



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

IN RE:

DORCHESTER RESOURCES, L.P.,
Debtor,

Case No. 21-10840-SAH
(Chapter 11)

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On April 5, 2021, Dorchester Resources, L.P., the Debtor-in-Possession (the "Debtor") filed its Motion for entry of an order (the "Bidding Procedures Order"), among other things, (a) approving bid procedures (the "Bidding Procedures"), as well as certain bid protections, for the sale of all or substantially all of the Debtor's Assets (the "Sale"); (b) approving the form and manner of notice of the Sale; (c) scheduling an auction (the "Auction") and a sale hearing (the "Sale Hearing") to consider approval of the proposed Sale; and (d) approving the execution of the Purchase Agreement for the Sale with DRII, LLC (the "Stalking Horse Purchaser"), approving the proposed break-up fee and expense reimbursement for the benefit of the Stalking Horse Purchaser in connection therewith, and authorizing the Debtor to perform such obligations in connection therewith which arise prior to the Sale Hearing. The Motion additionally requests entry of an order (the "Sale Order") approving (i) the Sale free and clear of liens, claims, encumbrances and interests; and (ii) certain related relief.

2. On May 13, 2021, the United States Bankruptcy Court for the Western District of Oklahoma entered the Bidding Procedures Order [Dkt. #174]. Pursuant to the Bidding Procedures Order, the Auction shall take place on **June 18, 2021 at 10:00 a.m. (prevailing Central Time)** at the offices of Dakil Auctioneers, Inc., 200 NW 114th Street, Oklahoma City, Oklahoma 73114. Only parties that have submitted a Qualified Bid in accordance with the Bidding Procedures, attached to the Bidding Procedures Order as Exhibit 1, by no later than **June 15, 2021 at 4:00 p.m. (prevailing Central Time)** (the "Bid Deadline"), may participate at the auction. Any party that wishes to take part in this process and submit a bid in connection with the Sale must submit a competing bid prior to the Bid Deadline and in accordance with the Bidding Procedures. Parties interested in receiving information regarding the sale of the Assets should contact the Debtor's Auctioneer, Dakil Auctioneers, Inc.

3. The video conference Sale Hearing to consider approval of the Sale to the Stalking Horse Purchaser and/or such other Successful Bidder (as defined in the Bidding Procedures) free and clear of all liens, claims and encumbrances will be held before the Honorable Sarah A. Hall, United States Bankruptcy Judge on **June 29, 2021 at 1:00 p.m. (prevailing Central Time)**, or at such earlier date as counsel may be heard. The Sale Hearing may be continued from time to time without further notice to creditors or parties in interest other than by announcement of the continuance in open court on the date scheduled for the Sale Hearing. Additional instructions regarding the hearing will be provided at a later date.

4. Objections, if any, to the Sale, or the relief requested in the Motion (including with respect to cure amounts and, solely with respect to the Stalking Horse Purchaser, adequate assurance) must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the Bankruptcy Court for the Western District of Oklahoma, on or before **4:00 p.m. (prevailing Central Time) on June 22, 2021**, or such earlier date and time as the Debtor may agree and (d) be served so as to be received no later than 4:00 p.m. (prevailing Central Time) on the same day, upon (i) the Debtor, Dorchester Resources, L.P., c/o counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (ii) counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (iii) [counsel to the Committee, if any; (iii) Manager for Stalking Horse Bidder, Socorro Adams Dooley, 100 N. Broadway Avenue, Suite 3280, Oklahoma City, Oklahoma 73102; (v) counsel for Simmons Bank, Joseph J. Wielebinski and Annmarie Chiarello, Winstead PC 500 Winstead Building, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201; and (vi) the Office of the United States Trustee.

5. This Notice and the Sale Hearing is subject to the fuller terms and conditions of the Motion, the Bidding Procedures Order and the Bidding Procedures, which shall control in the event of any conflict, and the Debtor encourages parties in interest to review such documents in their entirety. Copies of the Motion, the Purchase Agreement, the Bidding Procedures, and/or the Bidding Procedures Order may be obtained by written request to counsel to the Dorchester Resources, L.P., Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116. In addition, copies of the aforementioned pleadings may be viewed free of charge at Omni Agent Services, LLC's website, with the address of <https://omniagentsolutions.com/DorchesterResources>.

PLEASE TAKE FURTHER NOTICE that Pursuant to Rule 43, Fed. R. Civ. P. (applicable to the contested matter pursuant to Rule 9017, Fed. R. Bankr. P.) and the ongoing COVID-19 pandemic, the final hearing scheduled for **June 29, 2021, at 1:00 p.m. (CST)** will be conducted via video-conference before the Honorable Sarah A. Hall. In order to participate, all counsel and participants must have access to a computer with a camera and microphone. It is also recommended that you have a phone available on the day of the hearing in the event technical problems arise and communication is required.

XI. All parties, counsel, and members of the public are strictly prohibited from recording or broadcasting any hearing, in whole or in part, in any manner.

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Respectfully Submitted,

/s/ J. Clay Christensen

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Jeffrey E. Tate (OBA #17150)

Jonathan M. Miles (OBA #31152)

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ATTORNEYS FOR DEBTOR

XI.

I. Exhibits conforming to Local Rule 9017-1 should be mailed to the Court Clerk's office and must be received no later than **June 24, 2021 at 12:00 p.m. (CST)**, and should delivered to chambers. If your witness(es) will not be in the same location as counsel, then you must ensure that the witness(es) have a complete set of all exhibits of all parties on the day of the hearing and understand that different parties have their own exhibit books.

II. Witnesses will be sworn in, and their testimony will have the same effect and be binding upon the witness in the same manner as if the witnesses was sworn in by the Courtroom Deputy in person in open court.

III. If a witness has documents, other than exhibits, in their possession and control during their testimony, counsel sponsoring the witness must provide a list of such documents to the Court and opposing counsel at the start of the hearing.

IV. On or before **June 24, 2021, at 4:00 p.m. (CST)**, counsel is directed to provide to cheryl.shook@okwb.uscourts.gov their preferred email address as well as the email address of any party or witness that will not be in the same location as counsel during the hearing. Chambers will use these email addresses to provide access to the video-conference evidentiary hearing.

V. On or before **June 25, 2021, by 12:00 p.m. (CST)**, the Court will issue an invitation for the video-conference evidentiary hearing containing a link for a "Microsoft Teams Meeting" that should be used to access the video-conference evidentiary hearing. You do not need to download the Microsoft Teams app to participate in the video-conference.

VI. When first using Microsoft Teams Meeting, you will need to allow the program to access your microphone and camera.

VII. Rebuttal exhibits, if required, should be attached to an email addressed to all persons receiving the email containing the Microsoft Teams Meeting link, and the email should be ready to send prior to the hearing. If use of the rebuttal exhibit becomes necessary, the email should be sent immediately.

