

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

In re:)	
KING’S PEAK ENERGY, LLC, a Nevada)	Case No. 17-16046 EEB
limited liability company,)	
)	Chapter 11
Debtor.)	

**MOTION OF DEBTOR FOR ORDER (A) APPROVING THE SALE OF
SUBSTANTIALLY ALL OF DEBTOR’S ASSETS; (B) AUTHORIZING THE
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND
UNEXPIRED LEASES; (C) APPROVING INCENTIVE COMPENSATION; (D)
APPROVING BROKER COMPENSATION; AND (E) FOR RELATED RELIEF**

King’s Peak Energy, LLC, through its counsel, Onsager | Fletcher | Johnson, LLC, files its Motion of Debtor for Order (A) Approving the Sale of Substantially all Debtor’s Assets; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (C) Approving Incentive Compensation; (D) Approving Broker Compensation; and (E) for Related Relief (this “Motion”). In support of this Motion, Debtor states as follows:

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. This matter is a core proceeding pursuant to 28 U.S.C. §157(b), and the Court may enter a final order consistent with Article III of the United States Constitution.

2. The bases for the relief requested herein are Bankruptcy Code §§ 105(a), 363(b), 363(f), 363(m), 365(a), 365(b), 365(e), and 365(f), and Bankruptcy Rules 2002(a)(2), 2002(c)(1), 2002(d), 6004(a), 6004(c), 6004(f), 6004(h), 6006(a), 6006(d) and 9014.

BACKGROUND

3. King’s Peak Energy, LLC (“Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code on June 29, 2017 (the “Petition Date”) and is operating as debtor-in-possession under 11 U.S.C. § 1107. No party in interest has requested a

trustee or examiner under 11 U.S.C. § 1102, and a creditors committee has not been appointed in this case.

4. Debtor is an independent energy company engaged in the exploration, development, production and sale of crude oil and natural gas in Wyoming and Utah. Debtor owns twelve (12) producing wells in five fields in Uinta County, Wyoming (the “Wyoming Field”). Debtor owns two (2) active wells in a single field in Summit County, Utah (the “Utah Field” and together with the Wyoming Field, the “Fields”). Debtor also has two (2) disposal wells in Utah.¹ The vast majority of the Fields are located on federal land, the lessors being governmental entities (including The United States of America Department of the Interior (BLM), U. S. Department of Agriculture (US Forest Service)² – hereinafter “Government Lessors”). The Fields are unitized. Debtor owns a Field-weighted average of approximately 96% of the working interests and has a Field-weighted average net revenue interest (after royalties and overrides) of approximately 79%.

The Macquarie Bank Limited Credit Facility/Use of Cash Collateral/Necessity of Change of Operator

5. Debtor is a party to a Senior Secured Credit Agreement dated as of November 3, 2014 (as amended, restated or otherwise modified from time to time, the “Credit Facility”) between the Debtor as Borrower and Macquarie Bank Ltd (“MBL”). As of June 17, 2017, Debtor was indebted to MBL in the principal amount of \$18,588,079.76, plus interest in the amount of \$144,284.71 (for a total of \$18,732,364.47) and attorneys’ fees and costs incurred prior to the Petition Date. The default interest rate triggered by the prepetition default of the Debtor is LIBOR plus 9.0%. The Credit Facility is secured by substantially all of Debtor’s assets, including the

¹ There are also approximately 14 inactive wells.

² The Wyoming Oil & Gas Conservation Commission is also a contract party to surface use agreements in Wyoming.

Fields, the proceeds of production produced by the Fields, the Field infrastructure and the cash collateral posted to secure the Debtor's bonding as required by the Government Lessors.

6. MBL is the only party with an interest in cash collateral. The first interim order was entered after a first day hearing. MBL objected to certain provisions of the relief requested by Debtor, including without limitation Debtor's payment to Proven Petroleum, Inc. ("Proven"), then Debtor's operator of record under a contract operating agreement dated November 3, 2014 ("Proven Contract Operator Agreement"). As a result, the initial interim order provided for no payments to Proven under the Proven Contract Operating Agreement.

Operations

7. In part because of MBL's long-standing dissatisfaction with the financial data provided by Proven in relation to Proven's operation of the Fields, MBL proposed and the Debtor agreed that the Debtor would retain a chief restructuring officer ("CRO") to oversee operations and the restructuring process. The appointment of a CRO also resolved any possible conflict resulting from the involvement of Proven's president, John Teff, in the Debtor's affairs.

8. Within the Stipulated Second Interim Order Authorizing Debtor's Use Of Cash Collateral [Docket no. 96], this Court approved the stipulation of MBL and the Debtor and ordered that "Debtor's right to use Cash Collateral pursuant to the terms of this Order shall terminate upon the earlier of (a) the failure of John Teff to submit his written resignation as president of the Debtor and as well any and all other managerial control or authority as to the Debtor before August 9, 2017, (b) the failure of the Debtor to move before August 16, 2017 for appointment of a Chief Restructuring Officer, acceptable to MBL, with delegated authority to oversee and pursue a sale process and/or to oversee the Debtor's reorganization efforts, if any, (c) the default by Debtor or

Proven under any terms of this order and (d) August 28, 2017. Debtor is not authorized to use Cash Collateral to pay for Forestry Service Bonds.” [Docket no. 96, ¶10].³

9. On August 21, 2017, the Debtor filed its Application to Employ Chief Restructuring Officer [Docket no. 109] (the “Tiddens Application”) to employ Mr. F. Robert Tiddens (“Mr. Tiddens”) as chief restructuring officer. Mr. Tiddens commenced his duties (subject to Court approval) on or about August 28, 2017.⁴

10. Proven, as the operator of the Fields, was responsible for timely paying the field vendors and for keeping the Fields running. However, Proven did not pay the field vendors and as a result, around the last week of August, they stopped working. Consequently, Proven, with knowledge of the catastrophic consequences that could result from the Fields being shut in - particularly given the depth of the wells and the elevation of the Fields - allowed the Fields to be shut in during the week of August 28, 2017, without notice to Debtor. Debtor, Mr. Tiddens and MBL became aware of this on or about August 31 –September 1, 2017. Production ceased, and Debtor’s assets were exposed to immediate harm, including permanent damage to field infrastructure and the threat of potential damage to Field infrastructure. As a result, Debtor terminated Proven as operator under the Proven Contract Operator Agreement on or about September 5, 2017.

11. Through the efforts of Mr. Tiddens, Debtor was able to make an analysis of possible contract operator candidates and contract structures (and associated costs) and determined, with the consent of MBL, that Debtor itself should replace Proven as operator of record of the Fields. Notably, Mr. Tiddens possesses the expertise and contacts with industry personnel that enabled him to quickly assemble a team of technical and professional personnel to assist the Debtor to

³ MBL continued to object to the Debtor making bonding payments while Proven was operator of record.

⁴ The Court approved the Tiddens Application on October 6, 2017, effective as of August 21, 2017. [Docket no. 180]

establish relations with (i) the governmental lessors, (ii) the field vendors (many whom had become dissatisfied with Proven's operation of the Fields), (iii) make plans to obtain regulatory approval and necessary vendor relationships to allow Debtor to reestablish production, and (iv) create a reliable financial and accounting system for Debtor's operations.

12. To accomplish the task of changing operator of record status to Debtor, Mr. Tiddens and Debtor pursued a Rule 2004 process to recover the operational accounting database previously used by Proven.⁵ Mr. Tiddens navigated the regulatory process for change of operatorship, contracted for software, space, and independent contractors to perform the tasks required of the operator, and oversaw the field engineering. When Mr. Tiddens was appointed, the historical operating and financial data was incomplete and not readily accessible. Reliable historic data is essential to any plan process to create reliable projections. For the same reason, reliable historical information is essential to any sale process, as a buyer will otherwise significantly discount an offer for the risk that expenses will be materially higher than reported. Under Mr. Tiddens' guidance, the information was assembled.

13. Further, Mr. Tiddens addressed a host of field operational issues. Day to day operations and common well inspections had been neglected. There were poor landowner relations and many concerns of the field vendors had been ignored. There were outstanding regulatory issues, such as the plugging and abandonment of a disposal well. Mr. Tiddens and his team worked to stabilize operations after the shut-in of the Fields, including the matters described above, developing a critical path to bring the Fields back on line as soon as possible and to avoid any possibility of catastrophic damages to the Fields and individual wells. By the end of December,

⁵ All rights are reserved regarding funds still held by Proven that it has not provided sufficient account of or released to the Debtor as are all causes of action against Proven.

the current run rate for lease operating expenses could be counted on as a reliable measure of the cost of operating the Wyoming Field.

14. In late September, again through the efforts of Mr. Tiddens, Debtor obtained regulatory approval from the applicable Wyoming federal and state agencies to become the operator of record, and the Wyoming Field was shortly thereafter placed back into production.

15. The Utah BLM required a large increase in the operator's bond relating to the Utah Field before it would approve KPE as the operator. In addition, the U.S. Forest Service required an increase in the bond for surface access in the approximate amount of \$1.4 million. In January 2018, on the basis of the efforts and representations of Mr. Tiddens, Debtor and MBL agreed to debtor-in-possession financing to fund both bond increases, and this Court approved the financing (the "DIP Facility") by order dated February 21, 2018 [Docket no. 252]. With funding of the bonds, Debtor was recognized as the operator of record and brought the Utah Field back into full production. Currently the principal balance owed under the DIP Facility is \$1,446,421.48, and accrued interest through May 8, 2018 is \$2,700.23. As set forth herein, the total balance due under the DIP Facility as of the date of closing of the sale ("DIP Facility Pay-off") will be paid to MBL at closing of the sale.

16. After becoming the operator of record, Debtor, under the guidance of Mr. Tiddens, has been able to: (i) establish a monthly lease operating expense run rate below that achieved under Proven; (ii) materially reduce non-recurring field expenses while increasing production from the Wyoming Field; and (iii) obtain continued agreements with MBL for use of cash collateral which include authority for non-recurring lease operating expenses necessary to resolve operational, infrastructure, equipment and well condition problems;. Under the direction of Mr. Tiddens, Debtor was able to rebuild its accounting system and provide reliable financial reporting.

Finally, Debtor, through the efforts of Mr. Tiddens, has established agreeable working relations with the Debtor's vendor creditors, has brought postpetition past-due amounts current and has maintain credit terms with at least of majority of Debtor's vendors. As a result, no creditors have filed any pleadings with the Court concerning non-payment of postpetition invoices or other matters. Additionally, Mr. Tiddens and his team smoothed over the rough spots that had previously existed with the regulators.

17. Since the retention of Mr. Tiddens, Debtor and MBL have worked cooperatively to ensure that all field vendors are paid timely for any goods and services supplied after the Petition Date.

SALE OR REORGANIZATION PLAN

18. The CRO has evaluated various options that might be available for an exit from chapter 11, including a reorganization or a sale. Debtor does not believe it could obtain financing sufficient to pay MBL in full because such payment would require at greater than 100% financing, which is not available. The CRO also evaluated whether a plan of reorganization funded by operating income was likely to be feasible and concluded it was not. Debtor has determined that a Section 363 sale followed by a distribution plan is in the best interests of the estate and its creditors.

19. Debtor assumes that MBL would oppose any cramdown plan, and many factors argue against a cramdown attempt.

20. The first relates to the need to fund the Forest Service bonds of over \$1.4 million. Current funding is provided by a DIP loan, approved by this Court, which is not susceptible of modification in a plan. Third party non-consensual funding of these bonds (or, in other words, paying off the MBL DIP financing) is not feasible. Debtor would need to obtain either a capital infusion or a replacement loan solely for the purposes of providing collateral to Government

Lessors. It is not reasonable to expect a third-party lender, with no other interest in Debtor or its assets, to provide funding that could be drawn upon by Government Lessors in the event of an uncured environmental issue, just so that the lender could accrue interest when Debtor would be unable to provide the lender with an expected maturity date by which the bonds would have to be replaced by the Debtor. Debtor sees no prospects for replacement bonding.

21. The second roadblock is that MBL holds a recorded twenty percent (20%) net profits interest (“NPI”) encumbering Debtor’s assets. Debtor’s obligation to begin making payments under the NPI commenced when MBL accelerated Debtor’s loan obligations. Debtor has no basis to argue that the NPI is avoidable. The 20% NPI reduces the possible return from Debtor’s oil and gas assets to an extent that, as a practical matter, precludes any rational investor from investing: the NPI effectively reduces the value of Debtor’s oil and gas assets by more than 20%. However, to facilitate a 363 sale, MBL has agreed to release and cancel or if applicable convey to Debtor immediately prior to closing of the sale (without any warranty whatsoever) its NPI without further consideration, such that the NPI shall be included in Assets to be sold.

22. The third roadblock is that MBL would oppose any cramdown process. As shown below, MBL has agreed that through a plan to be proposed in conjunction with the sale proposed herein, the Debtor can provide for payment of prepetition claims that are valid, non-subordinated, allowed and not precluded (“Vendor Claims”), notwithstanding that MBL will not be paid in full out of its collateral.⁶ As well, MBL has consented to the continued use of cash collateral, to payment for administrative expenses approved as part of the cash collateral budgets, and as may have to be paid as a condition to confirmation, and to the carve out from sale proceeds as discussed below for CRO and other compensation/sales commission. Any cram down attempt would risk

⁶ This group does not include Proven.

payment to MBL, prevent satisfaction of the Vendor Claims, and likely would generate the request for the appointment of a trustee and/or conversion to chapter 7.

23. Prior to filing its Petition, Debtor had engaged Bay Capital Corporation to market its assets. However, given the absence of reliable financial data, the inattention to operations of the Fields, the uncertainty of the bonding situation and the problematic association of Proven (the owner of which was overseeing the marketing process in his capacity as president of the Debtor, while at the same time reviewing all prospective bids despite the fact that Proven was as well a bidder – a classic conflict of interest), it is clear to Debtor and Mr. Tiddens that the pre-bankruptcy marketing process was fundamentally flawed. The marketing did result in bidding, but as the highest bid was materially superior to the bid made by Proven, it is no surprise that the marketing process stalled, the Debtor never completed negotiating a purchase agreement and in essence the marketing process dissolved.

24. Under the order approving his retention as CRO, Mr. Tiddens is vested with authority to “pursue and oversee a sale process for Debtor’s assets if Mr. Tiddens determines it is in the best interests of the estate.” [Docket no. 180]. In order to determine if a sale was in the best interests of the estate, Mr. Tiddens, shortly after his retention, began discussions with potentially-interested parties about a possible sale, including parties who had expressed interest during the prior sale effort. He also received unsolicited offers for the Debtor’s assets. He provided extensive information that Debtor believes (now) is valid. He has overseen an overhaul of the Fields to both restore production and to perform long overdue maintenance and capital projects designed to maximize both the current production of the Fields and best insure extended life of the Fields. The sale process undertaken by Mr. Tiddens has been a market process designed to convey both the current Field status and production achievable, as well as future prospects. He has overseen the

construction of a virtual data room and the collection of the due diligence information that is both in the data room and available through Debtor to any inquiring prospective buyer. His experience and expertise in the industry has generated a presumption of reliability, in the Debtor's opinion, and has enabled the Debtor to present to the universe of potential purchasers the actual value and condition of the Fields and the Debtor's assets (along with the lease operating expenses that are achievable, the capital expenditures that should be projected, stable vendor relations, and accurate equipment assessments).

Headwaters/DTE Transaction

25. Extensive negotiations with Headwaters E&P, LLC⁷ ("Headwaters") over the past several months have culminated in an agreement to purchase the Assets that Mr. Tiddens has determined represents the highest reasonably attainable, while at the same time preserving the prospect of higher offers up to the entry of an order granting this Motion.

26. In January 2018, Debtor and Headwaters entered into a letter of intent. In consideration of the offer amount, Debtor agreed to a "window-shop" clause.

27. Debtor and Headwaters subsequently negotiated a purchase and sale agreement, an executed copy of which is attached as **Exhibit A** (the "PSA"). The actual purchasing party is DTE O&G LLC ("DTE")⁸, the assignee of Headwaters. The Debtor seeks approval to close a sale under and in conformity with the PSA (the "Sale").

28. In addition, Debtor retained Meagher Energy Advisors ("MEA") as its broker. MEA is a long-standing and highly respected broker of oil and gas properties. As to Headwaters/DTE, MEA's role is to advise Debtor concerning price and other terms, assist with due diligence issues and prepare a reserve report. In this role, it has assisted in preparing a due

⁷ Headwaters is a Texas limited liability company doing business in San Antonio, Texas.

⁸ DTE is a Delaware limited liability company also doing business in San Antonio, Texas.

diligence data room that would be available should a wider sales process be required (upon execution by such parties of a customary non-disclosure agreement). To ensure that other potentially interested parties have access to information regarding the Assets, the same materials making up the data room are available through Debtor.

