

## ASSIGNMENT, CONVEYANCE AND BILL OF SALE

THIS ASSIGNMENT, CONVEYANCE AND BILL OF SALE (this "Assignment"), dated effective as of 12:01 a.m. Mountain Time on April 1, 2018 (the "Effective Time"), is from **PetroShare Corp.**, whose address is 9635 Maroon Circle, Suite 400, Englewood, Colorado 80112 and **PEO Colorado LLC**, hereinafter jointly referred to as Assignor ("Assignor"), to **Confluence DJ LLC**, a Colorado limited liability company, whose address is 1001 17th St., Suite 1250, Denver, Colorado 80202, hereinafter referred to as Assignee ("Assignee"). Assignor and Assignee shall be referred to herein, collectively, as the "Parties."

IN CONSIDERATION of the mutual premises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Assignment.** Subject to the terms and conditions hereof, Assignor, hereby assigns, transfers and conveys unto Assignee the following (collectively, the "Assets"):

(a) the leasehold estates created by the oil and gas leases described on Exhibit "A" (the "Leases"), insofar and only insofar as the Leases cover the lands described on Exhibit "A" (the "Lands");

(b) the contracts, agreements, orders, permits, rights-of-way, and surface rights described on Exhibit "B", insofar and only insofar as they relate to the Leases, Lands, the Well and the Production;

(c) the well described on Exhibit "C" (the "Well"), along with the wellbores and all and associated production facilities, tanks, personal property, equipment, fixtures and improvements but only to the extent related to the Well;

(d) All Production from the Leases, Lands and Well attributable to periods from and after the Effective Time (for purposes of this Assignment, "Production" means all oil, gas, casinghead gas, condensate, natural gas liquids, and other gaseous and liquid hydrocarbons, and other substances produced in conjunction therewith, produced from land covered by oil and gas leases, or attributable thereto, or to lands pooled, unitized or communitized therewith); and

(e) the files, records, data and other information in the possession or control of Assignor related to the Assets described in 1(a) – 1(d) above.

2. **Reservation.** Assignor hereby excepts and reserves unto itself an overriding royalty interest, if any, (the "Override"), on a lease-by-lease basis, equal to the positive difference between 18% and the aggregate of all landowner's royalty, overriding royalty and similar interests burdening the Leases recorded in the real property records as of the Effective Time, of all oil, gas and other Hydrocarbons produced, saved and sold from the Lands covered by each such Lease. The Override shall be proportionately reduced, on a lease-by-lease basis, to the extent that each such Lease covers less than the entire undivided oil and gas mineral fee estate in and under the Lands covered by such Lease, and to the extent that Seller owns less than the entire leasehold estate

created by such Lease. Such reserved overriding royalty interest shall burden all extensions, renewals, modifications, and substitutions of said Leases.

**TO HAVE AND TO HOLD** the Assets unto Assignee, and Assignee's successors and assigns, forever, subject to the terms and conditions of this Assignment.

3. **Letter Agreement.** This Assignment is subject to the terms and conditions of that certain Exchange and Letter Agreement, dated March 28, 2018, among Assignor and Assignee (the "Letter Agreement"), the terms of which are hereby deemed incorporated by reference herein. None of the provisions of the Letter Agreement shall be deemed to have merged with this Assignment. In the event of a conflict between the terms and conditions of this Assignment and the terms and conditions of the Letter Agreement, the terms and conditions of the Letter Agreement shall control and govern the point in conflict. Capitalized terms used but not defined in this Assignment shall have the meanings assigned to them in the Letter Agreement.

4. **Special Warranty.** Assignor warrants and agrees to defend title to the Assets (as quantified by the working interests and net revenue interests set forth in the exhibits to the Letter Agreement) against all liens, claims, encumbrances and defects of title arising by, through and under Assignor, but not otherwise, but subject to and burdened by the terms and conditions of this Assignment.

5. **Disclaimers.** EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES AND DISCLAIMERS CONTAINED IN THE LETTER AGREEMENT, AND THE SPECIAL WARRANTY OF TITLE IN THIS ASSIGNMENT, THE ASSETS ARE BEING CONVEYED WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED, STATUTORY, AT COMMON LAW OR OTHERWISE. THE ASSETS ARE BEING CONVEYED "AS IS, WHERE IS, WITH ALL FAULTS, WITHOUT RECOURSE." THE DISCLAIMERS CONTAINED IN THIS ASSIGNMENT SHALL BE DEEMED "CONSPICUOUS" FOR PURPOSES OF APPLICABLE LAW.

6. **Miscellany.** The exhibits attached hereto are hereby incorporated herein and made a part hereof for all purposes, as if set forth in full herein. References in such exhibits to instruments on file in the public records are hereby incorporated by reference herein for all purposes. The references in this Assignment or in the exhibits hereto to liens, encumbrances, agreements and other burdens shall not be deemed to recognize or create any rights in third parties. In the event any court invalidates any provision of this Assignment, all other provisions shall remain valid and binding. This Assignment shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns. Separate counterparts of this Assignment may be executed on officially approved forms by the Parties in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Such counterparts shall be deemed to contain all of the rights, titles, interests, covenants, disclaimers, limitations, powers and privileges set forth herein, as if they were set forth in each of such counterparts. The interests conveyed by such separate counterparts are the same, and not in addition to, the Assets conveyed herein. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one assignment.

