

APPLICATION FOR A CLIENT/BIDDER NUMBER

*** Indicates a REQUIRED FIELD**

I. Background

I wish to register for the auction on: *

I will participate as a: * Floor Bidder Internet Bidder

I have bid with Midwest Energy Auction before: * Yes No

If you have bid with Midwest Energy Auction before, enter your Client ID and skip to Section III. [____]. If you have not participated in a Midwest Energy Auction sales event before, please fill out the remaining information to obtain a Client Number and Bidder Number.

II. Entity Information

Please indicate your Entity Type: * Individual Corporation Partnership Trust

Other: _____

(Name of Entity that will assume title)

Company Name: * _____

Full Name: * _____

Mailing Address: * _____

City: * _____ **State:** * _____ **Zip:** * _____

Country: * _____

Business Phone: * _____ **Fax:** * _____

Home Phone: _____

Email Address: * _____

Check here if Street Address is the same as Mailing Address

Street Address: _____

City: _____ **State:** _____ **Zip:** _____

Country: _____

III. FINANCIAL INFORMATION If you have already have a Client Number and your financial information has not changed since the last Midwest Energy Auction, LLC Sales Event in which you participated, please skip to Section V. However, you must still submit a Bank Letter for each sale in which you participate.

Account #: * _____

Bank Name: * _____

Address: * _____

Midwest Energy Auction, LLC, 8115 Rockback Court, Oklahoma City, Ok 73132

Phone: 877.237.7578 Fax: 888-722-6380 support@mwenergyauctions.com

City: * _____ **State:** * _____ **Zip:** * _____

Bank Officer: * _____ **Phone:** * _____

Tax ID # or S.S. #: * _____

Method of Payment: * Cash Check Certified Check Wire Transfer

Credit Amount: * _____

U.S. Citizen? * Yes No Birth Date (mm/dd/yyyy): * _____

Driver's License #: * _____ State: * _____

Reminder: All Bidder Registration requests MUST be accompanied by a Bank Letter

IV. EXPERIENCE LEVEL * (Check all that apply)

- The undersigned is active in exploring for and/or producing oil and gas and currently serve as operator of at least 25 oil and/or gas wells;
- The undersigned currently derives gross revenues from exploration for and/or production of oil and gas in the amount of \$500,000 or more per year;
- The undersigned derives at least 75% of annual gross revenues from exploration for and/or production of oil and gas; or
- The undersigned has been engaged in the business of exploring for or producing oil and gas or other valuable minerals as an ongoing business for at least 5 years, and (ii) during such period and currently, have derived at least 51% of annual gross revenues from such business.
- None of the experience levels above apply

The background/profession of the Applicant is best described as: (check all that apply)

Petroleum engineer Petroleum geologist professional landman oil / gas producer

oil / gas attorney oil / gas investment agent or broker for others

other: _____

The Applicant is: (check all that apply)

- an individual whose net worth exceeds \$1,000,000.
- an individual whose income for the past 2 years exceeded \$200,000 and who expects to receive income this year in excess of \$200,000.
- a couple whose combined incomes for the past 2 years exceeded \$300,000 and who expects to receive income this year in excess of \$300,000.
- an entity with total assets in excess of \$5,000,000.

V. TERMS AND CONDITIONS

1. **REGISTRATION AND PRE-QUALIFICATION:** Before becoming a qualified bidder (“Bidder”) at any auction or other sale (“Sale”) conducted by Midwest Energy Auction, LLC (“Midwest Energy Auction, LLC”), the undersigned (who may be referred to herein as “Applicant” “Bidder” or “Buyer”) must execute this Bidder Application. Any person bidding as an agent for or on behalf of an absentee Bidder(s) must submit a signed original Qualified Bidder Registration form and this instrument on behalf of any such absentee Bidder, together with a duly executed Power of Attorney or such other documentation as Midwest Energy Auction, LLC may require as evidence of authority to bid on behalf of such absentee. Before bidding, Applicant must obtain a Client ID for each entity that will be purchasing property as well as a Bidder ID from Midwest Energy Auction LLC for each Sale thereby demonstrating proper qualification to bid at such Sale. Bidder agrees to keep such bidder identification number(s) in its sole possession until conclusion of the Sale. Midwest Energy Auction, LLC reserves the right, to be exercised in its sole discretion, not to approve, authorize, or otherwise qualify any potential Bidder.
2. **APPLICANT’S REPRESENTATIONS AND WARRANTIES:** Applicant represents and warrants that:
 - a. **Applicant is Knowledgeable:**
 - i. Applicant is experienced, sophisticated and knowledgeable in the exploration of and/or producing oil and gas or other valuable minerals and it provides such services as part of an ongoing business.
 - ii. Applicant understands that an investment in oil and gas property or interest is highly speculative and undesired and may be exposed to unforeseen risks and liabilities associated with the oil and gas business. Applicant is capable of bearing the economic risk of this investment, including, without limitation, the possibility of the complete loss of such investment, the loss of any anticipated tax benefits, and limited transferability such that it might not be possible to readily liquidate this investment to the extent that Applicant’s ownership thereof might continue indefinitely;
 - iii. Applicant has had an opportunity to review any documents and has been supplied with all of the additional information concerning this investment that Applicant reasonably deems necessary or appropriate to evaluate the property or interest purchased or bid upon.
 - iv. Applicant understands that the terms set forth in these Assignments are non-negotiable after the date of the Sale.
 - v. Applicant understands that no federal or state agency has made any finding or determination as to the fairness for investment nor any

