

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE (this "Assignment"), from **POLARIS PRODUCTION PARTNERS LLC** ("Assignor"), a Delaware series limited liability company, whose address for notice is c/o Morse Energy Capital, 410 17th Street, Suite 1150, Denver, Colorado 80202, to **KTM OPERATING, LLC**, a Louisiana limited liability company ("Assignee"), whose address for notice is 1246 Bayou LaCarpe Road, Houma, Louisiana, is executed to be effective as of August 1, 2018 (the "Effective Date"). Assignor and Assignee are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

ARTICLE I ASSIGNMENT AND SALE OF ASSETS

Section 1.1 Assignment and Sale. For One Hundred Dollars (\$100.00) (the "Purchase Price") and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor, by these presents does hereby SELL, TRANSFER, GRANT, CONVEY and ASSIGN unto Assignee, without warranty, and Assignee hereby accepts from Assignor, the following (the "Transferred Assets"):

(a) All of Assignor's right, title, and interest in and to the oil and gas leases or portions thereof described in Exhibit A attached hereto and incorporated herein by reference (the "Transferred Leases");

(b) An undivided twenty percent (20%) of Assignor's right, title and interest in and to the oil and gas leases or portions thereof described in Exhibit B attached hereto and incorporated herein by reference (the "Partially Transferred Leases");

(c) All of Assignor's right, title, and interest in and to the wells described in Exhibit C attached hereto and incorporated herein by reference (the "Transferred Wells");

(d) All of Assignor's right, title, and interest in and to the rights of ways, easements and agreements described in Exhibit D attached hereto and incorporated herein by reference (the "Transferred Agreements"); and

(e) All of Assignor's right, title, and interest in and to the equipment and pipelines associated with and located on and used solely in connection with the Transferred Leases and Transferred Wells (the "Transferred Equipment").

TO HAVE AND TO HOLD the Transferred Assets set forth above, unto Assignee, its successors, assigns and legal representatives, forever, subject, however, to the terms and conditions of this Assignment.

ARTICLE II NO WARRANTY AND ASSUMPTION OF OBLIGATIONS

Section 2.1 As-Is Where-Is. **ASSIGNEE ACKNOWLEDGES AND EXPRESSLY AGREES THAT ASSIGNOR IS ASSIGNING AND SELLING, AND ASSIGNEE IS ACQUIRING AND BUYING THE TRANSFERRED ASSETS ON AN “AS IS, WHERE IS” BASIS WITH ALL FAULTS AND WITHOUT ANY COVENANTS OF WARRANTY, EITHER EXPRESS OR IMPLIED.**

Section 2.2 Assumption of Obligations. As of the date hereof, Assignee hereby assumes and agrees to duly and timely pay, perform, fulfill and discharge, when due, all obligations and liabilities, whether arising prior to, on or after the date of this Assignment with respect to the ownership, operation and use of the Transferred Assets, (the “Assumed Liabilities”). Assignee additionally assumes and shall timely and fully satisfy any Plugging and Abandonment Obligations (as defined below) associated with the Transferred Assets. As used herein, the term “Plugging and Abandonment Obligations” shall mean and include those obligations of Assignor associated with and liability for (i) the plugging and abandonment of the Transferred Wells, (ii) the removal of caissons and pipelines used in connection with the Transferred Wells, and (iii) the clearance, satisfaction of restoration requirements and remediation of the surface and cleanup and complete reclamation of the portion of the Transferred Leases associated with the Transferred Wells.

