

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:)	
)	
Bakken Income Fund LLC,)	Case No. 16-20212-EEB
)	Chapter 11
Debtor.)	

**MOTION FOR ORDER AUTHORIZING AND APPROVING THE PURCHASE AND
SALE OF CERTAIN REMAINING OIL & GAS ASSETS UNDER THE TERMS OF A
LETTER AGREEMENT FREE AND CLEAR OF LIENS, CLAIMS, AND
ENCUMBRANCES AND GRANTING RELATED RELIEF**

Debtor Bakken Income Fund LLC (the "Debtor"), pursuant to 11 U.S.C. §§ 105, 363 and Fed.R.Bankr.P. 2002, 6004, 6006, and 9014 respectfully moves this Court for entry of an order Authorizing and Approving the Sale of Certain Remaining Oil & Gas Assets under the Terms of a Letter Agreement Free and Clear of Liens, Claims, and Encumbrances and Granting Related Relief, including lifting the 14-day stay of the order provide by Rule 6004(h), and finding that the Buyer (as defined below) is a good-faith purchaser protected by § 363(m) of the Bankruptcy Code (the "Sale Motion"). As grounds for the relief sought herein, the Debtor states as follows:

Summary of Relief Requested

1. The Debtor seeks entry of an order authorizing the sale (the "Sale") of its remaining Colorado-based oil and gas holdings (the "Assets") to TEP Rocky Mountain LLC ("TEP" or the "Buyer") under the terms of the Letter Agreement (the "Agreement") attached as **Exhibit 1** hereto. The proposed purchase price for the Assets is \$56,533.00.

2. These Assets are fairly limited in scope, the Debtor having conveyed the bulk of its property to Zavanna, LLC ("Zavanna") and Equinor Energy LP, f/k/a Statoil Oil & Gas LP ("Equinor") under the terms of Purchase and Sale Agreements and corresponding agreements approved by the Court in July of 2018. Those transactions closed on August 15, 2018. The Zavanna and Equinor transactions produced net proceeds totaling \$1.9 million that were paid in full to the Debtor's secured lender, BOKF, N.A. d/b/a/ Bank of Oklahoma, N.A. ("BOK") in full and complete satisfaction of all liens and claims asserted against the Debtor.

3. By separate motion, the Debtor seeks the authority to assume and assign all leases and executory contracts included in the Sale. If an agreement is not an executory contract for purposes of §365 of the Bankruptcy Code, it will nevertheless be conveyed as an asset pursuant to §363.

Background

4. The Debtor commenced this case by filing a voluntary petition for relief under chapter 11 of title 11, United States Code (the "Bankruptcy Code") on October 17, 2016 (the "Petition Date").

5. The Debtor continues to manage and operate its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed, nor has a committee of unsecured creditors been appointed in this case.

6. This Court has jurisdiction over this Sale Motion pursuant to 28 U.S.C. § 157(b)(2) and 28 U.S.C. § 1334. Venue is proper in this district. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (N), and (O).

7. The Debtor is an oil and gas investment fund, and although separately organized, is part of a family of funds in the same regulated industry. The Debtor's revenues are generated from payments received from the operation of oil and gas wells in which the Debtor holds an interest.

8. Following the Petition Date, and in light of certain economic challenges facing the Debtor primarily as the result of market instability, the Debtor made the decision to seek a sale of its existing assets in an effort to maximize value to the estate. Accordingly, the Debtor engaged TenOaks Energy Advisors ("TenOaks") as a sales agent in the summer of 2017. TenOaks undertook a robust and extensive marketing process, resulting in 25 parties executing confidentiality agreements in order to review information related to the Debtor's assets and operations. While the Debtor encountered some loss of traction during the post due-diligence stage with certain of the parties, the process ultimately led to a sale.

9. On August 15, 2018, and pursuant to Court approval, the Debtor closed a sale of substantially all of its assets to two parties, who are also creditors in this case, Zavanna and Equinor. The bulk of those assets consisted of joint operating agreements ("JOAs") and Pooling Agreements for assets located primarily in North Dakota. The proceeds of the sale, which totaled \$1.9 million, were distributed directly to BOK in exchange for the release of all of BOK's

claims in the case (which then totaled more than \$2.3 million), as well as BOK's agreement to release all right, title and interest in the Debtor's property.

10. Neither Zavanna nor Equinor showed interest in acquiring the Assets that are the subject of this Motion. The Debtor, however, continued to market this property, resulting in the proposed sale.