recommendation or endorsement of the oil and gas properties or interests. The oil and gas properties or interests have not been registered with the Securities and Exchange Commission or with any state agency, nor shall any such registration be obtained in the future. Applicant agrees that the oil and gas properties or interests, or any interest therein, may not be resold, transferred or otherwise disposed of, except as permitted under applicable state and federal laws.

- vi. Applicant acknowledges that the properties have been used for the purpose of exploration, development, production, storage and possibly the disposal of oil, gas and related substances and that some equipment may contain asbestos and/or naturally occurring radioactive material.
- b. **Authority:** If representing a corporation, partnership, trust or other entity, the undersigned represents and warrants that he/she has full authority to execute this instrument on behalf of such entity and to purchase any property or interest on which it bids.
 - c. **No Intent to Resell:** Any property or interest bid upon is a suitable investment for Applicant and the properties or interest bid upon are being acquired for Applicant's own account for investment and not for the benefit of any other undisclosed person or with any intent to resell or redistribute.
 - i. Applicant's net worth and current income are sufficient to satisfy providing for Applicant's current needs and all possible future contingencies. Applicant expressly states that it has no need, and anticipates no need in the foreseeable future, to sell any properties or interests for which Applicant may bid.
 - d. **No Representations or Warranties from Midwest Energy Auction or Seller:** Neither seller of the property nor Midwest Energy Auction, LLC or any officer, director, employee, representative, contractor or subcontractor have made any representations or warranties of any kind or nature, expressed or implied to Applicant.
 - e. **True and Accurate:** All information that Applicant has provided to Seller or Midwest Energy Auction LLC, its representatives or agents in connection with Applicant's registration to bid is true, correct and complete to the best of Applicant's knowledge as of the date set forth herein and does not omit any information needed to make the information contained therein not misleading.
3. **ALL SALES FINAL:** All sales are final in accordance with the terms and conditions set forth herein. Unless otherwise specifically stated in the Sale Brochure, Auction Catalog, Announcement, or other promotional materials, all properties shall be sold on an absolute sale basis with no minimums, bid-ins, buy-back arrangements or false bidding on behalf of the Seller. Properties will be sold to the highest Bidder ("Buyer") as determined by the

Midwest Energy Auction LLC. Midwest Energy Auction, LLC retains the following rights, to be exercised in its sole discretion to: reject or accept any bid, arbitrate the bids, reject fractional bids, re-open lots for bidding, combine and/or delete bidding lots and wells within such lots. Once the auctioneer declares a property "SOLD" no further bidding will be considered unless re-opened by Midwest Energy Auction, LLC.

4. **SETTLEMENT:** THE BUYER SHALL PAY IN FULL ON THE DAY OF THE SALE. ALL PURCHASES MUST BE PAID BY CERTIFIED CHECK, WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS, OR COMPANY\PERSONAL CHECK ACCOMPANIED BY A BANK LETTER GUARANTEEING PAYMENT OF SUCH CHECK OR OTHER FINANCIAL ASSURANCES SUITABLE TO THE MIDWEST ENERGY AUCTION, LLC.

Midwest Energy Auction LLC shall prepare an invoice for each high bid, which shall include recording or other fees incidental to approval by jurisdictional agencies, and all applicable federal, state and/or municipal taxes applicable to transfer. Checks shall be made payable to the escrow agent, _____.

In the event of non-payment, which shall include the failure of any check to clear, Buyer shall be liable for all damages, expenses, and legal fees incurred by the Midwest Energy Auction LLC or Seller in collecting payment. BUYER EXPRESSLY WAIVES THE OBLIGATION OR DUTY, IF ANY, OF MIDWEST ENERGY AUCTION, LLC TO MITIGATE DAMAGES OR COST IN THE EVENT OF BUYER'S NONPAYMENT.