ARTICLE III ALLOCATION OF REVENUE AND EXPENSES

All monies, proceeds, receipts, credits, revenues and other income attributable to the Transferred Assets for the period of time subsequent to the Effective Date shall be the sole property and entitlement of Assignee and, to the extent received by Assignor, Assignor shall fully disclose, account for and transmit same to Assignee promptly. Assignee shall be responsible for all operating expenses with respect to the Transferred Assets attributable to periods of time subsequent to the Effective Date, and to the extent any such expenses are paid by Assignor, Assignee shall promptly reimburse Assignor for and hold Assignor harmless from and against the same. All monies, proceeds, receipts, credits, revenues and other income attributable to the Transferred Assets for the period of time prior to the Effective Date shall be the sole property and entitlement of Assignor and, to the extent received by Assignee, Assignee shall fully disclose, account for and transmit same to Assignor promptly.

ARTICLE IV INDEMNIFICATION

ASSIGNEE AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND ASSIGNOR FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION AND/OR LOSSES OR DAMAGES (INCLUDING, WITHOUT LIMITATION, ATTORNEY’S FEES AND OTHER LEGAL EXPENSES AND COSTS) ARISING FROM OR ASSOCIATED WITH THE ASSUMED LIABILITIES, PLUGGING AND ABANDONMENT OBLIGATIONS AND ANY BREACH OF THIS AGREEMENT BY ASSIGNEE.

ARTICLE V TAXES

Assignor and Assignee shall prorate ad valorem real estate and personal property taxes for the Transferred Assets as of the Effective Date. The allocation of ad valorem taxes is shown on Schedule I, attached hereto and incorporated herein by reference. Assignor is responsible for providing for the payment of such taxes due and payable up to but not including the Effective Date and Assignee is responsible for providing for the payment of such taxes due and payable on and after the Effective Date.

ARTICLE VI MISCELLANEOUS

Section 6.1 Further Assurances. Assignor and Assignee each agree for no additional consideration to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other for carrying out the purposes of this Assignment.

Section 6.2 Disclaimer of Joint Liability. It is understood and agreed that this Assignment shall not create the relationship of a partnership or joint venture between Assignor and Assignee.

Section 6.3 Applicable Law. This Assignment and any arbitration or dispute resolution conducted pursuant hereto shall be construed in accordance with, and governed by, the Laws of the State of Colorado without reference to the conflict of Laws principles thereof.

Section 6.4 Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties.

Section 6.5 Heading, Recitals and Schedules. The headings of articles, sections and other subdivisions of this Assignment have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof or affect in any way the meaning or interpretation of this Assignment. With the exception of headings, all statements and recitals herein are contractual.

Section 6.6 Negotiated Transaction. All provisions of this Assignment were negotiated by the Parties and this Assignment shall be deemed to have been drafted by each of the Parties.

Section 6.7 Counterparts. This Assignment is being executed in several original counterparts. Each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same instrument.

Section 6.8. Amendment and Waiver. This Assignment may be altered, amended or waived only by a written agreement executed by Assignor and Assignee. No waiver of any provision of this Assignment shall be construed as a continuing waiver of the provision.

Section 6.9 Severability. If any provision of this Assignment is held to be illegal, invalid or unenforceable under present or future Laws effective during the term hereof such provision shall be fully severable; this Assignment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised apart hereof, and the remaining provisions of this Assignment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Assignment.

Section 6.10. Entire Agreement. This Agreement, together with any other documents incorporated herein by reference and all related Exhibits and Schedules, constitutes the sole and entire agreement of the Parties with respect to the subject matter of this Assignment, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the subject matter.

(The remainder of this page has been intentionally left blank)

(Signature Pages to Follow)

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the date of its acknowledgment, but this Assignment is effective for all purposes as of the Effective Date.

Assignor

**POLARIS PRODUCTION PARTNERS
LLC**

By: Bradly Morse

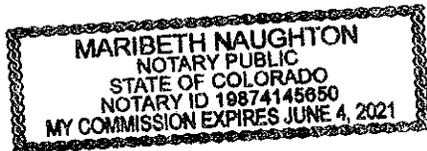
Its: Manager

Acknowledgement

STATE OF COLORADO }
COUNTY OF Denver }

This instrument was acknowledged before me this 27 day of, August, 2018, by Bradly Morse, as Manager of Polaris Production Partners LLC, a Delaware series limited liability company, on behalf of the limited liability company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Maribeth Naughton
Notary Public

My Commission Expires: 6/4/20

IN WITNESS WHEREOF, the Assignee has executed this Assignment as of the date of its acknowledgment, but this Assignment is effective for all purposes as of the Effective Date.

