



AGREEMENT FOR SALE OF OIL AND GAS PROPERTIES

This Agreement (the "Agreement"), entered into as of _____, 20____ by and between Midwest Energy Auction, LLC, whose mailing address is 8115 Rockback Court, Oklahoma City, Oklahoma 73132, and _____ ("Seller"), whose address is _____, (Phone) _____, shall fully evidence the terms and conditions by which Seller has committed to sell certain properties through the services furnished by Midwest Energy Auction, LLC.

In consideration of the covenants and agreements hereinafter contained, Seller hereby grants Midwest Energy Auction, LLC the exclusive right to conduct a sale, by auction or other mutually acceptable means ("Sale"), of the property of properties described on Exhibit "A" attached hereto ("Properties").

1. Term.

This Agreement shall be effective as of the date this Agreement is executed and shall continue until the last of the following occurrences:

- A. Until Seller and the Midwest Energy Auction, LLC shall have received all funds due such parties to the full satisfaction of both parties; or
- B. Seventy-Five (75) days following the Sale date specified below.

2. Properties, Documentation and Seller Cooperation.

Seller agrees as follows:

A. Properties. To accurately describe on Exhibit "A" hereto the Properties and all interests related thereto, including all working, net revenue, overriding royalty, and other interests of Seller therein, as well as on all property data sheets and on the conveyancing instruments delivered to Buyer at the sale;

B. Documents:

To provide to Midwest Energy Auction, LLC all such documents related to the Properties necessary to permit the Sale and to provide any additional information which prospective bidders may reasonably request for the purpose of confirming the information concerning the Properties;

On or before nine (9) days immediately preceding the Sale date, Seller will prepare and deliver properly executed, recordable conveyancing documents to Midwest Energy Auction, LLC for review by prospective bidders, and delivery to the highest qualified bidder ("Buyer"), as determined by Midwest Energy Auction, LLC.

C. Information and Cooperation:

To respond to reasonable questions from prospective bidders concerning the Properties;

To cooperate with and assist Midwest Energy Auction, LLC, its employees, contractors, subcontractors and affiliates, in the Sale and all actions necessary to consummate the sale, and to prepare and execute all documents and do all things necessary to carry out Seller's obligations under this Agreement; which includes but is not limited to taking such further actions or executing such further documents as may be necessary to effectuate the Sale and to transfer title in and to the Properties;

To provide all assistance necessary to complete the Sale of the Properties in accordance with the terms and conditions applicable to such Sale or this Agreement;

3. Date and Location of Sale.

On or about _____, 20 _____, Midwest Energy Auction, LLC shall conduct a Sale at _____, or another suitable location as determined by Midwest Energy Auction, LLC in its sole discretion.

4. Seller Representations and Warranties.

Seller represents and warrants as follows:

A. The sale of the Properties will not (i) breach any contracts or other agreements or instruments to which any of the Properties or Seller is subject, (ii) violate any applicable court or government order or (iii) violate the organizational documents of the Seller;

B. Seller is the owner of, and has the right and authority to sell, the Properties;

C. Any known liens, mortgages, or other encumbrances affecting the Properties have been disclosed on the Property data sheet(s). If other liens, mortgages or encumbrances are discovered during due diligence, Seller will provide to Midwest Energy Auction, LLC any documentation related to the subordination or release, or evidencing that Seller has preformed all acts necessary to permit the subordination or release, of any such liens, mortgages or encumbrances within 10 business days after notice of such discovery to Seller;

D. Seller has not previously acquired the Properties with intent to resell, unless such property was an inseparable part of a package of purchased properties;

E. Seller has not fractionalized in the Properties. Seller is representing all its interest in the Properties as available for sale and is selling all of its interests; provided, however, that Seller may reserve a well bore working interest, royalty, overriding, or to sever horizontal rights in and to the Properties;

F. Seller has read and understands the terms and conditions set forth in this Agreement and all exhibits and will offer the Properties for sale in accordance with those terms and conditions;

G. All production, revenues, and expenses accruing before 8:00 AM on the effective date to transfer shall belong to and remain with Seller. All production, revenue, and expenses accruing after such time shall be the responsibility of Buyer, including cost and liabilities associated with well plugging, equipment removal, and surface cleanup/restoration;

5. Covenants of Seller.

During the term of this Agreement Seller agrees as follows:

A. It shall not sell, assign or otherwise dispose of all or any portion of the Properties or sell or assign this Agreement without the prior written consent of Midwest Energy Auction, LLC. Any sale or assignment made in violation of this provision shall be voidable at Midwest Energy Auction's sole discretion.

