

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF COLORADO §
 §
COUNTY OF GARFIELD §

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment"), entered into on June 18, 2013, but effective as of January 1, 2013, at 12:01 a.m. Mountain Time (the "Effective Time"), is by and among PDC Energy, Inc., a Nevada corporation, CO and PA 1999D Limited Partnership, Colorado 2000B Limited Partnership, Colorado 2000C Limited Partnership, Colorado 2000D Limited Partnership, Colorado 2001A Limited Partnership, Colorado 2001B Limited Partnership, Colorado 2001C Limited Partnership, Colorado 2001D Limited Partnership, Colorado 2002A Limited Partnership, PDC 2002-B Limited Partnership, PDC 2002-C Limited Partnership, Rockies Region 2006 Limited Partnership, and Rockies Region 2007 Limited Partnership, each a West Virginia limited partnership (collectively "Assignor"), whose address is 1775 Sherman Street, Suite 3000, Denver, Colorado 80203 and Caerus Piceance LLC, a Colorado limited liability company ("Caerus Piceance"), and Caerus Holding Company LLC, a Delaware limited liability company ("Caerus Holding" and, together with Caerus Piceance, "Assignee"), whose address is 600 Seventeenth Street, Suite 1600N, Denver, Colorado 80202.

ARTICLE I
Granting and Habendum

For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt, and sufficiency of which are hereby acknowledged, Assignor does hereby grant, bargain, sell, transfer, convey, set over, assign and deliver unto Assignee, its successors and assigns, effective for all purposes as of the Effective Time and subject to the matters set forth herein, the Assets as follows (all of Assignor's right, title and interest in and to the following, except for the Excluded Assets (defined below), as of the Effective Time, the "Assets");

(a) To each of Caerus Holding and Caerus Piceance, an undivided 50% of Assignor's right, title and interest in and to the oil and gas lease described on **Exhibit A-1**, together with all amendments, supplements, renewals, extensions or ratifications thereof (the "Puckett Lease"); and

(b) To Caerus Piceance, all of Assignor's right, title and interest in and to the following:

(i) The oil and gas leases, subleases and other leaseholds described on **Exhibit A-2**, together with all amendments, supplements, renewals, extensions or ratifications thereof (collectively with the Puckett Lease, the "Leases"), and all mineral interests, royalty interests, overriding royalty interests, net profits interests, carried interests, farmout rights, options, and other properties and interests covering or relating to the Leases, together with each and every kind and character of right, title, claim, and interest that Assignor has in and to the lands covered by the Leases or the lands currently pooled, unitized, communitized or consolidated therewith (the "Lands");

(ii) The oil, gas, casinghead gas, coalbed methane, condensate and other gaseous and liquid hydrocarbons or any combination thereof, sulphur extracted from hydrocarbons and all other lease substances under the Leases ("Hydrocarbons") that may be produced under the Leases;

(iii) The oil, gas, water or injection wells located on the Lands, whether producing, shut-in, or temporarily abandoned, including those described in **Exhibit B** (the "Wells");

(iv) The unitization, pooling and communitization agreements, declarations, orders, and the units created thereby relating to the properties and interests described in items (i) through (iii) above and to the production of Hydrocarbons, if any, attributable to said properties and interests;

(v) All equipment, machinery, fixtures and other tangible personal property and improvements located on and used or held for use in connection with the operation of the interests described in items (i) through (iv) above including tanks, boilers, buildings, fixtures, injection facilities, saltwater disposal facilities, compression facilities, pumping units, flow lines, pipelines, gathering systems, gas and oil treating facilities, machinery, power lines, roads, and other appurtenances, improvements and facilities (the "Equipment");

(vi) All pipes, casing, tubing, tubulars, fittings, and other spare parts, supplies, tools, and materials held as inventory in connection with the interests described in items (i) through (v) above;

(vii) All surface leases, permits, rights-of-way, licenses, easements and other surface rights agreements ("Easements") used or held in connection with the exploration, development, production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from the interests described in items (i) through (v) above, including those described on **Exhibit C**;

(viii) All existing and effective sales and purchase contracts, operating

agreements, exploration agreements, development agreements, geologic, geophysical or seismic licenses that can be transferred without a fee or penalty (or including such contracts, agreements or licenses in the event Assignee agrees to pay such fee or penalty), balancing agreements, farmout agreements, service agreements, transportation, processing, treatment and gathering agreements, equipment leases and other contracts, agreements and instruments described in **Exhibit C**, insofar as they directly relate to the properties and interests described in items (i) through (vii) above (the "Contracts"); and *provided, however*, that "Contracts" shall not include the instruments constituting the Leases and Easements;

