

**ASSIGNMENT, CONVEYANCE
& BILL OF SALE**

This ASSIGNMENT, CONVEYANCE & BILL OF SALE (the "Assignment") is made this 8th day of December, 2014, but effective at 7:00 AM, Mountain Time, on October 1, 2014, (the "Effective Time") and is by and between **Colton, LLC**, a/k/a Colton Limited Liability Company, a Colorado limited liability company, having an address of 475 17th Street, Ste. 1200, Denver, Colorado, 80202, in its own behalf and as Attorney In Fact for the following parties (hereinafter collectively referred to as "Assignor"):

Gunsmoke Production Company
1720 Wazee Street, Unit 2E
Denver, Colorado, 80202

**Robert G. Horsman &
Alison Horsman,**
Husband & Wife,
90 Elm lane
Shrewsbury, New jersey, 07702

KAB Acquisition L.L.L.P.-VII
410 17th Street, Ste. 1151
Denver, Colorado 80202

Onemore LLC
1416 Larimer Street, Ste. 208
Denver, Colorado, 80202

Daniels Petroleum Company
1499 Blake Street, Ste. 7-K
Denver, Colorado, 80202

Retova Resources, L.P.
1873 S. Bellaire Street, Ste. 900
Denver, Colorado, 80222

OPON DJ, LLC
1720 Wazee Street, Ste. 5-E
Denver, Colorado, 80202

Wattenberg LLC
J.K. Brown
1800 Glenarm, Ste. 1001
Denver, Colorado, 80202

and **HRM Resources II, LLC**, a DELAWARE limited liability company, having an address of 410 17th Street, Ste. 1100, Denver, Colorado, 80202 (hereinafter referred to as "Assignee").

Assignor, in consideration of One Hundred Dollars (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, ASSIGN, and DELIVER unto Assignee all of the following:

- A) All right, title and interest of Assignor, in and to the oil and gas leases described on Exhibit "A" (attached hereto and by this reference made a part hereof), hereinafter referred to as the "Leases", subject to any restrictions, exceptions, reservations, conditions, limitations, burdens, contracts, agreements, amendments and modifications applicable to said Leases and Assignor's interest therein;
- B) All right, title and interest of Assignor in and to the wells located on the Leases or on lands and leases pooled or unitized therewith and all the equipment, fixtures and personal property which are appurtenant to the wells or used in connection therewith, hereinafter collectively referred to as the "Wells";

- C) All right, title and interest of Assignor in, to and under, or derived from, all presently existing oil and gas sales, purchase, exchange, hedging and processing contracts; casinghead gas contracts; operating agreements; joint venture agreements; partnership agreements; rights of way; easements; permits and surface leases and other contracts, agreements and instruments, insofar as the same are appurtenant to the Leases and Wells, hereinafter collectively referred to as the "Contracts";
- D) All right, title and interest of Assignor in, to and under, or derived from, all presently existing oil, gas and mineral unitization and pooling agreements and all applicable administrative orders covering the Leases and Wells and the lands and depths covered thereby;

All of the interests described in Paragraphs A through D, hereinabove, shall hereinafter be collectively referred to as the "Property".

To have and to hold the Property unto Assignee forever, subject to the following:

- 1) Assignee hereby assumes and agrees to perform and be bound by all provisions of the Leases and all contractual duties and obligations of Assignor as owner of the Property to the extent that the same are valid and subsisting on the Effective Time. Assignee shall, at its sole expense, comply with all laws, rules, regulations, orders and ordinances (collectively the "laws") of any governmental authority claiming jurisdiction over the Property, including but not limited to those laws pertaining to the operation and abandonment of wells and the restoration of the surface. Assignee shall protect, defend, indemnify, and hold Assignor, its officers, directors, employees, agents and successors harmless from and against any and all claims, demands, suits, causes of action, and any sanctions of every kind and character including reasonable attorneys' fees, court costs, and costs of investigation which may be made or asserted by any party, on account of personal injury, death or property damage, including claims for pollution and environmental damage, any fines or penalties assessed on account of such damage, and causes of action alleging statutory liability caused by, arising out of, or in any way incidental to operations conducted on the Property subsequent to the Effective Time.
- 2) It is understood and agreed that Assignee has had the opportunity to inspect the Property and premises for all purposes, including without limitation, for the purpose of detecting the presence of naturally occurring radioactive material (NORM) and man-made material fibers (MMMF) and has satisfied itself as to the physical and environmental condition, both surface and subsurface, and that Assignee accepts all of the same in its "as is, where is" condition. Assignor disclaims any liability arising in connection with any presence of NORM, MMMF or any other hazardous materials on the Property. In addition, Assignor makes no warranty or representations, express, implied or statutory, as to the accuracy or completeness of any data, information or materials heretofore or hereafter furnished Assignee in connection with the Property. Any and all such data information and other materials furnished by Assignor is provided Assignee as a convenience and any reliance on or use of the same shall be at Assignee's sole risk.
- 3) THIS ASSIGNMENT IS MADE WITHOUT REPRESENTATION OR WARRANTY OF TITLE EITHER EXPRESS, IMPLIED OR STATUTORY, EXCEPT BY, THROUGH AND UNDER ASSIGNOR, BUT NOT OTHERWISE. ALL PERSONAL PROPERTY, EQUIPMENT AND FIXTURES ARE CONVEYED "AS IS AND WHERE IS" WITHOUT THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.