B. It shall not make any representation or warranty, either express or implied, with respect to the Properties except for ownership warranties included herein;

C. Its affiliates, employees, officers, directors, agents or representatives will not bid on any of the Properties.

D. Except as otherwise agreed in writing by Midwest Energy Auction, LLC, at no time during the term of this Agreement shall Seller cause a minimum bid to be made or placed on any of the Properties;

6. Covenants of Midwest Energy Auction, LLC.

During the term of this Agreement, Midwest Energy Auction, LLC agrees to:

A. Subject to the limits of the advertising budget provided herein, provide a site for the Sale, advertise the Sale and the Sale date and promote attendance of the Sale by potential bidders;

B. Have qualified bidders complete the an appropriate registration Application available through the Midwest Energy; Auction Web Site or upon request;

C. Sell the Properties according to the terms and conditions contained herein and according to applicable terms and conditions under Buyer's Agreement;

7. Sale Proceeds.

A. All funds to be paid by a Buyer with respect to the Properties, whether by check, wire transfer, or otherwise, shall be made payable to and deposited in an escrow account with Banc First, as escrow agent. All interest accruing in the escrow account will be payable to and the sole property of Midwest Energy Auction, LLC.

B. If the highest bid for any Property exceeds or equals \$1,000,000 or if the highest bid for any Property containing a preferential right exceeds or equals \$500,000, Midwest Energy Auction, LLC shall use its commercially reasonable efforts to cause Buyer to execute an amendment to the Buyer's Terms and Conditions of Purchase in the form of Exhibit E delivery of payment and any applicable conveyancing documents. Additionally, Midwest Energy Auction, LLC shall not file any applicable conveyancing documents for public record or approval until payment of the purchase price for the Property covered by such documents is received in full.

C. Within 20 banking days following the actual sale of a Property, Midwest Energy Auction, LLC shall provide settlement to Seller as to all funds received by Midwest Energy Auction, LLC; provided that settlement may be withheld as to any Properties with respect to which:

(i) Seller fails to provide to Midwest Energy Auction, LLC appropriate recordable conveyancing documents or satisfactory evidence that such documents have been filed of record or provided to Buyer for recordation; or

(ii) The conveyancing of the Property has been delayed due to failure to:

(a) obtain requisite waivers of preferential rights to purchase;

(b) obtain proof of required notifications;

- (c) make application for approval by jurisdictional authorities; or
- (d) obtain releases or subordination of liens and/or mortgage or any legal proceedings.

Midwest Energy Auction, LLC may refund the full purchase price to Buyer with respect to any Properties for which Seller fails, within twenty one (21) days following the date of the Sale, to provide to Midwest Energy Auction, LLC appropriate recordable conveyancing documents or satisfactory evidence that such documents have been filed of record or provided to Buyer for recordation.

8. Promotional Cost.

Seller shall reimburse Midwest Energy Auction, LLC for its proportional share, determined in relation to gross proceeds of all Properties sold at the Sale, of promotional costs in the amount of \$50,000 (the "Promotional Budget"). The Promotional Budget may include, without limitation, expenses related to design, production, and distribution of sale brochures and auction catalogs to prospective bidders, to place notice of the sale in industry trade journals and other publications, to notify vendors and service providers, obtain facilities for the sale, provide refreshments, and any additional expenses associated with marketing the Sale and the Properties. Any promotional cost incurred in excess of the Promotional Budget amount will be at the sole expense of Midwest Energy Auction, LLC.

9. Commissions.

In accordance with Exhibit B attached hereto, Seller agrees to pay Midwest Energy Auction, LLC a commission calculated on the gross proceeds received by Seller. The Commission shall be payable at the time of the Sale, and Midwest Energy Auction, LLC shall have the right to deduct the amount of Commissions from the Sellers Sale proceeds.

10. Remedies for Buyer Default.

In the event Buyer fails to complete the purchase of any Property arranged by Midwest Energy Auction, LLC for any reason whatsoever, Midwest Energy Auction, LLC shall have the right to either:

- A. withhold the commission from the Seller's, sales proceeds if consideration has been received but Buyer fails or refuses to consummate the transaction by executing conveyancing documents or otherwise; or
- B. exclude such Property from settlement with Seller and transfer the responsibility for collecting the consideration to seller, if consideration has not been received from Buyer.

