

Recording requested by, and  
when recorded return to:

PDC Energy, Inc.  
Attention: Land Department  
1775 Sherman St., Suite 3000  
Denver, CO 80203

### **ASSIGNMENT, BILL OF SALE AND CONVEYANCE**

This ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this “Assignment”), dated effective as of June 1, 2017, at 7:00 a.m. Denver, Colorado time (the “Effective Time”), is from **Bayswater Exploration & Production, LLC**, a Colorado limited liability company, **Bayswater Blenheim Holdings LLC**, a Delaware limited liability company and **Bayswater Blenheim Holdings II, LLC**, a Delaware limited liability company (each an “Assignor” and collectively the “Assignors”), with an address of 730 17th Street, Suite 500, Denver, Colorado 80202, and **PDC Energy, Inc.**, a Delaware corporation (“Assignee”), with an address of 1775 Sherman Street, Suite 3000 Denver, CO 80203. Assignor and Assignee are sometimes collectively referred to as the “Parties” and each referred to individually as a “Party.”

For \$100.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignors hereby sell, assign, transfer, grant, bargain and convey the Assets to Assignee. Terms used in this Assignment that are defined in the Purchase and Sale Agreement, described below, shall have the meanings given in the Purchase and Sale Agreement.

“Assets” means all of Assignors' right, title and interest in and to the following real and personal property interests, excluding the Excluded Assets:

a. All of the oil and gas leases described on Exhibit A, Part I (collectively, the “Leases”), insofar and only insofar as the Leases cover the lands described in Exhibit A, Part II (collectively, the “Lands”), royalty, overriding royalty, net profits and other interests in the Lands. The Net Acres attributable to the Leases are described in Exhibit A.

b. All rights that are derived under or from the Leases in existing and effective unitization, voluntary pooling and communitization agreements, pooling declarations and pooling orders covering any of the Lands.

c. All oil and gas wells, injection wells, disposal wells and other wells now or hereafter located on the Lands or lands pooled or unitized therewith, including the oil and gas wells specifically described on Exhibit B, whether producing or non-producing, (collectively, the “Wells”), and all Hydrocarbons produced from or attributable to the Wells on or after the Effective Time.

d. To the extent transferable without payment of additional consideration to a third party, unless Assignee agrees in writing to pay such additional consideration, (i) all Hydrocarbon sales, purchase, gathering, compression, treating, transportation, storage and processing agreements described on Exhibit C but insofar and only insofar as they cover or relate to the interests described in paragraphs (a), (b), or (c), and (ii) all other contracts, operating agreements, balancing agreements, joint venture agreements, partnership agreements, and farmout agreements described on Exhibit C but insofar and only insofar as they cover or relate to the interests described in paragraphs (a), (b), or (c), excluding any master service agreements and insurance contracts.

e. To the extent transferable without payment of additional consideration to a third party, unless Assignee agrees in writing to pay such additional consideration, all permits, licenses, approvals, servitudes, rights-of-way, easements, surface use agreements, and other surface rights, that are used or held primarily for use in connection with the operation of the Wells or Lands (or lands pooled, communitized or unitized therewith) including the applications for permits to drill wells operated by Assignors for which the drilling has not been initiated, described on Exhibit D.

f. All personal property, equipment, machinery, fixtures and improvements, operational or nonoperational, known or unknown, located on the Lands (or lands pooled, communitized or unitized therewith), including pipelines, gathering systems, manifolds, well equipment, casing, tubing, pumps, motors, compression equipment, flow lines, processing and separation facilities, pads, and structures that, as of the Execution Date were located on the Lands (or lands pooled, communitized or unitized therewith), and that are used or held for use primarily in connection with the operation of the Wells or Lands (or lands pooled, communitized or unitized therewith).

g. Fee surface property and surface leases used for Assignors' yards for operation of the interests described in paragraphs (a), (b) and (c) and described on Exhibit E.

h. All pipes, tubulars, fittings, and other materials exclusively used or specifically held for use as operating inventory in connection with the operation of the Wells.

