

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment, Bill of Sale and Conveyance ("Assignment") dated effective December 31, 2013 (the "Effective Date") is by and between **EFTS II, INC.** and **THE GEORGE & EVA EVANS LIVING TRUST UDT DATED JANUARY 15, 1993** (collectively, "Assignor"), located at 901 Montana Avenue, Suite B, Santa Monica, California 90403 to **ENCANA OIL & GAS (USA) INC.** ("Assignee"), located at 370 Seventeenth Street, Suite 1700, Denver, Colorado 80202.

For the consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby assigns, transfers and conveys unto Assignee, all of Assignor's right, title and interest, in and to (A) the oil and gas lease (the "Lease"), the lands covered thereby (the "Lands"), and the wells described on Exhibit A (the "Grant Brothers Wells"), and (B) the wells, associated wellbores and associated hydrocarbon production from those certain wells described on Exhibit B (collectively, the "Wellbore Interests"). The Lease, the Lands and the Grant Brothers Wells are referred to herein collectively as the "Leasehold Interests."

2. Leasehold Interests. With respect to the Leasehold Interests, Assignor hereby transfers, assigns and conveys unto Assignee all of Assignor's right, title and interest in and to the following:

(a) Any rights, privileges, surface, mineral, overriding royalty, reversionary or remainder interests which relate to the Leasehold Interests except as noted herein;

(b) All of the present existing and valid communitization, unitization and pooling agreements (including all units formed under order, regulations, rules or other official acts of any federal, state or other governmental agency having jurisdiction) which relate to the Leasehold Interests; and

(c) All gas marketing contracts, gas purchase contracts, segregation agreements, or other such agreements as may cover and affect the Leasehold Interests.

3. Wellbore Interests. With respect to the Wellbore Interests, Assignor hereby transfers, assigns and conveys unto Assignee all of Assignor's right, title and interest in and to the following:

(a) The right to workover, maintain, recompleat, deepen, produce uphole, plug back, and conduct other operations with respect to the wells described on Exhibit B;

(b) The personal property and fixtures associated with the wells described on Exhibit B, including without limitation, all tubing, casing, wellheads, flowlines, intermediate sales lines,



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valves, meters, separators, tanks and other associated production equipment and other equipment in the wellbores and all wellhead equipment;

(c) To the extent assignable, all government permits, licenses and authorizations, as well as any applications for the same, related to the Wellbore Interests or the use thereof;

(d) All surface and subsurface rights, title and interest incident or appurtenant to the Wellbore Interests, including Assignor's right, title and interest in and to all easements, rights-of-way, permits, licenses, servitudes or other similar interests;

(e) the surface and subsurface rights in the leases associated with the Wellbore Interests and the production of hydrocarbons therefrom, including (i) that certain lease by and between Archie M. Sprague as lessor, and Martin J. Freedman, as lessee, dated June 25, 1970, recorded in Book 630 as Reception No. 1551892 in the records of Weld County, Colorado and covering the NW/4 of Section 9, Township 2 North, Range 67 West; and (ii) that certain lease by and between Archie M. Sprague, as lessor, and Martin J. Freedman, as lessee, dated June 25, 1970, recorded in Book 630 as Reception No. 1551893 in the records of Weld County, Colorado and covering the SW/4 of Section 9, Township 2 North, Range 67 West; (iii) that certain oil and gas lease by and between Myron Martinson et ux, as lessor, and T.S. Pace, as lessee, dated February 18, 1970, recorded in Book 622 as Reception No. 1544382 in the records of Weld County, Colorado and covering the SW/4 of Section 24, Township 4 North, Range 66 West; (iv) that certain oil and gas lease by and between Margaret M. Sullivan, as lessor, and T.S. Pace, as lessee, dated February 19, 1970, recorded in Book 622 as Reception No. 1544383 in the records of Weld County, Colorado and covering the SW/4 of Section 24, Township 4 North, Range 66 West; and (v) that certain oil and gas lease by and between Sam Segal et ux, as lessor, and D.L. Percell, as lessee, dated February 10, 1970, recorded in Book 622 as Reception No. 1544120 in the records of Weld County, Colorado and covering the N/2 of Section 24, Township 4 North, Range 66 West; and