5. **TITLE TRANSFER AND CONVEYANCE:** Midwest Energy Auction, LLC will endeavor to have copies of all title transfer and conveyance documents available for review at the Sale site before bidding on properties. At Seller's request, upon presentation of a paid invoice evidencing full payment, Buyer shall properly execute original title transfer and conveyance documents ("Assignments") furnished by Seller. All Assignments executed by a corporation shall be executed in a manner consistent with the corporation's governing documents and law. Refusal by Buyer to make full payment and/or properly execute the original title transfer and conveyance documents consummating the transfer of a property will, at Seller's option and as determined in Seller's sole discretion, result in forfeiture of the consideration paid for such property.

Seller reserves the right to assign its rights under this Agreement at any time on or before Sale Day in order to effect a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. In the event of such assignment, Seller will notify Midwest Energy Auction, LLC in writing on or before Sale Day. After receiving such notification, Midwest Energy Auction, LLC will notify prospective Buyers on or before Sale Day and will notify the Buyer on Sale Day. Notwithstanding any such assignment, Seller will remain obligated to convey legal title to the property from Seller to Buyer.

Midwest Energy Auction, LLC shall record all title transfer and conveyance documents and furnish the original, recorded document to Buyer in accordance with applicable law. At the time of settlement, and in addition to applicable recording fees, Buyer shall pay to

the Midwest Energy Auction, LLC a non-refundable recording service fee for each document to be recorded, which fee shall be subject to change at the sole discretion of the Midwest Energy Auction, LLC.

BUYER ACKNOWLEDGES THAT IT HAS REVIEWED AND UNDERSTANDS THE TERMS OF SELLER'S TITLE TRANSFER AND CONVEYANCE DOCUMENTS AND THAT SUCH DOCUMENTS MAY CONTAIN ADDITIONAL TERMS AND CONDITIONS. BUYER ALSO UNDERSTANDS AND ACKNOWLEDGES THAT SOME TERMS CONTAINED IN SELLER'S TITLE TRANSFER AND CONVEYANCE DOCUMENTS MAY BE INCONSISTENT WITH THE TERMS AND CONDITIONS HEREIN AND IF THERE IS ANY CONFLICT THE TERMS CONTAINED IN THE TITLE TRANSFER AND CONVEYANCE DOCUMENTS THE CONVEYANCE DOCUMENTS SHALL PREVAIL.

6. **COMPLIANCE WITH AGREEMENTS AND REGULATIONS:** Buyer shall comply with and shall be bound by any and all leases, operating agreements, farmout agreements and other contracts, as well as any and all laws, regulations, restrictions, and covenants to which the properties may be subject. In addition, before title transfer on any property that may include the right to operate or otherwise involves governmental leases, Bidder must be qualified to assume such right or hold such leases in accordance with applicable agreements and regulations, and Seller may, in its own discretion, require Buyer to provide evidence supporting Buyer's qualification. If Buyer fails to comply within 60 days after the Sale with all applicable agreements, jurisdictional agency requirements, laws, regulations, restrictions, covenants and, if applicable, qualify thereunder to the satisfaction of Seller and Midwest Energy Auction, LLC, Seller and Midwest Energy Auction, LLC shall have the right to void the sale. If Buyer fails or refuses to satisfy these conditions, or the terms of any other applicable agreements or regulations, Buyer agrees to forfeit the purchase price as liquidated damages and to re-assign and return the property to Seller free and clear of any encumbrances that were not in existence before Seller's conveyance of the property to Buyer.
7. **PRODUCTION IMBALANCES:** Buyer has investigated (by appropriate means) and acknowledges that certain of the properties being offered may be subject to oil and/or gas balancing obligations due to the overproduction or underproduction of hydrocarbons and shall take any such production imbalances into account when bidding on any such property. Buyer shall be solely responsible for collecting on or discharging any balancing obligations affecting any property that Buyer may purchase and shall indemnify and hold harmless Seller and Midwest Energy Auction, LLC from and against any and all liabilities in connection with or arising out of any such balancing obligations.
8. **PREFERENTIAL RIGHTS AND CONSENTS:** Buyer acknowledges that it is aware of any and all preferential rights to purchase, requirements of consent to assignment and other transfer restrictions that are set forth in any and all leases, operating agreements or other

agreements to which the properties are subject. Assignment of a property subject to any transfer restrictions shall be made subject to such restrictions, and all conveyance documents shall be retained by Midwest Energy Auction, LLC until the preferential rights, right of first refusal, right of consent or other right has been either exercised, waived or the required response time has elapsed.

