of the Sale Order; (iii) to Buyer's Knowledge, performance of this Contract will not result in any breach of, or constitute any default under, or result in the imposition of any lien or encumbrance upon the Property under, any agreement to which Buyer is a party; (iv) to Buyer's Knowledge, other than the Bankruptcy Case, there is no existing or pending litigation with respect to the Property nor, to Buyer's Knowledge, have any such actions, suits, proceedings or claims been threatened or asserted, which could have an adverse effect on the Property or Buyer's ability to consummate the transactions contemplated hereby; (v) Buyer has incurred no liability, contingent, or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Contract for which Seller would be liable.

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b. Definition of Buyer's Knowledge; No Liability to Individual. As used herein, the phrase "Buyer's Knowledge" or derivations thereof shall mean the current actual knowledge of Bart Agee, without any obligation to make investigation or inquiry regarding the Property, and without obligation to make any investigation of the files, documents, or studies in the possession of other persons, and shall not include any knowledge that may be imputed to Buyer. Seller acknowledges that the individuals named above are named solely for the purpose of defining and narrowing the scope of Buyer's knowledge and not for the purpose of imposing any liability on or creating any duties running from such individual to Seller. Seller covenants that it will bring no action of any kind against Bart Agee, the President of Buyer, related to or arising out of representations and warranties set forth herein.

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11. Bankruptcy Matters.

a. Court Approval. The Parties acknowledge and agree that the transactions contemplated herein between Seller and Buyer with respect to the Property are subject to the Bankruptcy Court entering the Sale Order in form and substance acceptable in all respects to the Parties.

b. Certain Bankruptcy Undertakings. Seller (subject to Section 11(c) below, the Bankruptcy Code, any Bankruptcy Court Orders and any other restrictions on Seller by virtue of them being debtors in bankruptcy) and Buyer each agree to use commercially reasonable efforts to do such further acts and things and to execute and deliver such additional agreements and instruments as may reasonably be required to consummate, evidence, confirm, or obtain the Bankruptcy Court approval of the Sale Order, the sale of the Property, or any other agreement contemplated hereby and the consummation of the transactions contemplated hereby.

c. Notices. Seller and Buyer acknowledge that, to obtain Bankruptcy Court approval of the transactions contemplated herein, Seller must demonstrate that it has taken reasonable steps to obtain the highest or otherwise best offer possible for the Property, and that such demonstration shall include giving notice of the transactions contemplated by this Contract to creditors and other interested parties as ordered by the Bankruptcy Court.

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d. Pleadings. Except as required by the Bankruptcy Code, Bankruptcy Court, and/or the Bid Procedures Order, Buyer will not file any pleading or take any other action in the Bankruptcy Court with respect to this Contract or the consummation of the transactions contemplated hereby that is inconsistent with performing and carrying out the provisions of this Contract in accordance with the terms and subject to the conditions herein.

e. Certain Sale Order Matters. Buyer agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Sale Order, including providing such assurances as the Bankruptcy Court may require as a condition to making a finding of adequate assurance of future performance by Buyer, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing the required assurances of performance by Buyer under this Contract and demonstrating that Buyer is a "good faith" Buyer under Section 363(m) of the Bankruptcy Code and that the Purchase Price was not controlled by an agreement in violation of Section 363(n) of the Bankruptcy Code.

12. Casualty Loss or Government Taking. If, prior to the Closing Date, all or part of the Property is damaged or destroyed by fire, flood, storm, or other accident ("**Casualty Loss**"), or is taken in condemnation or under the right of eminent domain, or if proceedings for such purposes shall be pending or threatened ("**Government Taking**"), Seller must promptly notify Buyer in writing of the nature and extent of the Casualty Loss or Government Taking and Seller's estimate of the cost required to repair or replace that portion of the Property affected by the Casualty Loss or value of the Property taken by the Government Taking. Notwithstanding the foregoing, no individual matter described above shall be deemed to be or constitute a Casualty Loss or a Government Taking unless the estimate of the cost required to repair or replace that portion of the Property affected by the Casualty Loss or value of the Property taken by the Government Taking for such matter exceeds Fifty Thousand Dollars (\$50,000).

a. Remedies for Casualty Losses and Government Takings. With respect to each Casualty Loss to or Government Taking of the Property, Seller and Buyer will have the following rights and remedies:

(i) If the agreed cost to repair or replace the portion of the Property affected by the Casualty Loss or the agreed value of the Property taken in any Government Taking is less than Fifty Thousand Dollars (\$50,000), the Purchase Price will be adjusted by the agreed cost of the Casualty Loss or the agreed value of the Property taken by the Government Taking, and the Parties will proceed with Closing.

(ii) If the agreed cost to repair or replace the portion of the Property affected by the Casualty Loss or the agreed value of the Property taken in any Government Taking equals or exceeds Fifty Thousand Dollars (\$50,000), the Parties will proceed with Closing and Seller shall elect by written notice to Buyer prior to Closing either (A) to have the Purchase Price adjusted by the agreed cost of the Casualty Loss or the agreed value of the Property taken in any Government Taking, or (B) to cause the portion of the Property affected by the Casualty Loss to be repaired or replaced, at Seller's cost, as promptly as reasonably practicable. In the event that any Property is repaired or replaced by Seller under clause (B) and the repaired or replaced Property is newer than the Property that was damaged, destroyed or taken, or otherwise represents an upgrade from the Property that was damaged, destroyed or taken, Buyer shall bear the portion of the cost of repair or replacement attributable to the reduction in age or increase in quality to the extent Seller provide Buyer with reasonable detail (including estimated costs) prior to undertaking such repair or replacement and Buyer consents to such repair or replacement in writing.

b. Insurance Proceeds and Settlement Payments. In each case under subparts (i) and (ii) of Section 12(a), Seller will be entitled to (i) all insurance proceeds with respect to any such Casualty Loss, (ii) all sums paid to Seller or Buyer by third parties by reason of any such Casualty Loss, and (iii) all compensation paid to Seller or Buyer with respect to any such Government Taking.

