

M BAR RANCH

Andrews and Ector Counties, Texas
9,042.8 Acres, more or less



OFFERED EXCLUSIVELY BY:

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We are pleased to offer for sale the productive and well located M Bar Ranch. The ranch is situated in Andrews and Ector Counties, between the communities of Andrews and Odessa. Access is provided by a paved county road. The M Bar Ranch has historically been operated as a cattle ranch, with additional income generated through oil and gas exploration surface damages, and more recently, salt water disposal.

The native grass turf on the M Bar Ranch reflects that grazing has been somewhat restricted in recent months. Although drought conditions persist in this region of Texas, the ranch has a decent amount of grass. Mesquite is considered to be generally sparse, however, some areas of the ranch have a thicker canopy of brush to provide cover for wildlife.

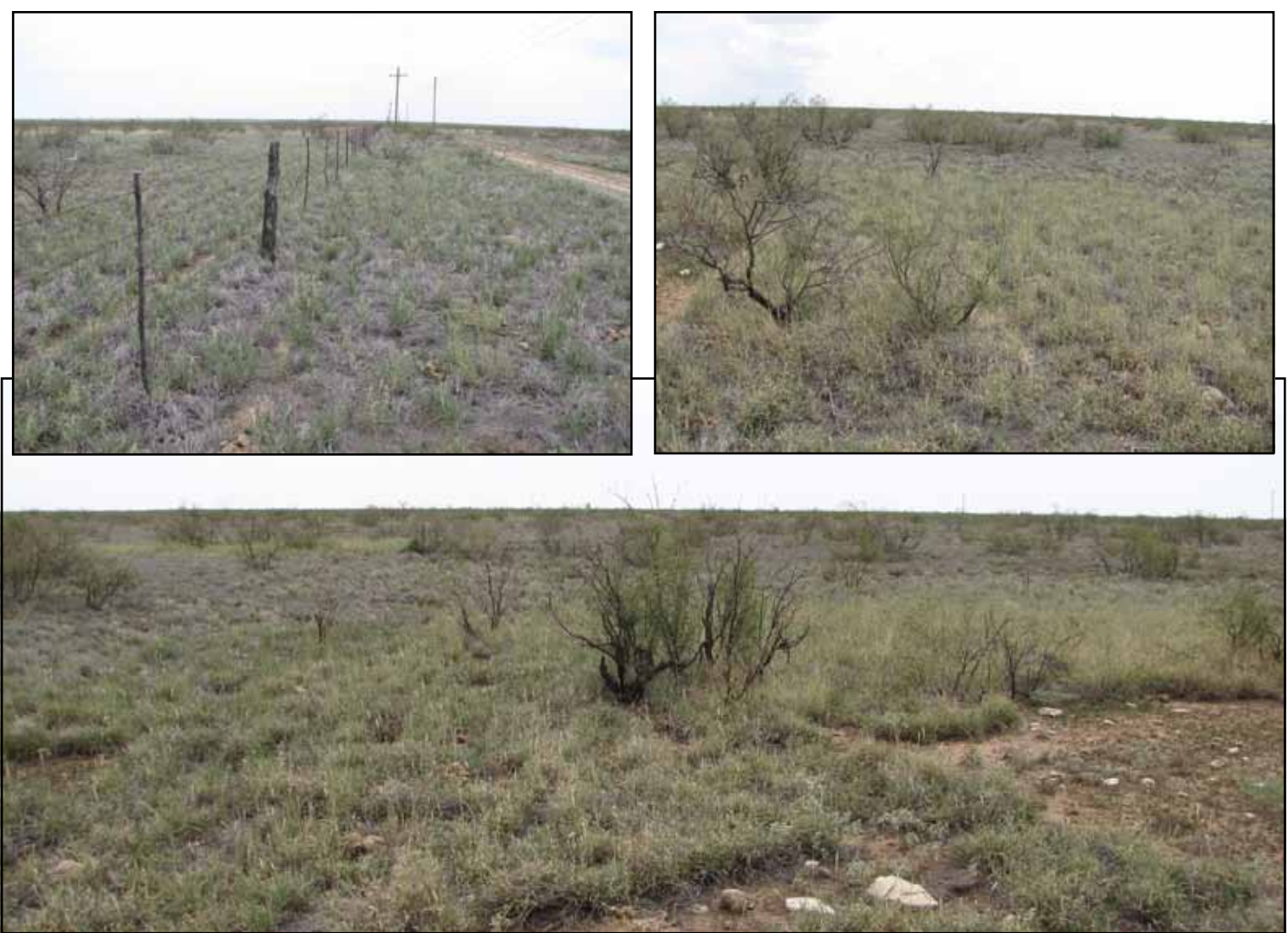


Subject to sale, withdrawal, or error.



The grazing and hunting rights are currently leased on the ranch. The terms of the lease are for 5 years for annual consideration of approximately \$36,171.20. There is a 90 day sales clause in place under the current lease, so possession is available, if desired.

The M Bar Ranch is fenced and cross fenced into approximately 6 main pastures and traps. Fences appear to be in good overall condition and construction is generally of cedar post and t-post construction.





The ranch is considered to be well watered. Livestock and wildlife waterings are comprised of approximately 6 operating windmills, one solar water well and an electric water well located at the ranch headquarters. Overall, windmill and water trough installations appear to be in good working condition. Several of the windmill locations have overflow dirt tanks which are excellent dove hunting locations.

The commercial water rights have been severed from the property, but full domestic water rights are intact and will be conveyed with the property.



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The M Bar Ranch Headquarters are located near the central portion of the property. Improvements include a ranch house, several barns and outbuildings, a set of shipping/working pens and several traps. Overall, it appears that the ranch improvements are in good working condition.