ASSETS TO BE SOLD

29. Debtor's Fields are located in Uinta County, Wyoming and Summit County, Utah⁹ and, along with related equipment and infrastructure, comprise substantially all of Debtor's assets. Under the PSA the Assets to be sold are generally described as follows:

(a) all of (i) the oil and gas Leases¹⁰, Lands and Units described in Section 1.2(a) of the PSA and Exhibit A thereto, and (ii) all unit interests, net profits interests (including, as applicable and without any warranty whatsoever, the NPI)¹¹, overriding royalty interests, all mineral owned in fee and seismic data, as described in Section 1.2(a) of the PSA.

(b) all oil, gas water or injection Wells located on the Lands, as described in Section 1.2(b) of the PSA and Exhibit A-1 thereto;

(c) the pools or units which include any Lands, Leases or Wells, as described in Section 1.2(c) of the PSA and Exhibit A-1 thereto;

(d) all contracts and agreements, other than Leases and Surface Contracts, which relate to the Assets, as described in Section 1.2(d) of the PSA and Schedule 1.2(d) thereto;

(e) all easements, permits and other surface contracts pertaining to the Lands, as described in Section 1.2(e) of the PSA and Schedule 1.2(e) thereto;

⁹ The legal description of the real estate is contained in Exhibit A and Exhibit A-1 of the PSA.

¹⁰ All capitalized terms not defined in this Motion shall have the meaning set forth in the PSA.

¹¹ Included as an Asset since it may be conveyed to Debtor by MBL immediately prior to the closing of the sale in connection with the cancellation of the NPI.

(f) the equipment, machinery, vehicles, fixtures, and other tangible personal property and improvements located on the Lands, as described in Section 1.2(f) of the PSA and Exhibit A-2 thereto;

(g) all flow lines, pipelines, gathering systems and appurtenances thereto located on the Lands, as described in Section 1.2(g) of the PSA and Schedule 1.2(g) thereto;

(h) all facilities used or held for use primarily in connection with operation of the properties including water injection facilities and power generation facilities, as described in Section 1.2(h) of the PSA;

(i) all Hydrocarbons produced from or attributable to the Leases, Lands and Wells after the Effective Time, as described in Section 1.2(i) of the PSA; and

(j) Records relating to the foregoing, as described in Section 1.2(j) of the PSA.

Certain property which may be associated with the Assets is excluded from the sale, as identified in the PSA on Exhibit B thereto.

SUMMARY OF PSA AND TERMS HIGHLIGHTED
PURSUANT TO LBR 6004-1(d)

30. The material terms of the PSA and the proposed order approving the sale (the “Sale Order”) are as follows:

a. Purchase Price: The Purchase Price for the Assets is \$17,500,000 (*PSA* §2.1), subject to certain adjustments (*PSA* §2.2). Additionally, DTE is to replace all bonding (*PSA* §12.5), which shall have the effect that all bonding collateral will be remitted to the Debtor subject to interests and liens, particularly the MBL liens upon the bonding cash collateral.¹²

¹² As well, MBL at closing of the sale will receive full payment of the DIP facility (“DIP Facility Pay-off”).

b. Agreements with Management (6004-1(d)(A)): DTE has no agreements with management of Debtor. As part of this Motion, Debtor seeks approval of certain incentive compensation to Mr. Tiddens that MBL has agreed to, which is discussed below.

c. Releases(6004-1(d)(B)): No claims are waived, released or otherwise satisfied. The purchase and sale agreement limits damages to the amount of the earnest money deposit (*PSA §10.4*).

d. Private Sale/No Competitive Bidding (6004-1(d)(C)): An auction is not contemplated. Debtor has agreed not to solicit or initiate discussions regarding a competing offer; however, the PSA does not prohibit Debtor from pursuing another transaction provided that the counterparty to the transaction initiates the discussions with Debtor without any solicitation by Debtor. (*PSA §4.3(d)*). While the virtual data room maintained by MEA is not open, a duplicate of all information in the data room is available to all inquiring parties through Debtor.

The justifications for not holding an auction include the following:

(i) The Purchase Price is the subject of arm's-length negotiation with Headwaters/DTE and is considered significantly more monetization than any previous written or verbal offer. This conclusion is supported by Mr. Tiddens, who has decades of experience in the purchase and sale of oil and gas properties, and by MEA. In this regard, it should be noted that MEA would earn a higher commission if it is required to market the Assets, even if the resulting price were lower. Both the opinions of Mr. Tiddens and MEA are supported by the recently completed reserve report. The more favorable price is in part consideration for a more limited marketing effort.

(ii) MBL is in favor of the DTE sale and opposed to an auction process unless necessary. The prepetition balance due to MBL is currently more than \$18,732,000, subject to

increase under § 506(b) for postpetition interest, attorneys' fees, and other costs to which MBL would be entitled out of any additional sale proceeds (currently the prepetition claim plus postpetition interest, without the addition of pre-or postpetition attorneys' fees and costs would amount to \$20,448,245.94). Additionally, MBL is owed the DIP Facility Pay-off amount of \$1,446,421.48), to be paid off at closing of the Sale. The sale of the Assets would also have to net several hundreds of thousands of dollars above the MBL pre-and postpetition claims (without even considering the DIP facility amount) to cover the MEA sale commission before any other creditor would benefit. To generate proceeds sufficient to pay all allowed Vendor Claims, plus the amounts due MBL and administrative claimants, the Assets would have to sell for a price greater than \$23 million (roughly calculated). Both Mr. Tiddens and MEA estimate that a price at this level is not achievable. In addition, any buyer will be required to post about \$3 million in bonds. In the circumstances faced by the Debtor (with the plan structure mentioned herein that will allow payment of Vendor Claims), the only party that could benefit from an auction process is MBL, and MBL favors the sale process proposed herein, with no auction.

If, however, a better offer surfaces prior to approval of the DTE sale, Debtor is not restricted from accepting it, but will be required to pay DTE a break-up fee if the alternate sale closes,¹³ since DTE would then have effectively operated as a "stalking horse." (*PSA §4.4*).

e. Closing and Other Deadlines (6004-1(d) (D)): The Closing of the transaction must occur no later than 30 days after entry of the Sale Order. (*PSA §9.1(a)*) The Deposit must be delivered within five (5) Business Days of the execution of the PSA. (*PSA §2.4*). DTE has 20 days after the date upon which the Sale Order is entered during which to complete its due diligence

¹³ Authority to pay the break-up fee is the subject of a separate motion.

investigation. (*PSA §1.6*). DTE has until seven (7) Business Days after the end of the Due Diligence Period to deliver a Defect Notice to Debtor. (*PSA § 1.6*)

f. Good Faith Deposit (6004-1((d)(E)): DTE has made an earnest money deposit of \$850,000 as required by the PSA (*PSA §2.4*), being 5% of the Purchase Price. DTE will forfeit the Deposit if the transaction fails to close, in accordance with the terms of the PSA. If Seller terminates the PSA because Purchaser has failed to comply with any provision of Section 8.1 of the PSA or as the result of any default or breach by Purchaser of Purchaser's obligations thereunder, then Seller may retain the Deposit as liquidated damages. (*PSA §10.3(a)*).

g. Interim Arrangements (6004-1(d)(F)): Not applicable.

h. Use of Proceeds (6004-1(d)(G)): Not applicable. All sale proceeds, except for customary closing costs, accrued and unpaid post-petition taxes owed by the Debtor under the PSA, Mr. Tiddens' approved compensation and MEA's commission, will be distributed under a plan of reorganization. The DIP Facility Pay-off will be made at closing as well.

i. Tax Exemption (6004-1(d)(H)): Not applicable.

j. Record Retention (6004-1(d)(I)): Debtor will have reasonable post-sale access to the books and records that it will require in order to administer the remainder of its bankruptcy case and its wind down under a plan, as well as perform any post-closing obligations. (*PSA §1.2(j)*)

k. Sale of Avoidance Actions (6004-1(d)(J)): Not applicable.

l. Requested Findings as to Successor Liability (6004-1(d)(K)): Successor liability limitations conforming to and based upon relief previously granted by this Court are sought. Debtor seeks provision in the Sale Order whereby DTE is not and shall not be deemed a "successor" to the Debtor or its estate as a result of the consummation of the Sale or the Sale Order, and, except for obligations or liabilities expressly assumed in the PSA or the Sale Order (if any),

DTE shall not assume, nor be deemed to assume, or in any way be responsible for any obligation or liability of any of the Debtor and/or its estate including, but not limited to, any bulk sales law, successor liability, liability or responsibility for any claim against the Debtor or against an insider of the Debtor, or similar liability and that this Sale Motion contains sufficient notice of such limitation in accordance with Rule 6004-1 of the Local Bankruptcy Rules. The purchase of the Assets by DTE and the transactions approved by the Sale order will not cause DTE to be deemed a successor in any respect to the Debtor. In the event that DTE is treated as a successor employer under section 3121(a)(1) of the Internal Revenue Code, DTE shall not by reason of any such treatment be deemed to have assumed any liabilities or to be a successor for any other purpose. (*Proposed Sale Order* ¶ 15)

- m. Sale Free and Clear of Unexpired Leases (6004-1(d)(L)): Not applicable.
- n. Credit Bid (6004-1(d)(M)): Not applicable.
- o. Relief from Fed. R. Bankr. P. 6004(h) (6004-1(d)(N)): As requested later in this

Motion, the proposed Sale Order contains a provision that such order will become effective immediately upon entry pursuant to Bankruptcy Rules 6004(h) and 6006(d), rather than being stayed until the entry of 14 days after the entry of the Sale Order. (*Proposed Sale Order* ¶ 31)

While Section 9.1(a) of the PSA allows for Closing 30 days after entry of the Sale Order, the parties wish to close as quickly as possible and thus desire that the Sale Order be a final order. The Debtor believes that it will be able to resolve all potential objections prior to the Sale Hearing and thus the potential for an actual appeal will be minimized. This belief and the need for a prompt closing constitute good cause for a waiver of Fed. R. Bankr. P. 6004(h).

- p. Contracts and Leases. Debtor will assume and assign certain executory contracts and unexpired leases pursuant to a Designation Notice to be delivered by Purchaser (the

“Purchased Contracts”). (*PSA §4.4*); (*Proposed Sale Order ¶ 10*). Debtor is not aware of any cure amounts or other defaults under any possible Purchased Contract.

q. Finding of Good Faith Purchaser. As requested later in this Motion (and as per the PSA), the proposed Sale Order contains a provision that DTE is a good faith purchaser under § 363(m) of the Bankruptcy Code. (*PSA §4.2*; *Proposed Sale Order ¶¶ J*; 18). The PSA was negotiated in good faith at arms’ length by all parties, without collusion or fraud of any kind. Debtor is unaware of any connections between Headwaters/DTE and Debtor or any other party involved in the sale process. Debtor is unaware of any conduct by Headwaters/DTE that would prevent the application of § 363(m) of the Bankruptcy Code.

HOLDERS OF PREFERENTIAL PURCHASE RIGHTS

31. Debtor is unaware of any holder of a preferential purchase right that applies to the sale.

SALE FREE AND CLEAR OF LIENS

32. The title to Assets are being sold subject to the following Interests (called “Permitted Encumbrances” in the PSA):

- a. Royalties and overriding royalties, reversionary interests and other burdens of record at the Effective Time, except for the NPI;
- b. All leases, unit agreements, pooling agreements, operating agreements, Hydrocarbon production sales contracts, division orders and other contracts, agreements and instruments applicable to the Assets;
- c. Transfer Requirements applicable to the Assets;

d. Liens for current Taxes or assessments not yet delinquent (or, if delinquent, (i) being contested in good faith by appropriate actions, or (ii) which will attach to the sale proceeds at Closing pursuant to the Sale Order);¹⁴

e. Materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar liens or charges arising in the ordinary course of business for amounts not yet delinquent (including any amounts being withheld as provided by Law), or, if delinquent, (i) being contested in good faith by appropriate actions, or (ii) which will attach to the sale proceeds at closing pursuant to the Sale Order;¹⁵

f. Rights of reassignment arising upon final intention to abandon or release the Assets, or any of them;

g. Easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;

h. All rights reserved to or vested in any Governmental Body to control or regulate any of the Assets in any manner and all obligations and duties under all applicable Laws, or under any franchise, grant, license or permit issued by any such Governmental Body;

i. Any encumbrance on or affecting the Assets which DTE expressly assumes, bonds or pays at or prior to Closing or which is to be and is discharged at or prior to Closing;

j. Calls on Hydrocarbon production under existing Contracts;¹⁶

k. Any other liens, charges, encumbrances, defects or irregularities which do not, individually or in the aggregate, materially interfere with the use or ownership of the Assets

¹⁴ DTE is not substantively assuming obligations to pay liens that will attach to the proceeds from the sale. It is only agreeing that such liens will not be considered title defects.

¹⁵ DTE is not substantively assuming liabilities to pay liens that will attach to the proceeds from the sale. It is only agreeing that such liens will not be title defects.

¹⁶ The parties do not believe any such calls exist. To the extent they do exist they would not be considered title defects. This does not mean that DTE is substantively assuming such obligations.

subject thereto or affected thereby (as currently used or owned), which would be accepted by a reasonably prudent purchaser engaged in the business of owning and operating oil and gas properties; and

1. Liens granted under applicable joint or unit operating agreements.

33. Other than Permitted Liens, there are three categories of lienholders: MBL; holders of alleged well liens; and taxing authorities. The sale proceeds will be sufficient to pay in full holders of alleged well liens (whose claims are Vendor Claims) and the liens securing any past due taxes actually owed by the Debtor,¹⁷ and the proposed sale order provides for such liens to attach to the sale proceeds pursuant to Section § 363(f)(3) of the Bankruptcy Code. Debtor does not propose to sell the Assets free and clear of the lien for taxes not yet due and payable. As to the lien of MBL, MBL consents to the sale, and to the attachment of its lien rights securing the prepetition claim of MBL under the Credit Facility (exclusive of the amounts due under the MBL DIP facility, which are to be paid at Closing) to the sale proceeds pursuant to § 363(f)(2) of the Bankruptcy Code. All purported lienholders are identified on the attached **Exhibit B**, together with the alleged amounts due.

ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

34. Debtor also seeks approval of the assumption and assignment of the Purchased Contracts pursuant to § 365(f) of the Bankruptcy Code in connection with the sale. Attached hereto as **Exhibit C** is a list of all Purchased Contracts which identifies: (a) the executory contracts and unexpired leases that *may be* assumed and assigned to the Purchaser; (b) the name and address of the contract counterparties thereto; (c) the earliest proposed effective date of the assignment

¹⁷ The Debtor and MBL reserve all rights regarding any funds still held by Proven, including without limitation those funds held by Proven or that the Debtor intended for Proven to hold in escrow for property or other taxes, and expressly reserve all causes of action against Proven.

(subject to the right of Debtor and Purchaser to either (i) withdraw such request for assumption and assignment of any Purchased Contract prior to the Closing or (ii) otherwise extend such effective date); and (d) Debtor's determination of the amount, if any, necessary to be paid to cure any existing default in accordance with §§ 365(b) and 365(f)(2) of the Bankruptcy Code (the "Cure Amount"); provided that the listing of any executory contract or unexpired lease on Exhibit C does not constitute a binding determination to assume or assign such executory contract or unexpired lease. Debtor has served this Motion and the 9013 Notice on all such contract counterparties to a Purchased Contract

LEGAL AUTHORITY

A. The Court Should Authorize the Private Sale of Debtor's Assets

35. A debtor in possession has "ample discretion to administer the estate, including authority to conduct public or private sales of estate property." *In re Psychometric Sys, Inc.*, 367 B.R. 670, 674 (Bankr. D. Colo. 2007) (Brown, J.) quoting *In re Bakilis*, 220 B.R. 525, 532 (E.D.N.Y. 1998). The authority to sell assets conferred upon a debtor by section 363(b) "include[s] a sale of substantially all the assets of an estate." *Otto Preminger Films, Ltd, v. Qintex Entertainment, Inc. (In re Qintex Entertain'p'ment, Inc.)*, 950 F.2d 1492, 1495 (9th Cir. 1991). Likewise, bankruptcy courts are given a great deal of discretion when deciding whether to authorize a sale of a debtor's assets outside of the ordinary course of business. *See In re Chateaugay Corp.*, 973 F.2d 141, 144 (2d Cir. 1992). A sale should be authorized if the debtor-in-possession demonstrates the proposed sale reflects sound business judgment. *See Committee of Equity Security Holders v. Lionel Corporation (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Castre, Inc.*, 312 B.R. 426, 428 (Bankr. D. Colo. 2004); *see also, In re Thomson*

McKinnon Secs., Inc., 120 B.R. 301, 307 (Bankr. S.D.N.Y. 1990); *Stephens Indus., Inc. v. McClung*, 789 F.2d 386, 389-90 (6th Cir. 1986).