- 4) This Assignment is made pursuant to that certain "Purchase And Sale Letter Agreement" dated October 30, 2014 by and between Colton LLC, as Seller, and HRM Resources II, LLC, as Buyer, and any discrepancy between the terms of this Assignment and the Letter Agreement, as it may be amended, shall be resolved in favor of the Letter Agreement and any amendments thereto.
- 5) This Assignment shall be binding upon and inure to the benefit of Assignee and Assignor and their respective successors and assigns.

EXECUTED AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN AND EFFECTIVE AS OF THE EFFECTIVE DATE.

ASSIGNOR:

Colton, LLC

By: Sovereign Energy, LLC
Manager

By: 

Thomas S. Metzger
Manager

ASSIGNEE:

HRM Resources II, LLC

By: 

By: _____
Title: L. Roger Hutson
President and CEO

Gunsmoke Production Company

Daniels Petroleum Company

**Robert G. Horsman &
Alison Horsman,**
Husband & Wife,

Retova Resources, L.P.

KAB Acquisition L.L.L.P.-VII

OPON DJ, LLC

Onemore LLC

Wattenberg LLC

Jamie K. Brown
A/K/A J.K. Brown

By: Colton, LLC, Attorney In Fact*

By: Sovereign Energy, LLC
Manager

By: 

Thomas S. Metzger
Manager

*Under Limited Powers Of Attorney, attached to this Assignment.

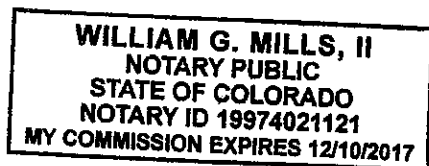
ACKNOWLEDGMENTS

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me, a notary public, on this 8th day of December, 2014 by Thomas S. Metzger, as the manager of Sovereign Energy LLC, a/k/a Sovereign Energy Limited Liability Company, in its capacity as the manager of **Colton, LLC**, a/k/a Colton Limited Liability Company, both being Colorado limited liability companies, for the purposes and in the capacity stated therein as the free act and deed of said Limited Liability Companies.

My Commission Expires:

Dec. 10, 2017



Witness my hand and official seal.

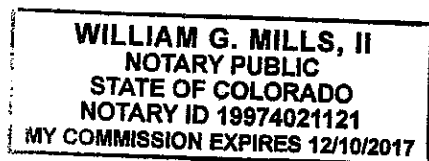
[Signature]
Notary Public: William G. Mills II
Address: 475 17th Street, Ste. 1390
Denver CO 80202

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me, a notary public, on this 8th day of December, 2014 by Thomas S. Metzger, as the manager of Sovereign Energy LLC, a/k/a Sovereign Energy Limited Liability Company, in its capacity as the manager of **Colton, LLC**, a/k/a Colton Limited Liability Company, both being Colorado limited liability companies, in its capacity as Attorney In Fact for **Gunsmoke Production Company; Daniels Petroleum Company; Robert G. Horsman & Alison Horsman, Husband & Wife; Retova Resources, L.P.; KAB Acquisition L.L.L.P.-VII; OPON DJ, LLC; Onemore LLC; Wattenberg LLC;** and **Jamie K. Brown, A/K/A J.K. Brown**, for the purposes and in the capacity stated therein as the free act and deed of said parties.

My Commission Expires:

Dec. 10, 2017

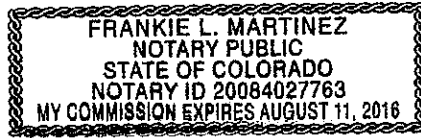


Witness my hand and official seal.

[Signature]
Notary Public: William G. Mills II
Address: 475 17th Street, Ste. 1390
Denver CO 80202

STATE OF COLORADO)
)
COUNTY OF DENVER)

SS



The foregoing instrument was acknowledged before me, a notary public, on this 8th day of December, 2014 by L. ROGER HUTSON, as PRESIDENT & CEO of **HRM Resources II, LLC**, a DELEWARE LLC for the purposes and in the capacity stated therein as the free act and deed of said Limited Liability Company.

My Commission Expires:

Aug 11, 2016

Witness my hand and official seal.

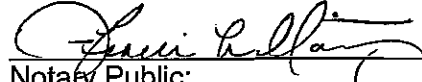

Notary Public: _____
Address: 2410 17th St #1100
DENVER, CO 80202

Exhibit "A"

Attached to that certain "Assignment, Conveyance & Bill Of Sale" dated effective October 1, 2014, by & between **Colton LLC**, et al, as Assignor, & **HRM Resources II, LLC**, as Assignee.

Lease: Oil And Gas License

Lessor: Union Pacific Railroad Company

Lessee: Colton & Colton, A partnership comprised of Earl G. Colton & Howard F. Colton, as Licensee.

Date: June 26, 1969

Insofar as the
Lease Covers: Township 12 North, Range 57 West, 6th PM
Section 27: N1/2
Weld County, Colorado

Recorded: At Reception #1537503, on Oct. 1, 1969
in the records of Weld Co., Colorado.

Contracts:

Operating Agreement dated May 1, 1979, covering Sec. 27: NENW, NE, T12N-R57W, Weld County, Colorado, by & between Colton & Colton, as operator, & Wilson-Hunter Properties, et al, as non-operators (Replacement Operating Agreement dated Aug. 1, 1971).