13. Inspection of Property. Seller hereby agrees that from and after the Execution Date, Buyer and its agents and representatives will be entitled to enter upon the Property for inspection; provided, however, that Buyer shall not undertake any testing, sampling or invasive investigation without Seller's prior written consent and, if consented to by Seller, Seller and Buyer shall enter into an access agreement for such testing. Buyer shall give written or electronic-mail notice to Seller on the day prior to Buyer's entry upon the Property and Seller shall have a representative present at visits by the Buyer. No such examination will be deemed to constitute a waiver or a relinquishment on the part of Buyer of any covenants, representations, warranties and agreements expressly made by Seller herein. Buyer will restore the Property to the condition in which the same was found before any such tests, inspections or investigations to the extent damaged or altered by the acts of Buyer or its employees or agents, and be liable for any damage to the

Property caused by its acts or the acts of its agents, contractors, or employees. **BUYER AGREES TO PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS SELLER AND ITS AFFILIATES, AND THE MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES OF EACH OF THEM (COLLECTIVELY, THE "SELLER PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS OCCURRING ON OR ARISING OUT OF ACCESS TO THE PROPERTY OR SELLER'S OFFICES, AS THE CASE MAY BE, BY BUYER AND ITS REPRESENTATIVES, EVEN IF SUCH CLAIMS ARE CAUSED BY THE SOLE, JOINT, AND/OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF THE SELLER PARTIES; PROVIDED HOWEVER THAT BUYER SHALL HAVE NO OBLIGATION FOR LIABILITIES RESULTING FROM THE DISCOVERY OF PRE-EXISTING CONDITIONS.** Buyer agrees to comply fully with all rules, regulations, and instructions issued by Seller regarding Buyer's actions while upon, entering, or leaving the Property and Seller's offices. Buyer shall promptly pay when due the costs of all Buyer's tests, investigations and examinations done with regard to the Property and shall not permit any liens to attach to the Property or any part thereof by reason of the exercise of Buyer's rights hereunder. The obligations of Buyer hereunder will expressly survive any termination of the Contract.

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14. Termination. In the case of a termination of this Contract, the terminating Party shall give proper written notice to the other Party specifying the provision pursuant to which the Contract is being terminated and with such termination being effective upon delivery of such notice (or written consent signed by Buyer and Seller) or as otherwise expressly provided in the case of Sections 14(c)(iii) and 14(d)(iii):
- a. by the mutual consent of Buyer and Seller as evidenced in a writing signed by each of Buyer and Seller;
 - b. pursuant to written notice, by Seller to Buyer, or Buyer to Seller, upon the issuance of a final and non-appealable Order by a Governmental Authority to restrain, enjoin, or otherwise prohibit the transfer of the Property contemplated hereby; it being agreed that the Parties shall promptly appeal any adverse determination which is appealable (and pursue such appeal with reasonable diligence); provided, that the right to terminate this Contract under this Section 14(b) shall not be available to a Party if such Order was primarily due to the failure of such Party to perform any of its obligations under this Contract;
 - c. by Buyer, pursuant to written notice to Seller:
 - (i) if the Bid Procedures Order or Sale Order entered by the Bankruptcy Court shall have been vacated, or modified or supplemented in a manner, without Buyer's prior written consent, that is material and adverse to Buyer;

- (ii) if prior to the Closing, (A) the Bankruptcy Case is converted into a case under Chapter 7 of the Bankruptcy Code, (B) the Bankruptcy Case is dismissed, or (C) if a trustee under Chapter 11 of the Bankruptcy Code is appointed in the Bankruptcy Case;
- (iii) if (A) Buyer is (1) not in material breach of this Contract, and (2) ready and willing to close, (B) the conditions precedent to Closing set forth in Section 6 have been satisfied or waived in writing by Seller, and (C) there has been a violation or breach by Seller of any representation, warranty, or covenant contained in this Contract that (x) would cause any of the conditions set forth in Section 5 to not be satisfied by the Outside Termination Date, (y) has not been waived by Buyer, and (z) Seller has failed to cure within five (5) Business Days following receipt of notification thereof by Buyer;
- (iv) if Closing has not occurred by the Outside Termination Date; provided that the right to terminate this Contract under this Section 14(c)(iv) shall not be available to Buyer if the failure to so close was primarily due to the failure of Buyer to perform any of its obligations under this Contract; or
- (v) if an Alternative Transaction has been consummated.

