



and to the oil and gas wells, machinery, equipment, fixtures, related inventory, proceeds of production and personal property located on and used in connection with the operation of the Lands described in Exhibit "A" attached hereto ("Equipment");

- e.. Files, records, correspondence and information relating to the Leases and Lands, including, without limitation, invoice and payment records, abstracts, lease files, well files, division order and suspense records, seismic data, engineering data, and geological, geophysical, seismic and engineering interpretations that are in the possession or under the control of Seller.
- f. All surface use agreements, damage agreements, right-of-way agreements referenced in Exhibit "D" attached here to.

THIS Assignment, Conveyance and Bill of Sale, hereinafter referred to as "Conveyance" shall be subject to the following terms, conditions or exceptions:

- 1. This Conveyance shall be effective as of the 1st day of January, 2018, at 7:00 a.m., Central Standard Time ("Effective Time").
- 2. The Interests herein assigned and conveyed shall be subject to all instruments and agreements through which Assignor derived its title or to which the same are subject.
- 3. To the extent transferable, Assignee shall have the right of full substitution and subrogation in and to any and all rights and actions of warranty which Assignor has or may have with respect to the Interest conveyed hereunder of which Assignor has or may have against any and all preceding owners, vendors or warrantors.
- 4. Assignor makes the following representations and warranties:
 - a. Assignor has all requisite power and authority to enter into and perform this Agreement.
 - b. There are no liens or security interests of any kind in or against the Lands and Leases, except for a statutory tax lien that secures payment of ad valorem taxes (and any penalty and interest) for 2017, which taxes will be paid in full at or prior upon execution of this Assignment.
 - c. Assignor has not encumbered to the Property with liens or mortgages.
 - d. No consents or approvals by third parties or are required for Assignor to make this Assignment.
 - e. All royalties, rentals and other payments due by Assignor under the Leases described in Exhibit "B" to this Assignment have been properly and timely paid.



f. Assignor is not obligated by virtue of a prepayment arrangement for the sale of hydrocarbons from the Leases without then receiving full payment therefor.

g. To the best knowledge of Assignor, Assignor has complied with all laws, regulations and orders of all governmental agencies having jurisdiction over the Leases in all operations respecting the Leases.

h. To the best knowledge of Assignor, in all operations conducted for the benefit of Assignor in connection with the Leases, Assignor and all parties conducting such operations have complied with all valid local, state and federal laws directed at protecting human health and the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act of 1976; the Clean Water Act; the Safe Drinking Water Act; the Hazardous Materials Transportation Act; the Toxic Substances Control Act; and the Clean Air Act.

i. Assignor's interests in the Leases and Lands include interests in the oil and gas wells located on the Lands or Leases as described in the attached Exhibit "C".

5. THE WELLS AND EQUIPMENT RELATING TO THE WELLS CONVEYED HEREIN ARE CONVEYED HEREIN BY ASSIGNOR "AS IS, WHERE IS" AND IN THEIR PRESENT CONDITION WITH ALL FAULTS.

6. ASSIGNOR HAS NOT MADE, DOES NOT HEREBY MAKE AND SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER AS TO THE FOLLOWING ITEMS: (A) ANY GEOLOGICAL, SEISMIC AND OTHER GEOPHYSICAL DATA; THE EXISTENCE OR EXTENT OF OIL, GAS OR MINERAL RESERVES; THE RECOVERABILITY OF OR COST OF RECOVERING ANY SUCH RESERVES; THE VALUE OF SUCH RESERVES; ANY PRODUCT PRICING ASSUMPTIONS; AND THE ABILITY TO SELL OIL OR GAS PRODUCTION AFTER CLOSING; (B) THE NATURES, QUALITY OR CONDITION OF THE INTERESTS INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL OR GEOLOGY OF THE PROPERTY SUBJECT TO THE LEASES; (C) THE EXISTING SOIL CONDITIONS OR OTHER CONDITIONS OF ANY PROPERTY SUBJECT TO THE LEASES; (D) THE INCOME TO BE DERIVED FROM ANY OF THE INTERESTS; (E) THE SUITABILITY FOR ANY AND ALL ACTIVITIES AND USES WHICH ASSIGNEE MAY CONDUCT THEREON OR THEREWITH; (F) THE GOOD AND WORKMANLIKE CONSTRUCTION OF THE EQUIPMENT; (I) THE DESIGN OF THE EQUIPMENT; (J) THE NATURE OR QUALITY OF THE CONSTRUCTION, STRUCTURAL DESIGN AND/OR ENGINEERING OF THE EQUIPMENT; (K) THE QUALITY OF THE LABOR AND MATERIALS INCLUDED IN THE EQUIPMENT; (L) THE COMPOSITION OF THE MATERIALS INCLUDED IN THE EQUIPMENT; OR (M) ANY OTHER MATTER WITH RESPECT TO THE EQUIPMENT.

