



MID-CONTINENT ENERGY EXCHANGE

Oil And Gas Asset Auctions

Buyer's Agreement to Purchase Properties

This agreement dated this day of , 20 , by and between

Mid-Continent Energy Exchange, LLC, 6720 West Kellogg Drive, Ste. 3, Wichita, KS 67209 ("MCEE") and

(hereinafter designated as "Buyer") with an address of:

In consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and MCEE agree as follows:

AUCTION PARTICIPATION: Buyer acknowledges that MCEE is in the business of facilitating transactions by which willing sellers sell oil and gas properties through an auction service provided by MCEE. All such, all auctions and sales resulting therefrom are conducted on terms and conditions as may, from time to time, be set or changed by MCEE with or without notice. Buyer agrees to utilize MCEE's services and acknowledges that Buyer's participation is subject to the terms set forth in this Buyer's Agreement ("the/this Agreement") and such additional terms, rules, policies or conditions as stated by MCEE in the conduct of the auction service and through MCEE's website (www.midcontinentenergyexchange.com).

INFORMATION PROVIDED BY MCEE: Buyer agrees and acknowledges that any information provided by MCEE in the course of providing MCEE's services is based upon representations made by the seller of oil and gas properties and that MCEE does not warrant or in any way guarantee the completeness, timeliness or accuracy of the information provided by any seller. No information provided by MCEE, whether delivered in person at the auction or by other means of communication, including through telecommunications, electronic delivery or via MCEE's website, has been verified by MCEE. It is Buyer's responsibility to verify any such information. No statements, communications or information provided or communicated by MCEE to Buyer is intended to or shall contain or constitute investment or legal advice to Buyer. Any decisions based upon the information provided by MCEE shall be considered with this in mind and the Buyer has the sole responsibility to do its own due diligence.

PURCHASE OF PROPERTIES AT AUCTION OR POST-AUCTION: At auction, by sealed bid, or by other purchase or designated sale method, a seller may offer properties for sale with or without a minimum reserve sales price. Buyer can make bids or offers on the properties for sale. If Buyer has made the highest bid or offer at the designated ending time for bids at the auction sale and that bid or offer meets the minimum reserve sales price (if any) set by the seller, Buyer will be obligated to purchase the property(ies) for that bid price. In the event that the reserve price is not met or a sale has not, for whatever reason, been agreed to prior to the end of the auction, but the seller has elected to continue to offer the property(ies) for sale after conclusion of the auction, then if Buyer makes an offer that is accepted by the seller, Buyer will be obligated to purchase the property(ies) for that price.

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BUYER'S DUE DILIGENCE AND INDEPENDENT EVALUATION: Buyer hereby acknowledges and agrees that Buyer has the sole responsibility to examine all information concerning ownership and production of the properties placed for sale through MCEE. Further, Buyer acknowledges and agrees that if it requires additional information concerning said properties, Buyer must contact MCEE or the seller to obtain requested information prior to the date the sale of the properties is scheduled to commence. MCEE will reasonably attempt to accommodate any requests for information made by Buyer, but is under no obligation to provide any such information nor to conduct any inquiry or investigation in order to accommodate such requests. Any bid placed by Buyer, whether or not Buyer has received any requested information and whether prior to or after making the request for information, is made at Buyer's own risk.

BUYER'S REPRESENTATIONS AND WARRANTIES: Buyer hereby represents and warrants that:

- (1) Buyer has or will before bidding, make an independent evaluation of the property offered for sale;
- (2) Neither the seller nor MCEE have made any statements or representations concerning the present or future value or the future income, costs or profits, if any, to be derived from the property(ies) offered for sale;
- (3) In making a bid or offer, Buyer has or will rely solely on Buyer's independent examination of the properties offered for sale, including but not limited to any available public records related to the properties, and that Buyer's bids or offers are based solely on Buyer's independent inspections, estimates, computations, evaluations, reports, studies and knowledge of the properties;
- (4) Buyer accepts any and all information provided by a seller or MCEE provided in the property information sheet or data packages, as well as any other information provided by a seller or MCEE through the auction or post-auction process, without warranty of any kind by either the seller or MCEE and promises to verify any such information that Buyer deems relevant to Buyer's evaluation of the properties; and
- (5) Buyer shall indemnify and hold MCEE harmless from any damages, claims, costs or liability, including reasonable attorneys' fees, related to any reliance by Buyer on any information provided by a seller or MCEE regarding the properties offered for sale.

