

## ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment ("**Assignment**"), dated effective September 1, 2020 at 7:00 A.M., Mountain Time (the "**Effective Time**") is from Peterson Energy Operating, Inc ("**Assignor**"), with an address of 497 N. Denver Avenue, Loveland, CO 80537, to K.P. Kauffman Company, Inc., a California corporation ("**Assignee**"), with an address of 1675 Broadway, 28<sup>th</sup> Floor, Denver, CO 80202-4628.

For \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, assigns, transfers, grants, bargains and conveys to Assignee, all of Assignor's right, title and working interest, whether present, contingent or reversionary, in and to the following (the "**Assets**"), subject to the reservation contained in Paragraph (h) of this section:

(a) The wells described on **Exhibit "A"** attached hereto and made a part hereof (the "**Wells**"), whether producing or non-producing, together with the oil and gas and all other hydrocarbons ("**Hydrocarbons**") that may be produced from the Wells from and after the Effective Time and attributable to Assignor's working interest in the Wells, subject to the reservation in (h) following;

(b) The oil and gas leases described on **Exhibit "B"** (the "**Leases**"), including without limitation any and all working interests, including rights to after-payout working interests and operating rights, together with the lands covered thereby as described on **Exhibit "B"** and the lands pooled, communitized or unitized therewith (the "**Lands**"), subject to the reservation in (h) following;

(c) To the extent transferable, in and to all existing and effective unitization, pooling and communitization agreements, declarations and orders, and the properties covered and the units created thereby;

(d) To the extent transferable, in and to all contracts and agreements relating to the Wells or the Hydrocarbons produced therefrom, including but not limited to, all Hydrocarbon sales, purchase, gathering, transportation or processing contracts, operating agreements, balancing agreements, and farmout agreements (the "**Contracts**");

(e) To the extent transferable, in and to all surface leases, subsurface leases, surface use agreements, rights-of-way, easements, licenses, permits, authorizations and other surface or subsurface agreements pertaining to the Wells, Leases, and Lands (collectively, the "**Surface Agreements**");

(f) All personal property relating to or used or held for use solely in connection with the operation of the Wells as of the Effective Time, including but not limited to, all machinery, equipment, fixtures, and all other personal property of whatever kind or nature; and

(g) All files and records pertaining to the items described in (a) through (f), above, including without limitation, lease, land, well, division order, title and contract files, landowner contact information, title abstracts, title opinions, maps, logs, drilling

reports, joint interest billing, lease operating expense, division of interest, tax and other accounting records. If, however, Assignor is bound by confidentiality obligations to non-affiliated third parties that limit Assignor's ability to comply with the requirements of this Paragraph (g), Assignor may withhold only those files and records that Assignor is prohibited from disclosing, pursuant to such confidentiality obligations.

(h) Assignor reserves and retains an overriding royalty interest of Two and One Half Percent (2.50%) in the Wells, Leases, and Hydrocarbons that may be produced from the Wells from and after the Effective Time.

TO HAVE AND TO HOLD the Assets unto Assignee and its successors and assigns forever subject to the following terms and conditions:

Section 1. Disclaimer. THIS ASSIGNMENT IS MADE WITH WARRANTY AND REPRESENTATION OF TITLE ONLY AS TO CLAIMS MADE BY, THROUGH OR UNDER ASSIGNOR OR ITS AFFILIATES, BUT NOT OTHERWISE AND ALL OTHER WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS, IMPLIED, OR STATUTORY, ARE EXPRESSLY DISCLAIMED. THIS ASSIGNMENT IS MADE WITHOUT ANY EXPRESS, IMPLIED, OR STATUTORY WARRANTY OR REPRESENTATION AS TO THE CONDITION, QUANTITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY PURPOSE, FREEDOM FROM DEFECTS, OR MERCHANTABILITY OF ANY OF THE WELLS, FACILITIES, PIPELINES, FLOWLINES, PLATFORMS, OR EQUIPMENT. FURTHERMORE, ASSIGNEE ACCEPTS THE WELLS, FACILITIES, PIPELINES, FLOWLINES, PLATFORMS, AND EQUIPMENT "AS IS", "WHERE IS," AND "WITH ALL FAULTS," AND ASSIGNEE RELEASES ASSIGNOR FROM ANY AND ALL LIABILITY FOR LOSS ARISING FROM USE OF THE PROPERTY. ASSIGNEE AND ASSIGNOR AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS ASSIGNMENT ARE "CONSPICUOUS" DISCLAIMERS."

Section 2. Assumption of Liabilities. As of the Effective Time, Assignee hereby agrees to assume, bear and perform all the duties, obligations and liabilities arising in connection with or related to the Wells, including, but not limited to the following: (i) all burdens; (ii) all production taxes (including applicable penalties and interest); (iii) compliance with all applicable laws pertaining to the Assets, including the procurement and maintenance of all permits required by governmental authorities or applicable law in connection with the Assets; and (iv) the condition of the Assets, both surface and subsurface (including all obligations to properly plug and abandon, or re-plug and re-abandon, all wells that are located on the Assets, to restore the surface of the Lands, and to comply with, or to bring the Assets into compliance with applicable law, including conducting any remediation activities, investigations, feasibility studies, and other clean-up activities which may be required); (v) all liabilities, costs, expenses and claims related to (a) ownership and operation of the Wells after the Effective Time and (b) any environmental claims, environmental liabilities or environmental laws, ordinances or regulations related to the Wells, whether arising before or after the Effective Time. For the avoidance of doubt, the foregoing duties, obligations and liabilities shall be limited to only those arising in connection with or related to the Wells.