i. All communications towers and equipment owned or operated by Assignors and related communications licenses granted by the Federal Communications Commission or other governmental body used solely in connection with the operation of the Wells and Leases.

j. To the extent transferrable without payment of additional consideration to a third party, unless Assignee agrees in writing to pay such additional consideration, all rights, claims, indemnities, warranties, guaranties, and causes of action (including insurance claims, whether or not asserted, under policies of insurance or claims to the proceeds of insurance) that may be asserted against a third party, in each case that are attributable to (or by their terms cover) Assumed Liabilities, or are otherwise allocated to

Assignee under the other provisions of this Assignment or the Purchase and Sale Agreement.

k. All logs, well files and production data relating to the interests described in paragraphs (a), (b) and (c), but excluding all data and information that is (i) subject to unaffiliated third party contractual restrictions on disclosure or transfer, (ii) subject to a transfer fee, unless Assignee agrees in writing to pay such transfer fee and execute associated master service or other agreements required for transfer, and (iii) interpretative data.

l. All of the files, records, land surveys, maps, engineering data and reports, and other information relating to the items described in paragraphs (a) through (g) maintained by or in the possession of Assignors (such copies are herein collectively called the “Records”), including accounting files, lease files, land contract files, the BOLO (UniData) database files, well files, Hydrocarbon sales contract files, most recent reserve reports prepared by Assignors or their consultants, reserve reporting and classification information and supporting materials, gas gathering, compression, treating, transportation, storage and processing files, division order files, abstracts, and title opinions, whether in paper or electronic format.

**EXCEPTING AND RESERVING TO ASSIGNOR** the following (the “Excluded Assets”):

a. any accounts receivable accruing or attributable to the period before the Effective Time;

b. all Hydrocarbons from or attributable to the Assets with respect to all periods prior to the Effective Time and all proceeds attributable thereto;

c. any refund of, or loss carry forwards or credits with respect to, costs, taxes or expenses borne by Assignors or Assignors’ predecessors in title attributable to the period prior to the Effective Time;

d. any and all proceeds from the settlements of contract disputes with purchasers of Hydrocarbons from the Assets, including settlement of disputes, insofar as said proceeds are attributable to periods of time prior to the Effective Time;

e. the right to exercise any audit rights under operating agreements or other agreements or state law with respect to periods prior to the Effective Time (and Assignee will reasonably cooperate with Assignors to facilitate Assignors’ exercise of such rights), but in each case only to the extent, and for the time period, Assignors are responsible for such Property Expenses under this Assignment or the Purchase and Sale Agreement;

f. any claims against third parties related to matters occurring prior to the Effective Time;

g. all titled vehicles and other rolling stock;

h. all communications and work-product covered by the attorney-client or attorney work-product privileges;

i. all seismic, geophysical, geochemical, and interpretative data and information;

j. (i) all corporate, financial, tax and legal data and records of Assignors that relate to Assignors' businesses generally, (ii) any data and records to the extent disclosure or transfer is prohibited or subjected to payment of a fee or other consideration by any license agreement or other agreement with a Person other than Affiliates of Assignors, or by applicable law, and for which no consent to transfer has been received or for which Assignee has not agreed in writing to pay the fee or other consideration, as applicable, (iii) any data and records relating to the sale of the Assets, including bids received from, and records relating to Assignors' negotiations with, Assignee or with Persons other than Assignee, (iv) any data and records constituting or relating to the Excluded Assets and (v) employee information, internal valuation data, business plans, business studies, transaction proposals and related correspondence, and similar records and information;

k. Assignors' intellectual property used in determining whether to participate in the development or operation of the Assets, including proprietary computer software, computer software licensed from third parties, patents, pending patent applications, trade secrets, copyrights, names, marks and logos;

l. all deposits, cash, checks in process of collection, cash equivalents, accounts and notes receivable and other funds attributable to any periods before the Effective Time, and security or other deposits made with third parties prior to the Effective Time;