Upon execution of either of the events referenced in this Section 10, Midwest Energy Auction, LLC shall have the right, but not the obligation, to reclaim and resell all unsold Property at the same or subsequent sale.

11. Rescission.

If any over-produced gas imbalance attributable to a Property as of the date of conveyance is in excess of 125% of that reflected on the Property data sheet(s), Buyer shall have the right to rescind the purchase of the affected Property by providing notice to Seller of its intent to rescind within 50 days of the recordation filing date of the conveyancing documents.

12. Inadequate Conveyance Documents.

If Buyer determines and notifies Seller within 60 days of the recordation filing date of the conveyancing documents that the interest conveyed by the conveyancing document is less than the interest described for sale. Seller shall, within 30 days following receipt of written notification of such deficiency, cure the defect to Buyer's reasonable satisfaction or, at Seller's option, refund to Buyer either: (a) the full purchase price in exchange for a mutually acceptable, recordable reassignment of the Property to Seller effective as of

the date of the original conveyance; or (b) such part of the purchase price as mutually agreed to between Seller and Buyer.

13. Indemnification.

Seller shall indemnify and hold harmless Midwest Energy Auction, LLC, its auctioneers and affiliates, free and clear from any and all losses, claims, damages, liabilities and actions, joint or several to which Midwest Energy Auction, LLC its auctioneers or affiliates may become subject, insofar as such losses, claims, damages, liabilities or action arise out of or result from Seller's breach of any of its duties, obligations, representation or warranties under the provisions of this Agreement including, but not limited to, claims or action arising due to any:

- (i) loss or damage to the Properties or property related to the sale of the Properties;
- (ii) personal injury resulting from the use of or exposure to the Properties;
- (iii) breach of warranty of any kind whatsoever;
- (iv) misrepresentation;
- (v) defect in title; and
- (vi) other liabilities and expenses directly or indirectly arising in connection with this Agreement, including Exhibit B attached hereto. Seller shall reimburse Midwest Energy Auction, LLC, its auctioneers and affiliates for any legal or other expenses reasonably incurred in connection with investigating or defending any such loss, claim, damage, liability or action.

Nothing contained herein shall be construed to make Midwest Energy Auction, LLC be held liable for any loss or damage suffered by Seller as a result of Buyer's failure to execute, record, or obtain necessary approvals of the conveyancing documents or for any other act or breach by any Buyer or prospective buyer with respect to the Properties. The indemnity provisions contained in this Agreement shall extend and inure to the benefit of the officers, directors, employees, agents, contractors, subcontractors, heirs, successors, and assigns of each indemnified party. The indemnification provisions of this Agreement shall survive any termination of this Agreement.

14. Remedies for Seller Default.

If Seller breaches any representations, warranties, covenants, or agreement contained in this Agreement, in addition to any other damages to which Midwest Energy Auction LLC is entitled, Seller shall pay Midwest Energy Auction LLC an amount equal to the Promotional Budget as provided for herein. If Seller causes or permits any of the Properties subject to this Agreement to be sold or disposed of outside of the terms hereof, Seller shall pay Midwest Energy Auction LLC the commission to which Midwest Energy Auction, LLC would be entitled under Section 4. Additionally, Midwest Energy Auction LLC shall be entitled to any other remedies available at law or in equity, not to exceed the total value of the properties, plus reasonable legal fees.

15. Non-confidentiality.

Unless specifically identified in writing and clearly marked as "CONFIDENTIAL", any information provided to Midwest Energy Auction LLC may be published and distributed as Midwest Energy Auction LLC deems appropriate. Seller grants Midwest Energy Auction LLC the right to reproduce its logo and/or trademark on Sale promotional materials.

16. Entire of Agreement.

This Agreement, and all attached Exhibits contain the entire agreement between Midwest Energy Auction LLC and Seller, and supersede any and all other discussions and agreements between the

parties. No change to this Agreement shall be binding or enforceable unless an appropriate amendment or addendum is made in writing and signed by the party to be bound.

17. Assignment.

A. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns; provided, however, the Midwest Energy Auction LLC shall not assign this Agreement in whole or in part without the prior written consent of Seller.

