UT LAW CLE THE UNIVERSITY OF TEXAS SCHOOL OF LAW

PRESENTED AT

13th Biennial Parker C. Fielder
Oil and Gas Tax Conference

November 19-20, 2015
Houston, Texas

Purchase and Sale Transactions

John T. Bradford

Maria T. Collman

Robert A. Jacobson

Clifford M. Warren

Catherine Lueck Zabel

PURCHASE AND SALE AGREEMENT

DATED AS OF DECEMBER 13, 2012

BY AND BETWEEN

CELENA OIL & GAS INC.,

AS SELLER,

AND

SOUTHERN STAR OFFSHORE GROUP, LLC,

AS BUYER

TABLE OF CONTENTS

Page

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "***Agreement***"), dated as of the 13th day of December, 2012 (the "***Execution Date***"), is made by and between Celena Oil & Gas Inc., a Texas corporation ("***Seller***"), and Southern Star Offshore Group, LLC, a Delaware limited liability company ("***Buyer***").

WHEREAS, Seller desires to sell, and the Buyer desires to purchase, the Properties effective as of the Effective Time for the Purchase Price, all under the terms, conditions, covenants, agreements and other provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits set forth below and other good and valuable cause and consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer (collectively, the "***Parties***"; and each individually, a "***Party***") agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.01. *Definitions*. Wherever used in this Agreement, the following capitalized terms (along with the singular and plural thereof) have the meanings set forth in this Section 1.01:

"***AAA Rules***" means the Commercial Arbitration Rules of the American Arbitration Association

"***Adjusted Purchase Price***" shall have the meaning set forth in Section 3.02.

"***AFEs***" shall have the meaning set forth in Section 4.02(p).

"***Affiliate***" with respect to the Person specified means any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the Person specified, where the phrase "controls or is controlled by or is under common control with" refers to the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Person specified, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" shall have the meaning set forth in the preamble.

"***Allocable Amount***" shall have the meaning set forth in Section 3.08.

"***Allocated Amount***" with respect to any Property means the dollar amount allocated to such Property as set forth on Exhibit 4. The Allocated Amount for any Property not listed on Exhibit 4 is $0.00.

"***Allocation Schedule***" shall have the meaning set forth in Section 3.08.

"***Anti-Terrorism Law***" shall have the meaning set forth in Section 4.01(j).

"***Arbitration Panel***" shall have the meaning set forth in Section 9.09(a).

"***Assets***" shall have the meaning set forth in Section 2.02.

"***Assignment***" means the Assignment and Bill of Sale from Seller to Buyer, pertaining to the Properties, substantially in the form attached to this Agreement as Exhibit 3.

"***Assumed Obligations***" shall have the meaning set forth in Section 9.07.

"***BOEM***" shall have the meaning set forth in Section 4.01(a).

"***Business Day***" means a day (other than Saturday or Sunday) on which commercial banks in Houston, Texas are generally open for business.

"***Buyer***" shall have the meaning set forth in preamble.

"***Buyer's Auditor***" shall have the meaning set forth in Section 9.14.

"***Buyer's Environmental Consultant***" shall have the meaning set forth in Section 5.10(a).

"***Buyer's Environmental Review***" shall have the meaning set forth in Section 5.10(a).

"***Casualty Loss***" shall have the meaning set forth in Section 5.11.

"***Claim***" shall have the meaning set forth in Section 9.08.

"***Claimant***" shall have the meaning set forth in Section 9.08(a).

"***Claim Notice***" shall have the meaning set forth in Section 9.08(b).

"***Closing***" shall have the meaning set forth in Section 8.01.

"***Closing Amount***" shall have the meaning set forth in Section 3.04.

"***Closing Date***" shall have the meaning set forth in Section 8.01.

"***Closing Statement***" shall have the meaning set forth in Section 3.04.

"***Code***" shall have the meaning set forth in Section 8.04(a)(iv).

"***Commercially Reasonable Efforts***" means commercially reasonable efforts that do not require Seller to incur any out-of-pocket expense, to assume any financial or other obligations, to waive or forego any rights or interests, to pay any consideration or to institute any litigation or proceeding.

"***Consent***" means any consent, approval, authorization, permit of, or filing with or notification to, any Third Party which is required to be obtained, made or complied with for or in connection with the sale of the Properties to Buyer as contemplated by this Agreement, Title search: Purchase and Sale Transactions

Also available as part of the eCourse
Domestic Tax Issues for Oil & Gas

First appeared as part of the conference materials for the
13th Biennial Parker C. Fielder Oil and Gas Tax Conference session
"Purchase and Sale Transactions"