7. As used in this Paragraph 7, and in the subparagraphs hereunder, "claims" shall include claims, demands, causes of action, liabilities, damages, penalties and judgments of



any kind or character arising out of or in any way connected with the Interests and all costs and fees in connection therewith.

a. Assignee shall (i) be responsible for any and all claims arising from the production and sale of hydrocarbons from the Interests assigned hereunder, including the accounting or payment to third parties of monies attributable to their interests in such production, insofar as such claims relate to hydrocarbons produced from the Interests and sold after the Effective Time, (ii) at the Effective Time assume and be responsible for and reasonably comply with all duties and obligations of Assignor, express or implied, with respect to the Interests arising after the Effective Date under or by virtue of any lease, contract, agreement, document, permit, applicable statute or rule, regulation or order of any governmental authority or at common law (specifically including, without limitation, any governmental request or requirement to plug, re-plug and/or abandon any well of whatsoever type, status or classification, or take any clean up or other action with respect to the Interests) and (iii) defend, indemnify and hold Assignor harmless from any and all claims against Assignor arising after the Effective Time

b. Assignor shall (i) be responsible for any and all claims arising from the production and sale of hydrocarbons from the Interests assigned hereunder, including the accounting or payment to third parties of monies attributable to their interests in such production, insofar as such claims relate to hydrocarbons produced and sold prior to the Effective Time and (ii) assume and be responsible for and reasonably comply with all unperformed duties and obligations of Assignor, express or implied, with respect to the Interests arising before the Effective Date under or by virtue of any lease, contract, agreement, document, permit, applicable statute or rule, regulation or order of any governmental authority or at common law)l (iii) defend, indemnify and hold Assignee harmless from any and all claims asserted against Assignor prior to the Effective Time.

c. Assignor shall be entitled to recover and retain all royalties and joint interest billing owed to Assignor by joint interest partners.

8. Assignee shall pay and defend and hold Assignor harmless with respect to the payment of all ad valorem taxes on the Interests for the 2018 Tax Period and thereafter, together with any interest or penalty assessed thereon. Regardless of the foregoing, Assignor agrees to reimburse Assignee, upon evidence from Assignee that such taxes have been paid, Assignor's proportionate share of taxes in respect of its ownership of the Interests during the Tax Period.

9. Assignee shall further defend and hold Assignor harmless with respect to the payment of sales or use taxes in connection with this Assignment, if any, including interest or penalty assessed thereon.

10. All taxes (other than income taxes) which are imposed on or with respect to the production of oil, natural gas or other hydrocarbons or minerals or the receipt of proceeds therefrom (including but not limited to severance, production and excise taxes) shall be apportioned between the parties as follows: (i) As to ad valorem or property taxes, since such taxes are measured by the production of hydrocarbons, they shall be the responsibility of and paid by the Party that owned the Assets when the production that is the basis for the Oil and Gas Property Tax assessment occurred. Severance Taxes shall be deemed attributable to the period



during which the production of the Hydrocarbons with respect to such Severance Taxes occurred, and liability therefor shall be allocated to Assignor for pre-Effective Date Severance Taxes and to Assignee for post-Effective Date Severance Taxes,

11. Each of the parties hereto shall execute, acknowledge and deliver to the other such further instruments, conveyances, deeds, acquittances, division orders and transfer orders, and take such other actions as may be reasonably necessary to carry out the provisions of this Conveyance. However, Assignee shall assume all responsibility for notifying the purchaser of oil and gas production from the Interests, and such other designated persons who may be responsible for disbursing payments for the purchase of such production, of the change of ownership of the Interests. Assignee shall take all actions necessary to effectuate the transfer of such payments to Assignee as of the Effective Time. Assignor shall have no responsibility or liability for the proper distribution of proceeds from and after the Effective Time, except as to the period between the Effective Date and the date of closing.

12. The terms and conditions contained herein shall constitute covenants running with the land and shall be binding upon the parties hereto, their legal representatives, successors, assigns and heirs.

