



## ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment, Bill of Sale and Conveyance (this "Assignment"), dated effective as of 7:00 a.m. Mountain Time on May 1, 2017 (the "Effective Time"), is made by Koch Exploration Company, LLC, a Delaware limited liability company with a notice address of 950 17th Street, Suite 1900, Denver, Colorado 80202 ("Assignor"), to 31 Group, LLC, a Delaware limited liability company with a notice address of 633 17th Street, Ste. 1700-A, Denver, CO 80202 ("Assignee"), pursuant to that certain Asset Purchase Agreement by and between Assignor and Assignee, dated August 29, 2017 (the "APA"). All capitalized terms not defined herein have the meaning set forth in the APA.

In the event of any conflict between the terms of this Assignment (or any portion thereof) and the terms of the APA, the terms of the APA shall prevail.

1. For and in consideration of the amounts paid by Assignee to Assignor under the APA and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto Assignee, subject to the terms and reservations hereof, all of Assignor's right, title and interest in and to the following (the "Properties"):

1.1 **Real Property Interests.** All oil, gas and mineral leases ("Leases") described on Schedule 1.1 hereto, including all surface leases, operating rights, working interests, net revenue interests, royalty interests, overriding royalty interests and fee mineral interests described therein or related to such Leases, insofar and only insofar as such Leases, surface leases, operating rights, working interests, net revenue interests, royalty interests, overriding royalty interests and fee mineral interests cover or burden the lands described on Schedule 1.1 (the "Lands"), the Lands located in Rio Blanco County, CO (collectively, the "Real Property Interests"), regardless of whether the Leases and Lands are described accurately on Schedule 1.1.

1.2 **Tangible Property.** (a) All wells, including those oil and gas wells, water wells and saltwater injection wells listed on Schedule 1.2 hereto (the "Wells"), (b) all well heads, casing, tubing, pumps, motors, gauges, valves, heaters, treaters and all other production equipment or facilities on the Wells, (c) all lease-owned gathering lines, water lines, vessels, tanks, boilers, separators, treating equipment, compressors, motors, electrical equipment, pipelines, power lines, telephone and communication lines, and (d) all other lease-owned appurtenances owned in connection with the production, treating, storing, transportation or marketing of Hydrocarbons associated with the Wells.

1.3 **Unit and Related Interests.** All presently existing and recorded unitization, pooling and/or communitization agreements, declarations or designations and statutorily, judicially or administratively created drilling, spacing and/or production units, insofar as the same are attributable or allocated to the Leases or the Lands, and all of the Seller's interest in and to the properties covered or units created thereby which are attributable to the Leases or the Lands.

**1.4 Contracts.** All presently existing and valid oil, casing head gas and gas sales agreements (to the extent transferrable), operating agreements, farm out and farm in agreements, pooling agreements, purchase agreements, exploration agreements, area of mutual interest agreements, exchange and processing contracts and agreements, settlement agreements, partnership and joint venture agreements and any other contracts, agreements and instruments which pertain to the Leases, Lands, Wells or any interests pooled or unitized therewith listed on Schedule 1.4 hereto ("Contracts"), including any gas imbalances.

**1.5 Hydrocarbons.** All oil and gas and other hydrocarbons in, on, under or produced from the Leases, Lands, or any interests pooled or unitized therewith from and after the Effective Time ("Hydrocarbons").

**1.6 White River Dome Plant.** That certain gas gathering system and the processing and treating plant and associated facilities commonly referred to as the "White River Dome Plant" located on the site located at the Sixth Principal Meridian in Rio Blanco County, CO, T.2 N., R. 96 W, sec. 32, NE1/4 NW1/4, regardless of whether the components of the White River Dome Plant are real, personal, mixed, movable, or immovable property, and all associate pipelines, gathering systems, interconnects, compression assets, fixtures, equipment and appurtenances thereto used, or held for use, in connection with the ownership or operation of the White River Dome Plant.

**1.7 Related Rights.** All easements, permits, licenses, servitudes, rights of way and all other rights and appurtenances situated on or used in connection with the Real Property Interests, Wells, or any interests pooled or unitized therewith, and the White River Dome Plant.