General Terms of Proposed Sale

11. By this Sale Motion, the Debtor seeks the authority to sell the Assets to TEP. The Assets are more fully described in the Agreement, and include substantially all of the Debtor's remaining Colorado property rights and interests, including the Debtor's oil, gas and/or mineral interests, leases, rights, royalties, pooling rights, well interests, and hydrocarbons. The Assets also include the Debtors right, title and interest in all properties, fixtures, equipment, inventory, and improvements with respect to any Leases, Lands or Wells (as defined in the Agreement) held by the Debtor, as well as related contracts, rights-of-way, easements, and certain records pertaining to the Assets.

12. The purchase price for the Assets is \$56,533.00 (the "Purchase Price"), subject to limited adjustments related to the closing costs of one well located in Garfield County, Colorado, and certain ad valorem taxes. The Purchase Price is payable to the Debtor at closing.

13. To the Debtor's knowledge, there are no liens on the Assets, and the Sale will be undertaken free and clear of any and all liens, claims, interests, encumbrances, and liabilities

pursuant to 11 U.S.C. § 363(f). The Debtor may be responsible for a commission to TenOaks equal to no more than 3% of the Purchase Price.

L.B.R. 6004-1 Disclosures

14. The disclosures required by L.B.R. 6004-1 are as follows:
- a. the legal description of the property to be sold is included in the Agreement and Exhibit A thereto;
 - b. as set out above, the Debtor engaged TenOaks to market the Assets and no auction is contemplated;
 - c. the Agreement requires Bankruptcy Court approval of the Sale on or before November 1, 2018, after which time the Buyer may terminate the Agreement;
 - d. the Agreement does not require the Buyer to pay a deposit;
 - e. the Agreement requires the Debtor to assign and deliver the Assets to the Buyer by bill of sale free and clear of liens and encumbrances;
 - f. the Agreement allows the Debtor to retain control over records related to the Assets sufficient to administer the bankruptcy estate;
 - g. the Sale Motion seeks a waiver of the fourteen-day (14) stay imposed by Fed.R.Bank.P. 6004(b).

Basis for Relief

15. Subject to the demonstration of sound business justification, the Debtor is authorized to sell assets outside of the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code. Specifically, such a sale should be approved if (i) a sound business reason exists to sell the property; (ii) adequate and reasonable notice of the terms has been given to parties in interest; (iii) the proposed sale price is fair and reasonable; and (iv) the buyer has acted in good faith. *In re Buerge*, 2014 WL 1309694, at *9 (10th Cir. BAP Apr. 2, 2014).

16. The Debtor asserts that the proposed sale meets the above criteria. Nearly all of the Debtor's assets have been sold and the sale of the remaining Assets accomplishes the Debtor's objective of maximizing value to the estate. The operational oversight and management of the few remaining Assets is no longer cost-effective. The value of the Assets has been market-tested and the proposed sale is commercially reasonable. The Debtor is at the wind-up stage in this proceeding, and contemplates maximizing cash to generate a return to its remaining unsecured creditors.

17. The Debtor believes there are no liens against the Assets, but to the extent such liens exist, the Debtor seeks to deliver the Assets free and clear of all liens, claims, interests and encumbrances, subject to the application of section 363(f) of the Bankruptcy Code.

18. Finally, the Debtor, in consultation with the Buyer, seeks the protections afforded under section 363(m) of the Bankruptcy Code. The proposed transaction is the result of arms-length negotiations between the Debtor and the Buyer, the Purchase Price has been market-tested and is fair and reasonable, as are the provisions of the Agreement. There has not been any fraud or collusion on the part of any parties to the transaction, or any other potential bidders, and in fact the Debtor will continue to entertain higher and better offers during the notice period.

19. Accordingly, the Debtor submits that a good faith finding is warranted in this instance. The Debtor believes that such a finding will ensure that the maximum price will be received and that a closing will take place promptly following Court approval.

WHEREFORE, the Debtor respectfully requests that the Bankruptcy Court enter an order (i) authorizing the Debtor to sell the Assets other than in the ordinary course, free and clear of

liens, interests, encumbrances, and other claims; (ii) authorizing the payment of the Purchase Price to the Debtor; and (iii) granting such other and further relief as may be just and proper.

Dated: October 4, 2018

Respectfully submitted,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, P.C.