VIII. If the "Rule" is invoked for the video-conference evidentiary hearing, it will be sponsoring counsel's responsibility to ensure that all non-party witnesses comply.

IX. The hearing will include live video and audio feeds so efforts should be made to appear professional and to eliminate unnecessary background noise.

X. Each counsel, party, and witness is responsible for timely joining the video-conference hearing and for establishing a new connection if, at any point, their connection is disrupted or terminated.



Dated: May 13, 2021

The following is ORDERED:



Sarah A Hall
Sarah A Hall
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

IN RE:
DORCHESTER RESOURCES, L.P.,
Debtor.

Case No. 21-10840-SAH
(Chapter 11)

**ORDER (A) ESTABLISHING BIDDING PROCEDURES, (B) MANNER
AND FORM OF NOTICE FOR SALE OF A SIGNIFICANT PORTION OF
DEBTOR'S ASSETS, (C) SCHEDULING DATES FOR AN AUCTION, AND
(D) AUTHORIZING AND APPROVING THE FORM OF A STALKING
HORSE ASSET PURCHASE AGREEMENT**

Upon the *Second Amended Motion for Order (A) Establishing Bidding Procedures, (B) Manner and Form of Notice for Sale of a Significant Portion of Debtor's Assets, (C) Scheduling Dates for an Auction, and (D) Authorizing and Approving the Form of a Stalking Horse Asset Purchase Agreement, with Brief, with Notice of Opportunity for*

Hearing [Dkt. # 64] (the "Motion")¹ of the above-captioned debtor and debtor in possession (the "Debtor") for the entry of an order (the "Bidding Procedures Order") approving Bidding Procedures and notice of the Auction relating to the sale of certain Assets of Debtor, approving the Breakup Fee and Expense Reimbursement of the Stalking Horse Purchaser pursuant to the terms of the Purchase Agreement, approving the form of the Purchase Agreement and granting related relief, the Court FINDS:

- A. The statutory basis for the relief requested in the Motion is Sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rules 2002(a)(2), 6004, 6006 and 9014.
- B. This Court is able to issue a final order consistent with Article III of the United States Constitution.
- C. Venue of this chapter 11 case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
- D. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).
- E. The Motion was duly served on all parties in interest on April 16, 2021, as evidenced by the Certificate of Service filed on April 28, 2021 [Dkt. # 95].
- F. Good and sufficient notice of the Motion and the relief sought therein has been given under the circumstances, and no other or further notice is required except as set forth herein with respect to the Sale Hearing. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties in interest.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion, the Purchase Agreement, and/or the Bidding Procedures, as applicable.

G. On April 28, 2021, Chesapeake Energy Corporation filed its *Reservation of Rights and Limited Objection to the Debtor's Sale Motions* [DKr. # 105] (the "Chesapeake Objection"), whereby Chesapeake Energy Corporation set forth its reservation of rights as to the relief sought in the Motion.

H. On April 30, 2021, Unbridled Resources LLC filed its *Objection to (I) Debtor's Motion for Order (A) Establishing Bidding Procedures, (B) Manner and Form of Notice for Sale of a Significant Portion of Debtor's Assets, (C) Scheduling Dates for an Auction, and (D) Authorizing and Approving the Form of a Stalking Horse Asset Purchase Agreement* [DKr. # 121 and 122] (the "Unbridled Objection"), whereby Unbridled Resources, LLC set forth its objection as to the relief sought in the Motion.

I. On April 30, 2021, MarkWest Oklahoma Gas Company, L.L.C. filed its *Omnibus Objection to Debtor's Sale Related Motions (Docket # 28, 29 and 64)* [DKr. #124] (the "MarkWest Objection" and together with the Chesapeake Objection and Unbridled Objection, the "Objecting Parties' Objections"), whereby MarkWest Oklahoma Gas Company, L.L.C. set forth its objection as to the relief sought in the Motion, and other pending Motions before the Court.

J. Chesapeake Energy Corporation, Unbridled Resources, LLC and MarkWest Oklahoma Gas Company, L.L.C. (the "Objecting Parties") have objected to the Motion relating to, among other things, the disposition of sale proceeds. Nothing in this Order determines the priority of any liens, rights to proceeds of any sale, or the manner of distribution of the proceeds of any sale, and the Objecting Parties and Simmons Bank's

rights as to any lien priority issues and the distribution of any sale proceeds are expressly reserved.

K. The Objecting Parties and Simmons Bank further reserve all of their rights to object to or contest Debtor's *Amended Motion for an Order (A) Approving the Sale of the Assets Free and Clear of all Liens, Claims, Encumbrances, and Interests to the Winning Bidder, and (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases of the Debtor with Brief and Notice of Opportunity for Hearing* [DKr. #28] (the "Sale Motion") and Debtor's *Motion for an Order (A) Approving the Sale of the Assets Free and Clear of all Liens, Claims, Encumbrances, and Interests to the Winning Bidder, and (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases of the Debtor, with Brief, with Notice of Opportunity for Hearing* [DKr. # 29] (the "Assumption Motion") for any reason, including any assumption, assignment or rejection of any executory contracts or expired leases, any cure amounts, and any sale under Section 363 of any of the Debtor's or Debtor's estate property, until the Sale Hearing on the Sale Motion, which shall be conducted after the completion of the sale process. The granting of the Motion herein shall not be a waiver, release, estoppel, adjudication, judgment or ruling of the Objecting Parties' Objections or approval of the potential purchaser, and all of the issues raised in the Objecting Parties' Objections, as may be subsequently amended by the Objecting Parties, are reserved and preserved for the Sale Hearing. This paragraph K shall be known as the "Objecting Parties Reservation."

L. Simmons Bank reserves all right to object to the Sale Motion and/or Assumption Motion on the basis of Section 363(b) of the Bankruptcy Code. Simmons Bank reserves all rights with respect to its consent as required by Section 363(f)(2) of the Bankruptcy Code and any other Section of 363(f) of the Bankruptcy Code. Simmons Bank reserves all rights with respect to any good faith determination as to a potential purchaser. Simmons Bank expressly reserves all right to credit bid pursuant to Section 363(k) of the Bankruptcy Code. Simmons Bank reserves all rights with respect to any determination under Section 363(p)(1) of the Bankruptcy Code. Simmons Bank reserves the right to object to the Motion, the terms of the sale contemplated by the same, and the Purchaser as allowed by applicable law. This paragraph L is referred to herein as the "Simmons Reservation."