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d. by Seller pursuant to written notice to Buyer:

- (i) if the Bid Procedures Order entered by the Bankruptcy Court shall have been stayed or vacated, or modified or supplemented in a manner, without Seller's prior written consent, that is material and adverse to Seller;
- (ii) if after the Auction but prior to the Closing, (A) the Bankruptcy Case is, without Seller's consent, converted into a case under Chapter 7 of the Bankruptcy Code or dismissed, or (B) without Seller's consent, a trustee under Chapter 11 of the Bankruptcy Code is appointed in the Bankruptcy Case;
- (iii) if (A) Seller is (1) not in material breach of this Contract, and (2) ready and willing to close, (B) the conditions precedent to Closing set forth in Section 5 have been satisfied or waived in writing by Buyer, and (C) there has been a violation or breach by Buyer of any representation, warranty, or covenant contained in this Contract that (x) would cause any of the conditions set forth in Section 6 to not be satisfied by the Outside Termination Date, (y) has not been waived by Seller, and (z) Buyer has failed to cure within five (5) Business Days following receipt of notification thereof by Seller;
- (iv) if Closing has not occurred by the Outside Termination Date; provided that the right to terminate this Contract under this Section 14(d)(iv) shall

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not be available to Seller if the failure to so close was primarily due to the failure of Seller to perform any of its obligations under this Contract;

- (v) if an Alternative Transaction has been consummated; or
- (vi) unless Buyer has given prior written notice in accordance with Section [redacted] hereof to Seller specifying a proper basis for termination of this Contract by Buyer and notice of termination of this Contract, if Buyer fails to deliver the Deposit to Seller within three (3) Business Days after the Execution Date.

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e. Each condition set forth in this Section 14 pursuant to which this Contract may be terminated shall be considered separate and distinct from each other such condition. If more than one of the termination conditions set forth in this Section 14 are applicable, the applicable Party shall have the right to choose the termination condition pursuant to which this Contract is to be terminated.

15. Effect of Termination. If this Contract is validly terminated under Section 14, except for the provisions of Section 13, this Section 15, and Sections 17(a) – (d), (i) – (k), (m), (o), (p), and (q) which shall survive termination, this Contract shall terminate and have no effect and, subject to this Section 15, each Party shall have no liability to the other Party hereunder; provided, however, the Confidentiality Agreement shall not be affected by a termination of this Contract. The Parties hereby agree that if this Contract is terminated:

- a. pursuant to Section 14(d)(iii), then, upon such termination, as Seller's sole and exclusive remedy, the Seller shall retain the Deposit as liquidated damages free of any claims by Buyer thereto;
- b. pursuant to Section 14(a) (unless otherwise agreed by the Parties), Section 14(b), Section 14(c)(i), Section 14(c)(ii), Section 14(c)(iii), Section 14(c)(iv), Section 14(c)(v), Section 14(d)(i), Section 14(d)(ii), Section 14(d)(iv), and Section 14(d)(v), then the Seller shall remit the Deposit to Buyer and Buyer shall be entitled to the delivery of the Deposit, free of any claims by Seller with respect thereto, and Seller pays the Deposit to Buyer within five (5) Business Days of such termination;
- c. pursuant to Section 14(d)(vi), then Seller may exercise any remedies they have to recover damages equal to the amount of the Deposit.
- d. Return of Documentation and Confidentiality. Upon termination of this Contract, Buyer shall return to Seller or shall destroy all title, engineering, environmental assessments and/or reports, maps and other information furnished by or on behalf of Seller to Buyer or its Representatives or prepared by or on behalf of Buyer or its Representative in connection with its due diligence investigation of the Property, in each case, in accordance with the Confidentiality Agreement (and subject to such retention rights as are provided in the Confidentiality Agreement).

16. Buyer's Indemnity. From and after Closing, Buyer shall, to the fullest extent permitted by law, **PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS** Seller Parties from and against any and all Claims attributable to or arising out of the following: (i) the use, ownership, or operation of the Property, whether relating to periods of time before or after the Effective Date, (ii) the breach by Buyer of any of its representations in Section 10, and (iv) the breach by Buyer of any of its agreements and covenants in this Agreement. **THE INDEMNIFICATION, WAIVER, RELEASE, AND ASSUMPTION PROVISIONS OF BUYER IN THIS AGREEMENT, INCLUDING THOSE IN THIS SECTION 16, SHALL BE APPLICABLE WHETHER OR NOT THE CLAIMS IN QUESTION AROSE SOLELY OR IN PART FROM THE ACTIVE, PASSIVE, COMPARATIVE, CONTRIBUTORY, CONCURRENT, GROSS, SOLE OR JOINT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF ANY OF THE SELLER PARTIES OR BUYER (AS APPLICABLE) OR ANY OTHER PERSON.**

17. Miscellaneous.

- a. Assignment. The terms and conditions of this Contract are hereby made binding on the executors, heirs, administrators, successors and assigns of the parties hereto. Neither party may assign its interest in this Contract without the prior written consent of the other party, which consent will not unreasonably be withheld. Any unpermitted assignment will be of no effect and will be an event of default hereunder.
- b. Notice. Any notice or other communication to be given or served upon any party hereto in connection with this Contract must be in writing, and delivered to the other parties (i) in person, (ii) by facsimile transmission (with the original and a copy of the facsimile confirmation following in the United States mail), (iii) by overnight delivery service (including FedEx), or (iv) by certified mail, return receipt requested. If such notice is given in person or via facsimile transmission, such notice will be deemed to have been given when received or transmitted. If such notice is given by overnight delivery service (including Federal Express), such notice is deemed received the day following delivery to the delivery service of such notice. If such notice is given by certified mail, such notice will be deemed received 3 days after a certified letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail. Notice or other communication will go to the parties at the following addresses:

Seller:

[Myton Oil Field Rentals, LLC](#)
c/o Badlands Energy-Utah, LLC
7979 E. Tufts Avenue, Suite 1150
Denver, CO 80237
Attn: Richard S. Langdon
Email: rlangdon@badlandsenergy.com

With a copy to:

Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C.
Attn: Steven W. Soulé
320 South Boston Ave. Suite 200
Tulsa, Oklahoma 74103
Phone: 918-594-0466
Email: ssoule@hallestill.com

Buyer:

[Wapiti Utah, L.L.C.](#)
[800 Gessner, Suite 1100](#)
[Houston, Texas 77024](#)
[Attn: President](#)

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copy to:

[Fortitude Management Group, LLC](#)
[800 Gessner, Suite 1100](#)
[Houston, Texas 77024](#)
[Attn: General Counsel](#)

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Any party may change its address, facsimile number or telephone number for the purpose of this paragraph by giving written notice of such change to each of the other parties in the manner herein provided. To be effective, such notice of change must expressly state that it is given for the purpose of changing the notice provisions of this Contract.