(ix) To the extent transferable without payment of additional consideration (or if Assignee agrees to pay such additional consideration), all lease files, land files, well files, gas and oil sales contract files, gas processing files, division order files, abstracts, title opinions, land surveys, logs, maps, engineering data and reports, interpretive data, technical evaluations and technical outputs, and other books, records, data, files, and accounting records, in each case to the extent related to the properties and interests described in items (i) through (viii) above, or used or held for use in connection with the maintenance or operation thereof, but excluding (A) any books, records, data, files, logs, maps, evaluations, outputs, and accounting records to the extent disclosure or transfer would result in a violation of applicable law or is restricted by any Required Consent that is not satisfied pursuant to Section 4.5 of the Purchase Agreement, (B) computer or communications software or intellectual property (including tapes, codes, data and program documentation and all tangible manifestations and technical information relating thereto), (C) attorney-client privileged communications and work product of Assignor's or any of its Affiliates' legal counsel (other than title opinions), (D) reserve studies and evaluations, and (E) records relating to the negotiation and consummation of the purchase or sale of the Assets (subject to such exclusions, the "Records"); *provided, however*, that Assignor may provide copies of such Records to Assignee and retain the originals of such Records as Assignor has reasonably determined may be required for existing litigation, tax, accounting, and auditing purposes;

(x) Any seismic, geological, geochemical or geophysical data owned by Assignor or licensed from third parties relating to the Assets that can be transferred without additional consideration to such third parties (or including such licensed data in the event Assignee agrees to pay such additional consideration);

(xi) Those vehicles specifically listed on Schedule 1.3(l) of the Purchase Agreement; and

(xii) The field offices owned or leased by Assignor as listed on Schedule 1.3(m) of the Purchase Agreement, and all personal property located on such premises.

SAVE AND EXCEPT, the Assets shall not include, and Assignor hereby excepts, reserves and excludes from the Assets, all of Assignor's right, title and interest in and to the following (the "Excluded Assets"):

- (a) All corporate, partnership, limited liability company, financial, income and franchise tax and legal records of Assignor that relate to Assignor's business generally (whether or not relating to the Assets), and all books, records and files that relate to the Excluded Assets and those records retained by Assignor pursuant to item (ix) above and copies of any other Records retained by Assignor pursuant to Section 8.3(f) of the Purchase Agreement;
- (b) All reserve estimates, economic estimates, and, to the extent excluded from item (ix) above, all logs, interpretive data, technical evaluations and technical outputs;
- (c) All rights to any refunds of Seller Taxes;
- (d) Assignor's area-wide bonds, permits and licenses or other permits, licenses or authorizations used in the conduct of Assignor's business generally;
- (e) All trade credits, accounts receivable, note receivables, take or pay amounts receivable, and other receivables attributable to the Assets with respect to any period of time prior to the Effective Time to the extent provided in Article 13 of the Purchase Agreement;
- (f) (i) All vehicles other than those listed on Schedule 1.3(l) of the Purchase Agreement, (ii) any field office or yard of Assignor or leased by Assignor other than listed on Schedule 1.3(m) of the Purchase Agreement, and all personal property located on such premises, and (iii) communications licenses granted by the Federal Communications Commission or other governmental body;
- (g) Any agreements excluded from the definition of "Contracts" in item (viii) above, other than the Leases or the Easements;
- (h) All rights, titles, claims and interests of Assignor or any Affiliate of Assignor to or under any bond or bond proceeds;
- (i) Any patent, patent application, logo, service mark, copyright, trade name, trademark or other intellectual property of or associated with Assignor or any Affiliate of Assignor or any business of Assignor or of any Affiliate of Assignor;
- (j) All proprietary and other computer software;
- (k) All documents and instruments of Assignor that may be protected by an attorney-client privilege, other than title opinions;
- (l) Any refunds due Assignor by a third party for any overpayment of rentals,

royalties, excess royalty interests or production payments attributable to the Assets with respect to any period of time prior to the Effective Time; and

(m) Any causes of action, claims, rights, indemnities or defenses with respect to any indemnification obligation of Assignor hereunder as more fully described in Article 14 of the Purchase Agreement.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, privileges, contracts and appurtenances, in any way appertaining or belonging thereto, unto Assignee, its successors and assigns, forever, subject to the matters set forth herein.