M. The Debtor has articulated good and sufficient reasons for the Court to: (i) approve the Bidding Procedures; (ii) set the Sale Hearing and approve the manner of notice of the Motion and the Sale Hearing; and (iii) with respect to the sale of certain Assets, grant certain bid protections as provided in the Purchase Agreement and in this Bidding Procedures Order;

N. The Bidding Procedures are reasonably designed to maximize the value to be achieved for the Assets;

O. The Breakup Fee and the Expense Reimbursement (collectively, the "Bid Protections") set forth in the Purchase Agreement shall be paid in accordance with the Purchase Agreement, and (i) if triggered, shall be deemed an actual and necessary cost and expense of preserving the Debtor's estate, within the meaning of Sections 364(c)(1)

and 503(b)(1) of the Bankruptcy Code, payable as provided in Section 13 of the Purchase Agreement; (ii) are of substantial benefit to the Debtor's estate; (iii) are reasonable and appropriate in light of the size and nature of the sale and the efforts that have been or will be expended by the Stalking Horse Purchaser; (iv) was presented in good faith; and (v) are necessary to ensure that the Stalking Horse Purchaser will continue to pursue its proposed acquisition of the Assets contemplated by the Purchase Agreement; and

P. This Court having found and determined that the relief sought in the Motion is in the best interest of the Debtor, its estate, its creditors and all other parties-in-interest; and the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The Motion is hereby GRANTED as set forth herein.
2. The relief requested in the Motion as it relates to the Bidding Procedures, the Bid Protections, and the scheduling and notice with respect to the sale process, the Auction, and the Sale Hearing, and the form of the Asset Purchase Agreement is granted and approved as set forth in this Bidding Procedures Order.
3. Any and all objections and responses to the Motion that have not been withdrawn, waived, settled or resolved, and all reservations of rights included therein, less and except those reservations of rights made by the Objecting Parties and Simmons Bank as to the Sale Motion and Assumption Motion, are hereby overruled and denied.

4. The Bidding Procedures, attached hereto as **Exhibit 1**, are hereby approved in their entirety. The Debtor is authorized to take any and all actions necessary to implement the Bidding Procedures, consistent with the terms of this Order.

5. The Debtor may pursue a sale (or sales) of the Assets and enter into the transactions contemplated by the Purchase Agreement by conducting an Auction in accordance with the Bidding Procedures; *provided* that the Debtor must receive authority from the Court to consummate any such sale (or sales) at the Sale Hearing.

6. All initial competing Bids must be received by the Debtor **on or before 4:00 p.m. (prevailing Central Time) on June 15, 2021** (the "Bid Deadline"). Bids must be

submitted to (1) the Debtor, Dorchester Resources, L.P., c/o counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (ii) Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (iii) counsel to the Committee, if any; (iv) Manager for Stalking Horse Bidder, Socorro Adams Dooley, 100 N. Broadway Avenue, Suite 3280, Oklahoma City, Oklahoma 73102; and (v) counsel for Simmons Bank, Joseph J. Wielebinski and Annmarie Chiarello, Winstead PC 500 Winstead Building, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

7. Each Bid must be accompanied by a deposit in the amount of \$1,250,000.00 to a non-interest-bearing escrow account to be identified and established by the Debtor and an acceptable, unconditional and irrevocable letter of credit on a financial institution approved by Debtor evidencing the ability to close at an amount equal to at least \$10,250,000.00 (the "Good Faith Deposit"). Such Good Faith Deposit shall be non-

refundable in the event that such bidder is the successful bidder at the sale hearing but fails to close its purchase of the Designated Assets, unless such failure is the result of a non-curable material breach by Debtor under an agreement approved by the Court. Except as provided herein, all Good Faith Deposits shall be refunded to all unsuccessful bidders, but each bidder will agree to become a back-up bidder if not the winning bidder. The Stalking Horse Purchaser shall be permitted to credit bid the full amount of the Breakup Fee pursuant to any Overbid in connection with each round of bidding in the Auction.

8. The Auction shall take place on **June 18, 2021, at 10:00 a.m. (prevailing Central Time)** at the offices of the Auctioneer or Debtor's counsel, or such other place and time as the Debtor shall notify all Qualified Bidders (as defined in the Bidding Procedures Order), including, but not limited to, the Stalking Horse Purchaser, any official committee of unsecured creditors appointed in these chapter 11 cases, counsel for the Stalking Horse Purchaser and other invitees. The Auction shall be conducted in accordance with the Bidding Procedures.

9. Identification of the Winning Bidder, along with the proposed asset purchase agreement, shall be provided by the Debtor to all parties in interest on the earlier of (i) June 16, 2021, to the extent there are no competing bids made or (ii) June 19, 2021, upon the completion of the Auction as set forth herein.

10. The Sale Hearing shall be conducted telephonically (or by video conference) before the Court on **June 29, 2021 at 1:00 p.m. (prevailing Central Time)** (the "Sale Hearing"), with Debtor to provide notice thereof.

11. Objections, if any, to the sale of the Assets and the transactions contemplated by the Asset Purchase Agreement or any other relief requested in the Motion, including, without limitation, the assumption and assignment of any executory contracts or unexpired leases and associated cure amounts must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules of the United States Bankruptcy Court for the Western District of Oklahoma; (c) pursuant to Bankruptcy Rule 6004(b), be filed with the clerk of the Bankruptcy Court for the Western District of Oklahoma (or filed electronically via CM/ECF), **on or before 4:00 p.m. (prevailing Central Time) on June 22, 2021** (the "Sale Objection Deadline"); and (d) be served upon (i) counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116, Oklahoma City, Oklahoma 73116; (ii) counsel for the Committee, if any; (iii) Manager for Stalking Horse Bidder, Socorro Adams Dooley, 100 N. Broadway Avenue, Suite 3280, Oklahoma City, Oklahoma 73102; (iv) counsel for Simmons Bank, Joseph J. Wielebinski and Annmarie Chiarello, Winstead PC 500 Winstead Building, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201; and (v) the Office of the United States Trustee, in each case, so as to be received no later than 4:00 p.m. (prevailing Central Time) on the same day; *provided* that the Objecting Parties' Objections each shall be continued to and deemed to be a timely and properly served objection to the sale of the Assets and the transactions contemplated by the Asset Purchase Agreement; *provided further* that each of the Objecting Parties expressly reserves the right to supplement their respective objection (the Objecting Parties' Objections), in accordance with the procedures of this paragraph 11.

12. The notice of the proposed Sale, substantially in the form attached hereto as **Exhibit 2** (the "Sale Notice"), is hereby approved. On or before five (5) business days after entry of this Bidding Procedures Order, the Debtor will cause the Sale Notice to be sent by first-class mail postage prepaid, to the following: (a) all creditors or their counsel known to the Debtor to assert a lien (including any security interest), claim, right, interest or encumbrance of record against the Debtor or all or any portion of the Designated Assets; (b) the Office of the United States Trustee; (c) all applicable federal, state and local taxing and regulatory authorities of the Debtor or recording offices or any other governmental authorities that, as a result of the sale of the Designated Assets, may have claims, contingent or otherwise, in connection with the Debtor's ownership of the Designated Assets or have any known interest in the relief requested by the Motion; (d) the state and local environmental agencies in the jurisdictions where the Debtor owns or leases real property; (e) counsel to the Stalking Horse Purchaser; (f) counsel to any prepetition and postpetition secured lender; (g) the United States Attorney's office; (h) all parties in interest who have requested notice pursuant to Bankruptcy Rule 2002; (i) counsel to the Committee, if any; (j) all counterparties to any executory contract or unexpired lease of the Debtor; (k) all other known creditors and interest holders of Debtor; and (l) all potential bidders previously identified or otherwise known to the Debtor.