m. all swap, futures, or derivative contracts backed by or related to Hydrocarbons produced from the Assets;

n. all equipment located on the yard described on Exhibit E as of the date of execution of the Purchase and Sale Agreement, including without limitation, three large separators, three small separators, six fluid knockouts and two crates of valves, all of which were removed from the site prior to Closing;

o. any equipment, materials, spare parts, tools and other personal property that are not used on the Leases as of the Effective Time and are currently stored or warehoused at a site not located on the Assets;

p. the Retained Wellbore Properties; and

q. any deemed non-consent interests of Alpha Energy Group, LLC, Aluma Energy LLC and Green Oil Energy, LLC in the Mojack N-28HC, Mojack O-28HN and Mojack P-28HN wells.

"Affiliate" of any designated Person means any Person which, directly or indirectly, controls, or is controlled by or is under common control with, such designated Person; for

purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; provided that the Affiliates of Bayswater Blenheim Holdings LLC shall be limited to Blenheim Natural Resources Fund, LLC and the Affiliates of Bayswater Blenheim Holdings II, LLC shall be limited to Blenheim Elgin Natural Resources Fund II, LLC.

“Bayswater Retained Wells” means the wellbores of the Foss 10-2-21, Foss 10-23, Foss 10-24, Foss 10-25, Dyer 2-21, Dyer 2-24, and Dyer 2-25 wells as described on Exhibit F.

“Person” shall mean any natural person, corporation, company, limited liability company, partnership, joint venture, trust, proprietorship or other entity, organization or association of any kind and shall include all governmental authorities.

“Retained Wellbore Properties” means:

- (a) Bayswater Retained Wells;
- (b) all interests in the Leases, fee mineral interests, royalty interests, overriding royalty or non-participating royalty interests, operating rights or other rights or agreements, mineral servitudes, licenses, concessions or other rights covering oil, gas, and related hydrocarbons but only insofar as the interests described in this subparagraph (a) cover the wellbores of the Bayswater Retained Wells and only to the extent reasonably necessary to continue operations in connection with, and obtain production from, the Bayswater Retained Wells in the currently producing zones, or conduct operations for plugging and abandonment and reclamation for the wells and related facilities;
- (c) all gathering lines, tank batteries, equipment, machinery, fixtures, and other tangible personal property and improvements that are used or held for use solely in connection with the operation of the Bayswater Retained Wells; and
- (d) all rights-of-way, easements, surface use agreements, and other surface rights, only insofar as such rights are used or held primarily for use in connection with the operation of the Bayswater Retained Wells.

TO HAVE AND TO HOLD the Assets unto Assignee and its successors and assigns forever.

This Assignment is made and accepted expressly subject to the following terms and conditions:

- A. *Special Title Warranty; Disclaimers.* Each Assignor hereby warrants and forever agrees to defend Defensible Title (as defined in the Purchase and Sale Agreement) as to itself (but not as to any other Assignor) and as to that portion of the Assets owned by it, unto Assignee, its successors and assigns against every Person whomsoever lawfully claiming or to claim the same or any part thereof by, through, or under such Assignor, but not otherwise, except for the Permitted Encumbrances (as defined in the Purchase and Sale