ARTICLE II

Special Warranty of Title and Disclaimers

Section 2.01 Special Warranty of Title. Assignor hereby agrees to warrant and forever defend title to the Assets unto Assignee, its successors and assigns, to the extent of the interests set forth on **Exhibit A-1, Exhibit A-2** and/or **Exhibit B** attached hereto, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise; subject, however, to the Permitted Encumbrances and the other matters set forth herein, and with full substitution and subrogation in and to all of the rights and actions of title warranty that Assignor may have against its predecessors in title. The specific Working Interests, Net Revenue Interests and depths set forth on **Exhibit A-1, Exhibit A-2** and/or **Exhibit B** attached hereto are included for warranty purposes only and shall not limit the interests hereby conveyed, it being the intent of Assignor to hereby convey to Assignee all of its undivided interest in the Leases, Lands, Wells and other Assets, regardless of the interests set forth on **Exhibit A-1, Exhibit A-2** and/or **Exhibit B** attached hereto.

Section 2.02 Disclaimers.

(a) **EXCEPT FOR ASSIGNOR'S EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 6 OF THE PURCHASE AGREEMENT, AND ASSIGNOR'S SPECIAL WARRANTY OF TITLE IN THIS ASSIGNMENT, (I) THE ASSETS ARE BEING CONVEYED BY ASSIGNOR TO ASSIGNEE WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED, STATUTORY, COMMON LAW OR OTHERWISE, AND THE PARTIES HEREBY EXPRESSLY DISCLAIM, WAIVE AND RELEASE ANY EXPRESS WARRANTY OF MERCHANTABILITY, CONDITION OR SAFETY AND ANY EXPRESSED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; ASSIGNEE ACCEPTS THE ASSETS, "AS IS, WHERE IS, WITH ALL FAULTS, WITHOUT RECOURSE;" AND 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; AND (II) ASSIGNOR SHALL HAVE NO LIABILITY TO ASSIGNEE FOR ANY CLAIMS, LOSS**

OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY, BY SUCH WELLS, EQUIPMENT, FACILITIES, PERSONAL PROPERTY, FIXTURES AND STRUCTURES BY ANY INADEQUACY THEREOF OR THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY ARISING OUT OF ASSIGNEE'S PURCHASE THEREOF. 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. THE PARTIES HEREBY ACKNOWLEDGE AND AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW, THE DISCLAIMERS CONTAINED IN THIS AGREEMENT ARE "CONSPICUOUS" FOR THE PURPOSES OF SUCH APPLICABLE LAW.

(b) ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES ANY IMPLIED OR EXPRESS WARRANTY AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO THE ACCURACY OF ANY OF THE INFORMATION FURNISHED WITH RESPECT TO THE EXISTENCE OR EXTENT OF RESERVES OR THE VALUE OF THE ASSETS BASED THEREON OR THE CONDITION OR STATE OF REPAIR OF ANY OF THE ASSETS; THIS DISCLAIMER AND DENIAL OF WARRANTY ALSO EXTENDS TO ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE PRICES ASSIGNEE AND ASSIGNOR ARE OR WILL BE ENTITLED TO RECEIVE FROM PRODUCTION OF OIL, GAS OR OTHER SUBSTANCES FROM THE ASSETS, IT BEING ACKNOWLEDGED, AGREED AND EXPRESSLY UNDERSTOOD THAT ALL RESERVE, PRICE AND VALUE ESTIMATES UPON WHICH ASSIGNEE HAS RELIED OR IS RELYING HAVE BEEN DERIVED BY THE INDIVIDUAL EVALUATION OF ASSIGNEE. ASSIGNEE ALSO STIPULATES, ACKNOWLEDGES AND AGREES THAT RESERVE REPORTS ARE ONLY ESTIMATES OF PROJECTED FUTURE OIL AND/OR GAS VOLUMES, FUTURE FINDING COSTS AND FUTURE OIL AND/OR GAS SALES PRICES, ALL OF WHICH FACTORS ARE INHERENTLY IMPOSSIBLE TO PREDICT ACCURATELY EVEN WITH ALL AVAILABLE DATA AND INFORMATION.