36. Courts consider the following factors in determining whether the debtor-in-possession has exercised proper business judgment: (1) any improper or bad motive; (2) whether the price is fair and the negotiations or bidding occurred at arm's length; and (3) the adequacy of the sale procedures. *In re Castre, Inc.*, 312 B.R. at 428. As demonstrated below, Debtor has properly exercised its business judgment for the proposed sales.

37. After careful evaluation, the CRO has determined a plan of reorganization would be difficult to confirm over the objection of MBL. MBL has indicated it does not favor a plan except in connection with a sale.

38. The CRO has also determined, after investigation, that the price to be paid by DTE is a favorable one, and that a more extensive sale process, which could cause DTE to withdraw as a bidder, may not yield as good a price. Further, the price is acceptable to MBL, and MBL, in return for the certainty of a sale, has agreed to various payments from its collateral for the benefit of the estate and other creditors. In all events, the Fields are highly unlikely to sell for a price, when combined with Debtor's other realizable assets (namely, its bond deposits), that would be high enough to satisfy the lien of MBL plus the payments to be made through the closing and plan process from MBL collateral. As a result and as discussed above, a more extensive sale process, even if it produced a higher offer, will not benefit the estate or its creditors, with the possible exception of MBL, and MBL favors the Sale proposed by this Sale Motion.

39. Based upon the foregoing, the sale of the Assets is in the best interests of Debtor, its estate, and its creditors, and is based upon sound, reasoned and informed business judgment warranting this Court's approval.

B. The Court Should Authorize the Sale of the Assets Free and Clear of All Interests Pursuant to § 363(f) of the Bankruptcy Code

40. Debtor seeks to sell Debtor's assets free and clear of all liens, claims, encumbrances, and other interests pursuant to § 363(f) of the Bankruptcy Code. Section 363(f) of the Bankruptcy Code authorizes a debtor to sell assets free and clear of any interest in such property if:

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

41. Because § 363(f) of the Bankruptcy Code is drafted in the disjunctive, satisfaction of any one of its five requirements is sufficient to permit the sale of Debtor's assets "free and clear" of liens and interests. *Mich. Empl. Sec. Comm'n v. Wolverine Radio Co. (In re Wolverine Radio Co.)*, 930 F.2d 1132, 1147 n.24 (6th Cir. 1991); see also *In re Kelistrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002).

42. As previously stated, other than Permitted Liens, there are three categories of lienholders which are described on Exhibit B: MBL; holders of alleged well liens; and taxing authorities. There will be sufficient sale proceeds to pay the holders of the alleged Wells liens and taxing authorities in full, and the liens will attach to the sale proceeds pursuant to § 363(f)(3) of the Bankruptcy Code. As to the lien of MBL, MBL consents to the sale, with its lien to attach to the sale proceeds pursuant to § 363(f)(2) of the Bankruptcy Code.

C. The Court Should Grant Purchaser the Protections Afforded a Good Faith Purchaser under § 363(m) of the Code

43. Section 363(m) of the Bankruptcy Code provides:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m). A good faith purchaser is one who purchases in “good faith” and for “value.” *In re Bel Air Associates, Ltd.*, 706 F.2d 301, 305 n.12 (10th Cir. 1983); *In re Abbotts Dairies of Pennsylvania, Inc.* 788 F.2d 143 (3rd Cir. 1986). To constitute a lack of good faith, a party’s conduct in connection with the sale usually must amount to “fraud, collusion between the purchaser and other bidders or the trustee or an attempt to take grossly unfair advantage of other bidders or the trustee.” *In re Crowder*, 314 B.R. 445, 450 (B.A.P. 10th Cir. 2004).

44. In this case, the PSA was negotiated by all parties in good faith at arms’ length, without collusion or fraud of any kind. Debtor is unaware of any connections between Headwaters/DTE and Debtor or any other party involved in the sale process. Debtor is unaware of any conduct by Headwaters/DTE that would prevent the application of § 363(m) of the Bankruptcy Code. Debtor anticipates making the appropriate showing at a hearing that Headwaters/DTE and all parties have acted in good faith and otherwise in accordance with the statutory standards.

D. Assumption and Assignment of Executory Contracts and Unexpired Leases Should be Authorized under the Bankruptcy Code

45. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession “subject to the court’s approval, may assume or reject any executory contract or [unexpired] lease of the debtor.” 11 U.S.C. § 365(a). The standard governing bankruptcy court approval of a debtor’s decision to assume or reject an executory contract or unexpired lease is whether the debtor’s reasonable business judgment supports assumption or rejection. See, e.g., *In re Grayhall Res., Inc.*, 63 B.R. 382,384 (Bankr. D. Colo. 1986). In this case, the assumption and

assignment of the selected executory contracts is a necessary and integral part of the Sale of Debtor's assets.

46. Pursuant to § 365(b)(I) of the Bankruptcy Code, a debtor must “cure, or provide adequate assurance that the debtor will promptly cure,” any default, including compensation for “actual pecuniary loss” relating to such default. 11 U.S.C. 365(b)(I). Once an executory contract is assumed, the trustee or debtor in possession may elect to assign such contract.

47. Section 365(f) of the Bankruptcy Code provides that the “trustee may assign an executory contract ... only if the trustee assumes such contract ... and adequate assurance of future performance is provided.” 11 U.S.C. § 365(f)(2). Adequate assurance of future performance is to be given a practical, pragmatic construction based upon the facts and circumstances of each case. *In re Colorado Sun Oil Processing LLC*, No. BR 10-24424-SBB, 2011 WL 3585565, at *12 n.74 (Bankr. D. Colo. Aug. 12, 2011) (citing *In re Bon Ton Restaurant & Pastry Shop, Inc.*, 53 B.R. 789 (Bankr. N.D. Ill. 1985).

48. All counterparties to executory contracts and unexpired leases that Debtor might seek to assume and assign have been served with of this Motion.

PAYMENT OF BROKER

49. Pursuant to the order approving the employment of MEA [Docket no. 291] (the “MEA Approval Order”), the Court authorized Debtor to employ MEA as its broker pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code in accordance with the terms of the Engagement Letter attached to the motion. The Court also approved the terms of MEA's compensation set forth in the Engagement Letter.

50. Per paragraph 7(f) of the Engagement Letter (a copy of which is attached hereto as **Exhibit D**), MEA's commission is payable on a sliding scale depending on the sale price, ranging from 1% to 6% of the total amount, as follows:

<u>Commission</u>	<u>Cumulative Sales</u>
6%	\$1.00 to \$1,000,000 plus;
5%	\$1,000,001 to \$2,000,000 plus;
4%	\$2,000,001 to \$3,000,000 plus;
3%	\$3,000,001 to \$4,000,000 plus;
2%	\$4,000,001 to \$5,000,000 plus;
1%	\$5,000,001 and above
The minimum collective Commission is \$200,000.00.	

51. However, the Engagement Letter further states that if a sale is consummated with Headwaters¹⁸ prior to MEA's mailing of an offering memorandum to MEA's database of potential buyers, the commission shall be reduced by 50%.

52. MEA did not mail an offering memorandum. Thus, the commission payable to MEA is \$200,000¹⁹ (the "Commission").

53. Pursuant to the MEA Approval Order, Debtor is required to request authority to pay MEA in this Motion.²⁰ Debtor requests (a) authorization to pay MEA the Commission upon the Closing of the sale, and (b) final allowance of the engagement fee of \$50,000,²¹ being the amount previously paid to MEA pursuant to paragraph 7(e) of the Engagement Agreement.

¹⁸ DTE, being the assignee of Headwaters, is covered under this provision.

¹⁹ Given a purchase price of \$17,500,000, MEA's fee would ordinarily be \$325,000. One-half of this amount is \$162,500, with a minimum commission payable of \$200,000.

²⁰ If no sale occurs, MEA shall file a final fee application for the allowance of compensation for services rendered as per the MEA Approval Order.

²¹ This amount is not credited against the Commission. The engagement fee has paid for items such as the Virtual Data room, reserve report and other sundry items.

INCENTIVE COMPENSATION MR. TIDDENS

54. Closing of the sale and receipt of the sale proceeds will not provide sufficient funds to Debtor with which to pay the MBL debt in full. Notwithstanding this fact, Debtor proposes, and MBL has agreed, that Mr. Tiddens, at Closing, be paid an incentive fee (“Tiddens Sale Fee”), and Debtor (along with MBL) seeks approval of the Tiddens Sale Fee within the Sale Order.

55. The efforts of Mr. Tiddens and the results achieved by him while working as CRO (from the date of filing of the Tiddens Application). The accomplishment of the results by the Debtor under the guidance and direction of Mr. Tiddens could not have been foreseen given this Debtor’s history. The Debtor submits that the sale process could not have occurred without Mr. Tiddens and, as well, that without him the chapter 11 process would have been fraught with adversarial proceedings.

56. Mr. Tiddens has overseen the change of operatorship, been the integral component in consensual relations with MBL, has conducted (and is still conducting) an overhaul of the Fields (with performance of much deferred maintenance, workovers to increase production, etc.). He has efficiently dealt with federal lessors and bonding issues, created the systems necessary to generate accurate and reliable financial and operational information, has been the Debtor’s representative to oversee the communications with prospective purchasers regarding the Assets and operations, has acted in his role without conflict of interest, and, overall, has created the market for the Debtor’s Assets that was not created before commencement of his work for the Debtor.

57. The Tiddens Sale Fee, to be paid upon Closing, is \$600,000.00, assuming (i) the Closing of the sale and (ii) any Sale price reductions contemplated in and by the PSA being acceptable to MBL. This amount, assuming receipt of the \$17,500,000 Purchase Price would be 3.42857% thereof, which is a reasonable figure and has been approved by the Debtor and MBL.

58. As shown in the Sale Order, Debtor seeks approval of the Tiddens Sale Fee therein. As mentioned, MBL is the only party affected by the Tiddens Sale Fee and has approved it.

NOTICE

59. Debtor has served this Motion on (a) the Office of the United States Trustee; (b) the twenty largest creditors; (c) all parties who are known to assert liens with respect to the Assets; (d) all parties who have timely filed a request for notice under Bankruptcy Rule 2002; (e) all governmental agencies including the United States Office of Natural Resources Revenues, the United States Forestry Service and any state or federal agencies that must approve a change of ownership or operator for the Fields; (f) all counterparties to executory contracts and unexpired leases that Debtor might seek to assume and assign; and (g) all parties who have expressed an interest in the possible purchase of the Assets. As well, Notice of this Motion has been provided to all creditors and other parties in interest.

IMMEDIATE EFFECT

60. Debtor requests that the order approving this Motion become effective immediately upon entry pursuant to Bankruptcy Rules 6004(h) and 6006(d). The PSA requires Closing within 30 days after entry of the Sale Order, but the parties seek the abrogation of the stay provided for by Bankruptcy Rules 6004(h) and 6006(d) so that they can be free to effect Closing on an earlier date.

WHEREFORE, Debtor respectfully requests that this Court enter an order granting this Motion and approving the Sale as requested herein and granting such other relief as is just and proper.

Dated: May 9, 2018

Respectfully submitted,

ONSAGER | FLETCHER | JOHNSON

s/ Christian C. Onsager

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EXHIBIT A

PURCHASE AND SALE AGREEMENT

between

KINGS PEAK ENERGY, LLC

("Seller")

and

DTE O&G LLC

("Purchaser")

Executed on May 1st, 2018

Effective as of April 1, 2018

PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (“Agreement”) is entered into on May 1st, 2018, by and between **KINGS PEAK ENERGY, LLC**, a Nevada limited liability company (“Seller”), and **DTE O&G LLC**, a Delaware limited liability company (“Purchaser”). Seller and Purchaser may be referred to herein individually as a “Party” and collectively as the “Parties”.

RECITALS

A. Seller is a debtor in possession in Case No. 17-16046 EEB in the United States Bankruptcy Court for the District of Colorado (the “Bankruptcy Case”).

B. Seller owns various oil and gas properties, either of record or beneficially, more fully described in the exhibits and schedules attached hereto.

C. Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller the properties and rights of Seller described hereafter, in the manner and upon the terms and conditions set forth herein.

D. Capitalized terms used herein shall have the meanings ascribed and given to them in this Agreement as such terms are identified and/or defined in the following Definitions section.

DEFINITIONS

“Acquisition Proposal” means any inquiry, proposal or offer from any Person (other than Purchaser) relating to the direct or indirect disposition, whether by sale, merger or otherwise, of all or any portion of the business, assets or equity interest of Seller.

“Adjusted Purchase Price” means the Purchase Price after calculating and applying the adjustments set forth in **Section 2.2**.

“Adjustment Period” has the meaning set forth in **Section 2.2(a)**.

“AFEs” has the meaning set forth in **Section 5.12**.

“Affiliates” with respect to any Person, means any other Person that directly or indirectly controls, is controlled by or is under common control with such Person.

“Agreement” means this Purchase and Sale Agreement.

“Alternative Transaction” shall have the meaning set forth in **Section 4.3(a)**.

“Assets” has the meaning set forth in **Section 1.2**.

“Assignment(s)” has the meaning set forth in **Section 3.1(b)**.

“Assumed Seller Obligations” has the meaning set forth in **Section 11.1**.

“Bankruptcy Case” has the meaning set forth in Recital A.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Colorado or any other court of the United States with authority over the Bankruptcy Case.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, Title 11 of the United States Code, as amended from time to time, as set forth in Sections 101 *et seq.* of Title 11 of the United States Code, and applicable portions of Titles 18 and 28 of the United States Code.

“Benefit Plan” means any (i) deferred compensation plan, (ii) incentive compensation plan, (iii) equity compensation plan, (iv) “welfare” plan, fund or program (within the meaning of Section 3(1) of ERISA), (v) “pension” plan, fund or program (within the meaning of Section 3(2) of ERISA) (vi) “employee benefit plan” (within the meaning of Section 3(3) of ERISA), (vii) employment (other than offer letters entered into in the ordinary course of business), termination, severance or “change in control” agreement and (viii) other employee benefit plan, fund, program, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by Seller or by any trade or business, whether or not incorporated, that together with Seller would be deemed a “single employer” within the meaning of Section 4001(b) of ERISA (an “ERISA Affiliate”), or to which Seller or any ERISA Affiliate is party, for the benefit of any Buyer Employee.

“Break-up Fee” means the break-up fee in the amount of \$525,500.00 to be paid to the Purchaser pursuant to the Break-Up Fee Order.

“Break-Up Fee Order” means an order entered by the Bankruptcy Court approving the Break-Up Fee.

“Business Day” means each calendar day except Saturdays, Sundays, and Federal holidays.

“Closing” has the meaning set forth in **Section 9.1(a)**.

“Closing Date” has the meaning set forth in **Section 9.1(b)**.

“Closing Payment” has the meaning set forth in **Section 9.4(a)**.

“Confidentiality Agreement” has the meaning set forth in **Section 7.1**.

“Contract Notice” has the meaning set forth in **Section 4.6(b)**.

“Contracts” has the meaning set forth in **Section 1.2(d)**.

“COPAS” means the Council of Petroleum Accountants Society.

“Cure Costs” means any and all cure and reinstatement costs or expenses that are required to be paid under §§ 365(b)(1)(A) and (B) of the Bankruptcy Code in connection with the assumption and assignment of the Purchased Contracts.

“Defect Notice” has the meaning set forth in **Section 1.6**.

“Defensible Title” has the meaning set forth in **Section 3.1(c)**.

“Deposit” has the meaning set forth in **Section 2.4**.

“Designation Notice” has the meaning set forth in **Section 4.6(a)**.

“Due Diligence Period” has the meaning set forth in **Section 1.6**.

“Effective Time” has the meaning set forth in **Section 1.4(a)**.

“Environmental Assessment” has the meaning set forth in **Section 3.5**.

“Environmental Laws” means, as the same may have been amended, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1471 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; the Oil Pollution Act, 33 U.S.C. § 2701 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Atomic Energy Act, 42 U.S.C. § 2011 et seq.; and all applicable related law, whether local, state, territorial, or national, of any Governmental Body having jurisdiction over the property in question, expressly regulating pollution or protection of human health, and all regulations implementing the foregoing.

“Environmental Liabilities” means any and all environmental response costs (including costs of remediation), damages, natural resource damages, settlements, consulting fees, expenses, penalties, fines, orphan share, prejudgment and post-judgment interest, court costs, attorneys’ fees, and other liabilities incurred or imposed (i) pursuant to any order, notice of responsibility, directive (including requirements embodied in Environmental Laws), injunction, judgment or similar act (including settlements) by any Governmental Body to the extent arising out of any violation of, or remedial obligation under, any Environmental Laws which are attributable to the ownership or operation of the Assets prior to the Effective Time or (ii) pursuant to any claim or cause of action by a Governmental Body or other Person for personal injury, property damage, damage to natural resources, remediation or response costs to the extent arising out of any violation of, or any remediation obligation under, any Environmental Laws which is attributable to the ownership or operation of the Assets prior to the Effective Time.

“Equipment” has the meaning set forth in **Section 1.2(f)**.

