



Received

ASSIGNMENT AND BILL OF SALE

This Assignment and Bill of Sale (the "Assignment"), effective as of December 31, 2012, at 11:59 p.m. local time (the "Effective Time"), is from Machii-Ross Petroleum Co., a California general partnership, having an address of 2901 28th Street, Suite 205, Santa Monica, California 90405 ("MRPC" or "Assignor") to Sundance Energy, Inc., a Colorado corporation having an address at 633 17th St., Ste. 1950, Denver Colorado 80202 ("Assignee").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor has transferred, granted, bargained, sold, conveyed and assigned, and does hereby transfer, grant, bargain, sell, convey and assign, to Assignee the following (the "Assets"):

- A. All of Assignor's right, title, interest and obligations in, to and under the oil and gas leases described in **Exhibit A** attached hereto (the "Leases") but only insofar as the Leases cover the land (the "Assigned Land") and formations described in Exhibit A (the "Assigned Depths");
- B. All of Assignor's right, title, interest and obligations in and with respect to the wells situated on the Leases as are more particularly described in the attached **Exhibit B** (the "Wells"), together with the personal property, fixtures, improvements and other property, whether real, personal, or mixed, on, appurtenant to, or used or obtained by Assignor in connection with the Wells or with the production, treatment, sale or disposal of hydrocarbons or water produced therefrom or attributable thereto ("Equipment"), including without limitation well equipment, casing, tubing, rods, tanks, tank batteries, pits, natural gas, crude oil, condensate or products placed into storage or into pipelines, boilers, buildings, disposal facilities, field separators and liquid extractors, compressors, pumps, valves, fittings, machinery and parts, engines, meters, tools, flowlines, power lines, equipment leases, and all other appurtenances thereunto belonging, including but not limited to the surface equipment;
- C. All of Assignor's right, title, interest and obligations in, to and under the contracts and agreements that benefit or burden the Wells, the Leases as to the Assigned Lands and the Assigned Depths (the "Agreements"), including, without limitation, operating agreements, marketing agreements, pooling agreements, rights of way, easements, surface agreements, gas sale contracts, and gas processing contracts all as is set forth on **Exhibit D** hereto;
- D. To the extent assignable, all governmental permits, licenses, authorizations, and orders as well as any applications for the same, related to the Leases as to the Assigned Land and Assigned Depths, and the Wells ("Government Instruments");
- E. The oil, gas, casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons, products refined and manufactured therefrom, and other minerals, produced from the Wells and the accounts and proceeds from the sale of the foregoing including, without limitation, any oil and gas placed in storage facilities on or associated

with the Leases and Wells as of the Effective Time and production upstream of any associated meters ("Oil and Gas"); and

F. The files, records, seismic, seismic interpretation, electronic data bases, seismic licensing and other documentary information (the "Information") relating to the foregoing that are in Assignor's possession and are not subject to third-party confidentiality restrictions and are not protected by Assignor's attorney-client privilege. The Information does not include any reserve reports, appraisals or other evaluation materials related to the Assets or any of Assignor's income tax returns or files related thereto.

To have and to hold the Assets unto Assignee and its successors and assigns forever.

Assignor reserves from the assignment of the Leases, Assigned Land and Assigned Depths hereunder, and retains exclusive ownership, operation and control of, and all liability and obligations relating to, all lands covered by the Leases other than the Assigned Land and all depths below the Assigned Depths, together with the right of access to, egress from, and use of the surface and subsurface of the Assigned Land as necessary or appropriate with respect to any well hereafter drilled by MRPC II or its affiliates or their respective successors and assigns.

Assignor further reserves from the assignment of the Leases and Assigned Land hereunder, and retains exclusive ownership, operation and control of, and all liability and obligations relating to, the following:

1. All right, title and interest of Assignor and its affiliates in and to the wells and wellbores currently located on lands pooled with the Assigned Land, such wells and wellbores being more particularly described in **Exhibit E** attached hereto (the "Excluded Wells"), and further including (a) the right to participate in deepening or recompleting the Excluded Wells in any formation in which the Excluded Wells are not currently completed for production, and (b) to participate in reworking the Excluded Wells or other operations conducted with respect thereto intended to restore production from the formations in which such wells are completed for production.