/s/ John Rowland

John Rowland (TN BPR # 13944)
Baker Donelson Center, Suite 800
211 Commerce Street
Nashville, Tennessee 37201
(615) 726-5544 (telephone)
Email for ECF purposes:
businessbkcnash@bakerdonelson.com
Email for all other purposes:
jrowland@bakerdonelson.com

/s/ Michael J. Pankow

Michael Pankow (CO # 21212)
BROWNSTEIN HYATT
FARBER SCHRECK, LLP
410 Seventeenth Street, Suite 2200
Denver, Colorado 80202-4432
303.223.1106 (telephone)
mpankow@bhfs.com

Attorneys for Debtor

CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of October, 2018, a true and correct copy of the **MOTION FOR ORDER AUTHORIZING AND APPROVING THE PURCHASE AND SALE OF CERTAIN REMAINING OIL & GAS ASSETS UNDER THE TERMS OF A LETTER AGREEMENT FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES AND GRANTING RELATED RELIEF** (i) was electronically filed with the Court using the CM/ECF system, which sent notification to all parties in interest participating in the CM/ECF system, (ii) was served by placing same via first class mail postage prepaid properly addressed to all parties identified on the attached mailing matrix and (iii) was served by placing same via first class mail, postage prepaid, and properly addressed to each of the parties identified below:

Williams Field Services LLC
One Williams Center
Tulsa OK 74172

Colorado Parks and Wildlife
1313 Sherman Street
Denver CO 80203

DXI Energy (formerly Dejour Energy
(USA) Corp.)
World Trade Center
520-999 Canada Place
Vancouver BC V6C 3E1 CANADA

ThreeD Capital (formerly Brownstone
Ventures (US) Inc)
69 Yonge Street #1010
Toronto ON M5E 1K3 CANADA

Enterprise Gas Processing
2727 North West
Suite 700
Houston TX 77008

WPX Energy / Rocky Mountain
3500 One Williams Center
Tulsa OK 74172

Richard and Mary Jolley Family LLLP
832 Canyon Creek Drive
Glenwood Springs CO 81601

Frank Canepa
Coachman Energy Operating Company
5251 DTC Parkway, Suite 200
Greenwood Village CO 80111

/s/Sheila M. Grisham

Sheila M. Grisham, Paralegal

Label Matrix for local noticing 1082-1 Case 16-20212-EEB District of Colorado Denver Thu Oct 4 10:27:30 MDT 2018	Donald D. Allen 1700 Lincoln St. Ste. 4550 Denver, CO 80203-4509	BOKF, NA dba Bank of Oklahoma 1625 Broadway Suite 1100 Denver, CO 80202-4766
BTA Oil Producers, LLC 104 S Pecos Street Midland, TX 79701-5099	Baker, Donelson, Bearman, Caldwell & Berkow Baker Donelson Center, Suite 800 211 Commerce Street Nashville, TN 37201-1806	Bakken Income Fund LLC 5251 DTC Parkway Suite 200 Englewood, CO 80111-2731
Bistate Oil Management Corporation 10 E 40th St New York, NY 10016-0200	Monica S. Blacker Jackson Walker L.L.P 2323 Ross Avenue Suite 600 Dallas, TX 75201-2725	Brigham Oil & Gas, LP 6300 Bridge Point Pkwy Austin, TX 78730-5027
Brownstein Hyatt Farber Schreck, LLP 410 17th Street Denver, CO 80202-4468	Burlington Resources Oil & Gas Co., LP 717 Texas Street Ste 2100 Houston, TX 77002-2753	Peter A. Cal 633 17th St. Ste. 3000 Denver, CO 80202-3622
Chesapeake Operating, Inc. 6100 N Western Avenue Oklahoma City, OK 73118-1044	Coachman Energy Administrator 5251 DTC Parkway Suite 200 Greenwood Village, CO 80111-2731	Coachman Energy Managing General Prtnr 5251 DTC Parkway #200 Greenwood Village, CO 80111-2731
Coachman Energy Partners 5251 DTC Parkway #200 Greenwood Village, CO 80111-2731	Colorado Department Of Revenue 1375 Sherman St. Room 504 Attention Bankruptcy Unit Denver CO 80261-3000	Continental Resources, Inc. P.O. Box 269000 Oklahoma City, OK 73126-9000
Cynosure Energy 1125 17th Street Suite 400 Denver, CO 80202-2061	EOG Resources PO Box 840319 Dallas, TX 75284-0319	Equinor Energy LP f/k/a Statoil Oil & Gas LP c/o J. Eric Lockridge P.O. Box 3513 Baton Rouge, LA 70821-3513
Equinor Energy LP f/k/a Statoil Oil & Gas LP Kean Miller LLP c/o J. Eric Lockridge PO Box 3513 Baton Rouge, LA 70821-3513	Foundation Energy Mgmt PO Box 650002 Dept D8041 Dallas, TX 75265-0002	IRS PO Box 7346 Philadelphia PA 19101-7346
Eric E. Johnson 633 17th St. Ste. 3000 Denver, CO 80202-3622	Samuel M. Kidder 410 17th St., Ste. 2200 Denver, CO 80202-4432	Eric Lockridge 400 Convention St., Ste. 700 Baton Rouge, LA 70802-5628
James T. Markus 1700 Lincoln St. Ste. 4550 Denver, CO 80203-4509	Alan K. Motes Byron G. Rogers Federal Building 1961 Stout St. Ste. 12-200 Denver, CO 80294-6004	Oasis Petroleum Attn: Legal Department 1001 Fannin, Suite 1500 Houston, TX 77002-6739