13. The Auction and/or Sale Hearing may be continued by the Debtor, from time to time, with the consent of the Stalking Horse Purchaser (which consent will not unreasonably be withheld), without further notice to creditors or other parties in interest

Protections to the Stalking Horse Purchaser solely from the proceeds it receives from the Successful Bidder in accordance with the terms of the Purchase Agreement.

15. Except for the Stalking Horse Purchaser, no other party submitting an offer or Bid for the Designated Assets or a Qualified Bid for the Designated Assets shall be entitled to any expense reimbursement or breakup, termination or similar fee or payment.

16. Except as otherwise provided in the Purchase Agreement or this Bidding Procedures Order, the Debtor's rights are reserved, as it may reasonably determine to be in the best interests of its estate, in consultation with Simmons Bank and the Committee, if any, to: (a) determine which bidders are Qualified Bidders; (b) determine which Bids are Qualified Bids; (c) determine which Qualified Bid is the highest and best proposal and which is the next highest and best proposal; (d) reject any Bid (other than the Stalking Horse Bid) that is (i) inadequate or insufficient; (ii) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code; or (iii) contrary to the best interests of the Debtor and its estate; (e) remove some or all of the Designated Assets from the Auction to the extent permitted in the Purchase Agreement; (f) waive terms and conditions set forth herein with respect to all potential bidders; (g) impose additional terms and conditions with respect to potential bidders; (h) extend the deadlines set forth herein; (i) postpone the Auction and/or Sale Hearing in open court without further notice, but with prior notice to the Objecting Parties and Simmons Bank; and (j) modify the Bidding Procedures as they may determine to be in the best interests of the estate with notice to the Objecting Parties and Simmons Bank.

other than by announcement of said continuance before the Court on the date scheduled for such hearing.

14. The Bid Protections and Sections 13 and 16 of the Purchase Agreement are hereby approved, authorized and binding upon the Debtor and its estate. The Debtor's obligation to pay the Bid Protections shall survive termination of the Purchase Agreement and shall constitute a superpriority administrative expense claim in favor of the Stalking Horse Purchaser having superpriority under (i) section 364(c) of the Bankruptcy Code over any and all administrative expenses of the kind specified in sections 503(b) and 507(c) of the Bankruptcy Code and (ii) sections 503(b)(1)(A) and 507(a)(2), and shall be senior to any and all claims of any creditors of or holders of equity interests in Seller, except any other super-priority claims ordered by the Court pursuant to Sections 364(e)(1), (c)(2), (c)(3), and 364(d)(1) of the Bankruptcy Code (provided a sale closes at a purchase price of \$1,000,000.00 or higher) and which shall be payable as provided in the Purchase Agreement. To the extent that the Stalking Horse Purchaser is not the Successful Bidder, other than as a result of breach of the Stalking Horse Purchaser's obligations under the Purchase Agreement, the Stalking Horse Purchaser is entitled to receive, and the Seller is hereby authorized and directed to promptly pay the Bid Protections directly to the Stalking Horse Purchaser by wire transfer of immediately available good funds to an account specified by the Stalking Horse Purchaser at the Closing of any Successful Overbid Transaction for an amount equal to or greater than \$10,250,000.00 with the Successful Bidder; provided, however, that for the avoidance of any doubt, the Seller shall pay the Bid

17. The Stalking Horse Purchaser shall have standing solely to contest the Debtor's selection of the Successful Bid for the Designated Assets; provided, however, that such standing shall not be interpreted as an admission by the Debtor or any other parties in interest that any such contest by the Stalking Horse Purchaser is valid or otherwise has merit, and the rights of the Debtor and all other parties in interest with respect to any such contest are expressly reserved.

18. To the extent that any Chapter 11 plan confirmed in this case or any order confirming any such plan or any other order in this case (including any order entered after any conversion of this case to a case under Chapter 7 of the Bankruptcy Code) alters, conflicts with or derogates from the provisions of this Bidding Procedures Order, the provisions of this Bidding Procedures Order shall control. The Debtor's obligations under this Bidding Procedures Order, the provision of this Bidding Procedures Order, and the portions of the Purchase Agreement pertaining to the Bidding Procedures (including all obligations to pay the Bid Protections) shall survive confirmation of any plan in this Chapter 11 case or discharge of claims thereunder and shall be binding upon the Debtor, and the reorganized or reconstituted Debtor, as the case may, after the effective date of a confirmed plan or plans in the Debtor's case (including any order entered after any conversion of this case to a case under Chapter 7 of the Bankruptcy Code).

19. The Objecting Parties and Simmons Bank reserve their rights (i) as to the priority of liens attaching to the sale proceeds; and (ii) to object to any sale proceeds being transferred to any creditor upon the completion of the sale process.

20. The Simmons Reservation and Objecting Parties Reservations are expressly ordered.

21. The stays provided for in Bankruptcy Rules 6004(h) and 6006(d) are hereby waived and this Bidding Procedures Order shall be effective immediately upon its entry.

22. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Bidding Procedures Order in accordance with the Motion.

23. This Court shall retain jurisdiction over any matters related to or arising from the implementation of this Bidding Procedures Order.

24. All findings of fact are based on the representation of counsel.

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APPROVED:

By: /s/ J. Clay Christensen

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EXHIBIT 1

BIDDING PROCEDURES

On April 5, 2021, Dorchester Resources, L.P. (the “Debtor”) filed a motion (the “Motion”) in the United States Bankruptcy Court for the Western District of Oklahoma (the “Bankruptcy Court”) seeking, among other things, authority to conduct an auction and sale of certain Assets (the “Designated Assets”). On _____, the Bankruptcy Court entered an order (the “Bidding Procedures Order”), which, among other things, authorized the Debtor to proceed with its proposed sale and auction process as set forth in more detail below (the “Bidding Procedures”). Accordingly, the Debtor is soliciting bids for the Debtor’s Designated Assets as follows:

With respect to the Designated Assets, the Debtor entered into a Stalking Horse Purchase Agreement by and between DRII, LLC (the “Stalking Horse Purchaser”), and the Debtor, dated as of April 2, 2021, (the “Purchase Agreement”), a copy of which is attached to the Motion as **Exhibit 1**. The Debtor is soliciting bids for the Designated Assets based on the terms of the Purchase Agreement and, if competing bids are received, the Debtor will conduct an auction to determine the highest and otherwise best bid for the Designated Assets.

