

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THAT for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned James Edward Bates, LLC (“Assignor”), whose address is P.O. Box 796 Brighton, Colorado 80601, does hereby sell, assign, transfer, set over and convey, effective as of June 1st, 2017 at 12:00 a.m., Mountain Standard Time (the “Effective Time”), unto K.P. Kauffman Company, Inc., a California corporation (“Assignee”), whose address is 1675 Broadway, Suite 2800, Denver, Colorado 80202, subject to the terms and provisions set forth herein, all of Assignor’s right, title and interest in, to, under or derived from the following (the “Properties”):

- (a) The oil and gas leases described on Exhibit A-1 (the “Leases”)
- (b) The oil and gas wells on the lands specifically described on Exhibit A-2 (the “Wells”);
- (c) All equipment, tubing, compressors, tanks and associated equipment necessary for the operation of the Wells described on Exhibit A-2 (the “Equipment”);
- (d) Seller’s interest in Surface Use Agreements and other contracts insofar and only insofar as relate to the interests being acquired by Buyer pursuant to this Agreement in the Properties (the “Contracts”);
- (e) All data, files and information related to the interests described in Sections (a) through (c), including, without limitation, all (i) land files, contract files, surveys, maps, plats, correspondence and other documents and instruments evidencing Seller’s title to the Leases (ii) accounting and financial records, (iii) sales and property tax records, (iv) operation and maintenance records, and (v) all other books, records, and files containing financial, title or other information that relate solely to the Leases, the Wells or the Contracts (the “Records”).

EXCEPTING AND RESERVING TO ASSIGNOR a two and half percent (2.5%) overriding royalty in each of the Wells listed on Exhibit A-2.

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

This Assignment, Bill of Sale and Conveyance is made and accepted expressly subject to the following terms and conditions:

1. This Assignment is subject to and a part of that certain Letter Agreement, dated effective June 1, 2017, by and between K.P. Kauffman Company, Inc. ("Buyer") and James Edward Bates, LLC ("Seller").

2. Revenues, Expenses and Capital Expenditures. With respect to the Wells, Seller shall be entitled to all operating revenues and related accounts receivable arising in the ordinary course of business, including all revenues currently being held in suspense by Buyer, and shall be responsible for all capital and operating expenses and related accounts payable arising in the ordinary course of business, including the unpaid JIB balances attributable to the Wells, in each case to the extent they relate to the time prior to the Effective Time. With respect to the Wells, Buyer shall be entitled to all operating revenues and related accounts receivable arising in the ordinary course of business attributable to the Properties and responsible for the payment of all operating expenses and related accounts payable arising in the ordinary course of business attributable to the Properties, in each case to the extent they relate to time after the Effective Time.

3. Special Warranty of Title. Assignor represents and warrants to Assignee that it owns the leasehold interest as described in Exhibit A-1 hereto and all associated leases insofar as such leases cover and relate to the Wells and Assignor specially warrants and defends title to its interests in the Wells as against the claims of all claiming by, through, or under Assignor and its affiliates, but not otherwise.

4. Transfer of Interest. Assignor will execute and deliver all such other and additional instruments, and other documents, and will do all such other acts and things, as may be necessary more fully to assure to Assignee, its successors and assigns, of the respective rights and interests herein and hereby granted.

5. Successors and Assigns. The provisions hereof shall be covenants running with the land and shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

6. Recording. Assignee will file this Assignment for record and furnish Assignor with a copy of the recorded document.

7. Compliance Rules and Regulations; Further Assurances. Assignee agrees to perform all operations in compliance with all applicable local, state, and federal laws, orders, rules and regulations, and to observe, perform and abide by all of the lease terms and provisions, express and implied, applicable to Assignor's interest in the lands described in Exhibit A hereto. Assignee further agrees to take all reasonable actions as required by the appropriate regulatory authority that are necessary to effectuate the transfer of the Wells and property hereby and/or to cause the release of Assignor's continued liability as lessee or operator. Assignor and Assignee agree to execute such further documents and assurances as may be required for the full and complete enjoyment of the interests and rights herein granted.

EXHIBIT A-1

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance between James Edward Bates, LLC, Seller, and K.P. Kauffman Company, Inc., Buyer, dated June 1, 2017

<u>Lessor</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Book</u>	<u>Page / Reception</u>	<u>County</u>	<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Description</u>	<u>Depths</u>
Martin T. Hart and Nadine M Hart	Energy Minerals Corporation	06/03/70	629	1550984	Weld	2N	67W	27	E/2NE/4, W/2NE/4, less a 10 ac parcel	Surface to base of the Sussex formation
Kenneth D Vonasek and Keith Q Vonasek	T.S. Pace	2/14/1970	623	1544608	Weld	2N	67W	27	S/2SE/4, N/2SE/4	Surface to base of the Sussex formation
Charles H. Morgan and Julia M. Morgan	Energy Minerals Corporation	2/2/1971	642	1564006	Weld	2N	67W	27	A Parcel of land in the SE/4NE/4	Surface to base of the Sussex formation

EXHIBIT A-2

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance between James Edward Bates, LLC, Seller, and K.P. Kauffman Company, Inc., Buyer, dated June 1, 2017

<u>WELL NAME</u>	<u>API</u>	<u>T</u>	<u>R</u>	<u>S</u>	<u>QTR/QTR</u>	<u>COUNTY</u>
VONASEK 1	0512307708	2N	67W	27	NESE	WELD
VONASEK 2	0512308214	2N	67W	27	SWNE	WELD
VONASEK 3	0512308219	2N	67W	27	NENE	WELD
VONASEK 4	0512308523	2N	67W	27	SWSE	WELD
VONASEK 5	0512309218	2N	67W	27	SESE	WELD
VONASEK 6	0512309219	2N	67W	27	NWSE	WELD
VONASEK 7	0512309229	2N	67W	27	SENE	WELD
VONASEK 8	0512309233	2N	67W	27	NWNE	WELD