Orrion Energy LLC
5555 DTC Parkway - Suite 310
Greenwood Village, Colorado 80111-3180

Michael J. Pankow
410 17th St.
22nd Fl.
Denver, CO 80202-4437

Petro Hunt
PO Box 650823
Department #41404
Dallas, TX 75265-0823

Petro-Hunt, LLC
P.O. Box 935
Bismarck, ND 58502-0935

Bruce Ruzinsky
Jackson Walker L.L.P.
1401 McKinney Street
Suite 1900
Houston, TX 77010-1900

Securities and Exchange Commission
Midwest Regional Office
175 W. Jackson Blvd.
Ste. 900
Chicago IL 60604-2815

Security & Exchange Commission
Central Regional Office
1801 California St.
Ste. 1500
Denver CO 80202-2656

SingerLewak
3600 S Yosemite
#600
Denver, CO 80237-1829

Slawson
727 N Waco
#400
Wichita, KS 67203-3900

Spring Creek Expl. & Prod. Co., LLC
1200 17th St.
Suite 1100
Denver, CO 80202-5811

US Trustee
Byron G. Rogers Federal Building
1961 Stout St.
Ste. 12-200
Denver, CO 80294-6004

Jennifer F. Wertz
100 Congress Ave., Ste. 1100
Austin, TX 78701-4042

Whiting Oil & Gas Corporation
PO Box 973539
Dallas, TX 75397-3539

XTO Energy
PO Box 730587
Dallas, TX 75373-0587

Zavanna
1200 17th Street
Suite 1100
Denver, CO 80202-5811

Zavanna, LLC
c/o Sherman & Howard L.L.C.
Attn: Peter A. Cal, Esq.
633 17th Street, Suite 3000
Denver, CO 80202-3622

Zenergy, Inc.
6100 S Yale Ave
1700
Tulsa, OK 74136-1921

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)BOKF, NA dba Bank of Oklahoma

(u)BOKF, NA dba Bank of Oklahoma, NA

(u)Oasis Petroleum

(u)Orrion, LLC
8375 South Willow Street
Suite 400

(u)StatOil Oil & Gas LP

(u)TenOaks Energy Advisors, LLC

(u)Zavanna, LLC

End of Label Matrix
Mailable recipients 46
Bypassed recipients 7
Total 53

EXHIBIT 1



August 30, 2018

TEP Rocky Mountain LLC
4828 Loop Central Drive, Suite 900
Houston, Texas 77081
Attention: Michael S. Land

**Re: Purchase and Sale of Oil and Gas Leases and Wells; Kokopelli Prospect,
Garfield County, Colorado**

Gentlemen:

This letter agreement ("Agreement") sets out the agreement relating to the sale by **Bakken Income Fund LLC**, ("BIF") a Colorado limited liability company ("Seller") and purchase by **TEP Rocky Mountain LLC**, a Delaware limited liability company ("Buyer") of 100% of Seller's right, title and interest in and to the following (collectively the "Assets"):

- (A) The oil, gas and/or mineral leases and fee mineral interests specifically described in Exhibit A (the "Leases"), including, without limitation, all leasehold estates and interests, all royalty, overriding royalty, production payment, reversionary, net profit, contractual working or carried interests and other similar rights and estates therein; all lands subject to the Leases (the "Lands") and all rights in any pooled, unitized or communitized acreage by virtue of the Lands or Leases being a part thereof;
- (B) All oil and gas wells and all water, injection and disposal wells on the Leases or Lands or on lands pooled, communitized or unitized therewith, including but not limited to the wells specifically described on Exhibit B whether producing, shut-in or temporarily abandoned (the "Wells");
- (C) All natural gas, casinghead gas, drip gasoline, natural gas liquids, condensate, products, crude oil and other hydrocarbons, whether gaseous or liquid, produced from or attributable to the Leases, Lands or Wells from and after the Effective Time, along with all such products that are in storage as of the Effective Time and have not been sold as of the closing;
- (D) All personal property, fixtures and improvements appurtenant to or located upon the Leases, Lands or Wells or used primarily in connection with the ownership or operation of the Leases, Lands or Wells or the production, treatment, sale or disposal of production therefrom (the "Equipment"), including, without

limitation, pipelines, gathering lines and compression facilities as well as all inventory located at any such location as of the Effective Time;