“Excluded Assets” has the meaning set forth in **Section 1.3**.

“Facilities” has the meaning set forth in **Section 1.2(f)**.

“Final Settlement Statement” has the meaning set forth in **Section 9.4(b)**.

“Governmental Authorizations” has the meaning set forth in **Section 5.12**.

“Governmental Body” or “Governmental Bodies” means any federal, state, local, municipal, or other governmental subdivision; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

“Hydrocarbons” means oil, gas, condensate and other gaseous and liquid hydrocarbons or any combination thereof and carbon dioxide and sulfur extracted from hydrocarbons.

“Imbalance” means over-production or under-production of Hydrocarbons or over-deliveries or under-deliveries with respect to Hydrocarbons produced from or allocated to the Assets, regardless of whether such over-production or under-production of Hydrocarbons or over-deliveries or under-deliveries of Hydrocarbons arise at the wellhead, pipeline, gathering system, transportation or other location.

“Lands” has the meaning set forth in **Section 1.2(a)**.

“Laws” means all statutes, laws, rules, regulations, ordinances, orders, decrees and codes of Governmental Bodies.

“Leases” has the meaning set forth in **Section 1.2(a)**.

“LOI” means that certain Letter of Intent between Seller and Purchaser dated as of January 11, 2018.

“Material Adverse Effect” means any change, event or occurrence that that has had or would be reasonably expected to have a material adverse change in or material adverse effect on the ownership, operation or value of the Assets, individually or in the aggregate; provided, however, that “Material Adverse Effect” shall not include (i) any effect resulting from entering into this Agreement or the announcement of the transactions contemplated by this Agreement; (ii) any effect resulting from changes in general market, economic, financial or political conditions or any outbreak of hostilities or war; (iii) any effect that affects the Hydrocarbon exploration, production, development, processing, gathering and/or transportation industry generally (including changes in commodity prices or general market prices in the Hydrocarbon exploration, production, development, processing, gathering and/or transportation industry generally); and (iv) any effect resulting from a change in Laws or regulatory policies.

“MBL” means Macquarie Bank Limited.

“Meagher” means Meagher Energy Advisors, Inc., of Greenwood, Colorado, Seller’s broker.

“Net Revenue Interest” has the meaning set forth in **Section 3.2(a)**.

“NORM” means naturally occurring radioactive material.

“Party” and “Parties” mean Seller and Purchaser, individually and collectively.

“Permitted Encumbrances” has the meaning set forth in **Section 3.2**.

“Person” means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Body or any other entity.

“Pipelines” has the meaning set forth in **Section 1.2(g)**.

“Preference Property” has the meaning set forth in **Section 7.6(b)**.

“Preference Right” means any right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with (i) the sale, assignment or other transfer of any Asset or any interest therein or portion thereof or (ii) the execution or delivery of this Agreement or the consummation or performance of the terms and conditions contemplated by this Agreement.

“Preliminary Settlement Statement” has the meaning set forth in **Section 9.4(a)**.

“Properties” and “Property” have the meaning set forth in **Section 1.2(c)**.

“Property Costs” means all costs (net or allocable to Seller’s interest) attributable to the Seller’s ownership and operation of the Assets (including without limitation ad valorem, property, severance, Hydrocarbon production and similar Taxes based upon or measured by the ownership or operation of the Assets or the production of Hydrocarbons therefrom, but excluding any other Taxes) and capital expenditures incurred in the ownership and operation of the Assets in the ordinary course of business and, where applicable, in accordance with the relevant operating or unit agreement, if any, and overhead costs charged to the Assets under the relevant operating agreement or unit agreement, if any, or, if none, the amounts shown under **Schedule 1.1(a)** shall be the overhead amounts deemed charged to the Assets, but excluding, without limitation, liabilities, losses, costs, and expenses attributable to (i) obligations to plug wells or dismantle, abandon and salvage facilities, (ii) obligations to remediate any contamination of groundwater, surface water, soil, Equipment or Pipelines under applicable Environmental Laws, (iii) obligations to pay working interests, royalties, overriding royalties or other interests held in suspense, (iv) obligations to pay Royalty Amounts, (v) Imbalances, all of which are addressed in **Article 11**. Taxes, right-of-way fees, insurance premiums and other Property Costs that are paid periodically shall be prorated based on the number of days in the applicable period falling before and the

number of days in the applicable period falling at or after the Effective Time, except that Hydrocarbon production, severance and similar Taxes shall be prorated based on the number of units actually produced, purchased or sold or proceeds of sale, as applicable, before, and at or after, the Effective Time. For purposes of **Section 2.2**, determination of whether Property Costs are attributable to the period before or after the Effective Time shall be based on when services are rendered, when the goods are delivered, or when the work is performed. For clarification, the date an item of work is ordered is not the date of a pre-Effective Time transaction for settlement purposes, but rather the date on which the item ordered is delivered to the job site, or the date on which the work ordered is performed, shall be the relevant date.

“Purchase Price” has the meaning set forth in **Section 2.1**.

“Purchased Contracts” means the executory Contracts, Surface Contracts and Leases to be assumed and assigned by Purchaser at Closing, as identified by Purchaser in the Designation Notice.

“Purchaser” has the meaning set forth in the preamble of this Agreement.

“Records” has the meaning set forth in **Section 1.2(j)**.

“Royalty Amounts” means all working interests, royalties, overriding royalties, and other interests payable to third parties on account of production from the Assets.

“Sale Motion” means the motion of Seller for a Court order approving the sale of the Assets and assumption and assignment of certain executory contracts and unexpired leases.

“Sale Order” means the Order entered by the Bankruptcy Court approving and the sale of the Assets free and clear of all liens, claims, interests and encumbrances except as provided in the applicable purchase and sale agreement.

“Sale Hearing” means the hearing on the sale of the Assets.

“Seller” has the meaning set forth in the preamble of this Agreement.

“Surface Contracts” has the meaning set forth in **Section 1.2(e)**.

“Tax Allocated Value” has the meaning set forth in **Section 2.3**.

“Tax Returns” means all reports, returns, statements (including estimated reports, returns or statements), and other similar filings.

“Taxes” means all federal, state, local, and foreign income, profits, franchise, sales, use, ad valorem, property, severance, production, excise, stamp, documentary, real property transfer or gain, gross receipts, goods and services, registration, capital, transfer, or withholding taxes or other governmental fees or charges imposed by any taxing authority, including any interest, penalties or additional amounts which may be imposed with respect thereto.

“Title Assessment” has the meaning set forth in **Section 3.1(c)**.

“Title Defect” has the meaning set forth in **Section 3.1(d)**.

“Transfer Requirement” means any consent, approval, authorization or permit of, or filing with or notification to, any Person which, notwithstanding the applicable provisions of the Bankruptcy Code (including but not limited to §§ 363 and 365), is required to be obtained, made or complied with for or in connection with any sale, assignment or transfer of any Asset or any interest therein, other than any consent of, notice to, filing with, or other action by Governmental Bodies in connection with the sale or conveyance of oil and/or gas leases or interests therein or Surface Contracts or interests therein or bonding requirements with respect thereto, if they are not typically required prior to the assignment of such oil and/or gas leases, Surface Contracts or interests or they are customarily obtained subsequent to the sale or conveyance (including, without limitation, consents from state and federal agencies).

“Units” has the meaning set forth in **Section 1.2(c)**.

“Wells” has the meaning set forth in **Section 1.2(b)**.

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants, conditions and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound by the terms hereof, agree as follows:

ARTICLE 1

“PURCHASE AND SALE”

Section 1.1 Purchase and Sale. At the Closing, upon the terms and subject to the conditions of this Agreement, Seller shall sell, transfer and convey the Assets to Purchaser and Purchaser shall purchase, accept and pay for the Assets and assume the obligations attributable to the Assets.

Section 1.2 Assets. As used herein, the term “Assets” means, subject to the terms and conditions of this Agreement, all of Seller’s right, title, interest and estate, real or personal, recorded or unrecorded, movable or immovable, tangible or intangible, in and to the following-described real and personal property (but excluding the Excluded Assets):

(a) All of: (i) the oil and gas leases; subleases; leasehold estates; carried interests; farmout rights; options; units and participating areas; and other properties and interests described in **Exhibit A** (the “Leases”), together with each and every kind and character of right, title, claim and interest that Seller has in and to the Leases or the lands currently pooled, unitized, communitized or consolidated therewith; subject to such depth limitations and other restrictions as may be set forth in such Leases, instruments in the chain of title, **Exhibit A**, or in **Schedule 1.2(d)** or as may be applicable to other interests not described on **Exhibit A** but on which any of the

Wells are located; and (ii) all unit interests, net profits interest, overriding royalty interests, royalty or similar interests, and all minerals owned in fee; together with each and every kind and character of right, title, claim and interest that Seller has in and to the Leases or the lands currently pooled, unitized, communitized or consolidated therewith (the “Lands”);

(b) All oil, gas, water or injection wells located on the Lands, whether producing, shut-in, or temporarily abandoned, including, without limitation, the interests in the wells shown on **Exhibit A-1** attached hereto and the active permits associated therewith to the extent transferrable (the “Wells”);

(c) All interest of Seller derived from the Leases in or to any currently existing pools or units which include any Lands, all or a part of any Leases, or any Wells, including those pools or units shown on **Exhibit A-1** (the “Units”; and the Units, together with the Leases, Lands and Wells, being hereinafter referred to as the “Properties” or any one of them as the “Property”), and including all interests of Seller derived from the Leases in production of Hydrocarbons from any such Unit, whether such Unit production of Hydrocarbons comes from Wells located on or off of a Lease, and all tenements, hereditaments and appurtenances belonging to the Leases and the Units;

(d) All contracts, agreements and instruments, other than instruments constituting the Leases or Surface Contracts, by which the Properties are bound, or that relate to or are otherwise applicable to the Properties, Pipelines, Equipment or Facilities, only to the extent applicable to the Properties, Pipelines, Equipment or Facilities rather than Seller’s other properties, including but not limited to: operating agreements; federal operating agreements; federal unit agreements; unitization, pooling and communitization agreements, declarations and orders; joint venture agreements; farm-in and farm-out agreements; exploration agreements; participation agreements; exchange agreements; transportation or gathering agreements; agreements for the sale and purchase of Hydrocarbons; or processing agreements to the extent applicable to the Properties or the production of Hydrocarbons produced in association therewith from the Properties, including those identified on **Schedule 1.2(d)** (collectively, the “Contracts”), but excluding any contracts, agreements and instruments to the extent that, notwithstanding the Sale Order, transfer is restricted by third-party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 3.4(a)**;

(e) All easements, permits, licenses, servitudes, rights-of-way, surface leases and other surface rights (“Surface Contracts”) appurtenant to, and used or held for use primarily in connection with the Properties, Pipelines or Facilities (including, those identified on **Schedule 1.2(e)**), but excluding any permits and other rights to the extent that, notwithstanding the Sale Order, transfer is restricted by third- party agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 3.4(a)**;

(f) All equipment, machinery, vehicles, fixtures and other tangible personal property and improvements located on the Properties, or used or held for use primarily in connection with the operation of the Properties, Wells, Pipelines or Facilities, including without limitation the vehicles identified on **Exhibit A-2** attached hereto (the “Equipment”);

(g) All flow lines, pipelines, gathering systems and appurtenances thereto located on the Properties or used, or held for use, primarily in connection with infield gathering of production from the Properties, including those identified on **Schedule 1.2(g)** attached hereto (collectively, the “Pipelines”);

(h) All facilities used or held for use primarily in connection with the operation of the Properties or the Pipelines, including but not limited to water injection facilities and power generation facilities (the “Facilities”);

(i) All Hydrocarbons produced from or attributable to the Leases, Lands, and Wells from and after the Effective Time, together with Imbalances associated with the Properties, Pipelines or Facilities;

(j) All lease, land and well files; production records; gas and oil sales contract files; gas processing files; division order files; abstracts; title opinions; land surveys; logs; maps; engineering data and reports; proprietary and licensed seismic and other land or aerial surveys; cores and other books, records, data, files and accounting records, in each case to the extent related primarily to the Assets, or used or held for use primarily in connection with the maintenance or operation thereof, but excluding (i) any books, records, data, files, maps, and accounting records to the extent disclosure or transfer is restricted by applicable Law notwithstanding the Sale Order and the necessary consents to transfer are not obtained pursuant to **Section 3.4(a)** (provided, however, that Purchaser shall be informed in writing of any records not disclosed in accordance with this clause (i) to the extent Seller is not otherwise prohibited from doing so), (ii) computer or communications software or intellectual property (including tapes, codes, data and program documentation and all tangible manifestations and technical information relating thereto), (iii) attorney-client privileged communications and work product of Seller’s or any of Seller’s Affiliates’ legal counsel (other than title opinions), and (iv) records relating to the negotiation and consummation of the sale of the Assets (subject to such exclusions, the “Records”); provided, however, that Seller may retain the originals of such Records as Seller has determined may be required for litigation, tax, accounting, and auditing purposes and provide Purchaser with copies thereof at Seller’s cost but excluding any such data to the extent that, notwithstanding the Sale Order, transfer is restricted by a license agreement or applicable Law and the necessary consents to transfer are not obtained pursuant to **Section 3.4(a)**; and

(k) Any and all other assets or properties owned by Seller not listed above that are not Excluded Assets.

Section 1.3 Excluded Assets. Notwithstanding the foregoing, the items described on **Exhibit “B”** are excluded from the purchase and sale transaction contemplated hereby (collectively, the “Excluded Assets”).

Section 1.4 Effective Time; Proration.

(a) Subject to **Section 1.5**, possession of the Assets shall be transferred from Seller to Purchaser at the Closing, but certain financial benefits and burdens of the Assets shall be

transferred effective as of 7:00 A.M., local time, where the respective Assets are located, on April 1, 2018 (the “Effective Time”), as described below.

(b) Purchaser shall be entitled to all Hydrocarbon production from or attributable to the Leases, Units and Wells at 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 Assets at or after the Effective Time. Seller shall be entitled to all Hydrocarbon production from or attributable to the Leases, Units and 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 Assets prior to the Effective Time. “Earned” and “incurred”, as used in this Agreement, shall be interpreted in accordance with generally accepted accounting principles and COPAS standards. For purposes of allocating Hydrocarbon production (and accounts receivable with respect thereto), under this **Section 1.4:** (x) liquid Hydrocarbons shall be deemed to be “from or attributable to” the Leases, Units and Wells when they pass through the pipeline connecting into the storage facilities into which they are run, and (y) gaseous Hydrocarbons shall be deemed to be “from or attributable to” the Leases, Units and Wells when they pass through the delivery point sales meters on the pipelines through which they are transported. Seller shall utilize reasonable interpolative procedures to arrive at an allocation of Hydrocarbon production when exact meter readings or gauging and strapping data is not available.

Section 1.5 Delivery and Maintenance of Records.

(a) Seller, at Seller’s cost, shall deliver the Records to Purchaser within ten (10) Business Days following Closing. Seller may retain original Records of those items set forth on **Exhibit B** and/or copies of any Records. If Seller elects to retain original files, Purchaser will be provided with copies of same, at Seller’s cost.

(b) Purchaser, for a period of six (6) years following Closing, will (i) retain the Records (but only to the extent Purchaser has been provided with originals), and (ii) as to those Records for which Seller has not retained the originals, provide Seller, its Affiliates, and its and their officers, employees and representatives with access to the Records during normal business hours for review and copying at Seller’s expense.

Section 1.6 Due Diligence. Purchaser shall have twenty (20) days after the date on which the Sale Order is entered during which to complete its due diligence investigation but may in its sole discretion shorten such period by sending Seller written notice (the “Due Diligence Period”). On or before seven (7) Business Days after the end of the Due Diligence Period, Purchaser shall provide Seller with a notice of any and all Title Defects and/or Environmental Defects, and the amount of each such defect (“Defect Notice”).

ARTICLE 2

“PURCHASE PRICE”

Section 2.1 Purchase Price. The purchase price for the Assets (the “Purchase Price”) shall be USD \$17,500,000, adjusted as provided in **Section 2.2.**

Section 2.2 Adjustments to Purchase Price. Solely for the purposes of calculating the Closing Payment and the Final Settlement Statement under **Section 9.4**, the Purchase Price for the Assets shall be adjusted as follows with all such amounts being determined in accordance with generally accepted accounting principles and COPAS standards:

(a) Reduced by the aggregate amount of the following proceeds received by Seller between the Effective Time and the Closing Date (with the period between the Effective Time and the Closing Date referred to as the “Adjustment Period”) to the extent attributable to: (i) proceeds from the sale of Hydrocarbons (net of any royalties, overriding royalties or other burdens on or payable out of Hydrocarbon production; gathering, processing and transportation costs payable to third parties; and any Hydrocarbon production, severance, sales or excise Taxes not reimbursed to Seller by the purchaser of Hydrocarbon production) produced from or attributable to the Properties during the Adjustment Period, and (ii) other proceeds earned with respect to the Assets attributable to the Adjustment Period;

(b) Reduced to the extent provided in **Section 7.6** with respect to Preference Rights;

(c) Increased by the amount of all Property Costs and other costs attributable to the ownership and operation of the Assets which are paid by Seller and incurred (or otherwise attributable to periods) at or after the Effective Time (including any overhead costs under **Schedule 1.4** properly charged to the Assets with respect to the Adjustment Period and actually paid by Seller prior to the Closing Date), except any Property Costs and other such costs already deducted in the determination of proceeds in **Section 2.2(a)**;

(d) Increased by the amount of oil in the tanks above the pipeline connection as of the Effective Time;

(e) Reduced by the amount of any Imbalance obligations of Seller assumed by Purchaser under Section 11.1; and

(f) Increased or reduced by any other amounts agreed by Seller and Purchaser.