- c. Entire Agreement. This Contract (including exhibits) embodies the entire agreement between the parties and cannot be varied except by the written agreement of the parties.
- d. Attorneys' Fees. If any legal action is commenced by any party to enforce any provision of this Contract, the losing party will pay to the prevailing party all actual expenses incurred by the prevailing party, including costs and reasonable attorneys' fees. The prevailing party is the party who receives substantially the relief sought whether by judgment, summary judgment, dismissal, settlement or otherwise.
- e. Dates. If the final day of a period or a date of performance under this Contract falls on a Saturday, Sunday or legal holiday, then the final day of any such period or any such date of performance will be deemed to fall on the next day which is not a Saturday, Sunday or legal holiday.

- f. Counterparts. This Contract may be executed in several original counterparts, each of which and all together will constitute this Contract in its entirety.
- g. No Partnership. Nothing contained herein and no act by Buyer or Seller in the performance of, or in any way related to, this Contract will be construed to create or evidence in any manner an employment, partnership, agency or joint venture relationship between the parties hereto. Buyer and Seller represent and acknowledge that it is their mutual intention that the sole relationship created between them by this Contract is that of vendor and buyer.
- h. Authority. Buyer and Seller each represent and warrant to the other that the individual signing this Contract is fully authorized and empowered to sign this Contract on behalf of the party for whom he or she is signing, and that, upon the execution of this Contract by Buyer and Seller, this Contract will be fully binding on such party.
- i. No Third-Party Beneficiaries. Nothing in this Contract, expressed or implied, is intended to confer any rights or remedies under or by reason of this Contract on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Contract intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Contract.
- j. No Waiver. No waiver by one party of the other's default, or any failure of one party to exercise any right granted to the party hereunder, will constitute a subsequent waiver of any default or right.
- k. Exhibits. Incorporated into this Contract by reference, as described above, are Exhibits A, B, and C.
- l. Headings. The headings contained in this Contract are for reference purposes only and will not in any way affect the meaning or interpretation hereof.
- m. Governing Law. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, EXCLUDING ANY CONFLICTS-OF-LAW RULE OR PRINCIPLE THAT MIGHT APPLY THE LAW OF ANOTHER JURISDICTION. THE ASSIGNMENT DOCUMENTS, AND ANY OTHER INSTRUMENTS OF CONVEYANCE EXECUTED UNDER THIS AGREEMENT, WILL BE GOVERNED BY AND MUST BE CONSTRUED ACCORDING TO THE LAWS OF THE STATE WHERE THE PROPERTY TO WHICH THEY PERTAIN IS LOCATED, EXCLUDING ANY CONFLICTS-OF-LAW RULE OR PRINCIPLE THAT MIGHT APPLY THE LAW OF ANOTHER JURISDICTION.

- n. No Recordation. Neither is Contract nor any memorandum thereof shall be recorded in the office of the county clerk of the County.
- o. Venue and Jurisdiction. Without limiting any party's right to appeal any Order of the Bankruptcy Court, the Parties expressly consent to (a) exclusive jurisdiction of the Bankruptcy Court over any dispute (i) arising out of or relating to this Contract, or (ii) in connection with the Sale Transaction, and (b) the authority of the Bankruptcy Court to adjudicate any dispute (i) arising out of or relating to this Contract, or (ii) in connection with the Sale Transaction. In the event the Bankruptcy Court does not have jurisdiction over a dispute that arises under this Contract, or for whatever reason fails or refuses to take jurisdiction over any other dispute arising hereunder or in connection with the Sale Transaction then, except as otherwise expressly set forth in this Contract and to the fullest extent permitted by applicable law, the Parties hereby agree to submit all actions arising hereunder and not otherwise resolved by the Parties in writing to the exclusive jurisdiction of the appropriate State of Colorado court located in the City and County of Denver, Colorado or, to the extent permitted by law, the federal courts in the District of Colorado (to whose jurisdiction the Parties hereby irrevocably, unqualifiedly and unconditionally submit), and to any appellate court from any therefrom, in any dispute arising out of or relating to this Contract, and each Party hereby irrevocably, unqualifiedly and unconditionally agrees that all actions in respect of any such dispute may be heard and determined in such State of Colorado court, or to the extent permitted by law, in such federal court. Each of the Parties hereby irrevocably, unqualifiedly and unconditionally waives, to the fullest extent it may effectively do so, any defense of any inconvenient forum or improper venue to the maintenance of any such dispute in any such court and any right of jurisdiction on account of its place of residence or domicile. Each of the Parties irrevocably, unqualifiedly and unconditionally consents to the service of any and all process in any such dispute in such State of Colorado or federal court by the sending of such process to each of the applicable Parties at the addresses and in the manner specified in Section 17(b), or as otherwise may be permitted or required by law. The Parties shall be bound by a Final Order in any such dispute, following exhaustion of all remedies by appeal, which Final Order shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.
- p. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY DISPUTE ARISING HEREUNDER AND CONSENTS TO TRIAL WITHOUT A JURY, AS EVIDENCED BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT.
- q. Time is of the Essence. Time is of the essence in this Contract.

Executed as of November, 2017.

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SELLER

| Myton Oil Field Rentals, LLC

| By: _____

BUYER:

Wapiti Utah, L.L.C.