**1.8 Records.** To the extent the same are assignable or transferable, all files, records and data (including electronic data) specifically related to the Properties, including, without limitation, lease files, land files, well files, division order files, abstracts, title files, engineering and/or production files, hydrocarbon sales contracts, hydrocarbon transportation and processing contracts, accounting files and all rights relating thereto, including copies of all Contracts (the "Records").

**2. Assignor specifically excepts from this Assignment and reserves unto itself the following ("Excluded Assets"):**

**2.1 All partnership, limited liability company, financial, tax, and legal (other than title) records of Assignor that relate to Assignor's business generally and not the Properties and all of Assignor's formation documents, resolutions and similar governance documents;**

**2.2 Any existing or future refund of costs, taxes or expenses borne by Assignor or Assignor's predecessors in title attributable to the period prior to the Effective Time;**

**2.3 Any and all proceeds from production and from the settlements of contract disputes with purchasers of Hydrocarbons or byproducts from the Real Property Interests, insofar as said proceeds are attributable to periods of time prior to the Effective Time;**

**2.4 All rights and interests of Assignor (a) under any policy or agreement of insurance or indemnity (including, without limitation, any rights, claims or causes of action Assignor against third parties under any indemnities or hold harmless agreements and any indemnities received in connection with Assignor's prior acquisition of any of the Properties) to the extent and only to the extent such rights and interests relate to the ownership of the Properties prior to the Effective Time or (b) under any bond procured by Assignor;**

**2.5 All Hydrocarbons produced and sold from the Properties with respect to all periods prior to the Effective Time and all proceeds from the disposition thereof;**

**2.6 All of Assignor's proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property as well as all files, documents, reports, and data insofar as they (a) pertain to Seller's geophysical data and interpretations thereof, (b) pertain to Assignor's proprietary technology, evaluations, or interpretations (whether geological, engineering, economic, or otherwise), (c) are legal opinions, (d) are documents prepared on behalf of Assignor in contemplation of litigation, (e) are owned or licensed by third parties with restrictions that prohibit their deliverability or disclosure to Assignee, or (f) pertain to records required to be maintained under applicable law;**

**2.7 All accounts receivable and audit rights arising under any of the applicable contracts or otherwise with respect to the Properties and any period prior to the Effective Time or to any of the Excluded Assets;**

**2.8 All seismic license agreements and all other geophysical, seismic and related technical data, analysis and information, if such is licensed and cannot be assigned or transferred to Assignee;**

**2.9 All claims of Assignor for refunds of or loss carry forwards with respect to (a) production or any other taxes attributable to any period prior to the Effective Time, (b) income or franchise taxes or (c) any taxes attributable to the Excluded Assets;**

**2.10 All documents and instruments of Assignor that may be protected by an attorney-client privilege and all data that cannot be disclosed to Assignee as a result of confidentiality arrangements under agreements with third parties;**

**2.11 All licensed radio frequencies and associated communications infrastructure including towers, antennas, data links and network circuits solely to the extent Assignor is prohibited from transferring such items by contract or law;**

**2.12 All equipment, such as compressors on the wellheads of the Wells operated by Assignor or its affiliates that is not owned by Assignor and is leased from affiliates or third parties; and**

**2.13 the personal property set forth on Schedule 1.9 hereto.**

3. TO HAVE AND TO HOLD all and singular such Properties together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject to the provisions of the APA.

**TITLE TO THE REAL PROPERTY INTERESTS IS BEING CONVEYED HEREIN BY ASSIGNMENT WITHOUT WARRANTY OF TITLE, EXCEPT SPECIAL WARRANTY FOR CLAIMS BY, THROUGH, AND UNDER ASSIGNOR, SUBJECT TO THE PERMITTED ENCUMBRANCES.**

**EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THIS ASSIGNMENT AND THE APA, ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO (a) TITLE TO THE PROPERTIES, PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION, OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE PROPERTIES OR ASSIGNOR'S INTERESTS THEREIN, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY RECORDS, INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, AND (c) THE ENVIRONMENTAL CONDITION OF THE PROPERTIES.**

**EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THIS ASSIGNMENT AND THE APA, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND THE ASSIGNEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE PROPERTIES (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (e) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (f) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF SUBSTANCES, WASTES OR MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR HEALTH, IT BEING THE EXPRESS INTENTION OF ASSIGNEE AND ASSIGNOR THAT THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES IN WHICH ASSIGNOR HAS ANY INTEREST ARE BEING ACCEPTED BY ASSIGNEE, "AS IS, WHERE IS, WITH ALL FAULTS" AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR.**

**ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THESE DISCLAIMERS OF CERTAIN**

**WARRANTIES ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.**

**[SIGNATURE PAGES FOLLOW]**

**SIGNATURE PAGE TO**  
**ASSIGNMENT, BILL OF SALE AND CONVEYANCE**

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

ASSIGNOR:

Koch Exploration Company, LLC,  
a Delaware limited liability company

By: *Brian Kissick*  
Name: Brian Kissick  
Title: Vice President

**ACKNOWLEDGMENT**

STATE OF COLORADO    )  
City                    )  
COUNTY OF DENVER    )       §

The foregoing instrument was acknowledged before me on this \_\_\_ day of October, 2017, by Brian Kissick as Vice President of Koch Exploration Company, LLC, a Delaware limited liability company, on behalf of the company.

Stamp Name, Certificate Number  
and Date of Expiration  
of Commission Below:

*Erica J. Adkisson*  
Notary Public, State of Colorado

ERICA JO ADKISSON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174017591  
MY COMMISSION EXPIRES APRIL 24, 2021

**SIGNATURE PAGE TO  
ASSIGNMENT, BILL OF SALE AND CONVEYANCE**

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

ASSIGNEE:

31 Group, LLC,  
a Delaware limited liability company

By:   
Name: Ken Goggans  
Title: President

**ACKNOWLEDGMENT**

STATE OF COLORADO                    )  
City                                        ) §  
COUNTY OF DENVER                )

This instrument was acknowledged before me on this \_\_\_ day of October, 2017 by Ken Goggans as President of 31 Group, LLC, a Delaware limited liability company.

Stamp Name, Certificate Number  
and Date of Expiration  
of Commission Below:

  
Notary Public, State of Colorado

ERICA JO ADKISSON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174017591  
MY COMMISSION EXPIRES APRIL 24, 2021

**SCHEDULE 1.1**  
**REAL PROPERTY INTERESTS**

REC LEASE NO	LEASE NAME	LESSEE	LEASE DATE	BOOK	PAGE	RECEPTION	LEASE LEGAL DESCRIPTION	COUNTY
CD-10649.000	C 0100022	SHIRLEY BIRDSONG	4/1/1963	512	956	252853	T2N R97W 6TH PM SEC 19 LOTS 6(SWNW 40.26), 7(NWSW 40.34), 8(SWSW 40.42), E2SW, SENW, SE SEC 20 LOTS 18(NESE 19.81), 21(NWSE 1.41), 23(NESW 18.56), 26(NWSW 20.55), 27(SWSE 18.63), 52SW SEC 21 LOTS 1(NWSW 38.59), 5(SWSW 18.67), 6(SESW 21.10), 9(SWSE 23.16), NE, E2NW, SWNW, N2SE SEC 29 LOTS 3(NENE 16.93), 5(NWNE 38.15), 6(SENE 38.00), 52, SWNE, NW SEC 30 LOTS 5(NWNW 40.46), 6(SWNW 40.47), E2, E2NW	RIO BLANCO
CD-10650.000	COC 0100122	ROBERT L GRAHAM	4/1/1963	514	391	252977	T2N R97W 6TH PM SEC 28 LOTS 1(NWNE 4.66), 7(SWNW 17.98), 9(SENW 16.50), 14(SWNE 4.66), 15(NESE 22.62), 17(NWSE 2.60), 20(NESW 36.08), 21(SESW 37.88), 24(SWSE 16.86), 26(SESE 15.00), W2SW, E2NE	RIO BLANCO
CD-10651.000	C 0100255	JOHN F. PARTRIDGE, JR.	4/1/1963	512	958	252354	T2N R97W 6TH PM SEC 34 LOTS 7(NWNW 15.15), 8(SWNW 25.32), 21(NESW 14.77), 23(NWSW 37.30), 24(SESW 37.16), SWSW	RIO BLANCO