

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment, Bill of Sale and Conveyance (this "Assignment") is made and entered into by and between Kerr-McGee Oil & Gas Onshore LP, a Delaware limited partnership, whose address is 1099 18th Street, Suite 1800, Denver, Colorado 80202 ("Assignor"), PetroShare Corp. ("PetroShare"), a Colorado corporation, whose address is 9635 Maroon Circle, Suite 400, Englewood, Colorado 80112, and PEO Colorado, LLC ("PEO"), a Texas limited liability company, whose address is 16400 N. Dallas Parkway, Suite 400, Dallas TX 75248 (PetroShare and PEO shall be referred to individually herein as an "Assignee," and collectively as "Assignees"), to be effective for all purposes as of June 1, 2018 (the "Effective Date"). Assignor and each Assignee may each be referred to as a "Party" and collectively as the "Parties."

For and in consideration of \$10.00 and other valuable consideration paid, Assignor does hereby, for the term hereinafter stated and subject to the exceptions and reservations herein, GRANT, CONVEY, SELL, ASSIGN, and TRANSFER unto PetroShare and PEO in equal shares and each of their successors and assigns, all of Assignor's right, title and interest in and to the following (the "Assets"):

- (a) the oil and gas lease described on Exhibit A (the "Lease");
- (b) the oil and gas well described on Exhibit A-1 attached (the "Well"), including casing, tubing, pumps, motors, gauges, valves, and flowlines associated with the Well;
- (c) all oil, gas, natural gas liquids, petroleum and associated hydrocarbon substances (the "Hydrocarbons") produced from and after the Effective Date from or attributable to the Assets; and
- (d) to the extent transferable, Assignor's interests in and under all contracts, agreements and instruments by which the Assets are bound, to the extent applicable to the Lease, including, without limitation, operating agreements, Hydrocarbon purchase, sales, balancing, processing, gathering, treatment, compression and transportation agreements, surface agreements, and all other executory contracts and agreements to the extent applicable to the Lease, Well or Hydrocarbons, including those listed on Exhibit B attached hereto (the "Contracts").

EXCLUDING AND RESERVING unto Assignor, however, an overriding royalty interest equal to the positive difference between lease burdens existing as of the Effective Date and 25% of all oil, gas and associated hydrocarbons produced, saved and sole from or otherwise allocated to the Lease ("Retained Override"). The Retained Override shall be proportionately reduced to Assignor's interest in the Lease and shall be subject to further proportionate reduction in the event the Lease covers less than the entire mineral estate in the lands covered by the Lease or lands included in the applicable spacing unit. The Retained Override will be paid and delivered to the credit of Assignor free of any direct or indirect deduction for any costs of development, production, compression, dehydration, treating, and gathering, excepting however (and Assignor's overriding royalty interest will bear and may have deducted therefrom) all processing and transportation charges and taxes of any character.

TO HAVE AND TO HOLD the Assets unto Assignees, and their successors and assigns, subject to and according to the terms and provisions of the Lease and subject to the exceptions, reservations, covenants and conditions of this Assignment.

1. Exchange and Purchase Agreement Controls. This Assignment is subject to that certain Exchange and Purchase Agreement dated May 23, 2018, by and between Assignor and Assignee (as amended, restated, modified, or supplemented from time to time, the "Exchange Agreement"). Assignor and Assignees intend that the terms of the Exchange 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 Exchange Agreement, the terms of the Exchange Agreement will control to the extent of the conflict.

2. Assignees' Assumption of Liability. Assignees assume all responsibility and liability

associated with the ownership and operation of the Assets, on or after the Effective Date, including the obligation to properly plug the Well and all surface restoration and other obligations imposed by contract or by law with respect to the Well, and Assignees shall protect, defend, indemnify and hold Assignor, its partners, officers, directors, employees and agents, harmless from and against any and all losses, claims, demands, suits, causes of action whether judicial or non-judicial in nature, and sanctions of every kind and character including reasonable attorney's fees, settlements, court costs, costs of investigation, any fines or penalties assessed on account of such damage and causes of action alleging statutory liability, caused by or arising out of the ownership of the Assets or operations related to the Well, whether before or after the Effective Date including, but not limited to, claims for pollution and environmental damage, regardless of fault.

3. Compliance. This Assignment is made subject to, and Assignees shall comply with, all applicable rules, regulations, laws and orders issued or promulgated by any court or governmental agency having jurisdiction over operation, production or marketing on and from the lands covered by the Lease. This Assignment is further made expressly subject to the terms and provisions contained in the Lease. Termination of this Assignment, or termination of any interest in the Lease does not relieve Assignees of their obligation to properly plug and abandon any well drilled or operated by Assignees under the terms of this Assignment, and to restore the surface as required by any applicable law, ordinance, rule, or regulation then in existence.

