

## ASSIGNMENT, CONVEYANCE AND BILL OF SALE

THIS ASSIGNMENT, CONVEYANCE AND BILL OF SALE (this "*Assignment*") is dated December 2, 2015, but effective as of 7:00 a.m. Mountain Standard Time December 1, 2015 (the "*Effective Date*"), and is between PDC Energy, Inc., a Delaware corporation ("*Assignor*") with an office at 1775 Sherman Street, Suite 3000, Denver, Colorado 80203, and Kerr-McGee Oil & Gas Onshore LP, a Delaware limited partnership ("*Assignee*") with offices at 1099018<sup>th</sup> Street, Suite 1800 Denver, Colorado 80202. Assignor and Assignee are each also referred to as a "*Party*."

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns, conveys, and transfers to Assignee all of Assignor's right, title, and interest, in and to the following property, interests and rights (collectively, the "*Assets*"):

(a) all of Assignor's right, title and interest in and to the leases described on Exhibit A-1 to this Assignment, insofar and only insofar as such leases cover and relate to the lands described on Exhibit A-1 (the "*Leases*") and all of Assignor's right, title and interest in the oil and gas wells described on Exhibit A-2 to this Agreement (the "*Wells*");

(b) all of Assignor's right, title and interest in the personal property and fixtures used in connection with the operation of the Wells, including, but not limited to, all lease equipment, wells, tanks and all other equipment associated with such Wells as of the date of execution of this Assignment;

(c) To the extent transferable, the rights and obligations existing under all unitization, pooling and communitization agreements, declarations, orders, and the units created thereby insofar as the same relate to the Leases and to the production of oil, gas and other hydrocarbons ("*Hydrocarbons*"), if any, attributable or allocated to the Leases, and all surface leases, permits, rights-of-way, easements and other surface rights agreements insofar as the same are used primarily in connection with the exploration, drilling, production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from the Leases, including, without limitation, those certain contracts and agreements described on Exhibit A-3; and

(d) The files, records, data, and other documentary information, including abstracts of title, title opinions and memoranda, and title curative documents, maintained by Assignor pertaining to the Leases and Wells, but excluding the following: (i) all of Assignor's internal appraisals and interpretive data related to the Leases and Wells, (ii) proprietary information, including without limitation all engineering evaluations prepared by or on behalf of Assignor, (iii) any seismic, geological or geophysical information and data that are interpretive in nature, and (iv) all confidential correspondence and other information that Assignor has agreed to maintain in confidence and information subject to a privilege (other than title opinions and title memoranda).

SUBJECT TO ALL BURDENS OF RECORD AS OF THE DATE HEREOF.

TO HAVE AND TO HOLD the Assets unto Assignee and its successors and assigns forever.

This Assignment is made and accepted expressly subject to the following terms and conditions:

1. **Excluded Assets.** The Assets do not include, and there is excepted, reserved and excluded from this Assignment all accounts receivable attributable to the Properties being assigned that are, in accordance with generally accepted accounting principles, attributable to the period prior to the Effective Time.

2. **Exchange Agreement Controls.** This Assignment is subject to that certain Exchange Agreement dated December 2, 2015 by and between Assignor and Assignee (as amended, restated, modified, or supplemented from time to time, the "Agreement"). Assignor and Assignee intend that the terms of the Agreement remain separate and distinct from and not merge into this Assignment. If there is a conflict between the terms of this Assignment and the terms of the Agreement, the terms of the Agreement will control to the extent of the conflict.

3. **Special Warranty of Title.** This Assignment is made without representation or warranty of any kind, express, implied, statutory or otherwise; except that Assignor represents and warrants to Assignee that the Assets are free and clear of all liens, claims, encumbrances and demands of all persons lawfully claiming by, through or under Assignor, but not otherwise. Assignor gives and grants to Assignee, its successors, and assigns, to the extent so transferable, full power and right of substitution and subrogation in and to all covenants and warranties by others heretofore given or made in respect of the Assets or any part thereof.

4. **Disclaimers.**

(a) **Disclaimers Conspicuous.** The Parties agree that, to the extent required by applicable law to be operative, the disclaimers contained in this Section 4 are "conspicuous" disclaimers for the purposes of any applicable law, rule or order.