13. Assignee joins in the execution hereof for the purpose of being bound by all of the terms, provisions, obligations and covenants herein specified. This Assignment may be validly executed separately and in counterparts by the parties.

14. Assignee and Assignor agree that Assignor will, upon Assignee's election, continue to act as Operator of Record for a period not to exceed six (6) months to permit Assignee to obtain necessary bonding or governmental approval. The parties agree Assignee will pay \$500 per well per month during that period.

15. It is understood and agreed between the parties that the execution of additional assignments of certain individual Leases herein described, may be required on approved governmental forms to facilitate approval of this transaction by governmental agencies; Assignor hereby agrees to execute and furnish to Assignee such documents, and such further assurances, as may be necessary to effectuate all of the terms of this Assignment.

TO HAVE AND TO HOLD unto Assignee, its legal representatives, successors, assigns and heirs, in accordance with the terms and provisions hereof.

IN WITNESS WHEREOF, this Conveyance is executed this 21st day of March, 2018, but shall be effective as of the Effective Time, for all purposes.

[Signature Pages Follows]



ASSIGNOR:

By: Jack Sattler

Printed Name: JACK SATTLER

Title: V.P. - Land Development

STATE OF Colorado ⊃

⊃

COUNTY OF Weld ⊃

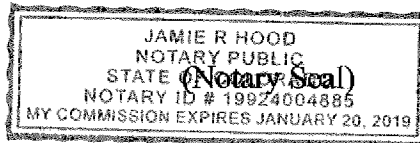
This instrument was acknowledged before me on March 23, 2018
by Jack Sattler, as V.P. - Land Development of
Cap Energy LLC, a Colorado limited liability company, on behalf of said company.

Given under my hand and seal of office this the 23rd day of March, 2018.

Notary Public in and for the State of: Colorado

Printed Name: Jamie R. Hood

Commission Expiration: 1/20/2019





ASSIGNEE:

By: B.P. Allaire

Printed Name: B.P. Allaire

Title: Manager

STATE OF New Mexico ⊃

COUNTY OF Santa Fe ⊃

This instrument was acknowledged before me on March 21, 2018
by B.P. Allaire, as Manager of Foothills Exploration, LLC, a Wyoming limited liability company,
on behalf of said company.

Given under my hand and seal of office this the 21st day of March, 2018.

Notary Public in and for the State of: New Mexico

Printed Name: Anabel Avitia

Commission Expiration: 4-25-2021

(Notary Seal)



OFFICIAL SEAL
Anabel Avitia
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires: 4-25-2021



EXHIBIT "A"

Description of Lands

QTR/QTR	SECTION	TOWNSHIP	RANGE
ALL	17, 18, 19, 20	02-S	103-W



EXHIBIT "B"

Description of Leases

LEASE	LEASE EXPIRATION	STATUS	QTR/QTR	SECTION	TOWNSHIP	RANGE	GROSS ACRES
COC-66380 (Rio Blanco County, CO)	12/01/2002		Lots 1-2, NE, E2NW,	19	02-S	103-W	314.2400
COC-69355 (Rio Blanco County, CO)	06/01/2000		SW	17	02-S	103-W	160.0000
			SE	18	02-S	103-W	160.0000
			NW	20	02-S	103-W	160.0000
COC-50109 (Rio Blanco County, CO)	03/01/1951		SE	19	02-S	103-W	160.0000

EXHIBIT "C"
BOOTS M. CAMPBELL RIO BLANCO COUNTY COLORADO



Description of Wells

WELL NAME	APINO.	TWN	RNG	SEC	DESC
Hells Hole 19-1	0510310835	2S	103W	19	NENE



EXHIBIT "D"

Surface Use Lease ROW-Roads and Damage Agreements

Lessor Name: Cripple Cowboy Cow Outfit, Inc. **Lessee Name:** Robert L. Bayless,
Producer LLC Date: April 25, 2006
Description: Township 2 South. Range 103 West. 6th PM
Section 19: SW Section 18: SE Section 19: N2, SE Section 20: W2
Section 30: N2
Rio Blanco County, Colorado

Lessor Name: Twin Buttes Land Company, LLC Lessee Name: Robert L. Bayless, Producer
LLC Date: July 13, 2006
Description: Township 2 South. Range 103 West 6th PM
Section 21: ALL
Rio Blanco County, Colorado