

## PURCHASE AND SALE AGREEMENT CHECKLIST

Name of Company which drafted Agreement: \_\_\_\_\_

Name of Agreement: \_\_\_\_\_

Effective Date: \_\_\_\_\_ Closing Date: \_\_\_\_\_

Purchase Price: \_\_\_\_\_ Oil or Gas: \_\_\_\_\_

Operated or Non-operated: \_\_\_\_\_

	YES	NO	COMMENTS
<b>1. Definition of Assets</b>			
- includes P&NG Rights, Tangibles, Miscellaneous Interests			
<b>2. Definition of Miscellaneous Interests</b>			
- contracts and documents			
- surface leases and other rights of entry			
- well bores and casing			
- geological and engineering reports/production reports			
- tax and financial records/ interpretive geological/geophysical and seismic data excluded			
<b>3. Definition of Permitted Encumbrances</b>			
- royalties, encumbrances, reductions in interests or other burdens identified in Land Schedule			
- right of governments to collect taxes on petroleum substances			
- mechanic's or builder's liens for services or goods supplied but payment not due			
- rights reserved by governments/Regulations			
- production sales contracts terminable on less than 30 days			
- operators' liens			
- penalties			
- preferential rights of purchase			

	YES	NO	COMMENTS
- public utilities' liens			
- reservations from original grant			
- easements and rights of way			
- terms and conditions of leases			
<b>4. Definition of Petroleum and Natural Gas Rights</b>			
<b>5. Definition of Tangibles Definition of Wells</b>			
<b>6. Purchase Price/Allocation of Purchase Price</b>			
- Purchase Price			
- Deposit (a) applied to Purchase Price (b) specifies to whom interest on Deposit credited (c) deals with Deposit in event Closing does not occur			
- Interest			
- Allocation			
(a) PNG Rights			
(b) Tangibles			
(c) Miscellaneous Interests			
- GST			
- PST (B.C., Manitoba)			
<b>7. Adjustments</b>			
- as of Effective Date			
- rentals			
- freehold mineral tax and property taxes			
- PNG in storage (inventory)			
- sales revenues			

	YES	NO	COMMENTS
- adjustment period			
<b>8. Maintenance of Business</b>			
- Vendor to maintain Assets in proper manner			
- Vendor to act as Purchaser's agent			
- limits on Vendor's activities			
- Vendor to maintain insurance			
- Purchaser indemnifies Vendor			
<b>9. Access to Records</b>			
- reasonable time periods for notice/cure			
- Purchaser's elections if there are title defects			
<b>10. Rights of First Refusal</b>			
<b>11. Delivery of Conveyances</b>			
<b>12. Vendor's Representations</b>			
- Standing			
- Requisite authority			
- No conflict with governing documents, agreements or laws			
- Execution and enforceability			
- No title warranty, but:			
(a) Vendor has not alienated Assets			
(b) No acts to cancel/determine Assets			
(c) No reduction of interests			
(d) Payment of delayed rentals/royalties			
(e) Free & clear except for listed encumbrances/permitted encumbrances			

**THIS IS A 7-PAGE DOCUMENT.**