(b) **"AS IS, WHERE IS" PURCHASE.** EXCEPT FOR THE SPECIAL WARRANTY OF TITLE IN THIS ASSIGNMENT, THE LEASES AND WELLS ARE BEING CONVEYED WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED, STATUTORY, COMMON LAW OR OTHERWISE, AND ASSIGNEE HEREBY EXPRESSLY DISCLAIMS, WAIVES AND RELEASES ANY EXPRESS WARRANTY OF MERCHANTABILITY, CONDITION OR SAFETY AND ANY EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND ASSIGNEE ACCEPTS THE ASSETS, "AS IS, WHERE IS, WITH ALL FAULTS, WITHOUT RECOURSE." ALL DESCRIPTIONS OF THE WELLS, EQUIPMENT, FACILITIES, PERSONAL PROPERTY, FIXTURES AND STRUCTURES HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY ASSIGNOR HAVE BEEN AND SHALL BE FURNISHED SOLELY FOR ASSIGNEE'S CONVENIENCE, AND HAVE NOT CONSTITUTED AND SHALL NOT CONSTITUTE A REPRESENTATION OR WARRANTY OF ANY KIND BY ASSIGNOR. ASSIGNEE EXPRESSLY WAIVES THE WARRANTY OF FITNESS AND THE WARRANTY AGAINST VICES AND DEFECTS,

WHETHER APPARENT OR LATENT, IMPOSED BY ANY APPLICABLE STATE OR FEDERAL LAW.

(c) Inspection. Assignee has inspected, or waived its right to inspect, the Assets for all purposes, and satisfied itself as to their physical and environmental condition, both surface and subsurface, including conditions specifically relating to the presence, release, or disposal of hazardous materials, solid wastes, asbestos, other man-made fibers, and naturally occurring radioactive materials. Assignee is relying solely upon its own inspection of the Assets.

5. Binding Effect. This Assignment binds and inures to the benefit of the Parties and their permitted successors and assigns. The covenants and agreements herein shall be covenants that run with the land.

6. Construction. In the event an ambiguity or question of intent or interpretation of this Assignment arises, this Assignment shall be construed as if jointly drafted by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring a Party as a result of authorship or drafting of any provision of this Assignment.

7. Severability. If any term or other provision of this Assignment is invalid, illegal, or incapable of being enforced under any rule of law, all other conditions and provisions of this Assignment shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in a materially adverse manner with respect to either Party.

8. Execution. This Assignment may be executed and delivered in one or more counterparts, each of which when executed and delivered shall be an original, and all of which when executed shall constitute one and the same instrument. Separate assignments of the Leases may be executed on officially approved forms by Assignor to Assignee, in sufficient counterparts to satisfy applicable statutory and regulatory requirements, including assignments of "record" title or "operating rights" with respect to federal Leases. Those assignments shall be deemed to contain all of the exceptions, reservations, warranties, rights, titles, power and privileges set forth herein as fully as though they were set forth in each such assignments. The interests conveyed by such separate assignments are the same, and not in addition to, the Assets conveyed herein.

*Signature Page Follows*

***Signature Page to Assignment, Conveyance and Bill of Sale***

This Assignment is executed the date of the acknowledgment for each Party, but effective as of the Effective Date.

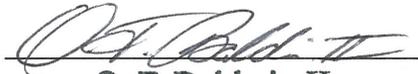
Assignor:

PDC Energy, Inc.

By:

Name:

Title:



**O. F. Baldwin II**

**Vice President Land**

Assignee:

Kerr-McGee Oil & Gas Onshore LP

By:

Name:

Title:



Michael A. Nixon

Agent and Attorney-in-Fact

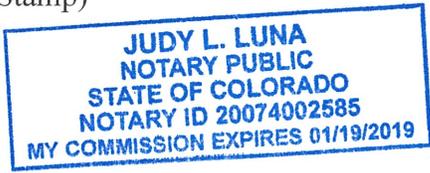
ACKNOWLEDGMENTS

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 2 day of December 2015, by Michael A. Nixon, as Agent and Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, a Delaware limited partnership, on behalf of such limited liability company.

Witness my hand and official seal.

(Seal/Stamp)



Judy L. Luna  
Notary Public

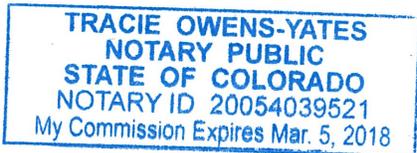
My commission expires: 1-19-2019

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 2nd day of December 2015, by O. F. Baldwin as 4D Land of PDC Energy, Inc., a Delaware corporation, on behalf of such corporation.