This Assignment is subject to the overriding royalty interest conveyed by Assignor to VSL LLC by Assignments of Overriding Royalty Interest (the "VSL Assignments") executed and recorded prior to the execution of this Assignment (the "VSL ORI") and burdening production from the new wells drilled by Assignee, its successors and assigns, on the Leases and Assigned Land and any lands pooled or unitized therewith. Assignee acknowledges that its interest in the Leases and Assigned Land is subject to the VSL ORI in accordance with the VSL Assignment and that the VSL ORI is superior in title and lien rights to the rights assigned to Assignee in this Assignment and shall be determined on a well by well basis as to new wells drilled on the Leases and Lands or on any lands pooled or unitized therewith.

This Assignment is further subject to the Purchase and Sale Agreement dated as of December 31, 2012 between Assignor and Assignee (the "PSA"), reference to which is made for



all purposes. As between Assignor and Assignee, in the event of any conflict or inconsistency between the PSA and this Assignment, the PSA shall control.

Assignee shall assume and pay, perform, fulfill and discharge all claims, costs, expenses, liabilities and obligations, direct or indirect, known or unknown, asserted or un-asserted, absolute or contingent, accrued or un-accrued, which relate or are attributable, directly or indirectly to the Assets, whether attributable to the period of time before or after the Effective Time ("Assumed Liabilities"), subject to retention by Assignor of its respective shares of certain pre-Effective Date liabilities relating to the Assets ("Retained Liabilities"), as more particularly set forth in the Purchase Agreement.

The assignment of the Assets hereunder is without warranty of title or other representation or warranty, express or implied, except that Assignor severally and not jointly warrants its respective title against all claims arising by, through or under Assignor but not otherwise, and subject to the VSL ORI, the Agreements, the Excluded Wells and the PSA. Assignor hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable, the benefit of and the right to enforce the covenants and warranties, if any, which Assignor is entitled to enforce with respect to the Assets against Assignor's predecessors in title to the Assets.

With respect to the Wells and Equipment conveyed herein, ASSIGNOR EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IT BEING UNDERSTOOD THAT ALL PERSONAL PROPERTY AND FIXTURES ARE BEING CONVEYED ON AN "AS IS, WHERE IS" BASIS.

The provisions of this Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors, legal representatives and assigns.

This Assignment may be executed in counterparts as though all parties have executed a single instrument, provided, that this Assignment shall not be effective until all parties have executed a counterpart hereof.

Executed as of the Effective Time.

ASSIGNOR:


Machii-Ross Petroleum Co.,
a California general partnership, in its own behalf

By: TSK Enterprises (U.S.A.), Inc., Equal Co-Partner

By: 
Edward H. Sato, CEO & Co-General Manager
of Machii-Ross Petroleum Co.

By: KAR Petroleum Co., a California limited
partnership, Equal Co-Partner

By: PML Management LLC, a California limited
liability company, the General Partner of KAR
Petroleum Company

By: 
C. Neil Rehkop, CEO of PML &
Co-General Manager of Machii-Ross Petroleum
Co.

ASSIGNEE:
Sundance Energy, Inc.

By: 
Eric McCrady, CEO and Managing Director



ACKNOWLEDGMENTS

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles

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Steve Moreno, Clerk and Recorder, Weld County, CO

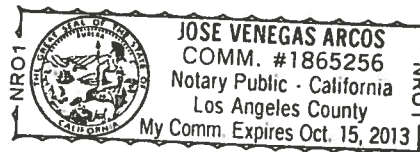


The foregoing instrument was acknowledged before me this 27 day of February, 2013 by Edward H. Sato, as Chief Executive Officer of TSK Enterprises (USA), Inc., a Delaware corporation, and as co-equal partner of Machii-Ross Petroleum Co., a California general partnership.