(g) Each adjustment made pursuant to **Section 2.2(a)** shall serve to satisfy, up to the amount of the adjustment, Purchaser’s entitlement under **Section 1.4** to Hydrocarbon production from or attributable to the Properties during the Adjustment Period, and to the value of other income, proceeds, receipts and credits earned with respect to the Assets during the Adjustment Period, and as such, Purchaser shall not have any separate rights to receive any Hydrocarbon production or income, proceeds, receipts and credits with respect to which an adjustment has been made. Similarly, the adjustment described in **Section 2.2(c)** shall serve to satisfy, up to the amount of the adjustment, Purchaser’s obligation under **Section 1.4** to pay Property Costs and other costs attributable to the ownership and operation of the Assets which are incurred during the Adjustment Period, and as such, Purchaser shall not be separately obligated to pay for any Property Costs or other such costs with respect to which an adjustment has been made.

Section 2.3 Allocation of Purchase Price for Tax and Defect Purposes.

(a) The Adjusted Purchase Price shall be allocated among the Assets (all of which are Class V assets for purposes of Internal Revenue Service Form 8494), in compliance with the principles of Section 1060 of the Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder. In addition, concurrent with the execution of this Agreement, Purchaser and Seller will allocate the unadjusted Purchase Price among the Assets, which allocation of value shall be attached to this Agreement as **Schedule 2.3(a)**. The “Tax Allocated Value” for any Asset equals the portion of the unadjusted Purchase Price allocated to such Asset on **Schedule 2.3(a)**, increased or reduced as described in this **Article 2**. Any adjustments to the Purchase Price, other than the adjustments provided for in **Sections 2.2(b)**, shall be applied on a pro rata basis to the amounts set forth on **Schedule 2.3(a)** for all Assets. After all such adjustments are made, any adjustments to the Purchase Price pursuant to **Sections 2.2(b)** shall be applied to the amounts set forth in **Schedule 2.3(a)** for the particular affected Assets. After Seller and Purchaser have agreed on the Tax Allocated Values for the Assets, Seller will be deemed to have accepted such Tax Allocated Values for purposes of this Agreement and the transactions contemplated hereby, but otherwise makes no representation or warranty as to the accuracy of such values. The Tax Allocated Values shall be used by Seller and Purchaser as the basis for reporting asset values and other items for purposes of all federal, state, and local Tax Returns, including without limitation Internal Revenue Service Form 8594. Neither Purchaser, Seller nor their Affiliates will take positions inconsistent with the Tax Allocated Values in notices to Governmental Bodies or in audit or other proceedings with respect to Taxes, except when required to do so pursuant to Applicable Law or pursuant to a final agreement or Tax adjustment entered into with an applicable Tax authority, which in either case such Party shall provide written notice of such inconsistent position to the other Parties hereunder. The portion of Tax Allocated Values included in **Schedule 2.3(a)** attributable to tangible personal property shall equal the Seller’s tax basis in such property on the Closing Date.

(b) The Adjusted Purchase Price shall be allocated among the Assets for purposes of Title Defects and Environmental Defects as shown on **Schedule 2.3(b)** attached to this Agreement.

Section 2.4 Deposit. Notwithstanding any other provision of this Agreement, within five (5) Business Days after the execution of this Agreement (the “Deposit Deadline”), Purchaser shall pay to Beatty & Wozniak, P.C. (the “Escrow Agent”) an earnest money deposit of \$850,000 (the “Deposit”), being an amount equal to five percent (5%) of the Purchase Price. The Parties shall instruct the Escrow Agent to pay the Deposit to Seller at the Closing and, in such event, the Deposit shall be applied against the Purchase Price at Closing, or the Parties shall instruct the Escrow Agent to pay the Deposit to Seller or Purchaser, as the case may be, pursuant to **Section 10.3**. If Purchaser fails to make the Deposit by the Deposit Deadline, Seller may give written Notice at any time thereafter of its termination of this Agreement, and this Agreement shall be terminated without the necessity of any further action upon the giving of such written notice.

ARTICLE 3

“TITLE AND ENVIRONMENTAL MATTERS”

Section 3.1 Seller’s Title.

(a) Seller makes no warranty or representation, express, implied, statutory or otherwise, with respect to Seller’s title to any of the Properties.

(b) The Assignment(s), in the form attached hereto as **Exhibit C**, to be delivered by Seller to Purchaser shall (i) cover all of the Assets, (ii) be subject to the Permitted Encumbrances, if any, and (iii) be without warranty of title of any kind, express, implied or statutory or otherwise.

(c) Purchaser shall have the right to conduct a title examination assessment of all or any portion of the Properties (the “Title Assessment”). The Title Assessment shall be conducted at the sole cost and expense of Purchaser subject to the indemnity provisions of **Section 3.7** for the purpose of allowing Purchaser to confirm that Seller has Defensible Title to the Properties. For purposes of this Agreement, the term “Defensible Title” means, with respect to a Lease or Well included in the Assets, such ownership by Seller in such Lease or Well that except for and subject to Permitted Encumbrances:

(i) for Wells, entitles Seller to receive not less than the percentage set forth in **Exhibit A-1** as Seller’s net revenue interest of all Hydrocarbons produced, saved and marketed from the presently producing formation, all without reduction, suspension or termination of such interest throughout the productive life of such Well, except for carried interests, production payments, reversionary interests or other changes in interest in time as specifically set forth in **Exhibit A-1**, and obligates Seller to bear no greater than the percentage set forth in **Exhibit A-1** as Seller’s working interest of the costs and expenses relating to the maintenance, development and operation of the presently producing formation in each Well as set forth in **Exhibit A-1**, all without increase throughout the productive life of such Well, except for carried interests, production payments, reversionary interests or other changes in interest in time as specifically set forth in **Exhibit A-1**;

(ii) for Leases, entitles Seller to receive not less than the percentage set forth in **Exhibit A** as Seller’s net revenue interest of all Hydrocarbons produced, saved and marketed from the presently producing formation, all without reduction, suspension or termination of such interest throughout the productive life of such Lease, except for carried interests, production payments, reversionary interests or other changes in interest in time as specifically set forth in **Exhibit A**, and to not less than the net acres set forth on **Exhibit A** with respect to each formation or depth shown for such Lease; and

(iii) for all Properties, is free and clear of all liens, encumbrances and Title Defects, except for Permitted Encumbrances.

(d) The term “Title Defect,” as used in this Agreement, shall mean: (i) any encumbrance, encroachment or irregularity affecting, defect in or objection to Seller’s ownership

of any Asset that causes Seller not to have Defensible Title to such Asset; or (ii) any default by Seller under a Lease, farmout agreement or other contract or agreement that would (A) have a material adverse effect on the operation, value or use of such Asset, or (B) prevent Seller from receiving the proceeds of production attributable to Seller's interest therein.

Section 3.2 Definition of Permitted Encumbrances. As used herein, the term "Permitted Encumbrances" means any or all of the following:

(a) Royalties and overriding royalties, reversionary interests and other burdens of record at the Effective Time;

(b) All Leases, unit agreements, pooling agreements, operating agreements, Hydrocarbon production sales contracts, division orders and other contracts, agreements and instruments applicable to the Assets;

(c) Transfer Requirements applicable to the Assets;

(d) Liens for current Taxes or assessments not yet delinquent (or, if delinquent, (i) being contested in good faith by appropriate actions, or (ii) which will attach to the sale proceeds at Closing pursuant to the Sale Order);

(e) Materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar liens or charges arising in the ordinary course of business for amounts not yet delinquent (including any amounts being withheld as provided by Law), or, if delinquent, (i) being contested in good faith by appropriate actions, or (ii) which will attach to the sale proceeds at Closing pursuant to the Sale Order;

(f) Rights of reassignment arising upon final intention to abandon or release the Assets, or any of them;

(g) Easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;

(h) All rights reserved to or vested in any Governmental Body to control or regulate any of the Assets in any manner and all obligations and duties under all applicable Laws, or under any franchise, grant, license or permit issued by any such Governmental Body;

(i) Any encumbrance on or affecting the Assets that Purchaser expressly assumes, bonds or pays at or prior to Closing or which is to be and is discharged at or prior to Closing;

(j) Calls on Hydrocarbon production under existing Contracts;

(k) Any other liens, charges, encumbrances, defects or irregularities which do not, individually or in the aggregate, materially interfere with the use or ownership of the Assets subject thereto or affected thereby (as currently used or owned), which would be accepted by a

reasonably prudent purchaser engaged in the business of owning and operating oil and gas properties; and

- (l) Liens granted under applicable joint or unit operating agreements.

Section 3.3 Casualty or Condemnation Loss.

(a) From and after the Effective Time, Purchaser shall assume all risk of loss with respect to, and any change in the condition of, the Assets (other than a change in the condition of the assets due to Seller's negligence or failure to comply with the provisions of **Section 7.5**) and for production of Hydrocarbons from the Assets through normal depletion (including but not limited to the watering out of any Well, collapsed casing or sand infiltration of any Well) and the depreciation of personal property included in the Assets due to ordinary wear and tear.

(b) Subject to the provisions of **Sections 8.1(e)** and **8.2(e)**, if, after the date of this Agreement but prior to the Closing Date, any portion of the Assets is destroyed by fire or other casualty or is taken in condemnation or under right of eminent domain, and the loss as a result of such individual casualty or taking exceeds five percent (5%) of the Purchase Price, Purchaser shall nevertheless be required to close and Seller shall elect by written notice to Purchaser prior to Closing either (i) to cause the Assets affected by any casualty or taking to be repaired or restored to at least its condition prior to such casualty, at Seller's sole cost, as promptly as reasonably practicable (which work may extend after the Closing Date), or (ii) to reduce the Purchase Price by the replacement cost of the Assets. The Bankruptcy Court shall resolve any dispute over the replacement value, but such resolution shall not delay Closing so long as Seller escrows the disputed amount from the Purchase Price. In each case, Seller shall retain all rights to insurance and other claims against third parties with respect to the casualty or taking except to the extent the parties otherwise agree in writing.

(c) Subject to the provisions of **Sections 8.1(e)** and **8.2(e)**, if, after the date of this Agreement but prior to the Closing Date, any portion of the Assets is destroyed by fire or other casualty or is taken in condemnation or under right of eminent domain, and the loss as a result of such individual casualty or taking is ten percent (10%) or less of the Purchase Price, Purchaser shall nevertheless be required to close and Seller shall, at Closing, pay to Purchaser all sums paid to Seller by third parties by reason of such casualty or taking and shall assign, transfer and set over to Purchaser or subrogate Purchaser to all of Seller's right, title and interest (if any) in insurance claims, unpaid awards, and other rights against third parties (other than Affiliates of Seller and its and their directors, officers, employees and agents) arising out of the casualty or taking.

Section 3.4 Government Approvals Respecting Assets.

(a) Federal and State Approvals. Purchaser shall, within thirty (30) days after Closing and at its own expense, file for approval with the applicable government agencies all assignment documents and other state and federal transfer documents required to effectuate the transfer of the Assets. Purchaser further shall promptly after Closing take all other actions reasonably required of it by federal or state agencies having jurisdiction to obtain all requisite regulatory approvals with respect to this transaction, and to use its commercially reasonable efforts

to obtain the approval by such federal or state agencies, as applicable, of Seller's assignment documents requiring federal or state approval in order for Purchaser to be recognized by the federal or state agencies as the owner of the Assets. Purchaser shall provide Seller with the resignation and designation of operator instruments and approved copies of the assignment documents and other state and federal transfer documents, as soon as they are available.

(b) Title Pending Governmental Approvals. Until the governmental approvals provided for in **Section 3.4(a)** have been obtained, the following shall occur with respect to the affected portion of the Assets:

(i) Seller shall continue to hold record title to the affected Leases and other affected portion of the Assets as nominee for Purchaser;

(ii) Purchaser shall be responsible for all assumed obligations with respect to the affected Leases and other affected portion of the Assets as if Purchaser was the record owner of such Leases and other portion of the Assets as of the Effective Time; and

(iii) Seller shall act as Purchaser's nominee but shall be authorized to act only upon and in accordance with Purchaser's instructions, and Seller shall have no authority, responsibility or discretion to perform any tasks or functions with respect to the affected Leases and other affected portion of the Assets other than those which are purely administrative or ministerial in nature, unless otherwise specifically requested and authorized by Purchaser in writing.

Section 3.5 Environmental Assessment. Upon notice to Seller, Purchaser shall have the right to conduct a visual (Phase I) environmental assessment of all or any portion of the Properties (the "Environmental Assessment"). The Environmental Assessment shall be conducted at the sole cost and expense of Purchaser subject to the indemnity provisions of **Section 3.7**. Notwithstanding anything stated in this Agreement to the contrary, neither Purchaser nor its environmental, consulting or engineering firm shall have the right to conduct any soil or groundwater testing or sampling, nor conduct any other invasive tests or activities on or relating to the Properties without Seller's express written consent to the same. Seller shall have the right to be present during any Environmental Assessment of the Properties and shall have the right, at its option and expense, to split samples with Purchaser. After completing any Environmental Assessment of the Properties, Purchaser shall, at its sole cost and expense, restore the Properties to their condition prior to the commencement of such Environmental Assessment, unless Seller requests otherwise. Purchaser shall maintain, and shall cause its officers, employees, representatives, consultants and advisors to maintain, all information obtained by Purchaser pursuant to any Environmental Assessment or other due diligence activity as strictly confidential in perpetuity, unless disclosure of any facts discovered through such Environmental Assessment is required under any Environmental Laws. If Purchaser delivers to Seller a Defect Notice pertaining to Environmental Defects, Purchaser shall provide Seller with a copy of the final draft of all environmental reports prepared by, or on behalf of, Purchaser with respect to any Environment Assessment conducted on the Properties. In the event that any necessary disclosures under applicable Environmental Laws are required with respect to matters discovered by any Environmental Assessment conducted by, for or on behalf of Purchaser, prior to the Closing Date Seller shall be the responsible party for disclosing such matters

to the appropriate Governmental Bodies. “Environmental Defect” shall mean, with respect to any given Asset, except for those matters disclosed in Schedule 5.20, an individual environmental condition that (a) constitutes a material violation of Environmental Laws in effect as of the date of this Agreement in the jurisdiction in which such Asset is located and (b) would, consistent with the policies and procedures of a Governmental Authority, cause such Governmental Authority to require such condition to be corrected or otherwise remediated within a period of nine months after Closing.

Section 3.6 NORM, Wastes and Other Substances. Purchaser acknowledges that the Assets have been used for exploration, development, production and transportation of Hydrocarbons and that there may be petroleum, produced water, wastes, or other substances or materials located in, on or under the Properties or associated with the Assets. Equipment and sites included in the Assets may contain asbestos, hazardous substances, or NORM may affix or attach itself to the inside of wells, materials, and Equipment as scale, or in other forms. The wells, materials, and Equipment located on the Properties or included in the Assets may contain NORM and other wastes or hazardous substances. NORM-containing material and/or other wastes or hazardous substances may have come in contact with various environmental media, including without limitation, water, soils or sediment. Special procedures may be required for the assessment, remediation, removal, transportation, or disposal of environmental media, wastes, asbestos, hazardous substances, and NORM from the Assets.

Section 3.7 Inspection Indemnity. **PURCHASER SHALL DEFEND, INDEMNIFY, RELEASE, PROTECT, SAVE AND HOLD HARMLESS SELLER, SELLER’S AFFILIATES, JOINT OWNERS, VENTURES, CO-LESSEES AND PARTNERS, AND SELLER’S CONTRACTORS, INCLUDING EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AGENTS, REPRESENTATIVES, INSURERS, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO ANY DUE DILIGENCE ACTIVITY CONDUCTED BY PURCHASER OR ITS EMPLOYEES, CONSULTANTS, ADVISORS OR AGENTS, WHETHER BEFORE OR AFTER THE EXECUTION OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS RESULTING, IN WHOLE OR IN PART, FROM THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF PURCHASER, SELLER, OR ANY OTHER PERSON.**

ARTICLE 4

“BANKRUPTCY COURT APPROVAL”

Section 4.1 Bankruptcy Court Approval. This Agreement is subject to and shall not become effective, with respect to Closing, until approved by order of the Bankruptcy Court in the Bankruptcy Case entered on the docket of the record of the Bankruptcy Case approving the Sale Motion.