Witness my hand and official seal.

(Seal/Stamp)



Tracie Owens-Yates  
Notary Public

My commission expires: 3/5/2018

Exhibit A-1  
PDC Leases

PDC LEASE FILE	LESSOR	LESSEE	TYPE	TWN	RNG	SEC	DESCRIPTION	LEASE DATE	EXP DATE	COUNTY	STATE	REC NUMBER
COL01540.000	Leonard Avey and Alice Avey, husband and wife, Gean M. Hein, Herschel R. Hein, Susuan K. Longwedel, John L. Longwedel and Leo L. Avey and Colleen J. Avey, husband and wife	Fuel Resources Development Co.	OGL	1 North	66 West	9	6th PM T1N R66W Sec 9: SW	4/30/1977	4/30/1982	Weld	CO	1719199
COL01541.001	Wayne R. Glendenig and Vera I. Glendenig, Husband and Wife	Petrocor Associates	OGL	1 North	66 West	9	Tract: 1 6th PM T1N R66W Sec 9: E2NW Tract: 2 6th PM T1N R66W Sec 9: W2NW part of less approximately six acres in the NW corner for the Phillips-Haynes Reservoir.	2/1/1979	2/1/1984	Weld	CO	1788841
COL01541.002	John Calvin Ball	H. L. Willett	OGL	1 North	66 West	9	6th PM T1N R66W Sec 9: W2NW part of less approximately six acres in the NW corner for the Phillips-Haynes Reservoir.	5/13/1981	10/11/1986	Weld	CO	1858663
COL01542.001	Gottlieb A. Gabel and Pauline C. Gabel, husband and wife	Fuel Resources Development Co.	OGL	1 North	66 West	9	6th PM T1N R66W Sec 9: W2NW part of	5/3/1982	5/3/1984	Weld	CO	1891262
COL01542.002	Fort Lupton 110, a general partnership	Fuel Resources Development Co.	OGL	1 North	66 West	9	6th PM T1N R66W Sec 9: W2NW part of	4/23/1982	4/23/1984	Weld	CO	1891261

**Exhibit A-2  
PDC Wells**

API	Well Name	Unit	Section	TWN	RNG
05123259570000	Avey 31-9	NWSW	9	1N	66W
05123106430000	Leonard Avey et al 1	NESW	9	1N	66W

Exhibit A-3  
PDC Contracts

PDC CONTRACT #	AGREEMENT TYPE	DESCRIPTION	COUNTY	STATE	DATE	GRANTOR	GRANTEE
COC02502	Joint Operating Agreement	1N-66W	Weld	CO	3/1/1982	Fuel Resources Development Co.	H.L. Willett
COC02651	Road Easement and Access Agreement	1N-66W-09: NE4	Weld	CO	12/18/2014	Fort Lupton Highlands-160 Fitzsimmons	PDC Energy, Inc.
COC02652	Road Right of Way and Easement Agreement	1N-66W-09: NW4	Weld	CO	1/8/2015	Cynthia K. Fitzsimmons and John J. Fitzsimmons	PDC Energy, Inc.
COC02711	Joint Operating Agreement	1N-66W-09: W2	Weld	CO	3/1/1982	Fuel Resources Development Co.	John D. Cranor, Donn W. Hein, Charles S. Searle
COS100035	Grant of Easement and Surface Damage Agreement	1N-66W-09: SW4 (Lot B) except Lot A of Recorded Exemption 1471-9-3-RE2144	Weld	CO	7/7/2007	James R. and Lisa L. Smith	Merit Energy Company
COS100036	Right Of Way Easement	1N-66W-09: E2SW4	Weld	CO	3/13/1982	Fuel Resources Development Co.	Herschel R. Hein and Gean M. Hein
K8396	Gas Gathering Agreement	1N-66W-09: E2SW4	Weld	CO	1/14/2008	Kerr-McGee Gathering LLC	Merit Energy Company
COC02650	Surface Use Agreement	1N-66W-09: NW/4	Weld	CO	1/8/2015	John J. & Cynthia J. Fitzsimmons	PDC Energy, Inc.