By: _____
Bart Agee, President & CEO

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EXHIBIT A

DEFINITIONS

“*Affiliate*” means, with respect to any specified Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such specified Person. For the purposes of this definition, the term “control,” when used with respect to any specified Person, means the power to direct or cause the direction of the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; and the terms “controlling” and “controlled” have correlative meanings.

“*Alternative Transaction*” means the sale, transfer, lease or other disposition of, directly or indirectly, including through an asset sale, stock sale, merger, foreclosure, reorganization or other similar transaction, including pursuant to a stand-alone plan of reorganization or refinancing, directly or indirectly, all or a portion of the Property (or agreement to do any of the foregoing) to a Person or Persons other than Buyer or to effect any other transaction the consummation of which would be substantially inconsistent with the terms of this Contract.

“*Auction*” is defined as the auction process called for in the Bid Procedures Order.

“*Backup Bidder*” has the meaning set forth in the Bid Procedures.

“*Bankruptcy Case*” is defined in Recital A.

“*Bankruptcy Code*” is defined in Recital A.

“*Bankruptcy Court*” is defined in Recital A.

“*Bid Procedures*” means bidding procedures approved by the Bid Procedures Order.

“*Bid Procedures Order*” means the Bankruptcy Court Order that, among other things, (a) establishes the date by which competing bids must be submitted by bidders and establishes procedures for the Sale Process which order was signed by the Bankruptcy Judge on October 16, 2017.

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“*Business Day*” means any day other than a Saturday, a Sunday or other day on which commercial banks in Denver, Colorado are authorized or required by Law to close.

“*Buyer*” is defined in the Preamble.

“*Buyer Conditions to Closing*” is defined in Section 5.

“*Casualty Loss*” is defined in Section 12.

“*Claims*” means a claim as such term is defined in section 101(5) of the Bankruptcy Code, and any and all demands, losses, liabilities, damages, obligations, expenses, fines, penalties, costs,

claims, causes of action and judgments for: (a) breaches of Contract; (b) loss or damage to property, injury to or death of persons (including illness and disease), and other tortious injury; or (c) violations of applicable Laws, Orders or any other legal right or duty actionable at law or equity. The term "Claims" also includes reasonable attorneys' fees, court costs, and other reasonable costs resulting from the investigation or defense of any Claim.

"Closing" and "Closing Date" are defined in Section 4.

"Code" is defined in Section 8(a)(v).

"Confidentiality Agreement" means that agreement dated [May 5, 2017](#), between Buyer and Badlands Energy, Inc., on behalf of itself and its subsidiaries.

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"Deed" is defined in Section 7(a).

"Deposit" is defined in Section 3.

"DIP Secured Parties" means senior lender, Garrison Loan Agency Services, LLC, as administrative agent for the following lenders: Garrison Funding 2013-2 Ltd., GMMF Loan Holdings LLC, Garrison GMM Loan Holdco LLC and Garrison Capital Inc.

"Effective Date" is defined in the Preamble.

"Environmental Law" means any Law of any Governmental Authority concerning pollution and/or protection of the environment, human health, natural resources or threatened, endangered or protected species, and all regulations implementing such Law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., as amended; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., as amended; the Clean Air Act, 42 U.S.C. § 7401 et seq., as amended; the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., as amended; the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2629, as amended; the Oil Pollution Act, 33 U.S.C. § 2701 et seq., as amended; the Endangered Species Act, 16 U.S.C. §§ 1531-1544, as amended; the Migratory Bird Treaty Act 16 U.S.C. §§ 703-712, as amended; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq., as amended; the Safe Drinking Water Act, 42 U.S.C. §§ 300f - 300j, as amended.

"Execution Date" is defined in the Preamble.

"Final Order" means an order or judgment of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which any appeal, petition for certiorari, reargument, or rehearing shall have been waived in writing in form and substance reasonably satisfactory to Seller and Buyer, or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been determined by the highest court to which such order was appealed, or

REAL ESTATE SALE CONTRACT – EXHIBIT A – PAGE 1

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certiorari, reargument, or rehearing shall have been denied or resulted in no modification of such order and the time to take any further appeal, petition for certiorari, or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure or applicable state court rules of civil procedure may be, but has not been, filed with respect to such order shall not cause such order not to be a Final Order.

“*Free and Clear*” means free and clear of all liens, Claims, causes of action, encumbrances, interests, pledges, security interests, rights of setoff, restrictions or limitations on use, successor liabilities, conditions, rights of first refusal, options to purchase, obligations to allow participation, agreements or rights, rights asserted in litigation matters, rights asserted in adversary proceedings in the Chapter 11 Cases, competing rights of possession, obligations to lend, matters filed of record that relate to, evidence or secure an obligation of Seller (and all created expenses and charges) of any type under, among other things, any document, instrument, contract, affidavit, matter filed of record, cause, or Law, whether known or unknown, legal or equitable, and all liens, rights of offset, replacement liens, adequate protection liens, charges, obligations, or claims granted, allowed or directed in any Order, to the fullest extent provided by applicable Law.

“*Governmental Authority*” and “*Governmental Authorities*” means (a) any federal, provincial, state, local, municipal, national or international government or governmental authority, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, tribunal, arbitrator or arbitral body (public or private); (b) any self-regulatory organization; (c) any political subdivision of any of the foregoing; (d) or any applicable tribal authority whose consent or approval to a transaction hereunder is required.

“*Government Taking*” is defined in Section 12.

“*Law*” means any law, statute, ordinance, code, regulation, rule or other requirement of any Governmental Authority.

