

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF KANSAS**

In Re)	
)	Case No. 09-20258
CRESCENT OIL COMPANY, et al.,)	Jointly Administered
)	
)	Chapter 11
Debtors.)	

**NOTICE OF AUCTION AND BID PROCEDURES FOR SALE OF SUBSTANTIALLY
ALL OF THE DEBTORS' ASSETS**

On February 7, 2009 (the "Filing Date"), Crescent Oil Company, Inc., filed its voluntary petition for bankruptcy under Chapter 11 of the United States Bankruptcy Code. On February 8, 2009, Crescent Stores Corporation, Crescent Fuels, Inc., Crescent Realty Corporation, and Crescent Business Development Corporation (collectively, the "Selling Debtors"), also filed separate voluntary petitions for bankruptcy under Chapter 11 of the United States Bankruptcy Code. These bidding procedures set forth the process by which the Selling Debtors are authorized to conduct a sale by auction (the "Auction") of the Sale Assets (defined below).¹

I. SALE ASSETS.

The "Sale Assets" consist of substantially all of the Selling Debtors' assets.²

II. DUE DILIGENCE.

Any party with the intent to timely consummate a transaction in terms of scope and value that is higher and better than any Initial Bid the Selling Debtors might obtain, in the Selling Debtors' business judgment, and that wishes to conduct reasonable due diligence on the Sale Assets may be granted access to relevant business and financial information that will enable such party to evaluate the Sale Assets for the purpose of submitting a competing offer; *provided, however*, that the Selling Debtors have no obligation to provide information after the Bid

¹ On April 2, 2009, the United States Bankruptcy Court for the District of Kansas (the "Bankruptcy Court") (in which the chapter 11 bankruptcy cases, jointly administered under Case No. 09-20258, of the Selling Debtors are pending) entered its *Order Approving Bidding and Auction Procedures, Setting Hearing Date on the Sale and Specifying the Form and Manner of Notice Required for the Sale of Substantially All of the Debtors' Assets* (Doc. No. 278, the "Bid Procedures Order"). On June 8, 2009, the Bankruptcy Court entered its *Stipulated Amended Order Approving Bidding and Auction Procedures, Setting Hearing Date on the Sale and Specifying the Form and Manner of Notice Required for the Sale of Substantially All of the Debtors' Assets* (Doc. No. 482, the "Amended Bid Procedures Order"). In the event of a discrepancy between the Notice, the Bid Procedures Order and the Amended Bid Procedures Order, the Amended Bid Procedures Order shall control.

² Capitalized terms used, but not defined, herein shall have the meanings assigned to them in the Amended Bid Procedures Order and the Stipulation and Order (i) Authorizing Secured Post-Petition Financing on a Superpriority Basis Pursuant to 11 U.S.C. § 364, (ii) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. §§ 363 and 364, and (iii) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 363 and 364 (the "Final DIP Order"), which is available upon request to Lisa Wright, lwright@spencerfane.com/816.292.8222 or at <http://www.spencerfane.com/PracticeArea/Index.asp?Reference=Bankruptcy&~=>.

Deadline (defined below); and *provided, further*, that the Selling Debtors may decline to provide information to parties that, in their business judgment (whenever reference herein is made to the Selling Debtors' "business judgment," it shall mean with the consent of M&I Marshall & Ilsley Bank (the "Lender") and after consultation with the Official Committee of Unsecured Creditors (the "Committee")), have not established that they intend in good faith to and/or have the ability to consummate a purchase of the Sale Assets. Further, upon request of Shell, Conoco or Valero ("Branded Marketers"), Debtors shall include in the information provided in response to due diligence requests any documents provided by the Branded Marketers setting forth any brand covenant restrictions applicable to any branded site.

III. AUCTION PARTICIPATION.

Only the Initial Bidder and Qualifying Bidders may participate in the Auction. A "Qualifying Bidder" is a party that has submitted a Qualifying Bid (defined below) to the Selling Debtors.

IV. QUALIFYING BIDS.

A "Qualifying Bid" is a written offer that:

- (a) is in writing;
- (b) is for cash;
- (c) specifies the property that is being bid upon;
- (d) identifies the bidder and the members of its investor group, as applicable;
- (e) provides information sufficient in Selling Debtors' discretion, following consultation with their financial advisors, to demonstrate the ability of the bidder, financially and otherwise, to timely consummate the proposed transaction;
- (f) is in substantially the same form and contains the same content as the Purchase Agreement, if any, or must state the differences between the bid and the Purchase Agreement, if any, in specific detail;
- (g) provides for a sale closing by not later than August 21, 2009;
- (h) is accompanied with certified funds payable to Selling Debtors in an amount equal to ten percent (10%) of the bid consideration as an earnest money deposit; and