Agreement), and with full substitution and subrogation in and to all of the rights and actions of title warranty that Assignor may have against its predecessors in title. **EXCEPT AS EXPRESSLY SET FORTH IN THE PRECEDING SENTENCE, IN THE SELLERS CERTIFICATE DELIVERED PURSUANT TO SECTION 12.2(G) OF THE PURCHASE AND SALE AGREEMENT, OR IN THE PURCHASE AND SALE AGREEMENT, THIS ASSIGNMENT IS MADE WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND, EITHER EXPRESS, IMPLIED OR STATUTORY AND ASSIGNORS EXPRESSLY DISCLAIM ANY WARRANTY OR REPRESENTATION, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, RELATING TO (I) TITLE TO THE ASSETS, THE CONDITION, QUANTITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO THE MODELS OR SAMPLES OF MATERIALS OR MERCHANTABILITY OF ANY EQUIPMENT OR ITS FITNESS FOR ANY PURPOSE, (II) THE ACCURACY OR COMPLETENESS OF ANY DATA, REPORTS, RECORDS, PROJECTIONS, INFORMATION OR MATERIALS NOW, HERETOFORE OR HEREAFTER FURNISHED OR MADE AVAILABLE TO ASSIGNEE IN CONNECTION WITH THIS ASSIGNMENT OR THE PURCHASE AND SALE AGREEMENT, (III) PRICING ASSUMPTIONS, OR QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS OR THE ABILITY OR POTENTIAL OF THE ASSETS TO PRODUCE HYDROCARBONS, (IV) THE ENVIRONMENTAL CONDITION OF THE ASSETS, BOTH SURFACE AND SUBSURFACE, (V) ANY IMPLIED OR EXPRESS WARRANTY OF NON-INFRINGEMENT, OR (VI) ANY OTHER MATTERS CONTAINED IN ANY MATERIALS FURNISHED OR MADE AVAILABLE TO ASSIGNEE BY ASSIGNORS OR BY ASSIGNORS' AGENTS OR REPRESENTATIVES, OR (B) ANY OTHER EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION WHATSOEVER. ASSIGNEE HAS INSPECTED, OR WAIVED (AND SHALL BE DEEMED TO HAVE WAIVED) ITS RIGHT TO INSPECT, THE ASSETS FOR ALL PURPOSES AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, INCLUDING BUT NOT LIMITED TO CONDITIONS SPECIFICALLY RELATED TO THE PRESENCE, RELEASE OR DISPOSAL OF HAZARDOUS SUBSTANCES, SOLID WASTES, ASBESTOS AND OTHER MAN MADE FIBERS, OR NORM. ASSIGNEE IS RELYING SOLELY UPON THE TERMS OF THIS ASSIGNMENT AND THE PURCHASE AND SALE AGREEMENT AND ITS OWN INSPECTION OF THE ASSETS, AND ASSIGNEE ACCEPTS ALL OF THE SAME IN THEIR "AS IS, WHERE IS" CONDITION.**

**THE PARTIES AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE OPERATIVE, THE DISCLAIMERS OF WARRANTIES CONTAINED IN THIS PARAGRAPH A ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.**

B. *Purchase and Sale Agreement.* This Assignment is made subject to that certain Purchase and Sale Agreement dated September 25, 2017, by and between Assignors and

Assignee (the “Purchase and Sale Agreement”). The Purchase and Sale Agreement contains certain representations, warranties, indemnities, assumptions and agreements between the Parties, some of which survive the delivery of this Assignment, as provided for therein and shall not be merged into this Assignment or be otherwise negated by the execution or delivery of this Assignment. This Assignment shall not be construed to amend the Purchase and Sale Agreement or vary the rights or obligations of either Assignor or Assignee from those set forth in the Purchase and Sale Agreement. In the event of any conflict between this Assignment and the Purchase and Sale Agreement, the terms of the Purchase and Sale Agreement shall control.

C. *Joint Use Agreement.* This Assignment is made subject to that certain Joint Use Agreement dated September 25, 2017, by and between Assignors and Assignee (the “Joint Use Agreement”). The Joint Use Agreement contains certain representations, warranties, indemnities, assumptions and agreements between the Parties, some of which survive the delivery of this Assignment, as provided for therein and shall not be merged into this Assignment or be otherwise negated by the execution or delivery of this Assignment. This Assignment shall not be construed to amend the Joint Use Agreement or vary the rights or obligations of either Assignor or Assignee from those set forth in the Joint Use Agreement. In the event of any conflict between this Assignment and the Joint Use Agreement, the terms of the Joint Use Agreement shall control.