“*Lien*” means any of the following: mortgage, lien (statutory or other), other security agreement or interest, hypothecation, pledge or other deposit arrangement, charge, levy, executory seizure, attachment, garnishment, encumbrance (including any easement, exception, reservation or limitation), conditional sale, title retention or other similar agreement, preemptive or similar right, or any option; provided, however, that the term “*Lien*” shall not include any of the foregoing to the extent created by this Contract.

“*Order*” means any writ, judgment, decree, injunction or similar order, writ, ruling directive or other requirement of the Bankruptcy Court or Governmental Authority (in each such case whether preliminary or final).

“*Outside Termination Date*” means the earlier of (a) forty-five (45) days after the Sale Order is entered by the Bankruptcy Court or (b) [November 30, 2017](#).

“*Permitted Encumbrances*” means:

REAL ESTATE SALE CONTRACT – EXHIBIT A – PAGE 1

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(i) Liens for Taxes that are not yet due and payable or that are being contested in good faith in the normal course of business that will be discharged on or before Closing;

(ii) all rights to consent by, required notices to, filings with, or other actions by Governmental Authorities or other Persons in connection with the transfer of the Property or the transactions contemplated hereby;

(iii) easements, rights of way, servitudes, permits, surface leases and other rights with respect to surface operations, pipelines, grazing, logging, canals, ditches, reservoirs or the like, and easements for streets, alleys, highways, pipelines, telephone lines, power lines, distribution lines, railways and other easements and rights-of-way, on, over or in respect of any of the Property or any restriction on access thereto described in this Contract or filed or referenced in the records of the counties in which the Property is located, in each case, that do not materially interfere with operations currently conducted on the affected Property and would be reasonably acceptable to a prudent owner or operator of oil and gas properties;

(iv) materialmen's, mechanics', operators' or other similar Liens arising (A) in the ordinary course of business or (B) incident to the construction or improvement of any property in the ordinary course of business, in each case for amounts not yet due and payable (including any amounts being withheld as provided by Law) or that are being contested in good faith in the normal course of business that will be discharged on or prior to Closing;

(v) Liens burdening the Property that will be discharged or released at or before Closing;

(vi) all rights reserved to or vested in any Governmental Authorities to control or regulate any of the Property in any manner or to assess Tax with respect to the Property, the ownership, use or operation thereof, or revenue, income or capital gains with respect thereto, and all obligations and duties under all applicable Laws of any such Governmental Authority or under any franchise, grant, license or Permit issued by any Governmental Authority; and

(vii) zoning and planning ordinances and municipal regulations.

“*Person*” means any natural person, corporation, company, partnership, association, limited liability company, limited partnership, limited liability partnership, joint venture, business enterprise, trust or other legal entity, including any Governmental Authority.

“*Prepetition Lenders*” means the senior lender, Garrison Loan Agency Services, LLC, as administrative agent for the following lenders: Garrison Funding 2013-2 Ltd., GMMF Loan Holdings LLC, Garrison GMM Loan Holdco LLC and Garrison Capital Inc.; and junior lender, Dorrier Equities, Ltd

“*Prevailing Bidder*” has the meaning set forth in the Bid Procedures Order.

“*Property*” is defined in Section 1.

“*Purchase Price*” is defined in Section 2.

“*Sale Order*” means an order of the Bankruptcy Court approving the transaction contemplated by this Contract, which order must be reasonably acceptable in form and substance to the Parties, the Prepetition Lenders, and the DIP Secured Parties and not inconsistent with the terms of this Contract and which (i) approves the Sale Transaction contemplated hereby and the terms and conditions of this Contract, (ii) finds that notice of the hearing concerning approval of this Contract and of the Sale Transaction was given in accordance with the Bankruptcy Code and constitutes such notice as is appropriate under the particular circumstances, (iii) finds that Buyer is a “good faith” purchaser entitled to the protections afforded by section 363(m) of the Bankruptcy Code, (iv) provides that the Sale Transaction is not subject to avoidance pursuant to section 363(n) of the Bankruptcy Code, and (v) provides for the vesting of the Property in Buyer, in each case, Free and Clear (except for Permitted Encumbrances).

“*Sale Process*” means the procedures for Seller’s marketing of the Property to Persons who may make higher and better offers to acquire such Property, all as outlined in the Bid Procedures Order.

“*Sale Transaction*” is defined in Recital B.

“*Seller*” is defined in the Preamble.

“*Seller Conditions to Closing*” is defined in Section 6.

“*Seller Parties*” is defined in Section 13.

“*Submission Documents*” is defined in Section 9(a).

“*Taxes*” means any income taxes or similar assessments or any sales, excise, occupation, use, ad valorem, property, production, severance, transportation, employment, payroll, franchise, or other tax imposed by any federal, state, or local taxing authority, including any interest, penalties, or additions attributable thereto.

Exhibit B

Property

The following lands all in Duchesne County, Utah are included in the Property:

- A. Commencing at the Northwest corner of the West half of the Southeast Quarter of Section 10, Township 4 South, Range 2 West, of the Uintah Special Base and Meridian;

Thence South $00^{\circ}42'34''$ East 674.71 feet along the West line of said West half to the TRUE POINT OF BEGINNING;

Thence North $52^{\circ}51'56''$ East 268.96 feet;

Thence Easterly 239.01 feet along a curve to the right, said curve having a delta angle of $29^{\circ}38'28''$ a radius of 462.00 feet and a chord which bears North $67^{\circ}41'11''$ East of 236.35 feet;

Thence North $82^{\circ}30'10''$ East 333.05 feet;

Thence South $00^{\circ}00'00''$ East 1136.60 feet;

Thence South $64^{\circ}24'50''$ West 63.74 feet;

Thence South $73^{\circ}31'27''$ West 123.07 feet;

Thence South $68^{\circ}50'48''$ West 92.74 feet;

Thence South $67^{\circ}32'51''$ West 47.47 feet;

Thence North $00^{\circ}00'00''$ East 948.09 feet;

Thence South $88^{\circ}53'02''$ West 457.30 feet to said West line;

Thence North $00^{\circ}42'34''$ west 15.89 feet along said West line to the TRUE POINT OF BEGINNING.