At the conclusion of the auction process, the Debtor in consultation with Simmons Bank and the Committee, if any, will determine which bid constitutes the highest and best offer for the Assets. The purchaser of the Assets may exclude certain of the assets from the purchase. The unpurchased portion of the Assets shall remain with the Debtor and the purchase price shall not be reduced by any failure or desire of the successful purchaser to take fewer than all of the Designated Assets.

Marketing Process

Contact Parties.

The Debtor, in consultation with its Auctioneer Dakil Auctioneers, Inc. (the “Auctioneer”), has developed a list of parties whom the Debtor believes may potentially be interested in and whom the Debtor reasonably believes would have the financial resources to consummate a competing transaction for the Designated Assets (any such transaction, a “Successful Overbid Transaction”), which list includes both potential strategic investors and potential financial investors (each, individually, a “Contact Party”, and collectively, the “Contact Parties”). The Debtor and the Auctioneer are already in the process of contacting the Contact Parties to explore their interest in pursuing a Successful Overbid Transaction. The Contact Parties may include parties whom the Debtor or its advisors have previously contacted regarding a transaction, regardless of whether such parties expressed any interest, at such time, in pursuing a transaction. The Debtor will continue to discuss and may supplement the list of Contact Parties throughout the marketing process, as appropriate.

The Debtor may distribute to each Contact Party an “Information Package”, comprising:

- (a) A cover letter;
- (b) A copy of these Bidding Procedures and the Motion;
- (c) A copy of a confidentiality agreement; and
- (d) Such other materials as the Debtor and the Auctioneer deem appropriate under the circumstances.

Access to Diligence Materials.

To participate in the bidding process and to receive access to due diligence (the “Diligence Materials”), a party must submit to the Debtor an executed confidentiality agreement in the form and substance satisfactory to the Debtor and evidence satisfactory to the Debtor demonstrating the party’s financial capability to participate in the auction, as determined by the Debtor.

A party who qualifies for access to Diligence Materials shall be a “Preliminary Interested Investor.” All due diligence requests must be directed to the Auctioneer.

The Debtor reserves the right to withhold any Diligence Materials that the Debtor, in its sole discretion, determines are business-sensitive or otherwise not appropriate for disclosure to such Preliminary Interested Investor.

Due Diligence from Bidders.

Each Preliminary Interested Investor and Qualified Bidder (as defined below) shall comply with all reasonable requests for additional information and due diligence access by the Debtor or its advisors regarding such Bidder and its contemplated transaction. Failure by a Preliminary Interested Investor to comply with requests for additional information and due diligence access will be a basis for the Debtor to determine that such bidder is not a Qualified Bidder. Failure by a Qualified Bidder (other than the Stalking Horse Purchaser) to comply with requests for additional information and due diligence access will be a basis for the Debtor to determine that a bid made by such Qualified Bidder is not a Qualified Bid.

Auction Qualification Process

To be eligible to participate in the Auction (defined below), each offer, solicitation or proposal (each, a “Bid”), and each party submitting such a Bid (each, a “Bidder”), must be determined by the Debtor to satisfy each of the conditions set forth below. A Bid may not be considered qualified for the Auction if such Bid does not satisfy each of the following conditions:

- (a) **Good Faith Deposit.** Each Bid must be accompanied by a deposit in the amount of \$1,250,000.00 to a non-interest-bearing escrow account to be identified and established by the Debtor and an acceptable, unconditional and irrevocable letter of credit on a financial institution approved by Debtor evidencing the ability to close at least \$10,250,000.00 (the "Good Faith Deposit").
- (b) **Same or Better Terms.** Each Bid solely for the Designated Assets must be on terms that, in the Debtor's business judgment, are the same or better than the terms of the Purchase Agreement and must be for all or substantially all of the Designated Assets as identified in the Purchase Agreement.
- (c) **Executed Agreement.** Each Bid must be based on the Purchase Agreement and include executed transaction documents, signed by an authorized representative of such Bidder, pursuant to which the Bidder proposes to effectuate a Successful Overbid Transaction (the "Modified Purchase Agreement"). A Bid shall also include a copy of the Purchase Agreement marketed against the Modified Purchase Agreement to show all changes requested by the Bidder (including those related to purchase price and to remove all provisions that apply only to the Stalking Horse Purchaser as the stalking horse bidder such as the Breakup Fee and Expense Reimbursement provisions that are contained in the Purchase Agreement).
- (d) **Minimum Bid.** Each Bid must propose a minimum cash purchase price equal to or greater than \$10,250,000.00 (the "Minimum Cash Amount"), which is the aggregate of the sum of (i) the purchase price under the Purchase Agreement; (ii) the full dollar value of the Breakup Fee and expenses payable to the Stalking Horse Purchaser, together with an amount to cover the Debtor's related expenses and proceeds to the Secured Lender.
- (e) **Corporate Authority.** Each Bid must include written evidence reasonably acceptable to the Debtor demonstrating appropriate authorization to consummate the proposed Successful Overbid Transaction; provided, however, that if the Bidder is an entity specially formed for the purpose of effectuating the Successful Overbid Transaction, then the Bidder must furnish written evidence reasonably acceptable to the Debtor of the approval of the Successful Overbid Transaction by the equity holder(s) of such Bidder.
- (f) **Proof of Financial Ability to Perform.** Each Bid must include written evidence that the Debtor reasonably concludes demonstrates that the Bidder has the necessary financial ability to close the Successful Overbid Transaction. Such information must include, *inter alia*, the following:
- (i) contact names and numbers for verification of financing sources;
- (ii) evidence of the Bidder's internal resources and proof of unconditional debt or equity funding commitments, from a recognized banking institution in the amount of the cash portion of such Bid or the posting of an irrevocable letter of credit from a recognized banking institution issued in favor of the Debtor in the amount of the cash portion of such Bid, in each case, as are needed to close the Successful Overbid Transaction;
- (iii) the Bidder's current financial statements (audited, if they exist); and
- (iv) any other form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtor demonstrating that such Bidder has the ability to close the Successful Overbid Transaction; provided, however, that the Debtor shall determine, in its reasonable discretion, in consultation with the Debtor's advisors, whether the written evidence of such financial wherewithal is reasonably acceptable, and shall not unreasonably withhold acceptance of a Bidder's financial qualifications.
- (g) **Contingencies.** Each Bid (i) may not contain representations and warranties, covenants, termination rights materially more onerous in the aggregate to the Debtor than those set forth in the Purchase Agreement and (ii) may not be conditioned on obtaining financing or any internal approval, or on the outcome or review of due diligence, but may be subject to the accuracy in all material respects of specified representations and warranties at the Closing.
- (h) **Irrevocable.** Each Bid must be irrevocable through the Auction, provided, however, that if such Bid is accepted as the Successful Bid or the Backup Bid (each as defined herein), such Bid shall continue to remain irrevocable, subject to the terms and conditions of the Bidding Procedures.
- (i) **Bid Deadline.** The following parties must receive a Bid for the Designated Assets in writing, on or before **June 15, 2021 at 4:00 p.m. (prevailing Central Time)** or such earlier date as may be agreed to by the Debtor (the "Bid Deadline"): (i) the Debtor, Dorchester Resources, L.P., c/o counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (ii) counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (iii) counsel to the Committee, if any; (iv) Manager for Stalking Horse Bidder, Socorro Adams Doolley, 100 N. Broadway Avenue, Suite 3280, Oklahoma City, Oklahoma 73102; (v) counsel for Simmons Bank counsel for Simmons Bank, Joseph J. Wielebniski and Annmarie Chiarillo, Winstead PC 500 Winstead Building, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

Qualified Bids.