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There are no minerals owned, and the property will convey on a surface only basis, however, the ranch does receive surface damages from oil and gas exploration. Currently, production is limited to the northeastern portion of the ranch, and the majority of the M Bar Ranch is not effected by production. In recent years a salt water disposal well has been leased. This disposal well is located on the eastern portion of the property. The terms of the salt water disposal lease are for 10¢ a barrel disposed into the well and 10% of the net revenues of any skim oil and other products recovered from the well. There is a minimum monthly payment in the terms of the lease of \$7,500. This lease was executed in March of 2012 and is for a term of one year, with a month to month automatic renewal until 60 days notice is given for termination.





The M Bar Ranch is a proposed CREZ (Competitive Renewable Energy Zone) project location. Various transmission, interconnection, wind resource, species and other impact and environmental studies have been completed; in addition the FAA has issued a No Impact determination. There are three meteorological towers on site with heights of 50 meters, 60 meters and 100 meters. Wind data has been continuously collected since July 2007 with data collections at all three towers currently ongoing.

The ranch will convey 50% of the wind energy rights intact. At closing the seller will enter into a Wind Farm Development Option Agreement for a period of seven years. The annual option payment will be \$25,000, or \$12,500 for a 50% interest. This option agreement will provide the seller with the right to enter into a Wind Rights Lease. Terms of the lease will be for thirty years with six five year option periods. Rent under the lease will be equal to or the lessor of 4% of Net Energy Sales or \$500,000 per annum based on a 100% interest.

The seller will have a first right of refusal to repurchase the property if the buyer elects to sell at a later date. Seller will have the right to match the price of any bona fide offer the buyer intends to accept under the terms of the first right of refusal.

The M Bar Ranch is very realistically priced at \$495 per acre. This working cattle ranch offers a good location from Midland/Odessa, good fencing and grass turf, functional ranch improvements and a solid income stream. Including the grazing lease currently in place, the ranch generates an income of over \$125,000 per year, and the wind energy revenue will greatly enhance this.