Assignee

KTM OPERATING, LLC

By: 

Its: Manager

Acknowledgement

Louisiana
STATE OF COLORADO

COUNTY OF Terrebonne

}
}
}

This instrument was acknowledged before me this 28th day of, August, 2018, by Michael A. Fesi, as Manager of KTM Operating, LLC, a Louisiana limited liability company, on behalf of the limited liability company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public
Vincent Casate, Jr. Bar #: 01319
My Commission Expires: Death

EXHIBIT A
Transferred Leases
Attached

Lease Number	Tract Number	Lessor	Legal Description	Original Lessee	County	State	Effective Date	Gross Acres	Recording
C-1A/J-C-1	08073-00530	Martha W. Craig, a widow	<u>TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M.</u> SECTION 32: S2, E2NE4, S2NW4, NW4NW4	Trinity Production Co.	Lincoln	CO	2/25/2006	520.00	325699
C-1A/J-C-1	08073-00531	Martha W. Craig, a widow	<u>TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M.</u> SECTION 33: ALL	Trinity Production Co.	Lincoln	CO	2/25/2006	640.00	325699
C-1A/J-C-1	08073-00532	Martha W. Craig, a widow	<u>TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M.</u> SECTION 34: E2, E2W2, NW4NW4	Trinity Production Co.	Lincoln	CO	2/25/2006	520.00	325699
C-1A/J-C-1	08073-00636	Martha W. Craig, a widow	<u>TOWNSHIP 14 SOUTH, RANGE 55 WEST, 6TH P.M.</u> SECTION 1: SENE	Trinity Production Co.	Lincoln	CO	2/25/2006	40.00	325699
C-1A/J-C-1	08073-00639	Martha W. Craig, a widow	<u>TOWNSHIP 14 SOUTH, RANGE 55 WEST, 6TH P.M.</u> SECTION 4: LOTS 1, 2, 3, 4, S2N2, S2 (ALL)	Trinity Production Co.	Lincoln	CO	2/25/2006	648.91	325699
J-38A	08073-00467	Fred H. Poss & Joie A. Poss	<u>TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 21: ALL	Over the Hill Land Services, LLC	Lincoln	CO	9/24/2007	640.00	328874
J-38B	08073-00467	John W. Knoss	<u>TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 21: ALL	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	640.00	329273

