

OIL, GAS AND/OR MINERAL RIGHTS/INTERESTS DISCLOSURE

OGMD

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

1 PROPERTY State Route 706, Montrose, Pa 18801
2 SELLER Eric Diaz, Bobbi Jo Diaz
3 BUYER

4 This Property is (select one):

- 5 [X] subject to a lease affecting subsurface rights.
6 [ ] not subject to a lease affecting subsurface rights.

7 Surface and subsurface rights are often transferred together, but sometimes are transferred separately. Despite the best intentions of sellers, property owners are often not aware of the precise extent of the oil, gas and/or mineral rights/interests that they may or may not own. The following has been completed by Seller to indicate Seller's knowledge of and intentions about the oil, gas and/or mineral rights/interests for the Property and is not a substitute for any inspections or warranties that Buyer may wish to obtain. The responses provided below are given to the best of Seller's knowledge and may not reflect all oil, gas and/or mineral rights/interests for the Property. The statements contained herein are not a warranty of any kind by Seller or a warranty or representation by any listing real estate broker, any selling real estate broker, or their licensees. Buyer is advised to conduct a full examination of oil, gas and/or mineral rights/interests for the Property.

15 1. OIL, GAS AND/OR MINERAL RIGHTS/INTERESTS EXCEPTED

- 16 (A) Seller is aware that the following oil, gas and/or mineral rights/interests have been previously leased, sold or otherwise conveyed by Seller or a previous owner of the Property (exceptions) as indicated and is not transferring them to Buyer:
17 [X] Oil retained by previous owner
18 [X] Gas retained by previous owner
19 [ ] Minerals
20 [ ] Coal
21 [ ] Other

23 (B) It cannot be presumed that Seller's failure to indicate an exception will entitle Buyer to all of those rights/interests. Buyer is advised to conduct a full examination of all oil, gas and/or mineral rights/interests for the Property.

25 (C) The warranty of title in the Agreement of Sale does not pertain to the oil, gas and/or mineral rights/interests that have been excepted. Seller will not defend title to these rights/interests and does not covenant that Buyer will have quiet enjoyment of these rights/interests.

28 2. SELLER'S RESERVATION OF OIL, GAS AND/OR MINERAL RIGHTS/INTERESTS

- 29 (A) Seller is reserving the following oil, gas and/or mineral rights/interests as indicated and is not transferring them to Buyer:
30 [ ] Oil
31 [ ] Gas
32 [ ] Minerals
33 [ ] Coal
34 [ ] Other

35 This reservation(s) will be executed in its entirety at settlement, unless otherwise indicated.

36 (B) Seller's reservation does not apply to domestic free gas and surface damage rights/interests, which are set forth below.

37 (C) The warranty of title identified in the Agreement of Sale does not pertain to the oil, gas and/or mineral rights/interests that are reserved by Seller. Seller will not defend title to these rights/interests and does not covenant that Buyer will have quiet enjoyment of these rights/interests.

40 3. DOMESTIC FREE GAS

41 (A) Generally, Domestic Free Gas is a by product of the drilling process which can be supplied to a residential structure located on the property where drilling takes place to be used for heating the structure.

42 (B) Seller will convey to Buyer 100% of the domestic free gas rights/interests unless otherwise stated here

45 4. SURFACE DAMAGES

46 In the event Seller is reserving and retaining oil, gas and/or mineral rights/interests as set forth in Paragraph 2(A), then Seller further agrees to convey, assign and/or transfer to Buyer: i) the exclusive right to receive compensation for any and all damages, which include, but are not limited to, pipeline rights-of-way, well pad sites, compressor sites, and standing marketable timber, and ii) any and all surface consent or surface remediation rights set forth in the applicable oil, gas, and/or mineral rights lease, pipeline right-of-way agreement or other surface use agreement pertaining to the Property. A copy of the applicable language of the lease is attached to this Disclosure or will be provided to Buyer within \_\_\_ days (10 if not specified).