BUYER'S REPRESENTATIONS SPECIFIC TO SECURITIES TRANSACTIONS: Buyer acknowledges that properties listed for sale through MCEE are not intended or considered to be securities under the Securities Act of 1933, the Securities Exchange Act of 1934 and all applicable state securities laws. Buyer hereby acknowledges and agrees that any sale of oil and gas royalties through MCEE's auction is merely a process of putting a willing seller in contact with a willing buyer to facilitate the purchase of oil and gas properties. The prior statements notwithstanding, Buyer hereby represents that he is a sophisticated, accredited and qualified investor. Buyer represents, by executing this Agreement, that a Buyer is: **(a)** primarily engaged in the business of exploring for or producing oil or gas or other minerals as an ongoing business; **(b)** by reason of Buyer's knowledge or experience, Buyer will evaluate the merits and risks of the properties to be purchased through MCEE's auction service and will form an opinion based upon Buyer's knowledge and experience and not upon any statement, representation or printed material provided by MCEE or its officers, directors, employees, owners, agents or other representatives; **(c)** the Buyer has the legal capacity and/or authorization to participate in MCEE's auction; **(d)** Buyer has an annual income of \$200,000.00, if Buyer is a natural person, in each of the two most recent years or joint income with Buyer's spouse of not less than \$300,000.00 in each of those years and has a reasonable expectation of reaching the same income level in the current year or Buyer has a net worth or a joint net worth with Buyer's spouse, at the time of Buyer's purchase exceeding \$1,000,000.00 or Buyer, if Buyer is a business entity, Buyer has total assets in excess of \$5,000,000.00, as shown by the business's most recent prepared financial statements or Buyer, if Buyer is a business entity, has equity owners that are qualified as accredited investors; or **(e)** Buyer has sufficient knowledge and experience in business and financial matters to evaluate the merits and risks of the acquisition of the properties offered for sale through MCEE's service. Buyer has a continuing duty to notify MCEE if Buyer subsequently fails to qualify as a sophisticated, qualified and accredited investor. Buyer agrees to indemnify and hold MCEE harmless from any and all violations of applicable securities laws that result from any misrepresentation of the Buyer's status as an accredited or otherwise qualified investor.

CONTRACT COMPLIANCE: Buyer hereby agrees to comply with all applicable joint operating agreements, unitization agreements, communication agreements and other agreements that pertain to the ownership of the subject properties. Buyer is fully responsible to obtain waivers of uniform maintenance under joint operating agreements, if needed, and agrees to indemnify and hold MCEE and the seller harmless if the same are not obtained by Buyer or waived by a third party.

RESOLUTION OF LESSER INTEREST ISSUES: If Buyer discovers that the properties conveyed by a seller are of lesser interest than what is represented on the property information sheet and associated data, or any modifications or changes thereto, Buyer shall send notification to the seller within 60 days from the date of sale. Said notification will describe the difference in interest accompanied by adequate proof of said lesser interest. Buyer agrees that, within 30 days following the receipt of the notification, the seller may, at the seller's option: (a) refund a pro-rata share of the purchase price based on the amount of the actual interest versus the interest as represented; (b) cure the defect that is identified to provide Buyer with the full interest represented; or (c) rescind the sale, in which case the seller shall accept a reassignment of the interest from Buyer and refund the purchase price paid by Buyer upon receipt of the reassignment. Buyer's sole remedy related to any dispute regarding a lesser interest issue or its resolution under the terms of this Agreement shall be against the seller and not against MCEE.

GAS IMBALANCES: Buyer acknowledges and agrees that properties on which it may bid or make offers may be subject to gas imbalances pursuant to gas balancing agreements between working interest parties or in the absence of agreements between the working interest parties and the unit. All properties shall be sold without warranty on an "as is, where is" basis. No adjustment in the purchase price shall be made as a result of an inaccuracy in the estimated gas imbalance amount disclosed by a seller. Buyer agrees that neither a seller nor MCEE make or provide any representations or warranties as to the accuracy of said information.

ENVIRONMENTAL LIABILITIES: Buyer hereby acknowledges and agrees that after the date of the assignment of any properties acquired Buyer is responsible for any and all losses attributable to any and all environmental events or impacts, including without limitation, damage to property, injury or death of persons or things, natural resource damage, environmental remediation and restoration, costs, fines, or penalties arising out of or attributable to the ownership, condition or operation of the properties purchased by Buyer.

ROYALTY, OVERRIDING ROYALTY, WORKING INTEREST, CONTRACTUAL LIABILITIES AND OPERATION LIABILITIES: Buyer agrees and acknowledges that any and all liabilities relating to obligations to pay royalties, contractual obligations under oil and gas leases, joint operating agreements and liabilities associated with the ownership, condition and operation of the subject properties become Buyer's liability from the effective date of assignment.

NO WARRANTIES (EXPRESS OR IMPLIED): Buyer acknowledges and agrees that it is acquiring the properties, wells, equipment and other property located thereon from a seller without warranty whatsoever, whether express, statutory or implied, as to the description, title, condition, quality, fitness for purpose, merchantability, or otherwise. Buyer acknowledges and agrees that neither the seller nor MCEE makes or has made any representation or warranty whatsoever as to the physical condition of the property(ies) nor any statements or representation concerning the present or future value of the anticipated income, cost, or profits, if any, to be derived from the property(ies). Buyer acknowledges and agrees that all property is sold on an "as is, where is" basis.