4. Title. **THIS ASSIGNMENT IS MADE WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, EXCEPT THAT ASSIGNOR WARRANTS TITLE TO THE ASSETS FROM AND AGAINST ALL PERSONS CLAIMING BY, THROUGH AND UNDER ASSIGNOR, BUT NOT OTHERWISE.**

5. "AS IS, WHERE IS". **EXCEPT FOR ASSIGNOR'S SPECIAL WARRANTY OF TITLE CONTAINED HEREIN THE ASSETS ARE BEING CONVEYED BY ASSIGNOR TO ASSIGNEES 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; AND BUYER ACCEPTS THE ASSETS, "AS IS, WHERE IS, WITH ALL FAULTS, WITHOUT RECOURSE." ALL DESCRIPTIONS OF THE WELL, EQUIPMENT, FACILITIES, PERSONAL PROPERTY, FIXTURES, AND STRUCTURES HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEES BY ASSIGNOR HAVE BEEN AND SHALL BE FURNISHED SOLELY FOR ASSIGNEES' CONVENIENCE, AND HAVE NOT CONSTITUTED AND SHALL NOT CONSTITUTE A REPRESENTATION OR WARRANTY OF ANY KIND BY ASSIGNOR. ASSIGNEES 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.**

6. Notices. All notices or payments authorized or required between Assignees and Assignor by any provision of this Assignment shall, unless otherwise specifically provided, be given in writing by United States mail, commercial overnight delivery service, or electronic facsimile transmission, properly addressed with postage or charges prepaid, and addressed to Assignor or Assignees at the above addresses, unless a Party, or any successor in interest to a Party, has designated or notified the other Party in writing of another address. Any notice delivered by electronic facsimile transmission shall be effective upon receipt by the addressee.

7. Covenant Running with the Lands. The reservations herein made, and the provisions and covenants contained herein, shall attach to and run with the lands covered by the Lease and shall be binding upon and inure to the benefit of Assignor and Assignees and their respective successors and assigns.

8. 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.

9. Assignment. Assignees shall not assign, sell, transfer, mortgage, hypothecate or otherwise alienate or encumber the Lease without the express prior written consent of Assignor, which consent will not be unreasonably withheld.

10. Government Assignment Forms. If applicable, separate assignments of the Assets may be executed on officially approved governmental forms by Assignor and Assignees, in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain all the exceptions, reservations, warranties, rights, titles, power and privileges set forth herein as fully as though they were set forth in each such assignment. The interests conveyed by such separate assignments are the same, and not in addition to, the Assets.

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

Execution Page to Assignment, Bill of Sale and Conveyance

IN WITNESS WHEREOF, this Assignment, Bill of Sale and Conveyance is executed by the undersigned as of the dates of the respective acknowledgments set forth below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

KERR-MCGEE OIL & GAS ONSHORE LP
A Delaware limited partnership

By:  
Name: Michael A. Nixon
Title: Director, DJ Land
Address: 1099 18th Street, Suite 1800, Denver, CO 80202

ASSIGNEE:

PETROSHARE CORP.
A Colorado Corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

PEO COLORADO, LLC
A Texas limited liability company

By: _____
Name: _____
Title: _____

Execution Page to Assignment, Bill of Sale and Conveyance

IN WITNESS WHEREOF, this Assignment, Bill of Sale and Conveyance is executed by the undersigned as of the dates of the respective acknowledgments set forth below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

KERR-MCGEE OIL & GAS ONSHORE LP
A Delaware limited partnership

By: _____
Name:
Title: _____

ASSIGNEE:

PETROSHARE CORP.
A Colorado Corporation

By: 
Name and Title: William R. Givan, Vice President Land

ASSIGNEE:

PEO COLORADO, LLC
A Texas limited liability company

By:
Name:
Title: _____

IN WITNESS WHEREOF, this Assignment, Bill of Sale and Conveyance is executed by the undersigned as of the dates of the respective acknowledgments set forth below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

KERR-MCGEE OIL & GAS ONSHORE LP

A Delaware limited partnership

By: _____
Name:
Title: _____

ASSIGNEE:

PETROSHARE CORP.