Witness my hand and official seal.

My commission expires: 10-15-2013.


Notary Public



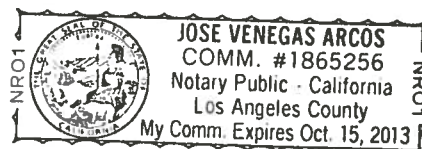
STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles

The foregoing instrument was acknowledged before me this 27 day of February, 2013 by C. Neil Rehkop, Chief Executive Officer of PML Management LLC, a California limited liability company and general partner of KAR Petroleum Company, a California limited partnership, as co-equal partner of Machii-Ross Petroleum Co., a California general partnership.

Witness my hand and official seal.

My commission expires: 10-15-2013.


Notary Public

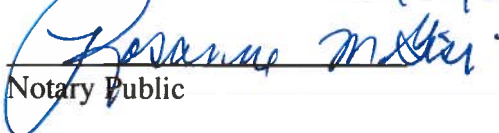


STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 1 day of ^{march} ~~February~~, 2013, by Eric P. McCrady, as CEO and Managing Director of Sundance Energy, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 10/17/2014.


Notary Public



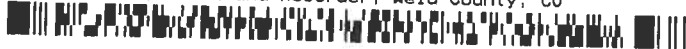


EXHIBIT A

**SCHEDULE OF LEASES AND LAND ASSIGNED
WATTENBERG FIELD
WELD COUNTY, COLORADO**

I. ASSIGNED DEPTHS

All depths unless otherwise shown in the schedule of leases below.

II. LEASES

THE FOLLOWING OIL AND GAS LEASES OR PORTIONS THEREOF INSOFAR AS
THEY RELATE TO THE LANDS AND FORMATIONS DESCRIBED

LEASE NO.	LESSOR	LESSEE	LEASE DATE	REC. BOOK	REC. NO.	LEGAL DESCRIPTION
925-1	Helen M. Grant et al	Martin J. Freedman	08/21/70	633	1554542	<u>Township 2 North, Range 68 West</u> Sec. 23: SE/4 (Surface to bottom of Codell)
119	Jack Berger et ux	T.S. Pace	04/18/70	625	1547395	<u>Township 2 North, Range 68 West</u> Sec. 23: S/2NE/4 (Surface to bottom of J Sand)
794-1	Carl A. Miller	T.M.S. Co.	01/27/70	630	1552243	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)



794-2	Muriel Mahoney	Guy J. Stumpff, Trustee	12/26/69	630	1552241	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)
794-3	Isaac Mellman	T.M.S. Co.	07/13/70	630	1552242	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)
794-5	Mitchell B. Johns	Andrew Dier, Jr.	10/01/67	630	1552248	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)
794-11	George D. Locke, Trustee	T.M.S. Co.	06/01/70	630	1552245	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)
794-12	Roger Gascoin	Andrew Dier, Jr.	10/01/67	630	1552246	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)



794-13	The Elkhorn Company	Guy J. Stumpff, Trustee	12/23/69	630	1552254	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)
*	Ira L. McColister	Andrew Dier, Jr.	10/01/67	630	1552252	<u>Township 2 North, Range 67 West</u> Sec. 17: NW/4NE/4, NE/4/SE/4 and NE/4NE/4 as to the wellbore with respect to Miller # 1 (Surface to bottom of J Sand)
792-1	Cole Kugel et ux	T.M.S. Co.	01/06/70	630	1552240	<u>Township 2 North, Range 67 West</u> Sec. 18: SW/4NE/4 and the NE/4NE/4 as to the wellbore with respect to the Kugel # 1. (Surface to bottom of J Sand for SW/4NE/4 and surface to bottom of Codell for Kugel # 1)