Exhibit A

EXHIBIT B

Partially Transferred Leases

Attached

Lease Number	Tract Number	Instrument Name	Legal Description	Original Lessee	County	State	Effective Date	Gross Acres	Recording
C-1A/J-C-1	08073-00523	Martha W. Craig, a widow	TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 26: W2	Trinity Production Co.	Lincoln	CO	2/25/2006	320.00	325699
C-1A/J-C-1	08073-00524	Martha W. Craig, a widow	TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 27: ALL	Trinity Production Co.	Lincoln	CO	2/25/2006	640.00	325699
C-1A/J-C-1	08073-00525	Martha W. Craig, a widow	TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 28: ALL	Trinity Production Co.	Lincoln	CO	2/25/2006	640.00	325699
C-1A/J-C-1	08073-00534	Martha W. Craig, a widow	TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 35: ALL	Trinity Production Co.	Lincoln	CO	2/25/2006	640.00	325699
C-1A/J-C-1	08073-00638	Martha W. Craig, a widow	TOWNSHIP 14 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 3: LOTS 1, 2, 3, 4, S2 N2, S2 (ALL)	Trinity Production Co.	Lincoln	CO	2/25/2006	646.30	325699
C-1A/J-C-1	08073-00640	Martha W. Craig, a widow	TOWNSHIP 14 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 5: LOTS 1, 2, 3, 4, S2N2, S2 (ALL)	Trinity Production Co.	Lincoln	CO	2/25/2006	650.48	325699
C-1A/J-C-1	08073-00645	Martha W. Craig, a widow	TOWNSHIP 14 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 9: ALL	Trinity Production Co.	Lincoln	CO	2/25/2006	640.00	325699
C-1A/J-C-1	08073-00646	Martha W. Craig, a widow	TOWNSHIP 14 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 10: E2, W2W2	Trinity Production Co.	Lincoln	CO	2/25/2006	480.00	325699
C-1A/J-C-1	08073-00654	Martha W. Craig, a widow	TOWNSHIP 14 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 15: ALL	Trinity Production Co.	Lincoln	CO	2/25/2006	640.00	325699
C-1A/J-C-1	08073-01007	Martha W. Craig, a widow	TOWNSHIP 13 SOUTH, RANGE 55 WEST, 6TH P.M. SECTION 29: ALL	Trinity Production Co.	Lincoln	CO	2/25/2006	640.00	325699
J-38A	08073-00460	Fred H. Poss & Joie A. Poss	TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M. SECTION 17: ALL	Over the Hill Land Services, LLC	Lincoln	CO	9/24/2007	640.00	328874
J-38A	08073-00466	Fred H. Poss & Joie A. Poss	TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M. SECTION 20: ALL	Over the Hill Land Services, LLC	Lincoln	CO	9/24/2007	640.00	328874
J-38A	08073-00474	Fred H. Poss & Joie A. Poss	TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M. SECTION 28: ALL	Over the Hill Land Services, LLC	Lincoln	CO	9/24/2007	640.00	328874
J-38A	08073-00475	Fred H. Poss & Joie A. Poss	TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M. SECTION 29: ALL	Over the Hill Land Services, LLC	Lincoln	CO	9/24/2007	640.00	328874
J-38B	08073-00460	John W. Knoss	TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M. SECTION 17: ALL	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	640.00	329273

Exhibit B

J-38B	08073-00465	John W. Knoss	<u>TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 19: Lot 1 (39.48), Lot 2 (39.91), Lot 3 (40.35), Lot 4 (40.79), E2W2, E2 (ada ALL)	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	640.53	329273
J-38B	08073-00466	John W. Knoss	<u>TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 20: ALL	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	640.00	329273
J-38B	08073-00474	John W. Knoss	<u>TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 28: ALL	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	640.00	329273
J-38B	08073-00475	John W. Knoss	<u>TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 29: ALL	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	640.00	329273
J-38B	08073-00477	John W. Knoss	<u>TOWNSHIP 12 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 31: ALL	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	659.16	329273
J-38B	08073-00582	John W. Knoss	<u>TOWNSHIP 13 SOUTH, RANGE 56 WEST, 6TH P.M.</u> SECTION 32: SE4	Over the Hill Land Services, LLC	Lincoln	CO	1/31/2008	160.00	329273