[signature and acknowledgment page follows]

EXECUTED to be effective as of the Effective Time.

**ASSIGNOR:**

**PetroShare Corp.**



Name: William R. Givan

Title: Vice President Land

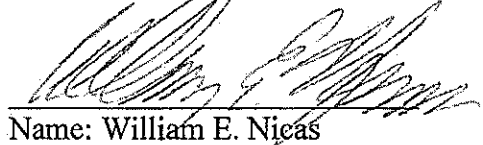
**PEO Colorado LLC**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

**Confluence DJ LLC**



Name: William E. Nicas

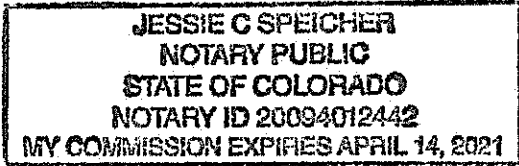
Title: Senior Vice President Land &  
Business Development

Acknowledgments

STATE OF COLORADO       }  
COUNTY OF DOUGLAS       }

The foregoing instrument was acknowledged before me this 9th day of April 2018, by William R. Givan as Vice President Land of PetroShare Corp.

Witness my hand and official seal.



Jessie C Speicher  
Notary Public in and for the State of Colorado  
Commission Expires: 04-14-2021

STATE OF COLORADO       }  
COUNTY OF DENVER       }

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_  
2018, by \_\_\_\_\_ as \_\_\_\_\_ of PEO  
Colorado LLC.

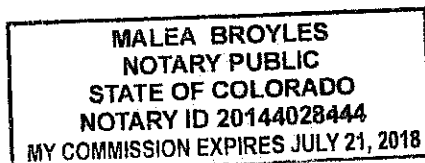
Witness my hand and official seal.

\_\_\_\_\_  
Notary Public in and for the State of Colorado  
Commission Expires: \_\_\_\_\_

STATE OF COLORADO       }  
COUNTY OF DENVER       }

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of April  
2018, by William E. Nicas as Senior Vice President Land & Business Development of Confluence  
DJ LLC, a Colorado limited liability company, on behalf of the company.

Witness my hand and official seal.



Malea Broyles  
Notary Public in and for the State of Colorado  
Commission Expires: 7.21.2018

EXECUTED to be effective as of the Effective Time.

**ASSIGNOR:**

**PetroShare Corp.**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PEO Colorado LLC**

Name: Luke Allen  
Title: Authorized Person

**ASSIGNEE:**

**Confluence DJ LLC**

Name: William E. Nicas  
Title: Senior Vice President Land &  
Business Development

Acknowledgments

STATE OF COLORADO       }  
COUNTY OF DENVER       }

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_  
2018, by \_\_\_\_\_ as \_\_\_\_\_ of  
PetroShare Corp.

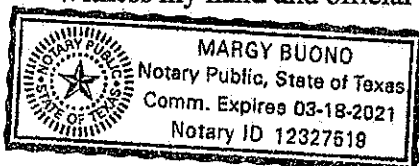
Witness my hand and official seal.

\_\_\_\_\_  
Notary Public in and for the State of Colorado  
Commission Expires: \_\_\_\_\_

STATE OF ~~COLORADO~~ Texas       }  
COUNTY OF ~~DENVER~~ Dallas       }

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of April  
2018, by Luke Allen as authorized person of PEO  
Colorado LLC.

Witness my hand and official seal.



Margy Buono  
Notary Public in and for the State of ~~Colorado~~ Texas  
Commission Expires: 3/18/2021

STATE OF COLORADO       }  
COUNTY OF DENVER       }

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_  
2018, by William E. Nicas as Senior Vice President Land & Business Development of  
Confluence DJ LLC, a Colorado limited liability company, on behalf of the company.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public in and for the State of Colorado  
Commission Expires: \_\_\_\_\_

# EXHIBIT "A"

Attached to and made a part of that certain Assignment, Conveyance and Bill of Sale, dated effective April 1, 2018, by and between PetroShare Corp. and PEO Colorado LLC, Assignor, and Confluence DJ LLC, Assignee

Lease	Lessor/Lessee	Eff Date	Gross Acres	Legal Description	Book	Page	Entry
100097	LR CHAMPLIN PETROLEUM COMPANY LS AMOCO PRODUCTION COMPANY	10/01/76	320	INsofar AND ONLY INsofar AS LEASE COVERS: T1S R65W SEC 3: S2	2122	257	
100410	LR UNION PACIFIC RESOURCES COMPANY LS ENERGY MINERALS CORPORATION	03/24/92	160	T1S R65W SEC 9: SE (LIMITED TO DEPTHS FROM THE SURFACE OF THE EARTH TO 8154' SUB SURFACE)			B1075551

WELL	Location	API
Kallsen A-1	SWSE 9 1S-65W	05-001-09073