

Oil, Gas, Mineral and Timber Rights
Addendum to the Contract for the Purchase and Sale of Real Estate

The owner of real property has a variety of rights that can convey with property when the property is sold to another. These rights include surface rights (the rights to build or plant crops upon the ground) and certain subsurface rights (the right to extract materials from below the ground). Among the various subsurface rights, are the rights to explore for, and remove, oil, gas and various minerals such as coal, sand and gravel.

Surface and subsurface rights are often transferred together; however these rights can transfer separately. Despite the best intention of Sellers, property owners are often not aware of the extent of the oil, gas and mineral rights they may or may not own. Determining who owns the various rights to oil, gas and minerals can be complex and should only be done by an attorney and/or title company with expertise in this area. Purchasers of real property are strongly encouraged to have their rights to oil, gas and minerals examined before moving forward with a purchase and sale agreement.

Property Address _____

Seller _____ (Print/Type) Purchaser _____ (Print/Type)

Oil, Gas, Mineral and Timber Rights to Property:

_____ Some oil, gas, mineral and/or timber rights have been leased by the Seller or previous owner. Seller has attached copies of all written oil, gas, mineral and/or timber rights leases and other documents (e.g. leases, royalty agreements) within the Seller's possession to this addendum. Purchaser shall have _____ days from the execution date of the purchase and sale contract to examine the extent and manner by which these rights are affected. If the examination and assessment performed by, or on behalf of, the Purchaser reveals Seller's inability to convey said lease to the Purchaser, along with full title to oil, gas, mineral and timber rights to the Purchaser, the Purchaser may terminate this purchase and sale agreement. Upon termination, all deposit monies will be returned to the Purchaser.

_____ Purchaser Initial(s) _____ Seller Initial(s)

Seller Reservation of Oil, Gas, Mineral and Timber Rights: (Initial all that apply.)

_____ Seller is reserving **all** rights to oil, gas, and/or mineral rights and will not convey these rights to the Purchaser. Purchaser agrees to accept seller's reservation of these rights.

_____ Purchaser Initial(s) _____ Seller Initial(s)

_____ Seller is reserving **certain oil, gas, and mineral rights** and will convey these rights to the Purchaser as follows:

Purchaser agrees to accept seller's above described reservation(s).

_____ Purchaser Initial(s) _____ Seller Initial(s)

_____ Seller is reserving rights to **timber** as follows: _____

Purchaser agrees to accept seller's above described reservation.

_____ Purchaser Initial(s) _____ Seller Initial(s)

_____ Seller and Purchaser agree to the following: _____

_____ Purchaser Initial(s) _____ Seller Initial(s)

**All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.
This addendum, when executed, is contingent upon approval of PURCHASER'S and SELLER'S attorneys.**

Purchaser: _____ Date: _____

Purchaser: _____ Date: _____

Seller: _____ Date: _____

Seller: _____ Date: _____