(f) To the extent assignable and applicable to the Wellbore Interests or the items described in paragraphs (a) through (e) above, all gas purchase and sale contracts (including interests and rights, if any, with respect to any prepayments, take-or-pay, buydown and buyout agreements) to the extent that the same pertain or relate to periods after the Effective Date, as hereinafter defined, crude purchase and sale agreements, farmin agreements, farmout agreements, bottom hole agreements, acreage contribution agreements, operating agreements, unit agreements, processing agreements, options, leases of equipment or facilities, joint venture agreements, pooling agreements, transportation agreements, and other contracts, agreements and rights, which are owned by Assignor, in whole or in part, insofar and only insofar as they are used for the production of oil and gas from the Wellbore Interests or the items described in paragraphs (a) through (e) above. For avoidance of doubt, Assignor intends to convey to Assignee all right, title and interest in the Wellbore Interests and the Lease reserved by Assignor in that certain Assignment, Bill of Sale and Conveyance dated effective March 14, 2006, recorded on April 3, 2006, as Reception No. 3375605 in the records of Weld County, Colorado.

4. Purchase and Sale Agreement. This Assignment is being made pursuant to the terms of the Purchase and Sale Agreement dated effective December 31, 2013, between Assignor and



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Assignee (the "PSA"). All capitalized terms used but not otherwise defined herein shall have the respective meanings given to them in the PSA. If there is a conflict between the terms of this Assignment and the terms of the PSA, the terms of the PSA shall control to the extent of the conflict. The Assignor and Assignee intend that the terms of the PSA remain separate and distinct from and not merge into the terms of this Assignment.

5. SPECIAL WARRANTY. ASSIGNOR WARRANTS TITLE TO THE LEASEHOLD INTERESTS AND THE WELLBORE INTERESTS FROM AND AGAINST ALL PERSONS CLAIMING BY, THROUGH AND UNDER ASSIGNOR, BUT NOT OTHERWISE, AND EXCEPT FOR THAT WARRANTY, AND AS PROVIDED IN THE PSA, THIS ASSIGNMENT IS MADE WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY.

6. Binding Effect. This Assignment and all rights and covenants and conditions hereof shall be considered covenants running with the land and shall inure to and be binding upon the parties hereto, their respective successors and assigns.

7. Further Assurances. Assignor will execute, acknowledge and deliver all further conveyances, transfer orders, division orders, notices, releases, change of operator forms and such other instruments as may be reasonably necessary or appropriate to more fully assure and convey to Assignor, its successors or assigns, all of the Leasehold Interests and the Wellbore Interests and the rights, title and interests, remedies, powers and privileges assigned and conveyed by this instrument or intended to be so assigned and conveyed.

8. Subrogation. To the extent permitted by law, Assignee shall be subrogated to Assignor's rights in and to representations, warranties and covenants given with respect to the Leasehold Interests and the Wellbore Interests. Assignor hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable and permitted by law, the benefit of and the right to enforce the covenants, representations and warranties, if any, which Assignor is entitled to enforce with respect to the Leasehold Interests and the Wellbore Interests, but only to the extent not enforced by Assignor.

9. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

(signatures on following page)

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Steve Moreno, Clerk and Recorder, Weld County, CO


(signatures on following page)

This Assignment is hereby executed to be effective as of the Effective Date.

**ASSIGNOR:
EFTS II, INC.**

[Signature]
By: Fredda K. Evans, Vice President



STATE OF CALIFORNIA §
COUNTY OF Los Angeles §

On December 31, 2013, before me, Kelly Charpenet, a notary public in and for said County and State, personally appeared Fredda K. Evans, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she~~ executed the same in ~~his/her~~ authorized capacity and that by ~~his/her~~ signature(s) on the instrument the persons, or the entity upon behalf of which the person(s) acted, executed the instrument.

My Commission Expires:

10/14/16

Kelly Charpenet
Notary Public

THE GEORGE & EVA EVANS LIVING TRUST UDT DATED JANUARY 15, 1993

[Signature]
By: Fredda K. Evans, in her capacity as Trustee and not in her individual capacity

STATE OF CALIFORNIA §
COUNTY OF Los Angeles §




On December 31, 2013, before me, Kelly Charpenet, a notary public in and for said County and State, personally appeared Fredda K. Evans, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she~~ executed the same in ~~his/her~~ authorized capacity and that by ~~his/her~~ signature(s) on the instrument the persons, or the entity upon behalf of which the person(s) acted, executed the instrument.