52 Seller's Initials: \_\_\_ / \_\_\_

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Buyer's Initials ED / BJD



53 **5. ASSIGNMENT OF LEASES**

54 Seller is aware that the following leases of oil, gas and/or mineral rights/interests have been assigned from the original lessee to an-  
55 other entity:

- 56  Oil \_\_\_\_\_
- 57  Gas \_\_\_\_\_
- 58  Minerals \_\_\_\_\_
- 59  Coal \_\_\_\_\_
- 60  Other \_\_\_\_\_

61 **6. DOCUMENTATION**

- 62  Seller has no documentation pertaining to any written leases, addenda, surface use agreements, pipeline easements, or other docu-  
63 ments relating to prior conveyances, assignments, or transfers of the oil, gas and/or mineral rights/interests to the Property.
- 64  Seller has attached to this Disclosure copies of all written oil, gas and/or mineral rights leases, addenda, surface use agreements,  
65 pipeline easements, and other documents (e.g., royalty agreements) within Seller's possession having to do with prior convey-  
66 ances, assignments, or transfers of these rights/interests, as follows: \_\_\_\_\_  
67 \_\_\_\_\_  
68 \_\_\_\_\_

70 **7. Other**

71 \_\_\_\_\_

72 \_\_\_\_\_

73 \_\_\_\_\_

74 \_\_\_\_\_

75 SELLER \_\_\_\_\_ Eric Diaz DATE 12/19/2022

76 SELLER *Bobbi Jo Diaz* Bobbi Jo Diaz DATE 12/19/2022

77 SELLER \_\_\_\_\_ DATE \_\_\_\_\_

**RECEIPT AND ACKNOWLEDGEMENT BY BUYER**

The undersigned Buyer acknowledges receipt of this Disclosure. Buyer acknowledges that this Statement is not a warranty and that Buyer is purchasing the Property with only the oil, gas and/or mineral rights/interests that Seller is able and willing to convey. It is Buyer's responsibility to satisfy himself or herself as to the ownership status of the oil, gas and/or mineral rights/interests to the Property. Buyer may investigate the ownership status of the oil, gas and/or mineral rights/interests, at Buyer's expense and by qualified professionals.

84 BUYER \_\_\_\_\_ DATE \_\_\_\_\_

85 BUYER \_\_\_\_\_ DATE \_\_\_\_\_

86 BUYER \_\_\_\_\_ DATE \_\_\_\_\_

**OIL, GAS AND MINERAL RIGHTS/INTERESTS ADDENDUM TO AGREEMENT OF SALE OGM**

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1 **PROPERTY** State Route 706, Montrose, Pa 18801  
2 **SELLER** Eric Diaz, Bobbi Jo Diaz  
3 **BUYER** \_\_\_\_\_

4 **This Property is (select one):**  
5  **subject to a lease affecting subsurface rights.**  
6  **not subject to a lease affecting subsurface rights.**

7 **1. TITLE**

8 Notwithstanding the default language of the Agreement of Sale regarding title to the Property, Seller will not warrant title to any oil,  
9 gas and/or mineral rights/interests regardless of whether they are conveyed, excepted or reserved. Buyer is advised to conduct an  
10 investigation as to the history of the ownership rights/interests and status of the oil, gas and/or mineral rights/interests pertaining to  
11 the Property.

12 **2. EXCEPTION (IF APPLICABLE)**

13 (A) Buyer is aware that the following oil, gas and/or mineral rights/interests have been previously leased, assigned, sold or otherwise  
14 conveyed by Seller or a previous owner of the Property (exceptions) and cannot be transferred to Buyer: the oil and gas rights  
15 were previously retained  
16 \_\_\_\_\_  
17 \_\_\_\_\_

18  
19 (B) Buyer acknowledges that Seller may not own 100% of all oil, gas and/or mineral rights/interests to the Property and agrees that,  
20 notwithstanding the default language of the Agreement of Sale regarding title to the Property, Buyer will accept only the rights/  
21 interests and title that Seller is able to convey, free and clear of all other liens, encumbrances, and easements, subject to the excep-  
22 tions referenced above.