A Bid received from a Bidder before the Bid Deadline that meets the above requirements shall constitute a "Qualified Bid", and such Bidder shall constitute a "Qualified Bidder". Notwithstanding anything herein to the contrary, the Purchase Agreement submitted by the Stalking Horse Purchaser shall be deemed a Qualified Bid, and the Stalking Horse Purchaser a Qualified Bidder. In addition, the Stalking Horse Purchaser will receive, from each Bidder, a copy of any Bids at the time such Bid is submitted to the Debtor. The Debtor shall use reasonable efforts to inform counsel to the Stalking Horse Purchaser whether the Debtor will consider such Bids to be Qualified Bids by three (3) days prior to the Auction (and in any event will inform the Stalking Horse Purchaser of any ongoing Bid negotiations by or before such time) but in any event no later than one (1) day prior to the Auction.

Auction

Auction for the Designated Assets.

If one or more Qualified Bids (other than the Purchase Agreement submitted by the Stalking Horse Purchaser) are received by the Bid Deadline, the Debtor will conduct an auction (the "Auction") to determine the highest and best Qualified Bid. This determination shall take into account any factors the Debtor reasonably deems relevant to the value of the Qualified Bid to the estate and may include, among other things, the following: (a) the amount and nature of the consideration; (b) the number, type and nature of any changes to the Purchase Agreement requested by each Bidder; (c) the extent to which such modifications are likely to delay closing of the sale of the Designated Assets and the cost to Seller of such modifications or delay; (d) the total consideration to be received by Seller; (e) the likelihood of the Bidder's ability to close a transaction and the timing thereof; and (f) the net benefit to the estate, taking into account the Stalking Horse Purchaser's rights to the Breakup Fee and Expense Reimbursement (collectively, the "Bid Assessment Criteria"). For avoidance of doubt, the Successful Bid must include cash in an amount no less than the Minimum Cash Amount (it being agreed that the Minimum Cash Amount required of the Stalking Horse Purchaser shall be reduced by the dollar value of the Expense Reimbursement and Breakup Fee). If no Qualified Bid (other than the Purchase Agreement) is received by the Bid Deadline, the Debtor may determine not to conduct the Auction. Unless otherwise agreed to by the Stalking Horse Purchaser in its sole discretion, only Qualified Bidders may participate in the Auction.

Procedures for Auction

The Auction shall take place on **June 18, 2021 at 10:00 a.m. (prevailing Central Time)** at the offices of the Auctioneer or Debtor's counsel, or such other place and time as the Debtor shall notify all Qualified Bidders, including, without limitation, the Stalking Horse Purchaser, the Committee, counsel for the Stalking Horse Purchaser and other invitees. The Auction shall be conducted according to the following procedures:

Only the Debtor and their counsel, members of the Committee (if any) and its counsel, the Stalking Horse Purchaser and any other Qualified Bidder, in each case, along with their representatives, shall attend the Auction in person, and only the Stalking Horse Purchaser and such other Qualified Bidders will be entitled to make any additional Bids at the Auction.

The Auctioneer Shall Conduct the Auction.

The Auctioneer, at the direction of the Debtor and its counsel, shall direct and preside over the Auction. Other than as expressly set forth herein, the Debtor may have the Auction conducted in the manner it determines will result in the highest, best, or otherwise financially superior offer for the Designated Assets that are the subject of the Auction. At the start of the Auction, the Auctioneer shall describe the terms of the highest and best Qualified Bid or Qualified Bids (each such highest and best Qualified Bid, the "Auction Baseline Bid"). Each Qualified Bidder participating in the Auction must confirm that it has not engaged in any collusion with respect to the bidding or sale of any of the Designated Assets.

Terms of Overbids.

An "Overbid" is any bid made at the Auction subsequent to the Auctioneer's announcement of the respective Auction Baseline Bid. To submit an Overbid for purposes of this Auction, a Bidder must comply with the following conditions:

- (a) **Minimum Overbid Increments Applicable to Respective Auction.**
 - (i) **Auction:** Any Overbid after and above the respective Auction Baseline Bid shall be made in increments valued at not less than \$100,000.00. Additional consideration in excess of the amount set forth in the respective Auction Baseline Bid may include cash and/or noncash consideration and, in the case of a Bid by the Stalking Horse Purchaser, a credit bid of the Expense Reimbursement and the Breakup Fee.
- (b) **Stalking Horse Purchaser May Credit Bid Protections:** The Stalking Horse Purchaser shall be permitted to bid at the Auction, if any, and shall be permitted to credit bid the full amount of the Expense Reimbursement and the Breakup Fee pursuant to any Overbid in connection with each round of bidding in the Auction.
- (c) **Remaining Terms Are the Same as for Qualified Bids:** Except as modified herein, an Overbid at any Auction must comply with the conditions for a Qualified Bid set forth above; provided, however, that the Bid Deadline shall not apply. Any Overbid must remain open and binding on the Bidder until and unless the Debtor accepts a higher Overbid.

At the Debtor's discretion, to the extent not previously provided (which shall be determined by the Debtor), a Bidder submitting an Overbid at any Auction

must submit, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtor) demonstrating such Bidder's ability to close the Successful Overbid Transaction proposed by such Overbid.

Announcement and Consideration of Overbids.

(a) **Announcement of Overbids.** At each respective Auction, the Auctioneer shall announce at the Auction the material terms of each Overbid and the basis for calculating the total consideration offered in each such Overbid.

(b) **Consideration of Overbids.** The Debtor reserves the right, in its reasonable business judgment, to make one or more continuances of any Auction to, among other things: facilitate discussions between the Debtor and individual Bidders; allow individual Bidders to consider how they wish to proceed; and give Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor in its reasonable business judgment may require, that the Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed Successful Overbid Transaction at the prevailing Overbid amount.

Backup Bidder.