- (E) All rights-of-way, easements, servitudes, surface use agreements, subsurface leases, rights-of-way, permits and licenses, to the extent they are transferable and are appurtenant to the Leases, Lands or Wells or Equipment ("Easements");
- (F) All product purchase and sale contracts, gas gathering contracts, salt water disposal leases or agreements, carbon dioxide agreements, processing agreements, production handling agreements, facilities sharing agreements, compression agreements, equipment leases, permits, licenses, farmouts and farmins, options, orders, pooling, spacing or consolidation agreements and operating agreements and all other agreements relating to the Leases, Lands, Wells, Equipment or Easements (the "Contracts"), but excluding any contracts, agreements or instruments to the extent that a transfer pursuant hereto would result in a violation of applicable law, would obligate Buyer to penalties if certain minimum commitments (e.g. gas volumes) are not met or is subject to a third party consent that is not waived or obtained; and
- (G) All original files, records and data, including without limitation lease and well files, abstracts, title reports, title opinions, memoranda and opinions relating to the Assets described herein in the possession or control of Seller or its affiliates (the "Records"), but excluding (i) Seller's company files, financial records, and tax related records to the extent not related to the Assets, and (ii) records and data to the extent containing privileged attorney-client communication or transfer thereof is prohibited by third party contractual restrictions on transfer.

1. The purchase price for the Assets (the "Purchase Price") is a sum equal to \$56,533.00. The listed Purchase Price is the final amount, and is net of the amounts agreed by Seller and Buyer with respect to (a) the estimated cost of closure of a produced water pit located on one of the Leases in Garfield County, and (b) Seller's pro rata share of 2018 ad valorem taxes relating to the Assets. Buyer shall pay the Purchase Price in full to Seller at Closing by wire transfer of readily available funds to an account designated by Seller prior to Closing.

2. At Closing, Seller will assign the Assets to Buyer in a properly executed and acknowledged Assignment and Bill of Sale substantially in the forms attached hereto as Exhibit C (the "Conveyance"), free and clear of all liens and encumbrances and containing a special warranty of title against the claims of any and all persons claiming by, through or under Seller, but not otherwise. The Conveyance shall be effective as of the Effective Time. In addition, Seller agrees to execute separate assignments of the Assets on official approved forms, in sufficient counterparts to satisfy applicable statutory and regulatory requirements.

3. Buyer recognizes that Chapter 11 bankruptcy proceedings with respect to Seller, styled *In re Bakken Income Fund LLC*, Case No. 16-20212-EEB (the “BIF Bankruptcy”) currently are pending before the United States Bankruptcy Court for the District of Colorado (the “Bankruptcy Court”) and, as a result this letter agreement must be filed with the Bankruptcy Court. If approval of this letter agreement by the Bankruptcy Court, in the event such approval is required, is not obtained by November 1, 2018, this Letter Agreement may be terminated by Buyer upon written notice by Buyer to Seller. Each party shall bear its own expenses related hereto in the event of such a termination by Buyer.

4. The closing of the transaction contemplated by this Agreement (the “Closing”) shall occur within three (3) business days following the earlier to occur of (a) Seller’s receipt of approval from the Bankruptcy Court if required, or (b) Buyer’s receipt of notification from Seller that this letter agreement has been filed with the Bankruptcy Court and that approval is not required, unless otherwise agreed in writing by the parties. The purchase and sale of the Assets shall be effective as of August 1, 2018 as of 7:00 a.m. at the location of the Leases (the “Effective Time”).

5. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller (a) that such party has the full right, title and authority to enter into this Agreement and to perform such party’s obligations hereunder in accordance with the terms hereof (subject, in the case of Seller, to Bankruptcy Court approval as provided in paragraph 3 above); and (b) that the consummation of this Agreement will not result in or constitute a default or an event that, with notice or lapse of time or both, would be a default, breach, or violation of any lease, contract, commitment, or any other agreement or instrument to which such party is a party or by which it is bound.

