

## **BILL OF SALE AND ASSIGNMENT AGREEMENT**

This BILL OF SALE AND ASSIGNMENT AGREEMENT (this "Assignment"), dated as of June 30, 2015 and made effective as of June 30, 2015 (the "Effective Date"), is entered into by and between Synergy Resources Corporation, a Colorado corporation ("Seller") and NGL Water Solutions DJ, LLC, a Colorado limited liability company ("Purchaser").

### **R E C I T A L S:**

A. This Assignment is made pursuant to the Purchase and Sale Agreement dated effective as of June 30, 2015 (as amended, restated, supplemented or otherwise modified, the "Purchase Agreement") by and among Purchaser and Seller. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to such term in the Purchase Agreement.

B. This Assignment is being entered into and delivered pursuant to and subject to the terms and conditions of the Purchase Agreement and additional rights and obligations of Seller and Purchaser are expressly provided for in the Purchase Agreement. Nothing contained herein is intended to alter, modify, expand or diminish the rights and obligations of the parties set forth in the Purchase Agreement, including the representations and warranties relating to the Purchased Assets. In the event of a conflict between the terms of this Assignment and the Purchase Agreement, the terms of the Purchase Agreement shall control.

C. Seller owns the Synergy Disposal 15-18i Salt Water Disposal Well located in Weld County, Colorado (the "Well") but is not transferring the Well to Purchaser. Pursuant to the Purchase Agreement, Seller has agreed to sell, assign, convey, transfer and deliver to Purchaser and Purchaser has agreed to acquire and accept the Purchased Assets.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Transfer of the Purchased Assets. The Company does hereby sell, assign, convey, transfer and deliver to Purchaser and Purchaser hereby acquires and accepts all of Seller's right, title and interest in and to the following (the "Purchased Assets"):

(a) all of Seller's rights, titles and interests in and to those certain tracts or parcels of land located in Weld County, Colorado, more fully described as follows: 40 acres of land surrounding the Well more fully described as: E/2 of Sec 18, Twp 6 North - Range 63 West of the 6th P.M., Lot B containing 1,924,987 Sq ft or 44.191 acres, together with all of Seller's right, title and interest in and to (i) all buildings, structures, fixtures and improvements thereon, (ii) adjacent streets, alleys, strips, gores, and rights-of-way, and (iii) any and all rights, benefits, privileges, easements, tenements, hereditaments and appurtenances belonging theretomeans;

(b) all raw materials, packaging, service parts, supplies, work-in-process and finished goods and any and all other inventories applicable to the Well;

(c) the facilities and structures, buildings, installations, fixtures, improvements, betterments, additions, spare parts, stores, supplies, fuel and lubes, machinery, equipment, cranes, forklifts, platforms, vehicles, trucks, chassis, generators, containers, spare tires and parts, tools, appliances, furniture, office furniture, fixtures, office supplies and office equipment, computers, computer terminals and printers, computer software, telephone systems, telecopiers and photocopiers, and other tangible personal property owned by the Seller which solely pertain or relate to the Well;

(d) all surface fee interests, easements, surface leases, surface use agreements, servitudes and rights of way appurtenant to or otherwise used or held for use in connection with (x) the Purchased Assets and (y) the disposal of water;

(e) choses in action, claims and causes of action or rights of recovery or set-off of every kind and character arising from any period of time beginning after the Closing Date;

(f) all of the Seller's files, papers, documents and records relating to the Purchased Assets, and all other miscellaneous assets of the Seller exclusively relating to the Purchased Assets wherever located, including, without limitation, credit, sales and accounting records, books, processes, formulae, manufacturing data, advertising material, stationery, office supplies, forms, catalogues, manuals, correspondence, employment records and any other information reduced to writing exclusively relating to the Purchased Assets; and

(g) all of the Seller's right, title and interest in any Tax refund or credit to the extent it is for the benefit of Purchaser pursuant to the terms of the Purchase Agreement.

2. Amendment. This Assignment may be amended only with the express written consent of each party hereto.

3. No Third-Party Beneficiary. This Assignment is being entered into solely for the benefit of the parties hereto, and the parties do not intend that any other person or entity shall be a third-party beneficiary of the covenants by Seller or Purchaser contained in this Assignment.

4. Governing Law. To the maximum extent permitted by applicable Law, the provisions of this Assignment shall be governed by and construed and enforced in accordance with the Laws of the State of Colorado, without regard to principles of conflict of Laws. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED IN THE STATE OF COLORADO OR, IF SUCH COURT DOES NOT HAVE SUCH JURISDICTION, THE STATE COURTS LOCATED IN WELD COUNTY COLORADO FOR ANY ACTIONS, SUITS, OR PROCEEDINGS ARISING OUT OF OR RELATING**

**TO THIS ASSIGNMENT. EACH OF PURCHASER AND SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OR RELATING TO THIS ASSIGNMENT.**

5. Counterparts. This Assignment may be executed in multiple counterparts (including by facsimile or portable document format (.pdf)), each of which shall be deemed an original and all of which shall constitute one instrument.

6. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Nothing in this Assignment, express or implied, is intended to confer upon any other person or entity other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder, except as set forth in the Purchase Agreement. No party hereto may assign, transfer, dispose of or otherwise alienate this Assignment or any of its rights, interests or obligations under this Assignment (whether by operation of Law or otherwise); provided, however, that Purchaser may assign or transfer all or any part of its rights and obligations under this Assignment (a) to any entity that is wholly-owned, directly or indirectly, by Purchaser or is an Affiliate of Purchaser or (b) to any person or entity to whom Purchaser sells all or substantially all the Purchased Assets; provided further, that at any time Purchaser may collaterally assign its rights hereunder to any person or entity or persons or entities providing financing to Purchaser in connection with the transactions contemplated hereby; provided further, however, that no such assignment or transfer shall relieve Purchaser of its obligations hereunder. Any attempted assignment, transfer, disposition or alienation in violation of this Assignment shall be null, void and ineffective.

7. Further Assurances. Subject to the terms of the Purchase Agreement, the parties hereto agree that, from time to time following the Closing Date, each of them will execute and deliver, or cause to be executed and delivered, such instruments of assignment, transfer, conveyance, endorsement, direction or authorization as may be necessary to consummate and make effective the transactions contemplated by this Assignment. After the Closing, the parties hereto shall use commercially reasonable efforts to obtain any approvals or consents or assist in any filings required in connection with the transactions contemplated by this Assignment (including with respect to the transfer of any Permit) that are requested by Purchaser and that have not been previously obtained or made.

8. Assumption and Exclusion of Liabilities. Purchaser assumes and agrees to timely fulfill, perform, pay, and discharge (or cause to be fulfilled, performed, paid, and discharged) the Assumed Liabilities, subject to and in accordance with the terms of the Purchase Agreement. All indemnities of Purchaser relating to the Assumed Liabilities are set forth in, and are provided in accordance with the terms of, the Purchase Agreement, reference to which is made for all purposes. Purchaser shall not assume and Seller shall retain and agrees to timely fulfill, perform, pay, and discharge (or cause to be fulfilled, performed, paid, and discharged) the Excluded Liabilities, subject to and in accordance with the terms of the Purchase Agreement. All indemnities of Seller relating to the Retained Liabilities are set forth in, and are provided in accordance with the terms of, the Purchase Agreement, reference to which is made for all purposes. Seller and Purchaser intend that the representations, warranties, covenants,

indemnities, and other terms of the Purchase Agreement shall survive the execution and delivery of this Assignment.

9. **DISCLAIMERS.**

- (a) **EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY SET FORTH IN THE PURCHASE AGREEMENT AND THIS ASSIGNMENT (I) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) SELLER EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO PURCHASER OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO PURCHASER BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF SELLER OR ANY OF ITS AFFILIATES).**
- (b) **EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN THE PURCHASE AGREEMENT AND THIS ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE PURCHASED ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION RELATING TO THE PURCHASED ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE PURCHASED ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE PURCHASED ASSETS OR FUTURE REVENUES TO BE GENERATED BY THE ASSETS, (V) THE PRODUCTION OF OR ABILITY TO PRODUCE HYDROCARBONS FROM THE PURCHASED ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE PURCHASED ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY SELLER OR THIRD PARTIES WITH RESPECT TO THE PURCHASED ASSETS, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO PURCHASER OR ITS AFFILIATES, OR ITS OR THEIR RESPECTIVE EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, (IX) THE ABILITY TO DISPOSE OF WATER THROUGH THE PURCHASED**

ASSETS AND (X) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT. SELLER FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY OF THE PURCHASED ASSETS, RIGHTS OF A PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT PURCHASER SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS OR DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND THAT PURCHASER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS PURCHASER DEEMS APPROPRIATE.

- (c) EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN THE PURCHASE AGREEMENT AND THIS ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE PURCHASED ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY. EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN THE PURCHASE AGREEMENT AND THIS ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PURCHASER SHALL BE DEEMED TO BE TAKING THE PURCHASED ASSETS "AS IS" AND "WHERE IS" WITH ALL FAULTS FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION, AND PURCHASER HAS MADE OR CAUSED TO BE MADE SUCH ENVIRONMENTAL INSPECTIONS AS PURCHASER DEEMS APPROPRIATE.
- (d) SELLER AND PURCHASER AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ASSIGNMENT ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSE OF ANY APPLICABLE LAW.

*[Signature pages follow]*

IN WITNESS WHEREOF, Seller and Purchaser have each duly executed this Assignment as of the date first set forth above.

**SYNERGY RESOURCES CORPORATION**

By: William E. Scuff  
Name: William E. Scuff

Title: CEO

STATE OF COLORADO

COUNTY OF Denver

This instrument was acknowledged before me, the undersigned authority, on the 30<sup>th</sup> day of June, 2015 by William E. Scuff, the CEO of Synergy Resources Corporation, a Colorado corporation on behalf of said corporation.

Danielle N. Garduno

Notary Public in and for the State of Colorado



**NGL WATER SOLUTIONS DJ, LLC**

By: \_\_\_\_\_  
Name: James J. Burke  
Title: President

STATE OF COLORADO  
COUNTY OF Denver

This instrument was acknowledged before me, the undersigned authority, on the 30<sup>th</sup> day of June, 2015 by James J. Burke, the President of NGL Water Solutions DJ, LLC, a Colorado limited liability company on behalf of said limited liability company.

Danielle N. Garduno  
Notary Public in and for the State of Colorado