D. *Governmental Assignment Forms.* The Parties shall execute and deliver such other assignments and assumptions, bills of sale, or deeds necessary to transfer the Assets to Assignee, including any conveyances on official forms and related documentation necessary to transfer the Assets to Assignee in accordance with requirements of state and federal governmental regulations. Those assignments shall be deemed to contain all of the terms hereof. The interests conveyed by such separate assignments are the same, and not in addition to, the interests conveyed herein.

E. *Successors and Assigns.* The terms, covenants and conditions contained in this Assignment are binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns, and such terms, covenants and conditions are covenants running with the land and with each subsequent transfer or assignment of the Assets or any part thereof.

F. *Counterparts.* This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all of which together shall constitute but one instrument.


G. *Governing Law.* This Assignment shall be governed by and construed in accordance with the laws of the State of Colorado, without regard to its conflict of law rules.

[Signature Pages Follow]

EXECUTED this 5<sup>th</sup> day of January, 2018, (the "Execution Date"), to be effective for all purposes as of the Effective Time.

ASSIGNORS:


Bayswater Exploration & Production, LLC

By:   
Name: Stephen M. Struna  
Title: President

Bayswater Blenheim Holdings LLC,

By:   
Name: Guy J. Castranova  
Title: Managing Director

Bayswater Blenheim Holdings II, LLC

By:   
Name: Guy J. Castranova  
Title: Managing Director

ASSIGNEE:

PDC Energy, Inc.

By: \_\_\_\_\_  
Name: Barton R. Brookman, Jr.  
Title: President and Chief Executive Officer



EXECUTED this 5<sup>th</sup> day of January, 2018, (the "Execution Date"), to be effective for all purposes as of the Effective Time.

ASSIGNORS:

Bayswater Exploration & Production, LLC

By: \_\_\_\_\_

Name: Stephen M. Struna

Title: President

Bayswater Blenheim Holdings LLC,

By: \_\_\_\_\_

Name: Guy J. Castranova

Title: Managing Director

Bayswater Blenheim Holdings II, LLC

By: \_\_\_\_\_

Name: Guy J. Castranova

Title: Managing Director

ASSIGNEE:

PDC Energy, Inc.

By: \_\_\_\_\_

Name: Barton R. Brookman, Jr.

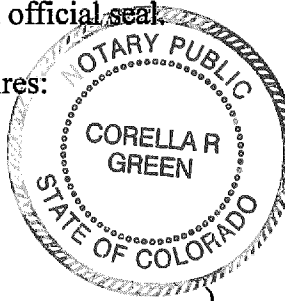
Title: President and Chief Executive Officer

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

The foregoing instrument was acknowledged before me this 5 day of January, 2018, by Stephen M. Struna, as President of Bayswater Exploration & Production, LLC, a Colorado limited liability company, on behalf of such company.

Witness my hand and official seal.

My Commission expires:



8-20-21  
Corella R. Green  
Notary Public

STATE OF New Jersey )  
 ) ss.  
COUNTY OF Mercer )

The foregoing instrument was acknowledged before me this 2nd day of January, 2018, by Guy J. Castranova, as Managing Director of Bayswater Blenheim Holdings LLC, a Delaware limited liability company, on behalf of such company.

Witness my hand and official seal.

My Commission expires:

[Signature]  
Notary Public

KAREN B. WEISS  
A NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES JUNE 21, 2021

STATE OF New Jersey )  
 ) ss.  
COUNTY OF Mercer )

The foregoing instrument was acknowledged before me this 2nd day of January, 2018, by Guy J. Castranova, as Managing Director of Bayswater Blenheim Holdings II, LLC, a Delaware limited liability company, on behalf of such company.

Witness my hand and official seal.

My Commission expires:

[Signature]  
Notary Public

KAREN B. WEISS  
A NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES JUNE 21, 2021

The foregoing instrument was acknowledged before me this 4th day of January, 2018, by Barton R. Brookman, Jr., as President and Chief Executive Officer of PDC Energy, Inc., a Delaware corporation, on behalf of such company.

My Commission expires:

December 2, 2018  
Lisa Rohles  
Notary Public