EXHIBIT B

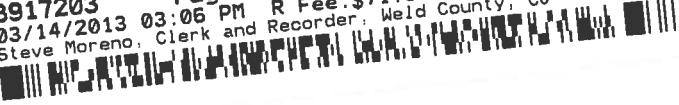
**SCHEDULE OF WELLS
WELD COUNTY, COLORADO
CODELL, NIOBRARA OR J SAND WELLS AND
WELLBORE ONLY WELLS**

Lease	Well #	Location
Grant Bros.	33-23C	NWSE 23-2N-68W
Grant Bros.	34-23C	SWSE 23-2N-68W
Grant Bros.	43-23	NESE 23-2N-68W
Grant Bros.	44-23C	SESE 23-2N-68W
Berger	32-23C	SWNE 23-2N-68W
Berger	42-23C	SENE 23-2N-68W
Miller	#1	NENE 17-2N-67W
Miller	31-17C	NWNE 17-2N-67W
Miller	43-17J	NESE 17-2N-67W
Kugel	#1	NENE 18-2N-67W
Kugel	32-18	SWNE 18-2N-67W

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EXHIBIT C

RESERVED

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Steve Moreno, Clerk and Recorder, Weld County, CO


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EXHIBIT D

SCHEDULE OF AGREEMENTS

1. Lease Purchase Agreement dated December 11, 1970, between Tom Vessels et al. and Kenneth A. Ross, Jr., recorded January 28, 1972, in Book 661, Reception No. 1582806, as amended by Amendment to Lease Purchase Agreement dated December 17, 1971, recorded February 1, 1972, in Book 661, Reception No. 1582998, Assignment and Agreement dated April 27, 1973, recorded July 24, 1973 in Book 696, Reception No. 1617947, Assignment and Agreement dated April 27, 1973, recorded June 27, 1973, in Book 694, Reception No. 1616203, Amendment to Lease Purchase Agreement, dated April 30, 1973, recorded July 10, 1974 in Book 718, Reception No. 1640273, Modification and Amendment Agreement dated January 7, 1974, Amendment to Lease Purchase Agreement dated January 28, 1974, recorded September 19, 1975, in Book 748, Reception No. 1670299, Amendment to Lease Purchase Agreement dated August 14, 1975, recorded March 19, 1976, in Book 762, Reception No. 1683885, Agreement dated July 27, 1987, among A-W Oil and Gas, Inc, Vessels Oil and Gas Company, Thomas G. Vessels, David G. Lawrence, Coors Energy Company, and Machii-Ross Petroleum Co., recorded October 26, 1987 in Book 1174, Reception No. 02118865, and Agreement dated July 19, 1989, among Coors Energy Company, Machii-Ross Petroleum Company, KAR Petroleum Company, Kenneth A. Ross, Jr., TSK Enterprises (U.S.A.), Inc., George A. Evans and EFTS II, Inc., as recorded by Assignment, Bill of Sale and Conveyance dated August 14, 1989, between Coors Energy Company, Machii-Ross Petroleum Co., KAR Petroleum Co., Kenneth A. Ross, Jr., TSK Enterprises (U.S.A.), Inc, George A. Evans and EFTS II, Inc., recorded August 14, 1989, in Book 1241, Reception No. 02188443 and Assignment and Conveyance dated July 24, 1989 from Machii-Ross Petroleum Company to Coors Energy Company, recorded August 3, 1989, in Book 1239, Reception No. 02187107.
2. Gas Purchase Agreement dated September 3, 1987, between Colorado Interstate Gas Company and A-W Oil and Gas, Inc., as amended. Believed terminated.
3. Gas Gathering Agreement dated September 1, 1992, between North American Resources Company as producer and K N Front Range Gathering Company as gatherer.
4. Gas Sales and Purchase Contract dated October 1, 1989, between Machii-Ross Petroleum Company as Seller and Amoco Production Company as Buyer, as amended by letters dated March 12, 1990, October 23, 1990, and March 27, 1991 between Machii-Ross and Amoco, and as amended November 11, 1997, and February 12, 1998 between Machii-Ross and Duke Energy Field Services, Inc.
5. Memorandum of Agreement dated January 6, 2005, between Melody Homes, Inc. and Machii-Ross Petroleum Company, recorded February 16, 2005, Reception No. 3261500, Weld County, Colorado records.
6. Surface Development and Compensation Agreement dated September 23, 2003, between Machii-Ross Petroleum Co. and D&H Land Development, LLC, with accompanying Easement Agreement and Memorandum of Agreement dated the same date between the same parties.