TITLE: Buyer hereby acknowledges and agrees that it has the sole responsibility to examine all information concerning title to the properties and to conduct its own independent evaluation to ascertain title to the properties and satisfy itself that the title is marketable. Buyer acknowledges and agrees that it will indemnify and hold a seller and MCEE harmless as to the accuracy of any documents of title to the properties. Buyer

further acknowledges and agrees that neither any seller nor MCEE warrants title, either expressly or impliedly, and that all title to property is on an "as is" basis.

CLOSING: Buyer acknowledges and agrees that upon notification from MCEE, at Buyer's successful bid or offer on a seller's property, Buyer shall tender the total amount of funds required to purchase the property to the designated escrow bank as determined by MCEE either by wire transfer, next day delivery or overnight mail, by certified check or preapproved check from MCEE, or hand courier delivery service to the designated closing office, all within 48 hours of notification. Buyer agrees that all funds will be held in escrow until the seller provides all executed documents of conveyance to Buyer.

ESCROWED FUNDS: Buyer agrees and acknowledges that MCEE or an agent designated by MCEE may hold in escrow funds submitted by Buyer pursuant to this Agreement pending closing of a transaction. In the event that any dispute should arise between Buyer and a seller related to disposition of any escrowed funds, Buyer acknowledges that MCEE will hold the funds and will not release the same until directed by mutually agreed instructions from both Buyer and the seller to release the funds or directed by a court of competent jurisdiction to distribute the funds as directed by the court. In the event that MCEE should so elect, MCEE may choose to interplead escrowed funds into court for further dispute resolution between Buyer and the seller as to disposition of the funds. Buyer agrees that any costs of such an interpleader action by MCEE shall be paid by Buyer, including MCEE's reasonable attorney fees. Buyer shall not be entitled to any interest from the funds during the pendency of any escrow.

RELEASE FROM SELLER'S NON-PERFORMANCE: Buyer agrees that MCEE is not liable to Buyer for any breach resulting from a seller's failure to close the sale of any property or any breach of duty owed to the Buyer by the seller. Buyer's sole remedy for a seller's non-performance is against the seller. Buyer hereby indemnifies and agrees to hold MCEE harmless from and against any damages, claims, costs or liabilities related to a breach or alleged breach by a seller of any agreement to sell the properties to Buyer.

BUYER'S DEFAULT: Buyer acknowledges and agrees that if Buyer fails to fulfill Buyer's obligations under the terms of this Agreement or an agreement to purchase properties, Buyer shall be in default under this Agreement and any corresponding purchase agreement. MCEE and any aggrieved seller shall have all remedies available to them under Kansas law, including but not limited to specific performance, lost commissions, damages resulting from a resale of the properties at a purchase price less than that agreed to by Buyer, and any such additional damages as may be available, including recovery of MCEE's costs and reasonable attorneys' fees in seeking to enforce any agreement, pursue damages, or defend against any claims, cross-claims or counterclaims of any third party, including any seller, caused by Buyer's default.

INDEMNIFICATIONS: Buyer's indemnifications of MCEE as set forth in this Agreement include MCEE and its officers, directors, employees, shareholders, agents, representatives, contractors, attorneys, successors and assigns (collectively "the Indemnitees"). The term "costs" as set forth in the indemnification provisions of this Agreement shall include reasonable attorney fees incurred by the Indemnitees. The indemnifications of MCEE found in this Agreement shall survive closing of any transaction to purchase properties from a seller.

GOVERNING LAW AND JURISDICTION: This Agreement and any action related to this Agreement shall be interpreted and governed by the laws of the state of Kansas. Seller agrees that the proper and exclusive venue for any dispute related to this Agreement is in the District Court of Sedgwick County, Kansas and that said court shall have exclusive jurisdiction over the parties and subject matter of this Agreement.

NOTICES AND ELECTRONIC COMMUNICATIONS: Notices regarding this Agreement shall be in writing and

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may be served by personal delivery or by delivery via regular, United States mail, postage prepaid on the Buyer or MCEE at the addresses appearing above and via email as set forth below. The parties also agree to delivery of information, agreement to terms and the consummation of the transactions contemplated in this Agreement, including any agreements made with a seller through post-auction negotiation, by electronic means via email.

IN WITNESS WHEREOF the parties executed this Agreement as of the day and year first set forth above.

Buyer Signature

Printed Name

Buyer Phone #

Buyer Email

Cell Phone #

Check this box to opt out of text message alerts:

If you are the successful bidder today, how would you like your assets titled?

Please let us know if you plan to attend in person: ___or online:___