ARTICLE III Miscellaneous

Section 3.01 Construction. The captions of this Assignment are for guidance and convenience of reference only and shall not limit or otherwise affect any of the terms or provisions of this Assignment. Assignor and Assignee stipulate and agree that this Assignment shall be deemed and considered for all purposes as prepared through the joint efforts of Assignor and Assignee, and shall not be construed against one party or the other as a result of the preparation, submittal or other event of negotiation, drafting or execution thereof.

Section 3.02 No Third Party Beneficiaries. This Assignment is intended only to benefit Assignor and Assignee and their respective permitted successors and assigns.

Section 3.03 Assignment. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

Section 3.04 Governing Law. This Assignment, other documents delivered pursuant hereto and the legal relations between Assignor and Assignee shall be governed and construed in accordance with the laws of the State of Colorado, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction.

Section 3.05 Counterpart Execution. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Assignment are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

Section 3.06 Recording. To facilitate the recording or filing of this Assignment, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Assets located in that county. In addition to filing this Assignment, Assignor and Assignee shall execute and file with the appropriate authorities, whether federal, state or local, all form governmental assignments required by applicable law to effectuate the conveyance contemplated hereby. Said governmental assignments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in each such governmental assignment. The interests conveyed by such governmental assignments are the same, and not in addition to the Assets conveyed herein.

Section 3.07 Purchase Agreement. This Assignment is made subject to all of the terms and conditions of that certain Purchase and Sale Agreement dated February 4, 2013, as amended from time to time, but effective as of the Effective Time, by and among Assignor, Assignee and certain other parties (the "Purchase Agreement"). In the event of a conflict between the terms of this Assignment and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall control. Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Purchase Agreement.

*[remainder of page intentionally left blank]
[signature and acknowledgement pages follow]*

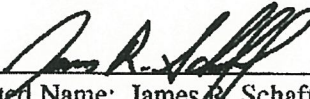


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8 of 28 Rec Fee: \$151.00 Doc Fee: \$0.00 GARFIELD COUNTY CO

IN WITNESS WHEREOF, this Assignment is executed by Assignor and Assignee on the dates of their respective acknowledgments below, but shall be effective for all purposes as of the Effective Time.

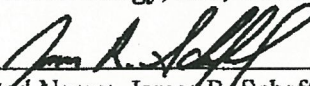
ASSIGNOR:

PDC ENERGY, INC.

By: 
Printed Name: James R. Schaff
Title: Vice President - Land

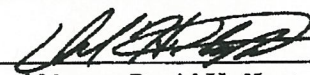
**CO AND PA 1999D LIMITED PARTNERSHIP
COLORADO 2000B LIMITED PARTNERSHIP
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COLORADO 2000D LIMITED PARTNERSHIP
COLORADO 2001A LIMITED PARTNERSHIP
COLORADO 2001B LIMITED PARTNERSHIP
COLORADO 2001C LIMITED PARTNERSHIP
COLORADO 2001D LIMITED PARTNERSHIP
COLORADO 2002A LIMITED PARTNERSHIP
PDC 2002-B LIMITED PARTNERSHIP
PDC 2002-C LIMITED PARTNERSHIP
ROCKIES REGION 2006 LIMITED PARTNERSHIP
ROCKIES REGION 2007 LIMITED PARTNERSHIP**

By: PDC Energy, Inc., General Partner

By: 
Printed Name: James R. Schaff
Title: Vice President - Land

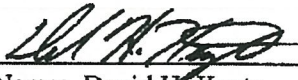
ASSIGNEE:

CAERUS PICEANCE LLC

By: 
Printed Name: David H. Keyte
Title: Vice President and Treasurer

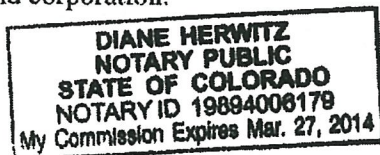
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CAERUS HOLDING COMPANY LLC

By: 
Printed Name: David H. Keyte
Title: Attorney-in-Fact

STATE OF COLORADO §
CITY AND §
COUNTY OF DENVER §

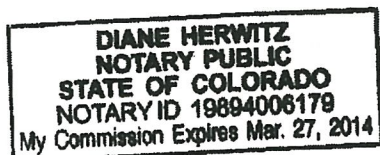
This instrument was acknowledged before me this 18 day of June, 2013, by James R. Schaff, as Vice President – Land of PDC ENERGY, INC., a Nevada corporation, on behalf of said corporation.