My Commission Expires:

10/14/16 Kelly Charpenet

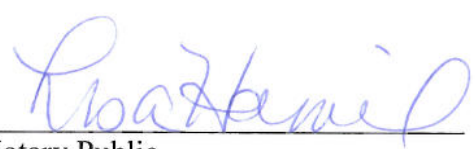
ASSIGNEE:
ENCANA OIL & GAS (USA) INC.

By: 
Name: RICK GALLEGOS 
Title: V.P. BUS. DEV. NEGOTIATIONS + LEAD USA LAND

STATE OF COLORADO §
CITY AND §
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on this 31st day of December, 2013 by RICK GALLEGOS, in his/her capacity as V.P. BUS. DEV. NEGOTIATIONS + LEAD USA LAND of Encana Oil & Gas (USA) Inc., a Delaware corporation, on behalf of said corporation. LAND

My Commission Expires:


Notary Public




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Steve Moreno, Clerk and Recorder, Weld County, CO


EXHIBIT A

Attached hereto and made a part hereof that certain Assignment, Bill of Sale and Conveyance between EFTS II, Inc. and The George & Eva Evans Living Trust UDT Dated January 15, 1993, as Assignor, and Encana Oil & Gas (USA) Inc., as Assignee, dated December 31, 2013

Lease and Related Wells

Seller owns an interest in the following lease and wells from the surface to the top of the "J" sand formation:

Date: August 21, 1970

Recorded: Recorded September 14, 1970 in Book 633 at Reception Number 1554542

Lessor: Helen M. Grant, a widow, Fern W. Wikstrand and Victor E. Wikstrand, her husband

Lessee: Martin Freedman

Lands: Township 2 North, Range 68 West, 6th P.M.
Section 23: SE/4*
Weld County, Colorado, containing 160 acres, more or less

**The interest being assigned herein does not include the Grant Brothers 43-23 Well located in the NESE of Section 23, Township 2 North, Range 68 West, 6th P.M. and the leasehold interest covering that certain 40 acre portion of the spacing unit for the well described as the NESE of Section 23, Township 2 North, Range 68 West, 6th P.M.

Working Interest: 51.000000%

Net Revenue Interest: 41.804062%

Wells:

Grant Brothers 33-23C (NW/4SE/4)

Grant Brothers 34-23C (SW/4SE/4)

Grant Brothers 44-23C (SE/4SE/4)

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Steve Moreno, Clerk and Recorder, Weld County, CO



A handwritten signature in blue ink, appearing to be 'RL' or similar initials.

EXHIBIT B

Attached hereto and made a part hereof that certain Assignment, Bill of Sale and Conveyance between EFTS II, Inc. and The George & Eva Evans Living Trust UDT Dated January 15, 1993, as Assignor, and Encana Oil & Gas (USA) Inc., as Assignee, dated December 31, 2013

Wellbore interests

Township 4 North, Range 66 West, 6th P.M.

Section 24

Weld County, Colorado

Working Interest: 100.00%

Net Revenue Interest: 81.96875%

<u>Well Name</u>	<u>Location</u>	<u>API Number</u>	<u>Producing Formations</u>
Sam Segal #21-24	NE/4NW/4	05-123-09053	Sussex
Sam Segal #41-24	NE/4NE/4	05-123-08311	Sussex
Segal #32-24C	SW/4NE/4	05-123-13635	Codell, Niobrara, Sussex
Segal #12-24C	SW4NW/4	05-123-13634	Codell, Niobrara
My.Martinson #14-24*	SW/4SW/4	05-123-09281	Sussex
Martinson #23-24C	NE/4SW/4	05-123-13636	Codell, Niobrara, Sussex

*This well was plugged and abandoned in 2008.

Township 2 North, Range 67 West, 6th P.M.

Section 9

Weld County, Colorado

Working Interest: 100.00%

Net Revenue Interest: 81.46875%

<u>Well Name</u>	<u>Location</u>	<u>API Number</u>	<u>Producing Formations</u>
Sprague #1	SE/4SW/4	05-123-07257	J-Sand, Codell
Sprague #1-9	NE/4NW/4	05-123-14823	J-Sand
Sprague #22-9J	SE/4NW/4	05-123-20582	J-Sand
Sprague #23-9J	NE/4SW/4	05-123-20578	J-Sand

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