Section 4.2 Sale Motion. The Sale Motion shall be filed with the Bankruptcy Court within seven (7) Business Days after the end of the Due Diligence Period, conditioned upon

Purchaser having made the Deposit timely. By the Sale Motion, Seller will seek a Sale Order: (i) approving the sale of the Assets to Purchaser, free and clear of all liens, claims, interests, and encumbrances pursuant to Sections 363(b) and (f) of the Bankruptcy Code except as provided in this Agreement; (ii) granting Purchaser the protections afforded to a good faith purchaser pursuant to Section 363(m) of the Bankruptcy Code; and (iii) abrogating and waiving any stay of effectiveness of the Sale Order otherwise provided for by Rules 6004 (h) and 6006(d), Federal Rules of Bankruptcy Procedure. Seller through the Sale Motion will seek approval of the sale of the Assets to Purchaser as a private sale without the necessity of holding a formal auction.

Section 4.3 Private Sale and Break-Up Fee.

(a) Unless Seller has terminated this Agreement because of a material breach by Purchaser, if Seller in writing accepts a written offer by means of execution of a purchase and sale agreement with an entity other than Purchaser (an “Alternative Transaction”), Seller shall pay to Purchaser the Break-Up Fee upon the closing of the Alternative Transaction. For the avoidance of doubt, in the event Seller terminates this Agreement due to the material breach by Purchaser, Seller shall not be obligated to pay to Purchaser the Break-Up Fee. Purchaser shall have an allowed superpriority administrative claim (such priority to be higher than any other administrative claim, including, without limitation, claims pursuant to Bankruptcy Code § 507(a)(2)) in the amount of the Break-Up Fee if Seller closes on an Alternative Transaction, and the Break-Up Fee shall be the sole remedy of Purchaser against any entity in the event of termination of this Agreement and the closing of an Alternative Transaction.

(b) Seller will move for the entry of the Break-up Fee Order within three (3) Business Days after the payment of the Deposit, and Seller will use its best efforts to obtain the Break-Up Fee Order within 17 days of filing therefor. In the event the Bankruptcy Court denies the motion for entry of the Break-Up Fee Order, Purchaser may terminate this Agreement upon written notice to Seller within three (3) Business Days after the entry of an order denying the Break-Up Fee.

(c) Seller shall promptly (and in any event within three (3) Business Days after receipt thereof by Seller or its representatives) advise Purchaser orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same; provided however, any failure to give notice as required in this **Section 4.3(c)** shall not be a default under this Agreement or in any way excuse Purchaser from performing under this Agreement if Seller deems such Acquisition Proposal not to be a reasonable alternative to this Agreement.

(d) Seller hereby agrees that for the period commencing on the date of this Agreement and terminating upon the earlier of the Closing or the termination of this Agreement in accordance with its terms, Seller shall not and shall not authorize or permit any of its professionals to directly or indirectly solicit or initiate discussions regarding an Alternative Transaction; provided however, nothing in this section 4.3(d) shall prohibit Seller from pursuing any Alternative Transaction provided the counterparty to any such Alternative Transaction initiates discussions with Seller regarding such Alternative Transaction without any solicitation by Seller

Section 4.4 Executory Contracts and Unexpired Leases.

(a) In the Sale Motion, Seller will also seek Bankruptcy Court approval of the assumption and assignment of the Purchased Contracts at the Closing, to the extent such executory Contracts, Surface Contracts and Leases are subject to Bankruptcy Code § 365. On or prior to April 10, 2018, Purchaser, by written notice to Seller (the “Designation Notice”) shall designate any such executory contract or unexpired lease as a Purchased Contract. The Purchaser shall be entitled to supplement or amend the Designation Notice to add or remove any executory contract or unexpired lease from the Designation Notice until the conclusion of the Sale Hearing.

(b) Subsequent to receipt of a Designation Notice or any supplement or amendment thereto, Seller shall serve on all contract counterparties to a Purchased Contract a notice (the “Contract Notice”) which shall contain among other pertinent information the Cure Costs for each Purchased Contract. The Contract Notice shall also serve as notice to Purchaser of the Cure Costs.

(c) At the Closing, Purchaser shall pay, pursuant to § 365 of the Bankruptcy Code, all Cure Costs in cash at Closing. For the avoidance of doubt, the Cure Costs are separate and apart from, and in addition to, the Purchase Price.

(d) Purchaser shall provide adequate assurance as required under the Bankruptcy Code of the future performance by Purchaser of the Purchased Contracts. Purchaser and Seller agree that they will promptly take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Purchased Contracts, such as furnishing timely requested and factually accurate affidavits, non-confidential financial information and other documents or information for filing with the Bankruptcy Court and making Purchaser’s and Seller’s employees and representatives available to testify before the Bankruptcy Court.

(e) If Bankruptcy Code § 365 precludes assumption and assignment of any of such executory Contracts, Surface Contracts and Leases, such precluded Contracts, Surface Contracts and/or Leases shall not be included in the Assets (or the Assumed Seller Obligations).

ARTICLE 5

“REPRESENTATIONS AND WARRANTIES OF SELLER”

Section 5.1 Generally.

(a) Any representation or warranty qualified “to the knowledge of Seller” or “to Seller’s knowledge” or with any similar knowledge qualification is limited to matters within the actual knowledge of the officers of Seller. “Actual knowledge” for purposes of this Agreement means information actually personally known by such officers.

(b) Inclusion of a matter on a Schedule to a representation or warranty which addresses matters having a Material Adverse Effect shall not be deemed an indication that such

matter does, or may, have a Material Adverse Effect. Likewise, the inclusion of a matter on a Schedule in relation to a representation or warranty shall not be deemed an indication that such matter necessarily would, or may, breach such representation or warranty absent its inclusion on such Schedule. Matters may be disclosed on a Schedule to this Agreement for purposes of information only.

(c) Subject to the foregoing provisions of this **Section 5.1**, the disclaimers contained in **Section 11.2** and the other terms and conditions of this Agreement, Seller represents and warrants to Purchaser the matters set out in **Sections 5.2** through **5.12**.

Section 5.2 Existence and Qualification. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada and is duly qualified to do business as a foreign corporation where its Assets are located.

Section 5.3 Power. Subject to the approval of the Bankruptcy Court, Seller has the power and authority to enter into and perform this Agreement and each other agreement, instrument or document executed or to be executed by Seller in connection with the transactions contemplated hereby and to consummate the transactions contemplated by this Agreement. The execution, delivery, and performance by Seller of this Agreement and each other agreement, instrument, or document executed or to be executed by Seller in connection with the transactions contemplated hereby to which it is a party, and the consummation by it of the transactions contemplated hereby and thereby, have been duly authorized by all necessary action of Seller.

Section 5.4 Authorization and Enforceability. The execution, delivery and performance of this Agreement, and the performance of this Agreement and each other agreement, instrument, or document executed or to be executed by Seller in connection with the transactions contemplated hereby, and the consummation by it of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller (and all documents required hereunder to be executed and delivered by Seller at Closing will be duly executed and delivered by Seller), and this Agreement constitutes (subject to the approval of the Bankruptcy Court), and at the Closing such documents will constitute, the valid and legally binding obligations of Seller, enforceable against Seller in accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.5 No Conflicts. Subject to compliance with the Transfer Requirements set forth in **Schedule 5.10**, the execution, delivery and performance of this Agreement by Seller, and the transactions contemplated by this Agreement will not, subject to the approval of the Bankruptcy Court, violate any provision of the articles of organization or operating agreement of Seller, (b) result in default (with due notice or lapse of time or both) or the creation of any lien or encumbrance or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license or agreement to which Seller is a party and which affects the Assets, (c) violate any judgment, order, ruling, or decree applicable to Seller as a party in interest, (d) violate any Laws applicable to Seller or any of the Assets, except (i) for rights to consent by, required notices to, filings with, approval or

authorizations of, or other actions by any Governmental Body where the same are not required prior to the assignment of the related Asset or are customarily obtained subsequent to the sale or conveyance thereof, and (ii) any matters described in clauses (b), (c) or (d) above which would not have a Material Adverse Effect.

Section 5.6 Liability for Brokers' Fees. Purchaser shall not directly or indirectly have any responsibility, liability or expense as a result of undertakings or agreements of Seller for brokerage fees, finder's fees, agent's commissions, fees of Meagher or other similar forms of compensation in connection with this Agreement or any agreement or transaction contemplated hereby.

Section 5.7 Litigation. Except as set forth in **Schedule 5.7**, no action, suit, or other legal proceeding before any Governmental Body or arbitrator is pending or, to Seller's knowledge, threatened to which Seller is a party and which relates to the Assets or the transactions contemplated hereby.

Section 5.8 Contracts. The Contracts listed on **Schedule 1.2(d)** constitute the material contracts and agreements related to the Assets, and Seller is in compliance with, and not in breach or default of its obligations under, all such Contracts except as disclosed on **Schedule 5.8(a)** and except such non-compliance as would not individually or in the aggregate have a Material Adverse Effect. To the knowledge of Seller, all Contracts are in full force and effect and, subject to any assumption necessary under Bankruptcy Code § 365, constitute valid and legally binding obligations of the parties thereto and no breach or default under any Contract by any party thereto (other than Seller) shall exist following the Closing. **Schedule 5.8(b)** sets forth all of the following contracts and agreements to which any of the Assets will be bound as of the Closing: (i) any agreement with any Affiliate of Seller; (ii) any agreement or contract for the sale, exchange, or other disposition of Hydrocarbons produced from or attributable to Seller's interest in the Assets that is not cancelable without penalty or other material payment on not more than 60 days' prior written notice; and (iii) any tax partnership agreement of or binding upon Seller affecting any of the Assets.

Section 5.9 Payments for Hydrocarbon Production. Except as set forth on **Schedule 5.9**, to the knowledge of Seller, all rentals, royalties, excess royalty, overriding royalty interests, Hydrocarbon production payments, and other payments due and/or payable by Seller to overriding royalty holders and other interest owners on or prior to the Effective Time under or with respect to the Assets and the Hydrocarbons produced therefrom or attributable thereto, have been paid or will not be claims against the Assets.

Section 5.10 Transfer Requirements. The sale of the Assets or any portion thereof, is not subject to any Preference Right applicable to the transactions contemplated by this Agreement, or to any Transfer Requirements except as set forth on **Schedule 5.10**.

Section 5.11 Condemnation. As of the date hereof, there is no actual or, to Seller's knowledge, threatened taking (whether permanent, temporary, whole or partial) of any part of the Properties by reason of condemnation or the threat of condemnation.

Section 5.12 AFEs. **Schedule 5.12** is a list as of the date of this Agreement of all material authorizations for expenditures (collectively, “AFEs”) to drill or rework Wells or for capital expenditures with respect to the Assets that have been proposed by any Person having authority to do so other than internal AFEs of Seller not delivered to third parties. For the purposes of this **Section 5.12**, an AFE shall be material if:

- a. it is dated within the 90 days prior to the date of this Agreement;
- b. net to Seller’s interest, such AFE or sum of AFEs received from any operator exceeds \$100,000; and
- c. such AFE is valid and outstanding.

Section 5.13 Permits. All necessary permits, licenses and other authorizations with regard to the ownership or operation of the oil and gas Assets have been obtained and maintained in effect and no violations exist in respect of such permits, licenses and other authorizations, except for such non-compliance, failure to obtain or maintain, and such facts, conditions or circumstances, the existence of which would not constitute a Material Adverse Effect.

Section 5.14 Wells and Plug and Abandon Notices. There are no Wells (a) in respect of which Seller has received an order from any Governmental Authority requiring that such Wells be plugged and abandoned, or (b) to Seller’s knowledge, that are neither in use for purposes of production or injection, nor suspended or temporarily abandoned in accordance with applicable Law, that are required to be plugged and abandoned in accordance with applicable Law but have not been plugged and abandoned.

Section 5.15 Imbalances. All Imbalances relating to the Properties are reflected in **Schedule 5.15** as of the date stated therein.

Section 5.16 Non-Consent Operations. No operations are being conducted or have been conducted on the Properties with respect to which Seller has elected to be a non-consenting party under the applicable operating agreement and with respect to which all of such Seller’s rights have not yet reverted to it.

Section 5.17 Suspense Funds. **Schedule 5.17** sets forth a list, true and correct as of the date set forth therein, of all Suspense Funds and the name or names of the parties to whom such funds are owed. For purposes of this Agreement, “Suspense Funds” means proceeds of production and interest in respect of any of the Assets that are payable to third parties and are being held in suspense by Seller as the operator of such Assets.

Section 5.18 Employee Benefits. Seller has no Benefit Plans.

Section 5.19 Sufficiency of Assets. To Seller’s knowledge, (a) the Assets will, as of the Closing Date, constitute all of the material assets and rights necessary for Purchaser to own and operate the Properties substantially as presently owned and operated by Seller.

Section 5.20 Compliance with Laws. (a) Seller has not received written notice from any Governmental Authorities alleging a violation of applicable environmental Laws relating to the

Properties except as set forth in Schedule 5.20, and to Sellers' knowledge, no such notice is pending, and (b) except where lack of compliance would not have a Material Adverse Effect, the Properties are in compliance with applicable Law (other than applicable environmental Laws).

Section 5.21 Equipment. Except as would not have a Material Adverse Effect, all of the Equipment is in a state of reasonable repair (ordinary wear and tear excepted) so as to be suitable for the purposes of which such equipment was constructed, obtained or is currently being used in all material respects.

Section 5.22 Disclosure of Additional Matters. Prior to Closing, Seller shall disclose any material matters discovered or occurring after the execution of this Agreement that affect the representations and warranties in this Article 5, and, if so disclosed, such disclosures shall be added to the schedules and shall be deemed to have been included in the schedules related to Seller's representations and warranties.

ARTICLE 6

"REPRESENTATIONS AND WARRANTIES OF PURCHASER"

Purchaser represents and warrants to Seller the following:

Section 6.1 Existence and Qualification. Purchaser is a limited liability company, duly organized, validly existing and in good standing under the laws of the state of Delaware; Purchaser is duly qualified to do business as a foreign corporation in every jurisdiction in which it is required to qualify in order to conduct its business except where the failure to so qualify would not have a material adverse effect on Purchaser or its properties; and Purchaser is duly qualified to do business as a foreign corporation in the respective jurisdictions where the Assets are located.

Section 6.2 Power. Purchaser has the limited liability company power and authority to enter into and perform this Agreement and each other agreement, instrument or document executed or to be executed by Purchaser in connection with the transactions contemplated hereby and to consummate the transactions contemplated by this Agreement. The execution, delivery, and performance by Purchaser of this Agreement and each other agreement, instrument, or document executed or to be executed by Purchaser in connection with the transactions contemplated hereby to which it is a party, and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action of Purchaser.

Section 6.3 Authorization and Enforceability. The execution, delivery and performance of this Agreement and the performance of this Agreement and each other agreement, instrument, or document executed or to be executed by Purchaser in connection with the transactions contemplated hereby, and the consummation by it of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary limited liability company action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser (and all documents required hereunder to be executed and delivered by Purchaser at Closing will be duly executed and delivered by Purchaser), and this Agreement constitutes, and at the Closing such documents will constitute, the valid and binding obligations of Purchaser, enforceable in

accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 6.4 No Conflicts. The execution, delivery and performance of this Agreement by Purchaser, and the transactions contemplated by this Agreement will not (a) violate any provision of the articles of organization, operating agreement or other governing document of Purchaser, (b) result in a default (with due notice or lapse of time or both) or the creation of any lien or encumbrance or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license or agreement to which Purchaser is a party, (c) violate any judgment, order, ruling, or regulation applicable to Purchaser as a party in interest, (d) violate any Law applicable to Purchaser or any of its assets, or (e) require any filing with, notification of or consent, approval or authorization of any Governmental Body or authority, except any matters described in clauses (b), (c), (d) or (e) above which would not have a material adverse effect on Purchaser or the transactions contemplated hereby.

Section 6.5 Liability for Brokers' Fees. Seller shall not directly or indirectly have any responsibility, liability or expense as a result of undertakings or agreements of Purchaser for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any agreement or transaction contemplated hereby.

Section 6.6 Litigation. No actions, suits or proceedings are pending, or to the actual knowledge of Purchaser's officers, threatened in writing before any Governmental Body or arbitrator against Purchaser or any Affiliate of Purchaser which are reasonably likely to impair materially Purchaser's ability to perform its obligations under this Agreement.

Section 6.7 Financing. Purchaser has sufficient cash, available lines of credit or other sources of immediately available funds (in United States dollars) to enable it to pay the Closing Payment to Seller at the Closing.