Diane Herwitz
Notary Public – State of Colorado

STATE OF COLORADO §
CITY AND §
COUNTY OF DENVER §

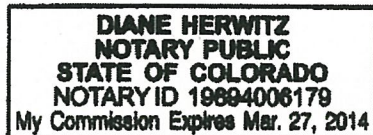
This instrument was acknowledged before me this ___ day of June, 2013, by James R. Schaff, as Vice President – Land of PDC ENERGY, INC., acting as General Partner of CO AND PA 1999D LIMITED PARTNERSHIP, COLORADO 2000B LIMITED PARTNERSHIP, COLORADO 2000C LIMITED PARTNERSHIP, COLORADO 2000D LIMITED PARTNERSHIP, COLORADO 2001A LIMITED PARTNERSHIP, COLORADO 2001B LIMITED PARTNERSHIP, COLORADO 2001C LIMITED PARTNERSHIP, COLORADO 2001D LIMITED PARTNERSHIP, COLORADO 2002A LIMITED PARTNERSHIP, PDC 2002-B LIMITED PARTNERSHIP, PDC 2002-C LIMITED PARTNERSHIP, ROCKIES REGION 2006 LIMITED PARTNERSHIP, AND ROCKIES REGION 2007 LIMITED PARTNERSHIP, each a West Virginia limited partnership, on behalf of said limited partnerships.



Diane Herwitz
Notary Public – State of Colorado

STATE OF COLORADO §
CITY AND §
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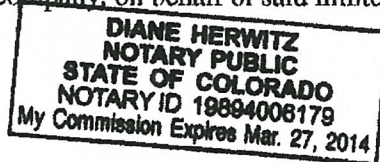
This instrument was acknowledged before me this 18 day of June, 2013, by David H. Keyte, as Vice President and Treasurer of CAERUS PICEANCE LLC, a Colorado limited liability company, on behalf of said limited liability company.



Diane Herwitz
Notary Public – State of Colorado

STATE OF COLORADO §
CITY AND §
COUNTY OF DENVER §

This instrument was acknowledged before me this 18 day of June, 2013, by David H. Keyte, as Attorney-in-Fact of CAERUS HOLDING COMPANY LLC, a Delaware limited liability company, on behalf of said limited liability company.



Diane Herwitz
Notary Public – State of Colorado



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12 of 29 Rec Fee:\$151.00 Doc Fee:0.00 GARFIELD COUNTY CO

EXHIBIT A-1

**Attached to Assignment, Bill of Sale and Conveyance dated June [8], 2013, by and among
PDC Energy, Inc., et al, as Assignor, and Caerus Piceance LLC and Caerus Holding
Company LLC, as Assignee**

Puckett Lease

**EXHIBIT A-1
LEASES
Garfield County, Colorado**

PDC Lease No	Lessor	Lessee	Lease Date	Ref	Book	Page	Legal Desc	Report Gross Acres	Gross Acres	Net Acres	Company Net Acres	Company Net Revenue
COL00077.000	Puckett Land Co.	Petroleum Development Corporation	11/15/1999	556562	1164	400	Insofar and only insofar as: Township 6 South, Range 96 West, 6th P.M. Section 19: SW/4 Section 30: SW/4, W/2SE/4, Lots 3 and 4 Section 31: NW/4, N/2SW/4, Lots 6 and 7 Township 6 South, Range 97 West, 6th P.M. Section 24: All Section 25: All Section 36: All (Lots 1-4) Township 7 South, Range 96 West, 6th P.M. Section 6: S/2, S/2NE/4, Lots 4 and 5 Section 7: N/2, SE/4 Section 13: Lots 4, 10, 11, 12 and 13 Section 14: E/2SE/4 Section 17: NW/4 Section 18: N/2 Section 23: Lot 1 Section 24: Lots 2, 3 and 4 Township 7 South, Range 97 West, 6th P.M. Section 1: All	5,231.3300	5,231.3300	5,231.3300	5,231.3300	Valley 82.00% Mesa 85.00%

- SESEW

- SWNW

@ 180 wells

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13 of 29 Rec Fee: \$161.00 Doc Fee: \$0.00 GARFIELD COUNTY CO