Notwithstanding anything in the Bidding Procedures to the contrary, if an Auction is conducted, the party or combination of parties with the next highest or otherwise best Qualified Bid or combination of Qualified Bids at the Auction, as determined by the Debtor, in the exercise of its business judgment, will be designated as the potential backup bidder (each a "Potential Backup Bidder"). In the event that a Qualified Bidder is identified by the Debtor as a Potential Backup Bidder, such party shall be required to serve as the backup bidder if selected to do so (each a "Backup Bidder" and, collectively, the "Backup Bidders").

Each Backup Bidder shall be required to keep its initial Bid (or if the Backup Bidder submitted one or more Overbids at the Auction, its final Overbid) (the "Backup Bid") open and irrevocable until the earlier of 5:00 p.m. (prevailing Central Time) on the date that is thirty (30) days after the date of the Auction (the "Outside Backup Date") or the closing of the transaction with the Successful Bidder (defined herein). Following the Sale Hearing, if any Successful Bidder (defined herein) fails to consummate an approved transaction because of a breach or failure to perform on the part of such Successful Bidder (defined herein) within twenty (20) days following the entry of an order approving such transaction and satisfaction of all closing conditions applicable to the Successful Bidder, the Debtor may designate one or more Backup Bidders to be the new Successful Bidders (defined herein), and the Debtor will be authorized, but not required, to consummate the transaction, with each designated Backup Bidder without further order of the Bankruptcy Court. In such case, the defaulting Successful Bidder's deposit shall be forfeited to the Debtor, and the Debtor specifically reserves the right to seek all available damages from the defaulting

Successful Bidder (defined herein). The deposit of the Backup Bidder shall be held by the Debtor until the earlier of 72 hours after (i) the closing of the transaction with the Successful Bidder and (ii) the Outside Backup Date.

Additional Procedures.

The Auctioneer or Debtor may announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction so long as such rules are not inconsistent in any material respect with these Bidding Procedures or the Purchase Agreement.

Consent to Jurisdiction as Condition to Bidding.

The Stalking Horse Purchaser, all Qualified Bidders, and all Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Purchase Agreement, the Auction or the construction and enforcement of any Successful Overbid Transaction Documents.

Closing the Auction.

The Auction shall continue until there is only one Qualified Bid that the Debtor determines in its reasonable business judgment, after consultation with their financial and legal advisors and the Committee, is the highest and best Qualified Bid/Overbid at the Auction (the "Successful Bid", and the Bidder submitting such Successful Bid, the "Successful Bidder"). In making this decision, the Debtor, in consultation with its financial and legal advisors, shall consider the Bid Assessment Criteria.

The Auction shall not close unless and until all Bidders who have submitted Qualified Bids for such Designated Assets have been given a reasonable opportunity to submit an Overbid at the Auction to the then-existing Overbid. The Auction shall not be deemed closed until the Successful Bidder has submitted fully executed sale and transaction documents memorializing the terms of its Successful Bid.

The Debtor shall not consider any Bids submitted after the conclusion of the Auction.

Bid Protections

Pursuant to the Bidding Procedures Order, the Stalking Horse Purchaser is entitled to: (a) the Breakup Fee in the amount of \$200,000.00; and (b) the Expense Reimbursement, in an amount of up to \$50,000.00, in each case, pursuant to the terms of the Purchase Agreement and the Bidding Procedures Order.

Pursuant to the Bidding Procedures Order, except for the Stalking Horse Purchaser, no other party submitting an offer or Bid solely for the Designated Assets or a Qualified

Bid solely for the Designated Assets shall be entitled to any expense reimbursement, breakup fee, termination or similar fee or payment.

Sale Hearing

The Debtor has procured a *telephonic or video conference* hearing (the "Sale Hearing") on **June 29, 2021 at 1:00 p.m.** (prevailing Central Time) at which the Debtor will seek approval of the transactions contemplated by the Purchase Agreement and/or any Successful Bid. Objections, if any, to the sale of the Designated Assets to any Successful Bidder, the transactions contemplated by the Purchase Agreement, and/or the relief requested in the Motion must be in writing and filed with the Court, pursuant to Bankruptcy Rule 6004(b), no later than 4:00 p.m. (prevailing Central time) on June 22, 2021, and be served such that they are actually received by (i) the Debtor, Dorchester Resources, L.P., c/o counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (ii) counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (iii) counsel to the Committee, if any; (iii) Manager for Stalking Horse Bidder, Socorro Adams Dooley, 100 N. Broadway Avenue, Suite 3280, Oklahoma City, Oklahoma 73102; (v) counsel for Simmons Bank, Joseph J. Wielebinski and Annmarie Chiarello, Winstead PC 500 Winstead Building, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201. and (vi) the Office of the United States Trustee.

Return of Good Faith Deposits

The Good Faith Deposits of all Qualified Bidders shall be held in one or more escrow accounts by the Debtor, but shall not become property of the Debtor's estate absent further order of the Court. Any fees of escrow will be subtracted from the escrow proceeds. The Good Faith Deposit of any Qualified Bidder that is neither a Successful Bidder nor a Backup Bidder shall be returned to such Qualified Bidder not later than two (2) business days after the Sale Hearing. The Good Faith Deposit of each Backup Bidder, if any, shall be returned to the respective Backup Bidder on the date that is the earlier of 72 hours after (a) the closing of the transaction with the **Successful Bidder** for the **Assets bid** upon by such Backup Bidder and (b) the **Outside Backup Date**. Upon the return of the Good Faith Deposits, their respective owners shall receive any and all interest that will have accrued thereon. If a Successful Bidder timely closes its winning transaction, its Good Faith Deposit shall be credited towards its purchase price.

Reservation of Rights

Except as otherwise provided in the Purchase Agreement, the Bidding Procedures or the Sale Order, the Debtor further reserves the right as it may reasonably determine to be in the best interest of its estate, in consultation with the Committee and Simmons Bank, if any, to: (a) determine which bidders are Qualified Bidders; (b) determine which Bids are Qualified Bids; (c) determine which Qualified Bid is the highest and best proposal and which is the next highest and best proposal; (d) reject any Bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bidding Procedures or the

requirements of the Bankruptcy Code or (iii) contrary to the best interests of the Debtor and its estate; (e) remove some or all of the Assets from the Auction; (f) waive terms and conditions set forth herein with respect to all potential bidders; (g) impose additional terms and conditions with respect to all potential bidders; (h) extend the deadlines set forth herein; (i) continue or cancel the Auction and/or Sale Hearing in open court without further notice; and (j) modify the Bidding Procedures as it may determine to be in the best interests of its estate or to withdraw the Motion at any time with or without prejudice.

EXHIBIT 2

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

Case No. 21-10840-SAH

(Chapter 11)

DORCHESTER RESOURCES, L.P.,
Debtor.