Section 6.8 Performance Assurances. Purchaser has the authority and ability to provide performance assurances to Seller to enable Purchaser to meet the obligations contained in **Section 7.9**.

Section 6.9 Limitation. Except for the representations and warranties expressly made by Seller in **Article 5** of this Agreement, or confirmed in any certificate furnished or to be furnished to Purchaser pursuant to this Agreement, Purchaser represents and acknowledges that (a) there are no representations or warranties, express, statutory or implied, as to the Assets or prospects thereof, and (b) Purchaser has not relied upon any oral or written information provided by Seller. Without limiting the generality of the foregoing, Purchaser represents and acknowledges that Seller has not made and will not make any representation or warranty regarding any matter or circumstance relating to Environmental Laws, Environmental Liabilities, the release of materials into the environment or protection of human health, safety, natural resources or the environment or any other environmental condition of the Assets. Purchaser further represents and acknowledges that it is knowledgeable of the oil and gas business and of the usual and customary practices of

producers such as Seller and that it has had access to the Assets, the officers and employees of Seller, and the books, records and files of Seller relating to the Assets, and in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, Purchaser has relied solely on the basis of its own independent due diligence investigation of the Assets.

Section 6.10 Investment Intent. Purchaser is acquiring the Assets for its own account for use in its trade or business, and not with a view toward or for sale associated with any distribution thereof, nor with any present intention of making a distribution thereof within the meaning of the Securities Act of 1933, as amended, and applicable state securities laws.

Section 6.11 Qualification. Purchaser is now, and hereafter shall continue to be, qualified to own and assume operatorship of fee, federal and state oil, gas and mineral leases in all jurisdictions where the Assets to be transferred to it are located, and the consummation of the transactions contemplated in this Agreement will not cause Purchaser to be disqualified as such an owner or operator. To the extent required by the applicable state and federal Governmental Bodies or by Law, Purchaser currently has, and will continue to maintain, lease bonds, area-wide bonds or any other surety bonds as may be required by, and in accordance with, such state or federal regulations governing the ownership and operation of such leases.

ARTICLE 7

“COVENANTS OF THE PARTIES”

Section 7.1 Access. During the Due Diligence Period and thereafter as may be reasonably requested by Purchaser, Seller will give Purchaser and its representatives access to the Properties and access to the Records for the purpose of conducting an investigation of the Assets, but only to the extent that Seller may do so without violating any obligations to any third party and to the extent that Seller has authority to grant such access without breaching any restriction binding on Seller. In the event that access to the Properties or Records is restricted for any reason, Seller shall advise Purchaser in writing of such restriction. Such access by Purchaser shall be limited to Seller's normal business hours, and any weekends and after hours requested by Purchaser that can be reasonably accommodated by Seller, and Purchaser's investigation shall be conducted in a manner that minimizes interference with the operation of the Assets. All information obtained by Purchaser and its representatives under this Section shall be subject to the confidentiality provisions of the LOI.

Section 7.2 Government Reviews. Seller and Purchaser, as applicable, shall in a timely manner (a) make all required filings, if any, with and prepare applications to and conduct negotiations with, each Governmental Body as to which such filings, applications or negotiations are necessary or appropriate in the consummation of the transactions contemplated hereby, and (b) provide such information as each may reasonably request to make such filings, prepare such applications and conduct such negotiations. Each party shall cooperate with and use all commercially reasonable efforts to assist the other with respect to such filings, applications and negotiations.

Section 7.3 Notification of Breaches. Until the Closing,

(a) Purchaser shall notify Seller promptly after Purchaser obtains actual knowledge that any representation or warranty of Seller contained in this Agreement is untrue in any material respect or will be untrue in any material respect as of the Closing Date or that any covenant or agreement to be performed or observed by Seller prior to or on the Closing Date has not been so performed or observed in any material respect.

(b) Seller shall notify Purchaser promptly after Seller obtains actual knowledge that any representation or warranty of Purchaser contained in this Agreement is untrue in any material respect or will be untrue in any material respect as of the Closing Date or that any covenant or agreement to be performed or observed by Purchaser prior to or on the Closing Date has not been so performed or observed in any material respect.

(c) If any of Purchaser's or Seller's representations or warranties is untrue or shall become untrue in any material respect between the date of execution of this Agreement and the Closing Date, or if any of Purchaser's or Seller's covenants or agreements to be performed or observed prior to or on the Closing Date shall not have been so performed or observed in any material respect, but if such breach of representation, warranty, covenant or agreement shall (if curable) be cured by the Closing, then such breach shall be considered not to have occurred for all purposes of this Agreement.

Section 7.4 Letters-in-Lieu; Assignments; Operatorship.

(a) Seller will execute on the Closing Date letters in lieu of division and transfer orders relating to the Assets on forms prepared by Purchaser and reasonably satisfactory to Seller to reflect the transactions contemplated hereby.

(b) Seller will prepare and Seller and Purchaser will execute on the Closing Date all Assignment(s) necessary to convey to Purchaser all Leases with a federal or state Governmental Body in the form as prescribed by the applicable Governmental Body and otherwise acceptable to Purchaser and Seller.

(c) Seller makes no representations or warranties to Purchaser as to transferability or assignability of operatorship of any of the Assets, including without limitation whether Purchaser will be able to succeed Seller as a successor operator on certain Properties. Rights and obligations associated with operatorship of such Assets are governed by operating and similar agreements covering the Assets and will be decided in accordance with the terms of such agreements. However, Seller will provide reasonable assistance to Purchaser in its efforts to succeed Seller as operator of any Wells included in the Assets. Prior to Closing, Purchaser shall file all appropriate forms and declarations or bonds with federal and state Governmental Bodies relative to its assumption of operatorship as of the Closing. Seller shall execute and deliver to Purchaser and Purchaser shall promptly file the appropriate forms with the applicable regulatory agency transferring operatorship of the Assets to Purchaser.

Section 7.5 Operation of Business.

(a) Seller (a) will operate its business in the ordinary course, (b) will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, commit to any operation, or series of related operations, reasonably anticipated by Seller to require future capital expenditures by the owner of the Assets in excess of \$40,000, proportionate to Seller's working interest, or make any capital expenditures in excess of \$40,000 proportionate to Seller's working interest, or terminate, materially amend, execute or extend any material agreements affecting the Assets, (c) will maintain insurance coverage on the Assets presently furnished by nonaffiliated third parties in the amounts and of the types presently in force, (d) will use commercially reasonable efforts to maintain in full force and effect all Leases, (e) will maintain all material governmental permits and approvals affecting the Assets, (f) will not transfer, farmout, sell, hypothecate, encumber or otherwise dispose of any material Assets except for sales and dispositions of Hydrocarbon production and Equipment made in the ordinary course of business consistent with past practices and (g) will not commit to do any of the foregoing. Purchaser's approval of any action restricted by this **Section 7.5** shall be considered granted within ten (10) days (unless a shorter time is reasonably required by the circumstances and such shorter time is specified in Seller's written notice) of Seller's notice to Purchaser requesting such consent unless Purchaser notifies Seller to the contrary in writing during that period. In the event of an emergency, Seller may take such action as a prudent operator would take and shall notify Purchaser of such action promptly thereafter, provided however, in no event shall Seller have any obligation to make any payment or undertake any drilling or operational activity to hold or extend any Lease.

(b) Seller provide Buyer with any and all information or data regarding the Assets and the operation of the Assets as reasonably requested by Buyer, including, without limitation, production reports and lease operating expense statements. Seller shall also provide Buyer and its representatives with access to the Assets during normal working hours.

(c) Notwithstanding anything to the contrary in this Agreement, Seller shall have no liability to Purchaser for the incorrect payment of delay rentals, royalties, shut-in payments or similar payments made during the period from the Effective Time to the Closing Date or for failure to make such payments through mistake or oversight (including Seller's negligence). Seller shall continue from the Effective Time until Closing Date to account for payments in its normal course of business.

(d) Purchaser acknowledges that Seller may own an undivided interest in certain of the Assets, and the acts or omissions of the other working interest owners who are not affiliated with Seller shall not constitute a violation of the provisions of this **Section 7.5** nor shall any action required by a vote of working interest owners constitute such a violation so long as Seller has voted its interest in a manner consistent with the provisions of this **Section 7.5**.

Section 7.6 Transfer Requirements.

(a) Purchaser's purchase of the Assets is expressly subject to all validly existing and applicable Transfer Requirements. Seller shall not be obligated to pay any consideration to (or incur any cost or expense for the benefit of) the holder of any Transfer Requirement in order to obtain the waiver thereof or compliance therewith.

(b) Time is of the essence with respect to the parties' agreement to consummate the sale of the Assets by the Closing Date.

Section 7.7 Tax Matters. Subject to the provisions of **Section 12.3**, Seller shall be responsible for all Taxes related to the Assets (other than ad valorem, property, severance, Hydrocarbon production and similar Taxes based upon or measured by the ownership or operation of the Assets or the production of Hydrocarbons therefrom, which are addressed in **Section 1.4**) attributable to any period of time at or prior to the Effective Time, and Purchaser shall be responsible for all such Taxes related to the Assets attributable to any period of time after the Effective Time. Regardless of which party is responsible, Seller shall handle payment to the appropriate Governmental Body of all Taxes with respect to the Assets which are required to be paid prior to Closing (and shall file all Tax Returns with respect to such Taxes). If requested by Purchaser, Seller will assist Purchaser with preparation of all ad valorem and property Tax Returns due on or before December 31, 2017 (including any extensions requested). Seller shall deliver to Purchaser within thirty (30) days of filing copies of all Tax Returns filed by Seller after the Closing Date relating to the Assets and any supporting documentation provided by Seller to taxing authorities, excluding Tax Returns related to income tax, franchise tax, or other similar Taxes.

Section 7.8 Further Assurances. After Closing, Seller and Purchaser shall take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other party for carrying out the purposes of this Agreement or of any document delivered pursuant to this Agreement.

ARTICLE 8

“CONDITIONS TO CLOSING”

Section 8.1 Conditions of Seller to Closing. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject, at the option of Seller, to the satisfaction on or prior to Closing of each of the following conditions:

(a) Representations. The representations and warranties of Purchaser set forth in **Article 6** shall be true and correct as of the date hereof and as of the Closing Date as though made on and as of the Closing Date; provided, however, that, if any such representation and warranty is not qualified by a standard of materiality, such representation and warranty need only be true and correct in all material respects;

(b) Performance. Purchaser shall have performed and observed, in all material respects, all covenants and agreements to be performed or observed by it under this Agreement prior to or on the Closing Date;

(c) Pending Litigation. No suit, action or other proceeding by a third party (including any Governmental Body) seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement shall be pending before any Governmental Body;

(d) Deliveries. Purchaser shall have delivered to Seller duly executed counterparts of the Assignment(s) and all other documents and certificates to be delivered by Purchaser under **Sections 7.4** and **9.3**;

(e) Casualty or Condemnation, Title Defects and Environmental Defects. Provided that Purchaser has delivered a Defect Notice to Seller in accordance with **Section 1.6**, the aggregate losses from casualties to the Assets and takings of Assets under right of eminent domain occurring between the execution of this Agreement and the Closing *plus* the aggregate amount of Title Defects calculated using the lesser of the amount of the Title Defect and the allocated value shown on **Schedule 2.3(b)** for the particular Asset to which the Title Defect applies as set forth in the Defect Notice *plus* the aggregate amount of Environmental Defects calculated using the lesser of the amount of the Environmental Defect and the allocated value shown on **Schedule 2.3(b)** for the particular Asset to which the Environmental Defect applies as set forth in the Defect Notice, shall not be more than twelve percent (12%) of the unadjusted Purchase Price,;

(f) Payment. Purchaser shall have paid the Closing Payment; and

(g) Sale Order. The Bankruptcy Court shall have entered the Sale Order.

Section 8.2 Conditions of Purchaser to Closing. The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject, at the option of Purchaser, to the satisfaction on or prior to Closing of each of the following conditions:

(a) Representations. The representations and warranties of Seller set forth in **Article 5** shall be true and correct as of the date hereof and as of the Closing Date as though made on and as of the Closing; provided, however, that, if any such representation and warranty is not qualified by a standard of materiality, such representation and warranty need only be true and correct in all material respects, except for such failures of representations and warranties of Seller to be so true and correct as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;

(b) Performance. Seller shall have performed and observed, in all material respects, all covenants and agreements to be performed or observed by it under this Agreement prior to or on the Closing Date;

(c) Pending Litigation. No suit, action or other proceeding by a Governmental Body seeking to restrain, enjoin or otherwise prohibit the consummation of the transactions contemplated by this Agreement shall be pending before any Governmental Body;

(d) Deliveries. Seller shall have delivered to Purchaser duly executed counterparts of the Assignment(s) and all other documents and certificates to be delivered by Seller under **Sections 7.4** and **9.2**;

(e) Casualty or Condemnation, Title Defects and Environmental Defects. Provided that a Defect Notice has been delivered by Purchaser to Seller in accordance with **Section 1.6**, the aggregate losses from casualties to the Assets and takings of Assets under right of eminent

domain occurring between the execution of this Agreement and the Closing *plus* the aggregate amount of Title Defects set forth in the Defect Notice plus the aggregate amount of Environmental Defects set forth in the Defect Notice shall not be more than twelve percent (12%) of the unadjusted Purchase Price; and

- (f) Sale Order. The Bankruptcy Court shall have entered the Sale Order.

ARTICLE 9

“CLOSING”

Section 9.1 Time and Place of Closing.

(a) Consummation of the purchase and sale transaction contemplated by this Agreement (the “Closing”), shall, unless otherwise agreed to in writing by Purchaser, MBL and Seller, take place at the offices of Seller, at a date not later than thirty (30) days after entry of the Sale Order unless the effect of the Sale Order is stayed, or if all conditions in **Article 8** to be satisfied by Seller prior to Closing have not yet been satisfied or waived, as soon thereafter as such conditions have been satisfied or waived, subject to the rights of the parties under **Article 10**.

(b) The date on which the Closing occurs is herein referred to as the “Closing Date.”

Section 9.2 Obligations of Seller at Closing. At the Closing, upon the terms and subject to the conditions of this Agreement, Seller shall deliver or cause to be delivered to Purchaser, the following:

(a) the Assignment(s), in sufficient duplicate originals to allow recording in all appropriate jurisdictions and offices, duly executed by Seller;

(b) if or to the extent necessary, letters-in-lieu of transfer orders covering the Assets, duly executed by Seller;

(c) consents and releases from Seller’s applicable lending and/or banking institutions having liens, mortgages, deeds of trust or security interests in all or any portion of the Assets;

(d) a certificate duly executed by an authorized corporate officer of Seller, dated as of Closing, certifying on behalf of Seller that the conditions set forth in **Sections 8.2(a), 8.2(b)** and **8.3(c)** have been fulfilled;

(e) one (1) original executed statement described in Treasury Regulation §1.1445- 2(b)(2) certifying that Seller is not a foreign person within the meaning of the Internal Revenue Code of 1986, as amended; and

(f) a true and correct copy of the Sale Order approving the sale of the Assets to Purchaser pursuant to this Agreement.

Section 9.3 Obligations of Purchaser at Closing. At the Closing, upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver or cause to be delivered to Seller, the following:

- (a) a wire transfer of the Closing Payment in same-day funds;
- (b) the Cure Costs in accordance with **Section 4.6(c)**;
- (c) the Assignment(s), duly executed by Purchaser, which shall include the assumption and assignment by Purchaser of the Purchased Contracts;
- (d) if or to the extent necessary, letters-in-lieu of transfer orders covering the Assets, duly executed by Purchaser;
- (e) a certificate by an authorized corporate officer of Purchaser, dated as of Closing, certifying on behalf of Purchaser that the conditions set forth in **Sections 8.1(a), 8.1(b)** and **8.1(c)** have been fulfilled; and
- (f) the requirements set forth in Section 12.5 relating to the replacement of bonds, letters of credit and/or guarantees.

Section 9.4 Closing Payment and Post-Closing Purchase Price Adjustments.

(a) Not later than five (5) Business Days prior to the Closing Date, Seller shall prepare and deliver to Purchaser, based upon the best information available to Seller, a preliminary settlement statement (the "Preliminary Settlement Statement") estimating the Adjusted Purchase Price after giving effect to all Purchase Price adjustments provided for in this Agreement. The estimate delivered in accordance with this **Section 9.4(a)** shall constitute the dollar amount to be paid by Purchaser to Seller at the Closing (the "Closing Payment").