6. Seller and Buyer agree to the following terms and conditions:

a. Seller represents and warrants to Buyer (i) that the Assets are free and clear of any mortgages, liens, and other encumbrances, including materialman, oil field service and property tax liens, except that the Assets apparently were included as collateral relating to a loan to Seller from BOKF, NA dba Bank of Oklahoma (the “Existing BOKF Lien”), claims in connection with which have been dismissed by the Bankruptcy Court in connection with Seller’s sale of certain other assets, and (ii) that, to Seller’s knowledge, all royalties due to U.S. Department of the Interior Office of Natural Resources Revenue prior to the Effective Time with respect to production from the Wells have been properly paid. Seller agrees to indemnify and defend Buyer, including defense costs, for claims arising under this paragraph 6.a. Seller’s warranty in this Paragraph 6.a. as to royalties paid and various liens, encumbrances and mortgages shall be for claims arising, before or after closing, which relate to production periods or work performed prior to the Effective Time. To the extent that any mortgage relating to the Existing BOKF Lien insofar as it relates to the Assets is of record, a release will be provided to Buyer prior to or simultaneously with the closing of the transaction contemplated herein.

b. Seller represents to Buyer for purposes of Buyer's title due diligence that the Assets include the working interest and net revenue interest in the Wells for Seller that is described on Schedule 6.b attached hereto. In the event that Buyer notifies Seller prior to Closing of any title defects with respect to Seller's interest in one or more Wells, and Seller does not cure such title defect to Buyer's reasonable satisfaction, the parties will agree on an adjustment to the Purchase Price with respect thereto. The maximum adjustment that may be made to the Purchase Price for total title failure with respect to any Well is the allocated value for such Well that was provided by Buyer to Seller prior to the date hereof (proportionately reduced with respect to the portion of such interest not covered by this Agreement, if any). Buyer has notified Seller that, while Seller's interests in the federal oil and gas leases included in the Assets are reflected in the BLM records, certain assignments in the chain of title from Dejour Energy (USA) Corp. and Brownstone Ventures (US), Inc. have not been recorded in the records of Garfield County or Rio Blanco County, as applicable. In the event that Seller has not cured this defect prior to Closing, Seller covenant and agree to use their commercially reasonable efforts to obtain and record in the records of Garfield County and Rio Blanco County, within 90 days following Closing, the county assignments that Buyer notified Seller are missing. The parties have agreed that there will be no reduction to the Purchase Price as a result of this issue. The parties agree that, except for the special warranty of title contained in the Conveyances and Seller's post-Closing covenant with respect to county assignments described in this paragraph 6.b, Seller's representation with respect to title contained in this paragraph 6.b title shall not survive Closing.

c. Buyer agrees and acknowledges that the Assets have been used for oil and gas drilling and production operations, related oil field operations and possibly for the storage and disposal of deleterious substances, and the Assets may be contaminated with such materials. Buyer acknowledges that some oil field production equipment may contain hazardous materials, including, without limitation, asbestos and/or natural occurring radioactive material ("NORM"). Buyer expressly understands that special procedures may be required for the removal and disposal of asbestos, NORM, and other deleterious substances from the Assets where they may be found. Buyer represents that it has satisfied itself as to the physical and environmental condition of the Assets, both surface and subsurface, and their method of operation and agrees to accept an assignment of the Assets on an "AS IS, WHERE IS" basis, "WITH ALL FAULTS" and in making the decision to enter in this Agreement and consummate the transactions contemplated hereby, Buyer has relied on the basis of its own independent investigation of the Assets and the representation by Seller that, after due inquiry of its operations personnel, it is unaware of any hidden or buried substances, materials or equipment.

d. THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN THIS AGREEMENT, TOGETHER WITH THE SPECIAL WARRANTY CONTAINED IN THE CONVEYANCE, ARE EXCLUSIVE AND ARE IN LIEU OF, AND BUYER EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER HEREBY WAIVES, ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO (i) TITLE, (ii) THE QUALITY, QUANTITY OR VOLUME OF THE

RESERVES, IF ANY, OF HYDROCARBONS IN OR UNDER THE PROPERTIES AND (iii) THE ENVIRONMENTAL CONDITION OF THE PROPERTIES, BOTH SURFACE AND SUBSURFACE. SELLER DOES NOT MAKE OR PROVIDE, AND BUYER HEREBY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS. EXCEPT AS PROVIDED HEREIN, SELLER DISCLAIMS AND NEGATES, AND BUYER HEREBY WAIVES, ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED OR STATUTORY. THE ITEMS OF PERSONAL PROPERTY, EQUIPMENT, IMPROVEMENTS, FIXTURES AND APPURTENANCES CONVEYED AS PART OF THE ASSETS ARE SOLD, AND BUYER ACCEPTS SUCH ITEMS "AS IS, WITH ALL FAULTS". EXCEPT AS PROVIDED HEREIN THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE FACE OF THIS AGREEMENT OTHER THAN AS REFERENCED HEREIN. BUYER ACKNOWLEDGES THAT THIS WAIVER IS CONSPICUOUS.