A Colorado Corporation

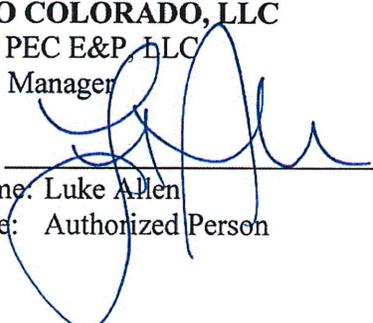
By:
Name: _____
Title:

ASSIGNEE:

PEO COLORADO, LLC

By: PEC E&P, LLC

Its: Manager

By: _____  BW
Name: Luke Allen
Title: Authorized Person

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

This Assignment, Bill of Sale, and Conveyance was acknowledged before me on the 29th day of May 2018, by Michael A. Nixon, as Director, OS Land of Kerr-McGee Oil & Gas Onshore LP, a Delaware limited partnership.



Matt Martin
Notary Public, State of Colorado
Printed Name: Matt Martin
My commission expires: 06/19/2018

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

This Assignment, Bill of Sale, and Conveyance was acknowledged before me on the _____ day of _____ 2018, by _____, as _____ of PetroShare Corp., a _____ Corporation.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

This Assignment, Bill of Sale, and Conveyance was acknowledged before me on the _____ day of _____ 2018, by _____, as _____ of PEO Colorado, LLC, a _____ limited liability company.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

This Assignment, Bill of Sale, and Conveyance was acknowledged before me on the _____ day of _____ 2018, by _____, as _____ of Kerr-McGee Oil & Gas Onshore LP, a Delaware limited partnership.

Notary Public, State of Colorado
Printed Name: _____
My commission expires: _____

STATE OF COLORADO §
COUNTY OF DOUGLAS §

This Assignment, Bill of Sale, and Conveyance was acknowledged before me on the 29th day of May, 2018, by William R. Givan, as Vice President Land of PetroShare Corp., a Colorado Corporation.



Jessie C. Speicher

Notary Public, State of Colorado
Printed Name: Jessie C. Speicher
My commission expires: 04.14.21

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

This Assignment, Bill of Sale, and Conveyance was acknowledged before me on the _____ day of _____ 2018, by _____, as _____ of PEO Colorado, LLC, a _____ limited liability company.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

This Assignment, Bill of Sale and Conveyance was acknowledged before me on the _____ day of _____ 2018, by _____, as _____ of Kerr-McGee Oil & Gas Onshore LP, a Delaware limited partnership.

Notary Public, State of Colorado
Printed Name: _____
My commission expires: _____

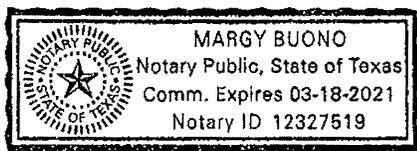
STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

This Assignment, Bill of Sale and Conveyance was acknowledged before me on the _____ day of _____ 2018, by _____, as _____ of PetroShare Corp., a Colorado Corporation.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

STATE OF TEXAS §
CITY AND COUNTY OF DALLAS §

This Assignment, Bill of Sale, and Conveyance was acknowledged before me on the 29th day of May, 2018, by Luke Allen, as Authorized Person of PEO Colorado, LLC, a Delaware limited liability company.



Margy Buono

Notary Public, State of Texas
Printed Name: Margy Buono
My commission expires: 3/18/2021

Exhibit A

Attached to and made a part of the Assignment, Bill of Sale and Conveyance by and between
Kerr-McGee Oil & Gas Onshore LP, as Assignor, and PetroShare Corp. and PEO Colorado,
LLC, as Assignee,
dated effective June 1, 2018

LEASE:

Lessor: ST CO-70/8161-S

Lessee: Pan American Petroleum Corporation

Lease Date: 06/02/1970

Recorded: Reception No. 986973

Lands Covered: Township 1 South, Range 65 West, Section 16: SW4, containing 160 acres,
more or less.

Depths Assigned: All Depths

Exhibit A-1

Attached to and made a part of the Assignment, Bill of Sale and Conveyance by and between
Kerr-McGee Oil & Gas Onshore LP, as Assignor, and PetroShare Corp. and PEO Colorado,
LLC, as Assignees,
dated effective June 1, 2018

WELLS:

Well Name: State of Colorado AN #1
API Number: 05-001-07553

Exhibit B

Attached to and made a part of the Assignment, Bill of Sale and Conveyance by and between Kerr-McGee Oil & Gas Onshore LP, as Assignor, and PetroShare Corp. and PEO Colorado, LLC, as Assignees,
dated effective June 1, 2018

1. Base Contract for Gas Gathering and Processing between Kerr-McGee Oil & Gas Onshore LP and Kerr-McGee Gathering, LLC dated May 1, 2018.