Section 3. Proration of Costs and Revenues. Assignee shall be entitled to all production of Hydrocarbons from or attributable to the Wells from and after the Effective Time (and all

products and proceeds attributable thereto), and to all other income, proceeds, receipts and credits earned with respect to the Wells at or after the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all Property Expenses, as defined herein, incurred on or after the Effective Time. Assignor shall be entitled to all Hydrocarbons produced from or attributable to the Wells prior to the Effective Time (and all products and proceeds attributable thereto), and to all other income, proceeds, receipts and credits earned with respect to the Wells prior to the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all Property Expenses incurred prior to the Effective Time. "Earned" and "incurred," as used in this Assignment shall be interpreted in accordance with GAAP and COPAS standards, except as otherwise specified in this Assignment. For purposes of allocating production (and proceeds and accounts receivable with respect thereto), (1) liquid Hydrocarbons shall be deemed to be "from or attributable to" the Wells when they pass through the pipeline connecting into the storage facilities into which they are run, and (2) gaseous Hydrocarbons shall be deemed to be "from or attributable to" the Wells when they pass through the royalty measurement meters, delivery point sales meters, or custody transfer meters on the gathering lines or pipelines through which they are transported (whichever is closest to the Well). Assignor shall utilize reasonable interpolative procedures, consistent with industry practice, to allocate of production when exact meter readings or gauging and strapping data are not available.

The term "Property Expenses" means all expenses and payments of every kind attributable to the Wells, including capital expenses, operating expenses, facilities and plant expenses, joint interest billings, overhead costs charged to the Wells where the applicable operating agreement(s), lease operating expenses, lease rental and maintenance costs, and burdens.

Section 4. Further Assurances. Assignor shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such instruments and take such other action as may be reasonably necessary or advisable to carry out the purposes and intents of this Assignment.

Section 5. Successors and Assigns. This Assignment binds and inures to the benefit of Assignor and Assignee and their respective successors and assigns.

Section 6. Exhibits. All exhibits attached hereto are hereby made part hereof and incorporated herein by this reference. References in such exhibits to instruments on file in the public records are notice of such instruments for all purposes. Unless provided otherwise, all recording references in such exhibits are to the appropriate records of the counties in which the Properties are located.

Section 7. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

*[Signature page follows]*

EXECUTED on the dates contained in the acknowledgments of this Assignment, to be effective for all purposes as of the Effective Time.

**ASSIGNOR:**

**Peterson Energy Operating, Inc.**

By:   
Name: Andrew S. Peterson  
Title: President


### ASSIGNOR'S ACKNOWLEDGEMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER *harmer* )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August, 2020, by Andrew S. Peterson, as President, on behalf of said corporation.  
Witness my hand and official seal.

[SEAL]

JOAN BIRD  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20134048237  
MY COMMISSION EXPIRES AUGUST 5, 2021


  
Notary Public

My commission expires:  
August 5, 2021

EXECUTED on the dates contained in the acknowledgments of this Assignment, to be effective for all purposes as of the Effective Time.

**ASSIGNEE:**

**K.P. Kauffman Company, Inc.**

By:   
Name: Jeffrey V. Kaufman  
Title: President & C.O.O.


### ASSIGNEE'S ACKNOWLEDGEMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

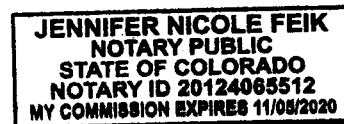
The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of September, 2020, by Jeffrey V. Kauffman, as President & COO of K.P. Kauffman Company, Inc., a California corporation, on behalf of said limited liability companies.

**Witness my hand and official seal.**

[SEAL]

  
Notary Public

My commission expires:  
November 5, 2020





**Exhibit A**

*Attached to and made a part of that certain Assignment, Bill of Sale Conveyance dated Effective September 1, 2020.*

**Wells:**

- 1) MFM Farms #1  
API # 05-123-09680



**Exhibit B**

*Attached to and made a part of that certain Assignment, Bill of Sale Conveyance dated Effective September 1, 2020.*

**Leases**

- 1) **Lessor: Myrna Kay Slabaszeewski**  
**Lessee: Frontier Land and Exploration, Inc.**  
**Date: 5/24/1978**  
**Reception #: 1754768**  
**Legal Description: T1N-R67W-Section 12: SENW**  
**Weld County, Colorado**

**This Assignment, Bill of Sale Conveyance is limited in depth to the interval from the surface of the earth to the base of the Sussex Formation as commonly referenced in the Denver Julesberg Basin.**