7. Unless otherwise requested by Buyer, Seller shall prepare and cause to be executed and delivered to Buyer at Closing instruments in the form of Exhibit D attached hereto releasing each Recording Supplement to Operating Agreement and Financing Statement, if any, that has been recorded by Seller or an affiliate of Seller in the records of the counties in which the Assets are located.

8. The Parties recognize that some or all of the Wells currently are operated by Coachman Energy Operating Company LLC ("Coachman Operating"), a designated operator for Seller, and that Coachman Operating intends to resign as operator upon the occurrence of Closing. Buyer and Seller shall cooperate in assisting Buyer (or a designee of Buyer) in its efforts to become successor operator of those Wells that are operated by Coachman Operating, pursuant to the provisions of the applicable joint operating agreements, upon the occurrence of Closing

9. After this transaction closes the Parties agree to cooperate as needed in the future by signing any additional documents or corrective documents reasonably requested which are needed to more fully effectuate the intents and purposes expressed in this Letter Agreement.

9. In the event that Buyer, or an affiliate of Buyer, commences the drilling of one or more wells on the Leases located in Garfield County, Colorado within 18 months after Closing, then within 15 business days of commencing the first such well, Buyer shall pay Seller an amount equal to \$4,327.00 by wire transfer of readily available funds.

10. This Agreement is governed by the law of the State of Colorado.

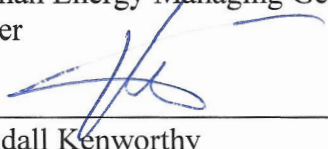
11. This instrument may be executed in any number of counterparts, and by different parties in separate counterparts, each of which shall be deemed to be an original instrument, but all of which together shall constitute but one instrument.

If this agreement correctly sets out our understanding, please execute one counterpart of this letter where indicated below and return it to me.

Sincerely,

BAKKEN INCOME FUND LLC

By: Coachman Energy Managing General Partners LLC
Manager

By: 
Name: Randall Kenworthy
Title: CEO

ACCEPTED AND AGREED TO this 4th day of September, 2018:

TEP Rocky Mountain LLC


By: 
Name: Michael S. Land
Title: President & CEO

Exhibit "A" to that certain Letter Agreement between Bakken Income Fund LLC and TEP Rocky Mountain
 LLC dated ~~August~~ ^{4th} ~~September~~, 2018

LEASE/ WELL NAME	API NUMBER	WORKING INTEREST RATE TOTAL
Federal 14-15-1-21	05-045-22456	0.06490247
Federal 14-15-2-21	05-045-22458	0.06490247
Federal 14-15-3-21	05-045-22455	0.06490247
Federal 14-15-4-21	05-045-22459	0.06490247
Federal 14-15-5-21	05-045-22457	0.06490247
Federal 14-15-6-21	05-045-22454	0.06490247
Federal 14-15-7-21	05-045-22460	0.06490247
Federal 14-15-8-21	05-045-22451	0.06490247
Federal 6/7-13-21	05-045-22182	0.79213710
Federal 6/7-14-21	05-045-21180	0.79213710
Federal 6/7-15-21	05-045-21181	0.79213710
Federal 6/7-16-21	05-045-21183	0.58455000

Exhibit "B" to that certain Letter Agreement between Bakken Income Fund LLC and TEP Rocky Mountain LLC dated ^{September} ~~August~~ 4th, 2018

LEASE AND RIGHT OF WAY SCHEDULE

BLM SERIAL NUMBER	GRANTOR	GRANTEE	EFFECTIVE DATE	LEGAL DESCRIPTION
COC-066370	United States Department of Interior	Retamco Operating	12/1/2002	T6S R91W Sec 21: E2NE, SESW, SWSE Sec 22: SWNW, W2SW, SESW Sec 25: SWSW Sec 26: S2 Garfield County, Colorado
COC-065531	United States Department of Interior	Retamco Operating	12/1/2002	T6S R91W Sec 13: W2SW Sec 14: Gr acs: S2 Sec 15: NWNE, SWNE, NENW Sec 23: NE, N2NW Sec 24: NENE, W2NE, NW, N2SE Sec 25: SESE Garfield County, Colorado