23 **3. TITLE SEARCH CONTINGENCY**

24 (A) Buyer understands and acknowledges that the warranty of title in the Agreement of Sale does not pertain to the oil, gas and/or  
25 mineral rights/interests that have been excepted. Seller will not defend title to these rights/interests and does not covenant that  
26 Buyer will have quiet enjoyment of these rights/interests.

27 (B) Buyer may elect, at Buyer's expense, to conduct an investigation of the history of the ownership rights/interests and status of the  
28 oil, gas and/or mineral rights/interests to the Property to be performed by a properly licensed or otherwise qualified professional.

29  **WAIVED.** Buyer understands and acknowledges that Seller may not own all oil, gas and/or mineral rights/interests to the  
30 Property and that Buyer has the option to make this Agreement contingent on receiving a certain interest in the oil, gas and/or  
31 mineral rights/interests. BUYER WAIVES THIS OPTION and agrees to the RELEASE in the Agreement of Sale.

32  **ELECTED.** Investigation Period: \_\_\_\_\_ days (60 if not specified) from the Execution Date of the Agreement of Sale.

33 1. **Within the Investigation Period,** Buyer will have completed an investigation of the ownership rights/interests and status  
34 of the oil, gas and/or mineral rights/interests to the Property. Buyer will pay for any and all costs associated with the title  
35 search.

36 2. If the result of the investigation demonstrates terms that are unsatisfactory to Buyer, Buyer will, **within the stated Investigation**  
37 **Period:**

38 a. **Accept the Property** and agree to the RELEASE in the Agreement of Sale, OR

39 b. **Terminate the Agreement of Sale** by written notice to Seller, with all deposit monies returned to Buyer according to the  
40 terms contained in the Agreement of Sale, OR

41 c. Enter into a mutually acceptable written agreement with Seller as acceptable to the lender(s), if any.

42 **If Buyer and Seller do not reach a written agreement before the conclusion of the Investigation Period, and Buyer does**  
43 **not terminate the Agreement of Sale by written notice to Seller within that time, Buyer will accept the Property and**  
44 **agree to the terms of the RELEASE in the Agreement of Sale.**

45 **4. RESERVATION OF RIGHTS/INTERESTS (IF APPLICABLE)**

46 (A) Buyer acknowledges that Seller is reserving and retaining ownership of the following oil, gas and/or mineral rights/interests and  
47 royalties and is not transferring them to Buyer. The rights/interests being reserved and retained by Seller include the right to  
48 receive royalties regarding the same, unless otherwise stated below. This reservation will be executed in its entirety at settlement.

- 49  Oil \_\_\_\_\_
- 50  Gas \_\_\_\_\_
- 51  Minerals \_\_\_\_\_
- 52  Coal \_\_\_\_\_
- 53  Other \_\_\_\_\_

54 **Buyer Initials:**

**Seller Initials:** ED BID



- 55 (B) The warranty of title in the Agreement of Sale does not pertain to the oil, gas and/or mineral rights/interests and royalties that  
 56 have been reserved. Seller will not defend title to these rights/interests or royalties and does not covenant that Buyer will have  
 57 quiet enjoyment of these rights/interests.  
 58 (C) Seller's reservation, if any, does not apply to domestic free gas and surface damage rights/interests, which are set forth below  
 59 (D) If Seller is reserving an interest in any non-excepted oil, gas and/or mineral rights/interests and royalties, within \_\_\_ days of  
 60 the Settlement Date (30 if not specified) Seller will deliver to Buyer the proposed reservation language that will appear in the deed  
 61 that conveys title to the Property to Buyer for Buyer's review. If this reservation language does not reflect the terms in Paragraph  
 62 4(A) above, or if Seller fails to provide the proposed reservation language within the time provided, Seller may be in default of  
 63 the Agreement of Sale.  
 64 (E) Within \_\_\_ days (15 if not specified) of receiving Seller's proposed reservation language, or if no reservation language is  
 65 provided within the stated time, Buyer will notify Seller of Buyer's choice to:  
 66 1. Agree to Seller's proposed reservation language, accept the Property, and agree to the RELEASE in the Agreement of Sale,  
 67 OR  
 68 2. Terminate the Agreement of Sale by written notice to Seller with all deposit monies returned to Buyer according to the terms  
 69 of the Agreement of Sale, OR  
 70 3. Enter into a mutually acceptable written agreement with Seller.