9. NO WARRANTIES BY MIDWEST ENERGY AUCTION OR SELLER: ALL PROPERTIES ARE OFFERED AND WILL BE SOLD "AS IS", WITHOUT WARRANTY EXPRESS OR IMPLIED IN FACT OR BY LAW, WHETHER OF TITLE, OPERATING CONDITION, SAFETY, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSES, ENVIRONMENTAL OR OTHER CONDITION OR OTHERWISE. ALL WELLS, PERSONAL PROPERTY, MACHINERY, EQUIPMENT AND FACILITIES THEREIN, THEREON AND APPURTENANT THERETO ARE TO BE CONVEYED BY SELLER AND ACCEPTED BY BUYER PRECISELY AND ONLY "AS IS, WHERE IS". Should Buyer subsequently determine that the interest actually received is less than represented, Buyer shall have the right, for a period of sixty (60) days after the date such documents have been filed of record, to notify and furnish proof to Seller of such discrepancy. On or before thirty (30) days following receipt of such notification, Seller shall have the option to cure the defect giving rise to such interest discrepancy to Buyer's reasonable satisfaction, or refund to Buyer either: (i) the full selling price and receive a mutually acceptable recordable reassignment of the property effective as of the date of the original conveyance (subject to only such burdens and encumbrances existing at the time of the original conveyance from Seller), or (ii) a proportionate share of the selling price based on the net interest not actually delivered as it relates to the interest offered.
10. If Seller or The Midwest Energy Auction, LLC discover any breach of the representations and warranties contained herein, Seller may, in its discretion, rescind the sale of any properties sold to Applicant, and Applicant shall immediately reassign and return all interests previously acquired free and clear of any liabilities or other burdens, and upon such reassignment, the purchase price or any other funds of Applicant held by Seller or its employees or agents shall be returned less any amounts Seller may reasonably be due in respect to any of the indemnification obligations set forth herein.
11. All descriptions, information and other materials ("Data") furnished by Seller and/or Midwest Energy Auction including information published in Sale brochures, advertisements, catalogs or any other promotional materials, are furnished solely for convenience purposes and any reliance on or use of such data is at Bidder's sole risk. The Seller and Midwest Energy Auction make no warranties or representations, express or implied, as to the accuracy or correctness of such Data or as to the quality or quantity of the hydrocarbon reserves, if any, attributable to the properties, or the ability of any property to produce hydrocarbons.
12. EFFECTIVE DATE OF TRANSFER: Buyer has carefully and fully examined all Assignments, letters-in-lieu and other conveyancing documents to be used in connection with the transfer of the properties, and is fully cognizant of the effective date of transfer.

Unless otherwise specifically provided in the Assignment(s), all production, revenues and expenses accruing prior to 7:00 a.m. on the effective date of transfer shall remain with Seller. All production, revenue, expenses and liabilities accruing or asserted after such time shall be the responsibility of Buyer, including all cost and liabilities associated with well plugging, equipment removal and surface cleanup/restoration.

13. **RESPONSIBILITY FOR NOTIFICATION OF TRANSFER:** Buyer agrees to promptly furnish notification of transfer to the operator of any property sold and to any other party or entity as provided in any contracts or other agreements affecting such property. In the case of properties for which operations are being transferred, Buyer shall have made or will make arrangements for such transfer in a timely manner, including meeting all necessary partner, governmental or other approvals and other requirements necessary to either take over such responsibilities or deliver such responsibilities to other qualified and approved parties.
14. **PROHIBITION OF PURCHASES WITH INTENT TO RESELL:** Bidder acknowledges and represents that it is not purchasing any property with intent to resell. Should it be determined that any property has been acquired with such intent, such conveyance shall be immediately nullified and Buyer agrees to forfeit 25% of the purchase price and immediately reassign and return such property to Seller, effective as of the date of the original conveyance, free and clear of any encumbrances which were not in existence prior to Seller's conveyance of the property to Buyer.
15. Applicant agrees to indemnify the officers, directors, employees, agents, contractors, and sub-contractors of Seller, Midwest Energy Auction LLC and its auctioneers and to hold them individually and separately free and clear from all actions, claims, losses, damages, injuries, liabilities, costs and expenses (including, but not limited to attorney's fees) of whatever kind or nature that may arise as a result of or in connection with: (i) any incorrect data or misrepresentation made by or on behalf of Applicant; (ii) any breach of the representations or warranties; (iii) the failure by Applicant to fulfill any of the covenants or agreements of Applicant set forth herein; and/or (iv) any sale or distribution of any oil and gas properties or interests by Applicant in violation of the Securities Act of 1933 or any other applicable federal or state securities laws; (vi) loss or destruction of the Property; and (vii) Buyer's failure to pay taxes and expenses attributable to the property purchased.
16. **ANNOUNCEMENTS:** Any announcements made by auctioneer or authorized personnel of Midwest Energy Auction prior to or during the Sale shall supersede and take precedence over any printed materials pertaining to the Sale.

The undersigned has read the above provisions, agrees to the terms therein, and represents and warrants that all statements made herein are true and accurate.

APPLICANT / REPRESENTATIVE

By: _____

Name: _____

Title: _____

Date: _____