B. On or prior to the Sale, Seller may assign its rights under this Agreement for the purpose of effecting a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. If assigned, Seller will notify Midwest Energy Auction, LLC and the Buyer in writing on or before the Sale. Notwithstanding any such assignment of rights, Seller will continue to be obligated to convey legal title to the Property.

18. Applicable Law.

This Agreement shall be governed by and construed in accordance with Oklahoma law.

COMPANY CONTACT INFORMATION

Project Coordinator: _____
Phone Number: _____ Fax Number: _____
Email Address: _____
Data Sheet Information: _____
Phone Number: _____ Fax Number: _____
Email Address: _____
Engineering Information: _____
Phone Number: _____ Fax Number: _____
Email Address: _____
Final Settlement Information: _____
Phone Number: _____ Fax Number: _____
Email Address: _____
COMPANY NAME: _____ Sale No.: _____

AGREEMENT FOR SALE OF OIL AND GAS PROPERTIES

Seller No.: _____
Sale No.: _____

EXECUTED THIS _____ DAY OF _____, 20____.

THE MIDWEST ENERGY AUCTION LLC

By: _____

Name: _____

Title: _____

SELLER

Seller: _____

By: _____

Name: _____

Title: _____

Seller No.: _____

Sale No.: _____

EXHIBIT "A"

LISTING OF OFFERED PROPERTIES*
(List alphabetically by State, County, and Wells)

<u>STATE</u>	<u>COUNTY</u>	<u>WELL NAME</u>	<u>ESTIMATED VALUE</u>

*Listed properties will be subject to the terms of this Agreement and may not be removed without the written authorization of Midwest Energy Auction LLC, which shall be given in the sole discretion of Midwest Energy Auction, LLC. Midwest Energy Auction LLC may, in its sole discretion, choose not to offer a property listed above for sale.

Seller No.: _____

Sale No.: _____

EXHIBIT "B"

SLIDING SCALE COMMISSION SCHEDULE

(for Properties individually selling for less than \$500,000)

GROSS PROCEEDS	COMMISSION DUE
\$1 - \$100,000	10%
\$200,000	9.5%
\$300,000	9.0%
\$400,000	8.5%
\$500,000	8.0%
\$600,000	7.5%
\$700,000	7.0%
\$800,000	6.5%
\$900,000	6.0%
\$1,000,000	5.5%
>\$1,000,000	5.0%

*Midwest Energy Auction, LLC Commissions are based on the above sliding sale and are calculated based on the aggregate of all bids for property individually sold for an amount less than or equal to \$500,000. Actual commission will be interpreted from the Schedule. For example, aggregate sale of \$750,000 result in a commission of 6.75%.

MID VALUED PROPERTY COMMISSION SCHEDULE

(for Properties individually selling for greater than \$500,000 in Gross Proceeds)**

4.50% of the First \$1 million

4.00% of the Second \$1 Million

3.50% of the Third \$1 Million

3.00% of the Fourth \$1 Million

2.50% of gross proceeds in excel or \$4 Million

**Commissions paid to the Midwest Energy Auction, LLC under the Mid Valued Properties Commission Schedule shall be calculated by combining the aggregate total of all bids for properties individually sold for an amount in excess of \$500,000.

Seller No.: _____

Sale No.: _____

EXHIBIT "C"

AMENDMENT TO BUYER'S TERMS AND CONDITIONS OF PURCHASE

This Amendment to the Buyers Terms and Conditions of Purchase ("Buyer's Agreement) by and between Midwest Energy Auction, LLC (Midwest Energy Auction, LLC) and _____ ("Buyer") to amend the Buyer's Terms and

Conditions of Purchase ("Buyer's Agreement") properties known as Sale No. _____ conducted by The Midwest Energy Auction LLC on _____, _____ ("Subject Property"), for which Buyer successfully submitted a high bid of \$ _____ ("Purchase Price").

It is hereby agreed that the Buyer's Agreement shall be amended as follows:

1. Section 3 shall be amended to read as follows:

Buyer shall immediately pay or make arrangements to pay to _____ (the "Escrow Agent"), a performance deposit in the amount of twenty percent (20%) of the Purchase Price (\$ _____) (the "Security Deposit") to assure full performance by Buyer of its obligations under Buyer's Agreement. Such requirement shall be in lieu of any requirement to make payment in full on the date of the sale. Notwithstanding anything to the contrary contained in the Buyer's Agreement and in lieu of the requirement to make full payment of the Purchase Price on the day of the Sale,

Buyer acknowledges that all terms and conditions of the title transfer and conveyance documents with respect to the Property are final and non-negotiable.