TOGETHER WITH AND SUBJECT TO a 66 feet wide roadway right-of-way, the centerline which is further described as follows: Commencing at said Northwest corner of said West half; thence South $00^{\circ}42'34''$ East 674.71 feet along said West line to the TRUE POINT OF BEGINNING; thence North $52^{\circ}51'56''$ East 268.96 feet; thence Easterly 239.01 feet along a curve to the right, said curve having a central angle of $29^{\circ}38'28''$ a radius of 462.00 feet and a chord which bears $67^{\circ}41'11''$ East 236.35 feet; thence North $82^{\circ}30'10''$ East 901.12 feet to the East line of said West half and also subject to that portion being used as county road right-of-way.

- B. Commencing at the South Quarter Corner of Section 10, Township 4 South, Range 2 West of the Uintah Special Base & Meridian;

Thence North $00^{\circ}42'34''$ West 1945.50 feet along the West line of the Southeast Quarter of Section 10 to a point in the centerline of the county road and the TRUE POINT OF BEGINNING;

Thence North $88^{\circ}53'02''$ East 457.30 feet;

Thence South $00^{\circ}00'00''$ East 988.24 feet;

Thence South $62^{\circ}48'08''$ West 40.71 feet to said centerline;

Thence North 17°34'31" West 358.07 feet along said centerline to the P.C. of a curve to the left;

Thence Northwesterly 729.63 feet along said curve, (said curve having a central angle of 15°48'31" and a radius of 2644.42 feet with a chord which bears North 25°28'46" West 727.32 feet) to the TRUE POINT OF BEGINNING. Said parcel being subject to that portion being used as County Road right-of-way.

- C. Commencing at the Northwest corner of the West half of the Southeast Quarter of Section 10, Township 4 South Range 2 West of the Uintah Special Base and Meridian;
 - Thence North 88°53'02" East 1331.54 feet to the Northeast corner of said West half;
 - Thence South 00°37'02" East 330.93 feet along the East line of said West half to the TRUE POINT OF BEGINNING;
 - Thence South 00°37'02" East 1005.76 feet along said East line;
 - Thence South 89°25'09" West 114.88 feet;
 - Thence South 88°17'09" West 77.69 feet;
 - Thence South 75°03'15" West 84.71 feet;
 - Thence South 63°11'01" West 80.49 feet;
 - Thence South 57°01'59" West 150.71 feet;
 - Thence South 57°20'37" West 93.90 feet;
 - Thence South 64°24'50" West 24.78 feet;
 - Thence North 00°00'00" East 1136.60 feet;
 - Thence North 82°30'10" East 568.07 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH AND SUBJECT to a 66 feet wide roadway right-of-way, the centerline which is further described as follows: Commencing at said Northwest corner of said West half; thence South 00°42'34" East 674.71 feet along said West line to the TRUE POINT OF BEGINNING; thence North 52°51'56" East 268.96 feet; thence Easterly 239.01 feet along a curve to the right, said curve having a central angle of 29°38'28", a radius of 462.00 feet, and a chord which bears 67°41'11" East 236.35 feet; thence North 82°30'10" East 901.12 feet to the East line of said West half.

Said lands are subject to all easements, rights of way and agreements filed of record in the records of Duchesne County, Utah and excepting oil, gas and mineral rights.

The Property also includes the buildings and other improvements constructed on the lands set forth in A, B and C above together with the personal property set forth below:

- 1. Field Office Furniture
- 2. Trailers
 - Jan-08 Trailer
 - Mar-08 Trailer
 - Nov-08 Trailer
- 3. Fork Lifts
 - Sep-10 Skytrak 9038 Forklift
- 4. Vehicles
 - Oct-14 2015 Ford F-250 VIN # 1FT7X2B62FEB70024

Oct-14 2015 Ford F-250 VIN # 1FT7X2B62FEB70023

5. Field Office Yard
Dec-10 Office Yard Facilities
6. 5K Flow Back Manifold
7. 10K Flow Back Manifold
8. 15K Flow Back Manifold
9. 2 Frac Stands
10. Case IT 28 Loader
11. Sky Track Forklift
12. Back Hoe
13. 3 45' Tbg floats
14. Lowboy Trailer
15. 25' Goose Neck Trailer
16. 3 16' Car hauler trailers
17. 3 Pipe Racks
18. Echo Meter
19. 2 Almand Heaters
20. 7500# test separator
21. 4 Flares
22. Psi Washer
23. Mat Boards
24. 2 Conex Sheds
25. 3 7" 10K Frac Valve
26. 2 10K ESD Valve
27. Cement Blocks
28. Gas Buster
29. Misc Drilling Rig parts
30. Single Filter Trailer
31. Double Filter Trailer
32. 2 Mobi Light plant
33. 20" 6K sand trap
34. House/Yard
35. Additional Property
 - Ford Truck
 - Ford Truck
 - Ford Truck
 - Ford Truck
 - Ford Truck
 - Ford Truck
 - Dodge Ram

EXHIBIT C

GRANTEE'S MAILING ADDRESS:

DEED

STATE OF UTAH §
COUNTY OF DUCHESNE § KNOW ALL MEN BY THESE PRESENTS:

That Myton Oil Field Rentals, LLC, a Nevada limited liability company (the "Grantor"), is a debtor and debtor in possession under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") as a result of filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code on August 11, 2017 in the United States Bankruptcy Court for the District of Colorado (the "Bankruptcy Court"), where Grantor's bankruptcy case is administered under Case No. 17-17465 (the "Bankruptcy Case");

That Grantor for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid to Grantor by _____, a _____ (the "Grantee"), has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does GRANT, BARGAIN, SELL and CONVEY unto Grantee Free and Clear, all that certain land and premises situated in Duchesne County, Utah described on Exhibit A attached hereto and made a part hereof for all purposes, and containing approximately _____ acres of land, together with any and all improvements, rights, privileges, hereditaments, and appurtenances thereon or in anywise appertaining thereto, including Grantor's rights in so far as they arise from ownership of said land in and to adjacent streets, roads, alleys, easements and rights-of-way (said land, improvements, rights, privileges, hereditaments and appurtenances being hereinafter referred to as the "Property"). For purposes of this Deed, "Free and Clear" means by order of the Bankruptcy Court in the Bankruptcy Case, free and clear of all liens, claims, causes of action, encumbrances, interests, pledges, security interests, rights of setoff, restrictions or limitations on use, successor liabilities, conditions, rights of first refusal, options to purchase, obligations to allow participation, agreements or rights, rights asserted in litigation matters, rights asserted in adversary proceedings in the Bankruptcy Case of Grantor, competing rights of possession, obligations to lend, matters filed of record that relate to, evidence or secure an obligation of Grantor (and all created expenses and charges) of any type under, among other things, any document, instrument, contract, affidavit, matter filed of record, cause, or Law, whether known or unknown, legal or equitable, and all liens, rights of offset, replacement liens, adequate protection liens, charges, obligations, or claims granted, allowed or directed in any order of the Bankruptcy Court, to the fullest extent provided by applicable Law

Deleted: ,

This conveyance is further subject to (i) the lien of taxes for the year 2017 not in default and (ii) the easements and other encumbrances described on Exhibit B attached hereto and made a part hereof for all purposes (collectively, the "Permitted Encumbrances).

Grantee acknowledges that Grantee has independently and personally inspected the Property. The Property is hereby conveyed to and accepted by Grantee in its then present condition, "AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED".

GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND TO GRANTEE, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL CONDITION OF THE PROPERTY AND ANY IMPROVEMENTS LOCATED THEREON, OR THEIR SUITABILITY FOR ANY PARTICULAR PURPOSE OR OF MERCHANTABILITY. GRANTEE IS RELYING ON THE LIMITED REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS DEED AND ITS INVESTIGATIONS OF THE PROPERTY IN DETERMINING WHETHER TO ACQUIRE IT. THE PROVISIONS OF THIS PARAGRAPH ARE A MATERIAL PART OF THE CONSIDERATION FOR GRANTOR'S EXECUTING THIS DEED, AND SHALL SURVIVE CLOSING.

Deleted: SPECIAL WARRANTY

IN WITNESS WHEREOF, Grantor has caused this Deed to be executed on the dates set forth in the acknowledgments below, but to be effective as of the ____ day of November, 2017.

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GRANTOR:

MYTON OIL FIELD RENTALS , LLC
a Nevada limited liability company

By: _____

Name: _____

Title: _____

Date of Execution: _____

Add appropriate acknowledgement

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:)	
)	
BADLANDS ENERGY, INC.	)	Case No. 17-17465 KHT
EIN: 98-0204105,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
BADLANDS PRODUCTION COMPANY	)	Case No. 17-17467 KHT
EIN: 84-1461816,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
BADLANDS ENERGY-UTAH, LLC	)	Case No. 17-17469 KHT
EIN: 47-2023934,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
MYTON OILFIELD RENTALS, LLC	)	Case No. 17-17471 KHT
EIN: 20-1202389,	)	Chapter 11
)	
Debtor.	)	Jointly Administered Under
	)	Case No. 17-17465 KHT

**ORDER (A) APPROVING REAL ESTATE SALE CONTRACT
BETWEEN MYTON OILFIELD RENTALS, LLC AND WAPITI UTAH, LLC, (B)
AUTHORIZING SALE OF SUBSTANTIALLY
ALL PROPERTY PURSUANT THERETO, FREE AND CLEAR OF
LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS,
(C) GRANTING RELATED RELIEF**

THIS MATTER is before the Court on Motion for Entry of an Order (A) Approving Real Estate Sale Contract Between Myton Oilfield Rentals, LLC and Wapiti Utah, LLC, (B) Authorizing Sale of Substantially All Property Pursuant Thereto, Free and Clear of Liens, Claims, Encumbrances, and Interests, (C) Granting Related Relief (the "Motion") filed by the above-captioned debtor and debtor in possession Myton Oilfield Rentals, LLC (the "Debtor"). The Court has reviewed the Motion and the file and is otherwise advised. There being no objections thereto, or any objections being resolved, it is hereby

ORDERED that the Motion is GRANTED;

IT IS FURTHER ORDERED that the Purchase Agreement (as defined in the Motion and attached as **Exhibit A** to the Motion) is APPROVED according to its terms;

IT IS FURTHER ORDERED that the Debtor is authorized to execute all documents necessary to close the transaction, and to take all appropriate action in accordance with the terms of the Purchase Agreement for the sale of substantially all of the Debtor's assets to the Buyer;

IT IS FURTHER ORDERED that the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d) for the sale is waived.

Dated: _____

United States Bankruptcy Judge