IN RE:

PLEASE TAKE NOTICE OF THE FOLLOWING:

NOTICE OF AUCTION AND SALE HEARING

1. On April 5, 2021, Dorchester Resources, L.P., the Debtor-in-Possession (the "Debtor") filed its Motion for entry of an order (the "Bidding Procedures Order"), among other things, (a) approving bid procedures (the "Bidding Procedures"), as well as certain bid protections, for the sale of all or substantially all of the Debtor's Assets (the "Sale"); (b) approving the form and manner of notice of the Sale; (c) scheduling an auction (the "Auction") and a sale hearing (the "Sale Hearing") to consider approval of the proposed Sale; and (d) approving the execution of the Purchase Agreement for the Sale with DRII, LLC (the "Stalking Horse Purchaser"), approving the proposed break-up fee and expense reimbursement for the benefit of the Stalking Horse Purchaser in connection therewith, and authorizing the Debtor to perform such obligations in connection therewith which arise prior to the Sale Hearing. The Motion additionally requests entry of an order (the "Sale Order") approving (i) the Sale free and clear of liens, claims, encumbrances and interests;

2. On _____, the United States Bankruptcy Court for the Western District of Oklahoma entered the Bidding Procedures Order [DKT. # X]. Pursuant to the Bidding Procedures Order, the Auction shall take place on **June 18, 2021 at 10:00 a.m. (prevailing Central Time)** at the offices of Christensen Law Group P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116 or Dakli Auctioneers, 200 NW 114th Street, Oklahoma City, Oklahoma 73114. Only parties that have submitted a Qualified Bid in accordance with the Bidding Procedures, attached to the Bidding Procedures Order as **Exhibit 1**, by no later than **June 15, 2021 at 4:00 p.m. (prevailing Central Time)** (the "Bid Deadline") may participate at the auction. Any party that wishes to compete bid prior to the Bid Deadline and in accordance with the Bidding Procedures.

Parties interested in receiving information regarding the sale of the Assets should contact the Debtor's Auctioneer, Dakli Auctioneers, Inc.

3. The telephonic or video conference Sale Hearing to consider approval of the Sale to the Stalking Horse Purchaser and/or such other Successful Bidders (as defined in the Bidding Procedures) free and clear of all liens, claims and encumbrances will be held before the Honorable Sarah A. Hall, United States Bankruptcy Judge on **June 29, 2021 at 1:00 p.m. (prevailing Central Time)**, or at such earlier date as counsel may be heard. The Sale Hearing may be continued from time to time without further notice to creditors or parties in interest other than by announcement of the continuance in open court on the date scheduled for the Sale Hearing. Additional instructions regarding the hearing will be provided at a later date.

4. Objections, if any, to the Sale, or the relief requested in the Motion (including with respect to cure amounts and, solely with respect to the Stalking Horse Purchaser, adequate assurance) must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the Bankruptcy Court for the Western District of Oklahoma, on or before **4:00 p.m. (prevailing Central Time) on June 22, 2021**, or such earlier date and time as the Debtor may agree and (d) be served so as to be received no later than 4:00 p.m. (prevailing Central Time) on the same day, upon (i) the Debtor, Dorchester Resources, L.P., c/o counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (ii) counsel for the Debtor, Christensen Law Group, P.L.L.C., 3401 N.W. 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116; (iii) Manager for Stalking Horse Bidder, Socorro Adams Dooley, 100 N. Broadway Avenue, Suite 3280, Oklahoma City, Oklahoma 73102; (v) counsel for Simmons Bank, Joseph J. Wielebinski and Annmarie Chirvello, Winstead PC 500 Winstead Building, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201; and (vi) the Office of the United States Trustee.

5. This Notice and the Sale Hearing are subject to the full terms and conditions of the Motion, the Bidding Procedures Order and the Bidding Procedures, which shall control in the event of any conflict, and the Debtor encourages parties in interest to review such documents in their entirety. Copies of the Motion, the Purchase Agreement, the Bidding Procedures, and/or the Bidding Procedures Order may be obtained by written request to 63rd Street, Suite 600, Oklahoma City, Oklahoma 73116. In addition, copies of the aforementioned pleadings may be viewed free of charge at Omni Agent Services, LLC's website, with the address of <https://omniagentsolutions.com/DorchesterResources>.

PLEASE TAKE FURTHER NOTICE that Pursuant to Rule 43, Fed. R. Civ. P. (applicable to the contested matter pursuant to Rule 9017, Fed. R. Bankr. P.) and the on-going COVID-19 pandemic, the final hearing scheduled for **June 29, 2021, at 1:00 p.m. (CST)** will be conducted via video-conference before the Honorable Sarah A. Hall. In order to participate, all counsel and participants must have access to a computer with a camera

and microphone. It is also recommended that you have a phone available on the day of the hearing in the event technical problems arise and communication is required.

- I. Exhibits conforming to Local Rule 9017-1 should be mailed to the Court Clerk's office and must be received no later than **June 24, 2021 at 12:00 p.m. (CST)**, and should be delivered to chambers. If your witness(es) will not be in the same location as counsel, then you must ensure that the witness(es) have a complete set of all exhibits of all parties on the day of the hearing and understand that different parties have their own exhibit books.
- II. Witnesses will be sworn in, and their testimony will have the same effect and be binding upon the witness in the same manner as if the witnesses were sworn in by the Courtroom Deputy in person in open court.
- III. If a witness has documents, other than exhibits, in their possession and control during their testimony, counsel sponsoring the witness must provide a list of such documents to the Court and opposing counsel at the start of the hearing.
- IV. On or before **June 24, 2021, at 4:00 p.m. (CST)**, counsel is directed to provide to cheryl_shook@okwb.uscourts.gov their preferred email address as well as the email address of any party or witness that will not be in the same location as counsel during the hearing. Chambers will use these email addresses to provide access to the video-conference evidentiary hearing.
- V. On or before **June 25, 2021, by 12:00 p.m. (CST)**, the Court will issue an invitation for the video-conference evidentiary hearing containing a link for a "Microsoft Teams Meeting" that should be used to access the video-conference evidentiary hearing. You do not need to download the Microsoft Teams app to participate in the video-conference.
- VI. When first using Microsoft Teams Meeting, you will need to allow the program to access your microphone and camera.
- VII. Rebuttal exhibits, if required, should be attached to an email addressed to all persons receiving the email containing the Microsoft Teams Meeting link, and the email should be ready to send prior to the hearing. If use of the rebuttal exhibit becomes necessary, the email should be sent immediately.
- VIII. If the "Rule" is invoked for the video-conference evidentiary hearing, it will be sponsoring counsel's responsibility to ensure that all non-party witnesses comply.
- IX. The hearing will include live video and audio feeds so efforts should be made to appear professional and to eliminate unnecessary background noise.

- X. Each counsel, party, and witness is responsible for timely joining the video-conference hearing and for establishing a new connection if, at any point, their connection is disrupted or terminated.
- XI. All parties, counsel, and members of the public are strictly prohibited from recording or broadcasting any hearing, in whole or in part, in any manner.

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Respectfully Submitted,

/s/

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PROPOSED ATTORNEYS FOR DEBTOR