The Purchase Price shall be paid in full (i) on or before 2:00 p.m. CST on _____, 2008, or (ii) within three (3) business days following notification from Midwest Energy Auction, LLC or the Seller that any preferential rights, right of first refusal, right of consent or other right has been either waived or the required response time has expired whichever occurs later. Midwest Energy Auction, LLC shall return the Security Deposit, without interest, to Buyer within three (3) banking days after receipt of written notice that the Escrow Agent has received the full Purchase Price in the event that Buyer fails to timely pay the full Purchase Price or fails to consummate the transaction in accordance with Buyer's Agreement, as amended, for any reason (including inability to obtain financing) or to properly execute and deliver the title transfer and conveyance documents, Seller may retain the Security Deposit as liquidated damages. Buyer acknowledges that the actual damages that may result from its failure to properly close the transaction would be difficult or impossible to ascertain and that the Security Deposit represents a fair and reasonable estimation of such damages and is not a penalty.

If a third party having preferential right to purchase the property elects to exercise such right, then Midwest Energy Auction LLC shall refund the Security Deposit within five (5) business days from receipt of notice that such right has been exercised.

Except as amended by this Amendment, all of the terms and conditions of the Buyer's Agreement shall remain unchanged.

EXECUTED THIS _____ DAY OF _____, 20_____.

THE MIDWEST ENERGY AUCTION LLC

By: _____
Name: _____ Title: _____

BUYER

Buyer: _____
By: _____
Name: _____
Title: _____

Seller No.: _____

Sale No.: _____

ADDENDUM
(for minimum bid Properties)

This Addendum to the Agreement for Sale of Oil and Gas Properties (“Agreement”) dated _____ is between The Midwest Energy Auction LLC and _____, as Seller.

Notwithstanding anything to the contrary contained in the Agreement to which this Addendum is attached, The Midwest Energy Auction LLC and Seller agree to modify and amend such Agreement as follows:

1. The Properties described on Attachment 1 to this Addendum offered subject to the receipt of a minimum bid which Seller has determined to be acceptable (“Minimum Acceptable Bid”) and which are in compliance with the requirements contained in Attachment. If no Minimum Acceptable Bid is received at the Sale, Seller, in its sole and absolute discretion, may accept or reject any offer received. If any such offer is accepted, and if accepted, Seller agrees to pay Midwest Energy Auction, LLC a commission in accordance with Exhibit D to the Agreement.
2. If Seller elects not to accept the highest bid received, then paragraph 8 of the Agreement shall be amended to provide that Seller shall pay Midwest Energy Auction, LLC an advertisement and promotional fee equal to one-half of one percent of the previously agreed upon Minimum Acceptable Bid amount set forth on Attachment 1.
3. Each party agrees not to disclose the amount of the Minimum Acceptable Bid to any other party prior to or during the Sale. In the event a final bid is received which is below the Minimum Acceptable Bid, Midwest Energy Auction, LLC may, with Seller’s prior consent, disclose such the Minimum Acceptable Bid to any interested bidder(s), in an effort to negotiate and close the sale of such Property. If the highest bid received exceeds the Minimum Acceptable Bid, the Minimum Acceptable Bid amount shall remain confidential.

Accepted and Agreed to this _____ day of _____ 20_____.

THE MIDWEST ENERGY AUCTION LLC

By: _____

Name: _____

Title: _____

BUYER

Buyer: _____

By: _____

Name: _____

Title: _____

Seller No.: _____

Sale No.: _____

ATTACHMENT 1 TO ADDENDUM FOR MINIMUM ACCEPTABLE BID

**The Midwest Energy Auction LLC and _____,
as Seller**

<u>STATE</u>	<u>COUNTY</u>	<u>WELL NAME</u>	<u>MINIMUM ACCEPTABLE BID</u>

SUBMITTING APPLICATION FOR AGREEMENT FOR SALE OF OIL AND GAS PROPERTIES

- 1) **TYPE** your information in this **FORM**
- 2) **PRINT IT**
- 3) **SIGN IT**
- 4) **FAX IT TO** Midwest Energy Auction, LLC at **888-722-6380**