- (E) All rights-of-way, easements, servitudes, surface use agreements, subsurface leases, rights-of-way, permits and licenses, to the extent they are transferable and are appurtenant to the Leases, Lands or Wells or Equipment ("**Easements**");
- (F) All product purchase and sale contracts, gas gathering contracts, salt water disposal leases or agreements, carbon dioxide agreements, processing agreements, production handling agreements, facilities sharing agreements, compression agreements, equipment leases, permits, licenses, farmouts and farmins, options, orders, pooling, spacing or consolidation agreements and operating agreements and all other agreements relating to the Leases, Lands, Wells, Equipment or Easements (the "**Contracts**"), but excluding any contracts, agreements or instruments to the extent that a transfer pursuant hereto would result in a violation of applicable law, would obligate Assignee to penalties if certain minimum commitments (e.g. gas volumes) are not met or is subject to a third party consent that is not waived or obtained; and
- (G) All original files, records and data, including without limitation lease and well files, abstracts, title reports, title opinions, memoranda and opinions relating to the Assets described herein in the possession or control of Assignor or its affiliates (the "**Records**"), but excluding (i) Assignor's company files, financial records, and tax related records to the extent not related to the Assets, and (ii) records and data to the extent containing privileged attorney-client communication or transfer thereof is prohibited by third party contractual restrictions on transfer.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, forever, subject to the terms and provisions hereof. Assignor does hereby bind itself to warrant and forever defend, all and singular, title to the Assets, subject to the matters set forth herein, unto Assignee, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor only, but not otherwise.

This Assignment and Bill of Sale (this "**Assignment**") is made and executed by Assignor and accepted by Assignee subject to the terms, conditions, reservations and exceptions set forth in the following:

- a. the terms, provisions, covenants and royalties set forth in the Leases, which Assignee does hereby assume and agree to fulfill, perform, pay and discharge as of the Effective Time;
- b. all overriding royalty interests, restrictions, exceptions, reservations, burdens, encumbrances, conditions, limitations, interests, assignments, instruments, agreements and other matters of record, if any, that may burden or affect Assignor's interest in the Assets, to the extent, and only to the extent, that such matters are valid and subsisting;
- c. the terms and conditions of the Contracts and Easements; and
- d. all Federal, State, and local laws and all orders, rules, regulations and standards issued thereunder by all duly constituted political subdivisions and agencies having jurisdiction.

This Assignment is subject to the terms and conditions of that certain letter agreement of even date herewith between Assignor and Assignee (the "**Agreement**"), which shall not merge into this Assignment and shall survive the execution and delivery hereof as provided herein. No

provision set forth in this Assignment shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement, and any conflict between this Assignment and the Agreement will be governed by the Agreement. Any capitalized term contained in this Assignment, but not defined in this Assignment, shall have the meaning ascribed to such term in the Agreement.

This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee and their respective successors and assigns.

Assignee shall be and is hereby subrogated to all covenants and warranties of title by parties heretofore given or made to Assignor or its predecessors in title in respect of any of the Assets.

This Assignment is being executed in several counterparts, all of which are identical. Separate assignments of the Assets may be executed on official approved forms by Assignor to Assignee, in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain all of the exceptions, reservations, warranties, rights, titles, powers and privileges set forth herein as fully as though they were set forth in each such assignment. The interests conveyed by such separate assignments are the same, and not in addition to, the Assets conveyed in this Assignment.

This Assignment shall be effective at 7:00 A.M local time where the Assets are located on 1st day of August, 2018 ("**Effective Time**").

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, this Assignment and Bill of Sale is executed on the dates set forth in the acknowledgments below, but shall be effective as of the Effective Time.

ASSIGNOR:

BAKKEN INCOME FUND LLC

By: Coachman Energy Managing General Partners LLC
Manager

By: _____
Name: Randall Kenworthy
Title: CEO

ASSIGNEE:

TEP ROCKY MOUNTAIN LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

This instrument was acknowledged before me on this ____ day of _____, 2018, by Randall Kenworthy as CEO of Coachman Energy Managing General Partners LLC, Manager of Bakken Income Fund LLC, a Colorado limited liability company, on behalf of said limited liability company.

Witness my hand and official seal.

My Commission expires:

Notary Public, State of _____

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me on this ____ day of _____, 2010, by _____, the _____ of TEP Rocky Mountain LLC, a Delaware limited liability company, on behalf of said limited liability company.

Witness my hand and official seal.

My Commission expires:

Notary Public, State of Texas