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7. Surface Development and Compensation Agreement dated November 24, 2004, between Machii-Ross Petroleum Co. and The Farm, LLC, relating to the SW4 of Section 13, T2N, R68W, Weld County, Colorado.
8. Frontier Contract No. PO802002-CH dated February 12, 2008, between Frontier Oil and Refining Company and Machii-Ross Petroleum Co. as may have been amended by Frontier Contract No. PO802002-CH, Amendment 7 dated June 11, 2008, between Frontier Oil and Refining Company and Machii-Ross Petroleum Co. which may not have been executed by Machii-Ross Petroleum Co.
9. Assignment of Overriding Royalty Interests dated August 1, 2007, between Machii-Ross Petroleum Co. and Andrew Peterson, recorded August 27, 2007, Reception No. 3500025, Weld County, Colorado records; Assignment of Overriding Royalty Interests dated August 18, 2007, between TSK Enterprises (U.S.A.), Inc. and KAR Petroleum Company, and Andrew Peterson, recorded August 27, 2007, Reception No. 3500027, Weld County, Colorado records.
10. Assignment and Conveyance dated May 22, 2002, between EnCana Energy Resources f/k/a PanCanadian Energy Resources Inc. and North American Resources Company and Machii-Ross Petroleum Co., recorded May 30, 2002, Reception No. 2956581, Weld County, Colorado records; Assignment and Conveyance dated April 3, 2002, between PanCanadian Energy Resources Inc. f/k/a North American Resources Company and Machii-Ross Petroleum Co., recorded April 4, 2002, Reception No. 2940163, Weld County, Colorado records; Assignment and Conveyance dated April 3, 2002, between Machii-Ross Petroleum Co. and PanCanadian Energy Resources Inc. f/k/a North American Resources Company, recorded _____, 2013, Reception No. _____; and Mutual Release and Settlement Agreement dated March 25, 2002, between PanCanadian Energy Resources Inc. f/k/a North American Resources Company and Machii-Ross Petroleum Co.
11. All Colorado Oil and Gas Conservation Commission Pooling Orders and Pooling Applications filed affecting the Assets.
12. Other Agreements of public record affecting the Assets.
13. Any agreements with EFTS II, Inc. affecting the Assets owned jointly between Machii-Ross Petroleum Co. and EFTS II, Inc. including any Joint Operating Agreements.
14. Assignment of Overriding Royalty Interests dated December 30, 2012, between TSK Enterprises (USA), Inc., KAR Petroleum Company, E.H. Sato, LLC and VSL, LLC, recorded January 2, 2013, Reception No. 3900021, Weld County, Colorado records.
15. Assignment of Overriding Royalty Interests dated January __, 2013, between Machii-Ross Petroleum Co. and VSL, LLC, recorded _____, 2013, Reception No. _____, Weld County, Colorado records.

EXHIBIT E

EXCLUDED WELLS

OPERATOR	WELL NAME	BOUNDARY WELL LOCATION/FORMATION
EnCana	Elmquist 4-4-23	T2N, R68W, Sec. 23 Codell-Niobrara, J-Sand
EnCana	Elmquist 4-2-23	T2N, R68W, Sec. 23 Codell-Niobrara, J-Sand
EnCana	Elmquist 2-4-23	T2N, R68W, Sec. 23 (Codell- Niobrara, J-Sand

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