If Buyer and Seller do not reach a written agreement during the time stated in this Paragraph, and Buyer fails to respond within the time provided for Buyer's response in Paragraph 4(E) above, or fails to terminate the Agreement of Sale by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in the Agreement of Sale.

- 71 (F) If Seller fails to deliver the proposed reservation language as specified in Paragraph 4(D), and Buyer exercises the right to terminate  
 72 this Agreement as a result, all deposit monies shall be returned to Buyer according to the terms of the Agreement of Sale. Upon  
 73 termination, Seller will reimburse Buyer for any investigative costs incurred by Buyer to verify the title, status and ownership of the  
 74 oil, gas and/or mineral rights/interests underlying the Property

75 5. DOMESTIC FREE GAS  
 76 Seller will convey to Buyer 100% of the domestic free gas rights unless otherwise stated here \_\_\_\_\_  
 77

78 6. SURFACE DAMAGES  
 79 In the event Seller is reserving and retaining oil, gas and/or mineral rights/interests as set forth in Paragraph 4(A), then Seller fur-  
 80 ther agrees to convey, assign and/or transfer to Buyer: i) the exclusive right to receive compensation for any and all damages, which  
 81 include, but are not limited to, pipeline rights-of-way, well pad sites, compressor sites, and standing marketable timber, and ii) any and  
 82 all surface consent or surface remediation rights set forth in the applicable oil, gas, and/or mineral rights lease, pipeline right-of-way  
 83 agreement or other surface use agreement pertaining to the Property. A copy of the applicable language of the lease is attached to this  
 84 Addendum or will be provided to Buyer within \_\_\_ days (10 if not specified).

85 7. DOCUMENTATION  
 86  Seller has no documentation pertaining to any written leases, addenda, surface use agreements, pipeline easements, or other docu-  
 87 ments relating to prior conveyances, assignments, or transfers of the oil, gas and/or mineral rights/interests to the Property.  
 88  Seller has attached to this Addendum copies of all written oil, gas and/or mineral rights leases, addenda, surface use agreements,  
 89 pipeline easements, and other documents (e.g., royalty agreements) within Seller's possession having to do with prior conveyanc-  
 90 es, assignments, or transfers of these rights/interests, as follows: \_\_\_\_\_  
 91

92 8.  Seller/Seller's agent  Buyer/Buyer's agent will be responsible for promptly notifying any and all lessees in writing of the assign-  
 93 ment of any oil, gas and/or mineral rights/interests to Buyer. This paragraph will survive settlement  
 94

95 9. ADDITIONAL RESOURCES  
 96 For additional information regarding oil, gas and mineral ownership, leasing and transfer in the Commonwealth of Pennsylvania,  
 97 both parties are encouraged to contact the Pennsylvania Department of Environmental Protection's Bureau of Oil and Gas  
 98 Management, the Pennsylvania Department of Conservation and Natural Resources, or the Penn State Institute for Natural Gas  
 99 Research.  
 100

101 Prior to signing this Addendum, both parties are advised to contact legal counsel experienced in oil, gas and/or mineral rights/  
 102 interests if either has any questions about the transfer of these rights. Broker(s) and/or Licensee(s) will not provide legal advice  
 103 concerning the ownership status of the oil, gas and/or mineral rights/interests of the Property. Buyer and Seller have been given  
 104 the opportunity to negotiate the terms of this Agreement, including the reservation of oil, gas and/or mineral rights/interests. All  
 105 other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.  
 106

107 BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
 108 BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
 109 BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
 110 SELLER \_\_\_\_\_ DATE \_\_\_\_\_  
 111 SELLER [Signature] Eric Diaz DATE 12/19/2022  
 112 SELLER [Signature] Bobbi Jo Diaz DATE 12/19/2022  
 \_\_\_\_\_ DATE \_\_\_\_\_