Exhibit B

EXHIBIT C
Transferred Wells
Attached

Exhibit C
Wells

User Ref	Status	Class	State	County	Field	Township	Range	Prime Meri Section	Qtr/Qtr	WI	NRI	API#
KNOSS 6-21	ACT	OIL	CO	LINCOLN	APACHE CREEK	12S	56W		21 SENW	1.0000	0.800	05-073-06480-0000
CRAIG 12-33	SI	OIL	CO	LINCOLN	BOLERO	13S	55W	6TH	33 NWSW	1.0000	0.800	05-073-06365-0000
CRAIG 12-33 BATTERY	N/A	N/A	CO	LINCOLN	BOLERO	13S	55W	6TH	33 NWSW	1.0000	0.800	05-073-00000-0000
CRAIG 15-34	SI	OIL	CO	LINCOLN	BOLERO	13S	55W	6TH	34 SWSE	1.0000	0.800	05-073-06316-0000
CRAIG 16-32	SI	OIL	CO	LINCOLN	BOLERO	13S	55W	6TH	32 SESE	1.0000	0.800	05-073-06398-0000
CRAIG 16-32 BATTERY	N/A	N/A	CO	LINCOLN	BOLERO	13S	55W	6TH	32 SWSE	1.0000	0.800	05-073-00000-0000
CRAIG 4-33	SI	OIL	CO	LINCOLN	BOLERO	13S	55W	6TH	33 NWNW	1.0000	0.800	05-073-06370-0000
CRAIG 4-4	ACT	OIL	CO	LINCOLN	BOLERO	14S	55W	6TH	4 NWNW	1.0000	0.800	05-073-06319-0000
CRAIG 4-4 BATTERY	N/A	N/A	CO	LINCOLN	BOLERO	14S	55W	6TH	4 NWNW	1.0000	0.800	05-073-00000-0000
CRAIG 6-4	SI	OIL	CO	LINCOLN	BOLERO	14S	55W	6TH	4 SENW	1.0000	0.800	05-073-06404-0000
CRAIG 6-4 SWD	SWD	WTR INJT	CO	LINCOLN	BOLERO	14S	55W	6TH	4 SENW	1.0000	0.800	05-073-06391-0000
CRAIG 7-34	SI	OIL	CO	LINCOLN	BOLERO	13S	55W	6TH	34 SWNE	1.0000	0.800	05-073-06317-0000
CRAIG 8-1	SI	OIL	CO	LINCOLN	BOLERO	14S	55W	6TH	1 SENE	1.0000	0.800	05-073-06320-0000

EXHIBIT D
Transferred Agreements
Attached

Exhibit D
Rights-of-Way, Easements and Agreements

Grantor	Grantee	Contract	Date	COUNTY	TOWNSHIP	RANGE	SECTION	PRINCIPAL MERIDIAN	Description	Well
T.CROSS PROPERTIES, LLC	Nighthawk Production LLC	SALT WATER DISPOSAL WELL AGREEMENT	3/1/10	Lincoln	14S	55W	4	6th	Sec 4: NESW	Craig 6-4 SWD
Fred H. Poss and Joie Poss, husband and wife	Nighthawk Production LLC	SURFACE DAMAGE AGREEMENT	8/27/12	Lincoln	12S	56W	17, 20, 21, 28, 29	6th	Sec 17: All Sec 20: All Sec 21: All Sec 28: All Sec 29: All	Knoss 6-21

Schedule I
Ad Valorem Taxes
Attached

2018 AdVal Tax

FIELD	WELL ID	WELL NAME	PRIOR YEAR	2018											2018 BALANCE
				1/31/18	2/28/18	3/31/18	4/30/18	5/31/18	6/30/18	7/31/18	8/31/18	9/30/18			
BOLERO	CO07302008	CRAIG 4-4	\$ 10,305.79	\$ 1,300.85	\$ 1,296.04	\$ 1,292.62	\$ 1,330.25	\$ 1,406.97	\$ 1,331.73	\$ 2,205.40	\$ -	\$ -	\$ -	\$ -	\$ 18,264.25
BOLERO	CO07302009	CRAIG 7-34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302010	CRAIG 8-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302012	CRAIG 15-34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302033	CRAIG 10-28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302046	CRAIG 12-28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302047	CRAIG 4-33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302048	CRAIG 12-33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302097	CRAIG 6-4 SWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302098	CRAIG 6-4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302118	CRAIG 16-32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOLERO	CO07302125	CRAIG 15-32H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
APACHE CREEK	CO07302160	KNOSS 6-21	\$ 2,035.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697.33	\$ -	\$ -	\$ -	\$ 2,035.82