V. BID DEADLINE.

Each party wishing to participate in the Auction must submit a written offer so that it is received prior to **5:00 p.m. (Central Daylight Time), July 22, 2009** (the "Bid Deadline"), by:

Scott J. Goldstein MO #28698
sgoldstein@spencerfane.com
1000 Walnut, Suite 1400
Kansas City, MO 64106
(816) 474-8100
(816) 474-3216 (fax)

Mark G. Stingley
Bryan Cave LLP
One Kansas City Place
1200 Main Street, Suite 3500
Kansas City, Missouri 64105-2100
mgstingley@bryancave.com
816-391-7649
816-855-3649 (fax)

Francis J. Lawall
Pepper Hamilton LLP
3000 Two Logan Square Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103-2799
lawallf@pepperlaw.com
215-981-4481
215-981-4750 (fax)

VI. ADDITIONAL REQUIREMENTS APPLICABLE TO SITES DISPLAYING A BRANDED FUEL SUPPLIER'S BRAND.

For prospective and existing wholesalers of Shell's, ConocoPhillips Company's or Valero Marketing and Supply Company's (the "Branded Fuel Suppliers") brand, any bidder interested in a Branded Fuel Supplier's brand at one or more locations, must provide directly to the Branded Fuel Supplier such financial information (including, but not limited to, personal information, background information and business plan) as the Branded Fuel Supplier shall require so as to allow the Branded Fuel Supplier to pre-qualify bidders. The information required by the Branded Fuel Suppliers must be provided to the Branded Fuel Suppliers no later than the deadline for submitting written bids to the Debtor and must be submitted simultaneously to counsel for the Debtor, the Committee and the Lender.

For prospective and existing wholesalers with an interest in the Branded Fuel Suppliers, potential bidders with an interest in the Shell brand may contact Shell via their attorney of record in this proceeding, Sharon M. Beausoleil, Fulbright & Jaworski LLP, 1301 McKinney Street, Suite 5100, Houston Texas 77010 (Telephone 713-651-5151, Facsimile 713-651-5246). Potential Bidders with an interest in a ConocoPhillips brand may contact Mark Moedritzer, Shook, Hardy & Bacon LLP, 2555 Grand Boulevard, Kansas City, Missouri 64108 (Telephone 816-474-6550, Facsimile 816-421-5547). Potential Bidders with an interest in the Valero brand may contact Timothy Ammons, Litigation Counsel, Valero Energy Corporation, One Valero Way, PO Box 696000, San Antonio, Texas 78269 (Telephone 210-345-2990, Facsimile 210-345-3578). The simultaneous submission of financial information to the Debtor, Committee and Lender shall be

directed as follows: for the Debtor – Scott J. Goldstein, Spencer, Fane Britt & Browne LLP, 1000 Walnut Street, Suite 1400, Kansas City, Missouri 64106 (Telephone 816-474-8100, Facsimile 816-474-3216); for the Committee – Francis J. Lawall, Pepper Hamilton LLP, 3000 Two Logan Square, Philadelphia, Pennsylvania 19103 (215-981-4481, Facsimile 215-981-4750); the Lender – Mark G. Stingley, Bryan Cave LLP, 1200 Main Street, Suite 3500, Kansas City, Missouri 64105 (Telephone 816-374-3200, Facsimile 816-374-3300).

Any determination by a Branded Fuel Supplier as to the qualifications of a bidder may be taken into consideration by the Debtors, but is not binding upon the Debtors with regard to either the Debtors' determination of the prevailing or winning bid or bids.

VII. DETERMINATION OF PREVAILING BIDS.

After the Bid Deadline, the Selling Debtors shall, not later than 5 p.m., Central Daylight Time, July 24, 2009, and after consultation with their financial advisors and the Committee, and with the consent of Lender, announce to all persons submitting a Qualified Bid the bid or bids considered to be the highest and best for each group of assets.

VIII. AUCTION PROCEDURES.

At 2:00 p.m., Central Daylight Time, on August 4, 2009, Selling Debtors shall conduct an auction of the assets at Bryan Cave LLP, 1200 Main Street, Suite 3500, Kansas City, Missouri 64105 (the "Auction"). The Auction shall be governed by the following procedures:

(a) only parties having submitted a Qualified Bid, the Selling Debtors and their counsel, the Lender and its Counsel, and members of the Committee and their counsel and financial advisor, and any Branded Marketer and its counsel and financial advisor may attend the Auction;

(b) parties may only bid on those assets either included in a Qualified Bid they have submitted or for which they have previously requested, and been granted by the Selling Debtors, prequalification on;

(c) the Selling Debtors reserve the right to offer all of the assets together at the Auction or in such lots as they determine in their sole discretion to be most likely to maximize their value at sale;

(d) each bid made at the Auction must exceed the immediately prior bid by not less than the sum of \$100,000 if the bid is on all of the property offered at the auction or, for an auction of less than all of the Selling Debtors' property, in such smaller incremental amounts set by the Selling Debtors, after consultation with the Committee and the consent of the Lender; and

(e) each bidder must appear in person or through an authorized representative to act on its behalf in a writing signed by the bidder and previously submitted to counsel for the Selling Debtors.