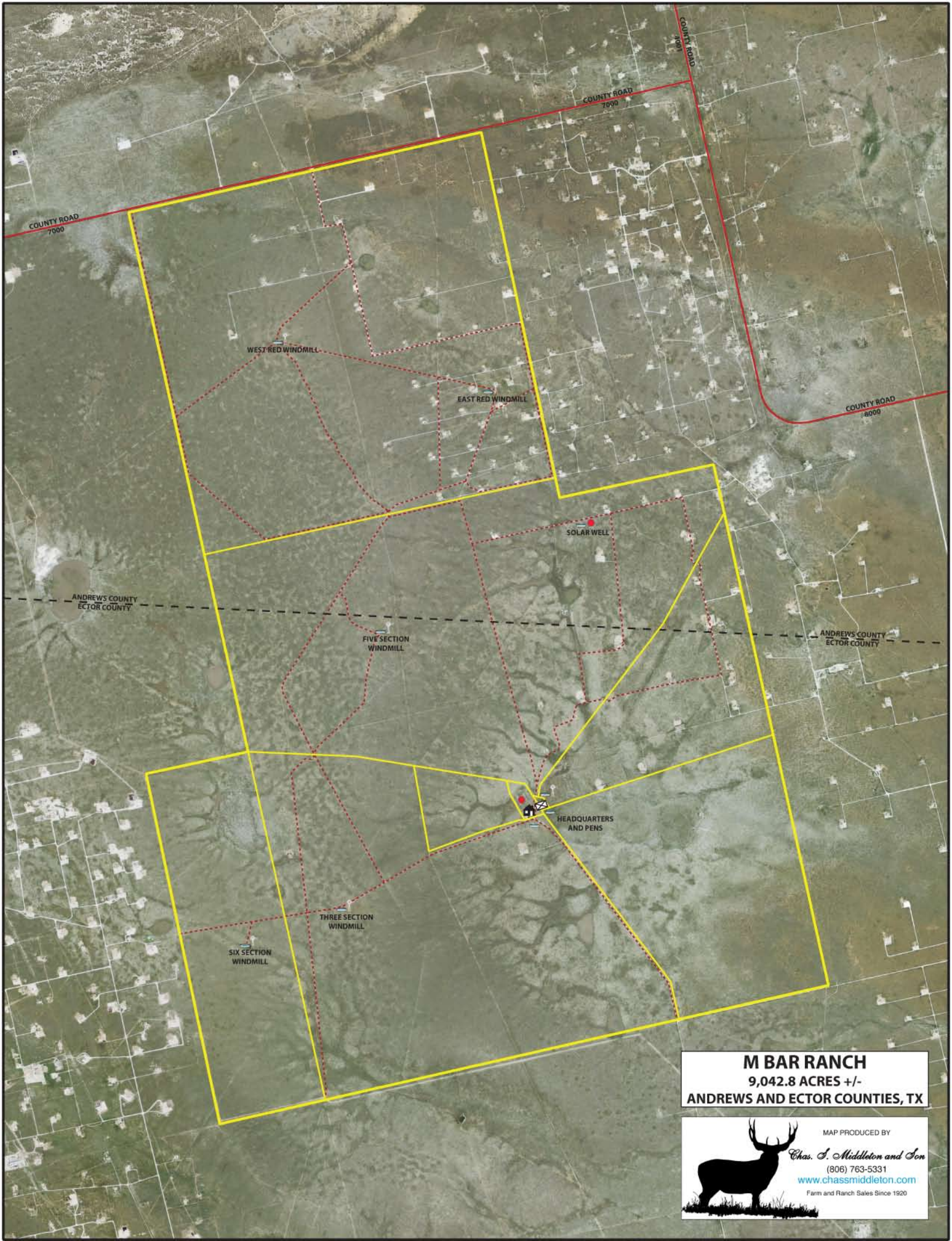
Copies of all leases are available.

If you are in the market for a good working ranch in this area of Texas, the M Bar Ranch should be considered.

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