

Purchase and Sales Agreement

February 15, 2018

Investment Equipment, LLC
412 W. Platte Ave
Ft. Morgan, CO 80701

This letter is to put into writing an offer whereby GRAND MESA OPERATING COMPANY, (GMOC) offers to sell to INVESTMENT EQUIPMENT, LLC, (IE), 100% of its right, title, working interest, and operations of the oil and gas leases as set out on Exhibit "A" attached hereto and made a part hereof, under the below listed terms and conditions. If the following terms and conditions are agreeable, please so indicate by executing this Purchase and Sales Agreement (Agreement) in the space provided on the last page of said Agreement, and IE should return the original to GMOC.

1. IE agrees to pay GMOC \$200,000.00 (Purchase Price) for 100% working interest in the oil and gas leases as set out on Exhibit "A", along with all production related equipment located thereon in its AS IS WHERE IS condition.
2. The Effective Date will be February 1, 2018 (Effective Date). Any and all oil above the load line in the tanks on the oil and gas leases on Exhibit "A" on January 31, 2017 shall be credited to GMOC. The oil value will be calculated on the oil price that GMOC receives from its purchaser for January 2018 sales. The will be collected from IE at closing.
3. GMOC will be responsible for Ad Valorem Taxes up to the Effective Date of the agreement. Ad Valorem taxes on the sales will be estimated using actual oil sales from January 1, 2017 to January 31, 2018. This sales value is assessed at the rate of 87.50% and GMOC will use the most recent mil levy for Washington County to calculate the tax. Ad Valorem tax for the equipment shall be estimated based upon the 2017 Personal Property Notice of Valuation from Washington County. This equipment value is assessed at the rate of 29.00% and GMOC will use the most recent mil levy for Washington County. GMOC will be responsible for 1/12th of the equipment tax. GMOC warrants that all prior Ad Valorem taxes payable to Washington County have been paid in full prior to closing.

4. All costs and expenses incurred for operations in any way attributable to the oil and gas leases on Exhibit 'A' after the effective date will be paid by IE. Invoices received by GMOC for operations after the Effective Date will be forwarded to IE for payment.
5. After receipt of payment in full, GMOC will deliver to IE, a fully executed and recorded assignment reflecting the working interests as defined above.
6. Unless otherwise provided herein, these terms and conditions of this Agreement will be binding on, and inure to the benefit of IE and GMOC and their respective heirs, representatives, successors and assigns.
7. After the effective date, IE shall have full responsibility for the property and shall protect, defend, indemnify all losses, claims, demands, suits, causes of action and sanctions of every kind known or unknown, including reasonable attorney's fees and court costs, arising from the operation of, or in any way pertaining to the described leases.
8. After receipt of payment in full, GMOC will deliver an executed Form 10 to the COGCC as required, citing IE as operator of the oil and gas leases as described on Exhibit "A" as of Effective Date.

ATTEST:



Agreed and accepted this 15th
day of February, 2018.



James Chisolm, Managing
Partner

Investment Equipment, LLC

ATTEST:



Agreed and accepted this 15th
day of February, 2018.



Michael J. Reilly, President
Grand Mesa Operating Company

EXHIBIT "A"

Attached to and made a part of that certain Purchase and Sales Agreement dated February 15th , 2018, by and between Grand Mesa Operating Company and Investment Equipment, LLC, covering lands located in Washington County, Colorado:

LESSOR	LESSEE	LEGAL DESCRIPTION	DATE	BOOK/PAGE
Harley Hunt and Lena Hunt, husband and wife	Grand Mesa Operating Company	Township 2 South, Range 55 West Section 24: E/2	12/11/1983	828/434
		Township 2 South, Range 54 West Section 19: NW/4 a/d/a Lots 1, 2 and E/2 NW/4; SW/4 a/d/a Lots 3, 4 and E/2 SW/4, SE/4 Section 30: NW/4 a/d/a Lots 1, 2 and E/2 NW/4; SW/4 a/d/a Lots 3, 4 and E/2 SW/4, NE/4		
Helen F. Sharp, a widow	Grand Mesa Operating Company	Township 2 South, Range 55 West Section 24: E/2	11/21/1983	827/218
Helen F. Sharp, a widow	Grand Mesa Operating Company	Township 2 South, Range 54 West Section 19: NW/4 a/d/a Lots 1, 2 and E/2 NW/4; SW/4 a/d/a Lots 3, 4 and E/2 SW/4	11/21/1983	827/215
Dayton C. Sharp and Lola J. Sharp, husband and wife	Grand Mesa Operating Company	Township 2 South, Range 54 West Section 24: E/2	11/2/183	827/206
Dayton C. Sharp and Lola J. Sharp, husband and wife	Grand Mesa Operating Company	Township 2 South, Range 54 West Section 19: NW/4 a/d/a Lots 1, 2 and E/2 NW/4; SW/4 a/d/a Lots 3, 4 and E/2 SW/4	11/21/1983	827/203
Jack D. Sharp and Betty K. Sharp, husband and wife	Grand Mesa Operating Company	Township 2 South, Range 55 West Section 24: E/2	11/21/1983	827/194
Jack D. Sharp and Betty K. Sharp, husband and wife	Grand Mesa Operating Company	Township 2 South, Range 54 West Section 19: NW/4 a/d/a Lots 1, 2 and E/2 NW/4; SW/4 a/d/a Lots 3, 4 and E/2 SW/4	11/21/1983	827/191
Coe M. Sharp and Rachel C. Sharp, husband and wife	Grand Mesa Operating Company	Township 2 South, Range 55 West Section 24: E/2	11/21/1983	827/182
Coe M. Sharp and Rachel C. Sharp, husband and wife	Grand Mesa Operating Company	Township 2 South, Range 54 West Section 19: NW/4 a/d/a Lots 1, 2 and E/2 NW/4; SW/4 a/d/a Lots 3, 4 and E/2 SW/4	11/21/1983	827/179