IX. ANNOUNCEMENT OF WINNING BID AND EXECUTION OF PURCHASE AGREEMENT.

At the conclusion of the Auction, Debtors and their counsel, after consultation with their financial advisors and the Committee and with the consent of the Lender, will select the bid for each group of assets that they consider the highest or best bid (the "Winning Bid"). Before leaving the Auction the Winning Bidder(s) must sign and complete all agreements or other documents evidencing and containing the terms and conditions upon which its Winning Bid(s) was made. Branded Marketers shall be allowed to participate in the discussion and evaluation of the bids to the extent that the bids relate to Shell-branded locations, but the Debtor is not bound by any recommendation or determination made by the Branded Marketers.

X. SELLING DEBTORS' ACCEPTANCE OF WINNING BID SUBJECT TO BANKRUPTCY COURT APPROVAL.

The Winning Bid will be subject to approval by the Bankruptcy Court at the Sale Hearing. The Selling Debtors shall be deemed to have accepted the Winning Bid only when the Winning Bid has been approved by the Bankruptcy Court. Subject to the Court's resolution at the Sale Hearing of a dispute regarding which bid was the Winning Bid, the Selling Debtors' determination of the Winning Bid shall be conclusive.

XI. SALE HEARING.

A hearing (the "Sale Hearing") will be held to approve the sale of the Sale Assets to the Prevailing Bidder in Room 144 of the United States Bankruptcy Court for the District of Kansas, 500 State Avenue, Kansas City, Kansas, 66101, at 9:30 a.m. (Central Daylight Time), on August 12, 2009. The Sale Hearing may be adjourned by the Bankruptcy Court from time to time without further notice to creditors or parties-in-interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

Any objections to the sale shall be in writing, shall conform to the Bankruptcy Rules and local rules and orders of the Court, shall set forth (i) the nature of the objector's claims against or interests in Debtors' property and estate, (ii) the basis for the objection, (iii) an accounting for the amount of any claim, lien, charge or other interest asserted in the assets to be sold, and (iv) a summary of all evidence in support of said objection, and shall be filed and served so as to be received not later than 5:00 p.m. CDT on August 10, 2009, by (a) each person who receives electronic notice in Debtors' bankruptcy proceedings and (b) counsel for each party submitting a Winning Bid.

XII. FAILURE TO CONSUMMATE.

If for any reason a party submitting a Winning Bid fails to timely consummate the sale on the terms of the Winning Bid, the party submitting the next highest or best bid, in the Selling Debtors' sole discretion, will automatically be deemed to have submitted the Winning Bid and, to the extent the Selling Debtors and the Lender consent after consultation with the Committee, Debtors and such bidder are authorized to effect the sale of the assets on the terms of that bid without further order of the Court.

XIII. RETURN OF DEPOSITS.

After Winning Bids have been selected and the sale of the assets to Winning Bidders have been approved by the Bankruptcy Court and consummated, the Bid Deposits submitted by non-successful bidders shall be returned to them. However, if a failure to consummate the purchase is the result of a breach of the sale terms by the party submitting the Winning Bid, its Bid Deposit shall be forfeited to the Selling Debtor's bankruptcy estates, subject to the Lender's liens. Debtors specifically reserve the right to additionally seek all available damages from the defaulting bidder.

XIV. MISCELLANEOUS.

Selling Debtors, in consultation with the Committee and consent of the Lender, reserve the right to (i) impose, at or prior to the Auction, additional terms and conditions on a sale; (ii) extend the deadlines from those set forth herein, adjourn or continue the Auction, and/or adjourn or continue the Sale Hearing without further notice; (iii) withdraw from the sale of some or all of the assets prior to or during the Auction and to make subsequent attempts to market the same and (iv) reject all bids if, in Selling Debtors' business judgment, no bid is for a fair and adequate price or sufficient to meet its obligations to secured creditors and lessors of leases or contracts to be assumed as part of the sale.

If a bidder indicates that it seeks assumption and assignment of certain executory contracts or unexpired leases, the written bid must include sufficient information to permit Debtors to file a timely motion to assume and assign such executory contracts and unexpired leases to determine the bidder's ability to meet the requirements of Bankruptcy Code § 365.

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