(b) As soon as reasonably practicable after the Closing but not later than sixty (60) days following the Closing Date, Seller shall prepare and deliver to Purchaser a statement setting forth the final calculation of the Adjusted Purchase Price and showing the calculation of each adjustment, based, to the extent possible, on actual credits, charges, receipts and other items before and after the Effective Time and taking into account all adjustments provided for in this Agreement. Seller shall at Purchaser's request supply reasonable documentation available to support any credit, charge, receipt or other item. As soon as reasonably practicable but not later than the 30th day following receipt of Seller's statement hereunder, Purchaser shall deliver to Seller a written report containing any changes that Purchaser proposes be made to such Statement. Any objection not asserted by Purchaser within such 30-day period shall be deemed waived, and Seller's calculation in such statement shall be deemed final and binding (and such Statement shall be the "Final Settlement Statement"). If Purchaser does timely assert an objection or change, then the Parties shall undertake to agree on the final statement of the Adjusted Purchase Price no later

than one hundred twenty (120) days after the Closing Date. In the event the Parties cannot reach agreement within such period of time, either Party may refer the remaining matters in dispute to a nationally-recognized independent accounting firm, as may be accepted by Purchaser and Seller, for review and final determination. The accounting firm shall conduct the arbitration proceedings in Denver, Colorado in accordance with the Commercial Arbitration Rules of the American Arbitration Association, to the extent such rules do not conflict with the terms of this **Section 9.4**. The accounting firm's determination shall be made within thirty (30) days after submission of the matters in dispute and shall be final and binding on both Parties, without right of appeal. In determining the proper amount of any adjustment to the Purchase Price, the accounting firm shall not increase the Purchase Price more than the increase proposed by Seller nor decrease the Purchase Price more than the decrease proposed by Purchaser, as applicable, and the Final Settlement Statement shall include those calculations determined by such accounting firm, together with such calculations as the Parties had mutually agreed to (or been deemed to agree to, as described above). The accounting firm shall act as an expert for the limited purpose of determining the specific disputed matters submitted by either party and may not award damages or penalties to either Party with respect to any matter. Seller and Purchaser shall each bear its own legal fees and other costs of presenting its case. Each Party shall bear one-half of the costs and expenses of the accounting firm. Within ten (10) Business Days after the date on which the Parties or the accounting firm, as applicable, finally determines the disputed matters: (x) Purchaser shall pay to Seller the amount by which the Adjusted Purchase Price exceeds the Closing Payment or (y) Seller shall pay to Purchaser the amount by which the Closing Payment exceeds the Adjusted Purchase Price, as applicable. Any post-Closing payment pursuant to this **Section 9.4(b)** shall bear interest at the Agreed Interest Rate from the Closing Date to the date both Purchaser and Seller have executed the Final Settlement Statement.

(c) All payments made or to be made hereunder to Seller shall be by electronic transfer of immediately available funds to the account designated by Seller in writing to Purchaser prior to the Closing Date for the credit of Seller. All payments made or to be made hereunder to Purchaser shall be by electronic transfer of immediately available funds to a bank and account specified by Purchaser in writing to Seller.

ARTICLE 10

“TERMINATION”

Section 10.1 Termination. Unless terminated earlier pursuant to other provisions provided herein, this Agreement may be terminated at any time prior to Closing: (a) by the mutual prior written consent of Seller, MBL and Purchaser; (b) by Purchaser, if the Closing conditions set forth in **Section 8.2** have not been satisfied and cannot be cured prior to earlier of the Closing and 30 days after entry of the Sale Order; (c) by Seller, if the Closing conditions set forth in **Section 8.1** have not been satisfied and cannot be cured prior to the Closing; or (d) by either Party, if the Bankruptcy Court enters an order dismissing the Bankruptcy Case, appointing a chapter 11 trustee, or converting the Bankruptcy Case into a case under chapter 7 of the Bankruptcy Code. If Purchaser terminates this Agreement under (b) of this **Section 10.1**, Seller shall give MBL immediate written notice of such termination, by United States Mail First Class postage prepaid, Facsimile or Email transmission as follows:

Macquarie Bank Limited
c/o Jim Jordan
500 Dallas, Suite 3300
Houston, Texas 77002
Facsimile: (713) 275 6222
Email: james.jordan@macquarie.com

Section 10.3 Effect of Termination. If this Agreement is terminated pursuant to **Section 10.1**, this Agreement shall become void and of no further force or effect (except for the provisions of **Sections 3.7, 5.6, 6.5, 11.2, 12.6, 12.12, 12.15 and 12.16**, all of which shall continue in full force and effect), and Seller shall be free immediately to enjoy all rights of ownership of the Assets and to sell, transfer, encumber or otherwise dispose of the Assets to any party without any restriction under this Agreement. Notwithstanding anything to the contrary in this Agreement, the termination of this Agreement under **Section 10.1(b)** shall not relieve any party from liability for any willful or negligent failure to perform or observe in any material respect any of its agreements or covenants contained herein which are to be performed or observed at or prior to Closing. In the event this Agreement terminated pursuant to **Section 10.1(c)** or **Section 10.1(d)** because a Party has willfully or negligently failed to perform or observe in any material respect any of its agreements or covenants contained herein which are to be performed at or prior to Closing, then the other Party shall be entitled to all remedies available at law or in equity and shall be entitled to recover court costs and attorneys' fees in addition to any other relief to which such Party may be entitled.

Section 10.4 Distribution of Deposit Upon Termination.

(a) If Seller terminates this Agreement (i) because Purchaser has failed to comply with any provision of **Section 8.1**; or (ii) as the result of any default or breach by Seller of Seller's obligations hereunder, then Purchaser may retain the Deposit, free of any claims by Seller or any other Person with respect thereto. It is expressly stipulated by the Parties that the actual amount of damages resulting from such a termination would be difficult if not impossible to determine accurately because of the unique nature of this Agreement, the unique nature of the Assets, the uncertainties of applicable commodity markets and differences of opinion with respect to such matters, and that the liquidated damages provided for herein are a reasonable estimate by the parties of such damages.

(b) If this Agreement is terminated for any reason other than the reasons set forth in **Section 10.3(a)**, then as Purchaser's sole and exclusive remedy, Seller shall deliver the Deposit to Purchaser, free of any claims by Seller or any other Person with respect thereto.

(c) Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be entitled to receive interest on the Deposit, whether the Deposit is applied against the Purchase Price or returned to Purchaser pursuant to this **Section 10.3** or any other sections of this Agreement.

ARTICLE 11

“POST-CLOSING OBLIGATIONS; DISCLAIMERS AND WAIVERS”

Section 11.1 Assumed Seller Obligations. At Closing, Purchaser shall assume and fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the obligations and liabilities of Seller relating to environmental matters, known or unknown, with respect to the Assets, regardless of whether such obligations or liabilities arose prior to, on or after the Effective Time. In addition, Purchaser shall assume and fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) the following obligations and liabilities of Seller but no others: (a) all Royalty Amounts to the extent held in suspense and transferred to Purchaser or arising from the operation of the Assets after the Effective Time, (b) all payments to any land or surface owner under any of the Surface Contracts arising from the operation of the Assets after the Effective Time, and (c) satisfy any Imbalance obligations (all of said obligations and liabilities, subject to the exclusions below, being referred to herein as the “Assumed Seller Obligations”); provided, however, that Purchaser does not hereby assume any obligations or liabilities of Seller to the extent that they are attributable to or arise out of the Excluded Assets.

Section 11.2 Disclaimers.

(a) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE 5 OF THIS AGREEMENT, OR CONFIRMED IN THE CERTIFICATE OF SELLER TO BE DELIVERED PURSUANT TO SECTION 9.2(d), OR IN THE ASSIGNMENT(S): (I) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (II) SELLER EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO PURCHASER OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO PURCHASER BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF SELLER OR ANY OF ITS AFFILIATES).**

(b) **EXCEPT AS EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE 5 OF THIS AGREEMENT, OR CONFIRMED IN THE CERTIFICATE OF SELLER TO BE DELIVERED PURSUANT TO SECTION 9.2(d), OR IN THE ASSIGNMENT(S), AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES**

GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY THIRD PARTIES, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO PURCHASER OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, AND FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM REDHIBITORY VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT PURCHASER SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS AND THAT PURCHASER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS PURCHASER DEEMS APPROPRIATE, OR (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT.

(c) EXCEPT AS SET FORTH IN SECTION 5.20(a), SELLER HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND PURCHASER SHALL BE DEEMED TO BE TAKING THE ASSETS "AS IS" AND "WHERE IS" FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION.

(d) NOTWITHSTANDING ANYTHING THAT MAY BE CONTAINED TO THE CONTRARY IN ANY OTHER PROVISION OF THIS AGREEMENT, (1) THE PLUGGING AND ABANDONMENT OBLIGATIONS CONSTITUTE ASSUMED LIABILITIES, (2) THE PLUGGING AND ABANDONMENT OBLIGATIONS SHALL NOT CONSTITUTE ENVIRONMENTAL CONDITIONS, ENVIRONMENTAL LIABILITIES, ENVIRONMENTAL DEFECTS, OR ENVIRONMENTAL MATTERS, (3) SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE PLUGGING AND ABANDONMENT OBLIGATIONS, AND (4) SELLER SHALL HAVE NO LIABILITIES OR OBLIGATIONS WITH RESPECT TO PLUGGING AND ABANDONMENT OBLIGATIONS RELATING TO THE EXCLUDED ASSETS.

(e) **PURCHASER AND ITS AFFILIATES SHALL HAVE NO RIGHT TO RECOVERY OR INDEMNIFICATION FOR ENVIRONMENTAL LIABILITIES RELATING TO THE ASSETS UNDER THIS AGREEMENT OR AT LAW OR EQUITY OTHER THAN THE RIGHTS AND REMEDIES SPECIFICALLY PROVIDED, IF ANY, AND ALL RIGHTS OR REMEDIES WHICH PURCHASER AND ITS AFFILIATES MAY HAVE AT OR UNDER LAW OR EQUITY WITH RESPECT TO ANY ENVIRONMENTAL LIABILITIES ARE EXPRESSLY WAIVED OTHER THAN THE RIGHTS AND REMEDIES SPECIFICALLY PROVIDED HEREIN, IF ANY.**

Section 11.3 Recording. As soon as practicable after Closing, Purchaser shall record the Assignment(s) in the appropriate counties and provide Seller with copies of all recorded or approved instruments. The Assignment(s) is intended to convey the Assets. Certain Properties or specific portions of the Properties that are leased from, or require the approval to transfer by, a Governmental Body are conveyed under the Assignment and also are described and covered by other separate transfers made by Seller to Purchaser on officially approved forms, or forms acceptable to such Governmental Body, in sufficient multiple originals to satisfy applicable statutory and regulatory requirements. The interests conveyed by such separate transfers are the same, and not in addition to, the interests conveyed in the Assignment(s) to be executed at Closing. Further, such transfers shall be deemed to contain the special warranty of title of Seller and the exceptions, reservations, rights, titles, power and privileges set forth herein and in the Assignment(s) as fully and only to the extent as though they were set forth in each such separate Assignment(s).

ARTICLE 12

“GENERAL MATTERS”

Section 12.1 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute one agreement.

Section 12.2 Notice. All notices which are required or may be given pursuant to this Agreement shall be sufficient in all respects if given in writing either by personal delivery, facsimile, Federal Express or similar over-night delivery or by certified mail, with a copy sent via email, addressed to the respective parties as indicated below, or such different address as a party may have fixed by notice hereunder:

If to Seller:

Kings Peak Energy LLC.
Attn: F. Robert Tiddens, CRO
Fred Soliz, Managing Member
1660 Lincoln St., Suite 2100
Denver, Colorado 80264-2101
Telephone: 303-779-3681

Fax: 303-296-0329
Email: rtiddens1@gmail.com
fredsoliz@kingspeakenergy.com

With a copy to: Onsager | Fletcher | Johnson
Attn: Christian C. Onsager, Esq.
 Alice A. White, Esq.
1801 Broadway, Suite 900
Denver, Colorado 80202
Telephone: 303.512.1123
Fax: 3303.512.1129
Email: consager@ofjlaw.com
 awhite@ofjlaw.com

If to Purchaser: DTE O&G LLC
Attn: March Kimmel, CEO
110 Broadway, Suite 215
San Antonio, TX 78217
Telephone: 210-444-1222
Email: mkimmel@xanthuscapital.com

With a copy to: Conner & Winters, LLP
Attn: J. Ryan Sacra, Esq.
4000 One Williams Center
Tulsa, OK 74172
Telephone: 918.586.8528
Fax: 918.586.8628
Email: RSacra@cwlaw.com

Either Party may change its address for notice by notice to the other in the manner set forth above. Notices delivered personally shall be effective upon delivery. Notices transmitted by facsimile or overnight delivery shall be effective when received if received during normal business hours, otherwise the next Business Day. Notices delivered by certified mail shall be effective when received.

Section 12.3 Sales or Use Tax Recording Fees and Similar Taxes and Fees. Purchaser shall bear all of any sales, use, excise, real property transfer or gain, gross receipts, goods and services, registration, capital, documentary, stamp or transfer Taxes and similar Taxes and fees incurred and imposed upon, or with respect to, the property transfers or other transactions contemplated hereby. Purchaser shall pay all recording and filing fees associated with the Assignment(s) and any Governmental transfers.

Section 12.4 Expenses. Except as provided in **Section 12.3**, all expenses incurred by Seller in connection with or related to the authorization, preparation or execution of this Agreement, the Assignment(s) delivered hereunder and the Exhibits and Schedules hereto and

thereto, and all other matters related to the Closing, including without limitation, all fees and expenses of counsel, accountants and financial advisers employed by Seller, shall be borne solely and entirely by Seller, and all such expenses incurred by Purchaser shall be borne solely and entirely by Purchaser.

Section 12.5 Replacement of Bonds, Letters of Credit and Guarantees. Notwithstanding anything to the contrary in this Agreement, no bonds, cash collateral for bonds, letters of credit or guarantees (collectively “Bonds and/or Bond Collateral”), if any, posted or provided by Seller or any of its Affiliates with, to or for the benefit of any Governmental Bodies in any way relating to the Assets shall be part of the Assets, and no Bonds and/or Bond Collateral shall be transferable to Purchaser. Prior to and as a condition of Closing, Purchaser shall obtain, or cause to be obtained by and in the name of Purchaser, at Purchaser’s sole cost, cancellation and return of all Bonds and/or Bond Collateral, and shall provide all replacements of bonds and collateral therefor that are required by any Governmental Bodies to consummate the transactions contemplated by this Agreement. Any and all Bond Collateral shall be remitted to Seller at Closing, subject to any and all liens, claims and interests thereupon.

Section 12.6 Governing Law and Venue. THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO (WITHOUT REGARD TO CONFLICT OF LAWS) AND FEDERAL BANKRUPTCY LAWS. Without limiting any Party’s right to appeal any order of the Bankruptcy Court, the Parties agree that the Bankruptcy Court shall retain sole jurisdiction over any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby. Each of the Parties irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or the transactions contemplated hereby; provided, however, that if the Bankruptcy Case has been fully and finally dismissed and/or the Bankruptcy Court declines jurisdiction, the Parties agree to and hereby unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court sitting in the City and County of Denver, Colorado, or, if such court does not have, or declines jurisdiction, the Parties agree to and hereby unconditionally and irrevocably submit to the exclusive jurisdiction of the Colorado courts located in the City and County of Denver, Colorado.

Section 12.7 Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

Section 12.8 Waivers. Any failure by any Party to comply with any of its or their obligations, agreements or conditions herein contained may be waived in writing, but not in any other manner, by the Party to whom such compliance is owed. No waiver of, or consent to a change in, any of the provisions of this Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 12.9 Assignment. No Party shall assign all or any part of this Agreement, nor shall any Party assign or delegate any of its rights or duties hereunder, without the prior written

consent of the other Party and any assignment or delegation made without such consent shall be void. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assignees.

Section 12.10 Entire Agreement. The confidentiality provisions of the LOI, this Agreement and the Exhibits and Schedules attached hereto, and the documents to be executed hereunder constitute the entire agreement between the Parties pertaining to the subject matter hereof, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining to the subject matter hereof.

Section 12.11 Amendment.

(a) This Agreement may be amended or modified only by an agreement in writing executed by all Parties, and any material changes shall be approved by the Bankruptcy Court.

(b) No waiver of any right under this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

Section 12.12 No Third-Party Beneficiaries. Nothing in this Agreement shall entitle any Person, other than Purchaser and Seller, to any claims, remedy or right of any kind.

Section 12.13 References. In this Agreement:

- (a) References to any gender includes a reference to all other genders;
- (b) References to the singular includes the plural, and vice versa;
- (c) Reference to any Article or Section means an Article or Section of this Agreement;
- (d) Reference to any Exhibit or Schedule means an Exhibit or Schedule attached to this Agreement, all of which are incorporated into and made a part of this Agreement;
- (e) Unless expressly provided to the contrary, “hereunder”, “hereof”, “herein” and words of similar import are references to this Agreement as a whole and not any particular Section or other provision of this Agreement; and
- (f) “Include” and “including” shall mean include or including without limiting the generality of the description preceding such term.

Section 12.14 Construction. Purchaser is capable of making such investigation, inspection, review and evaluation of the Assets as a prudent purchaser would deem appropriate under the circumstances including with respect to all matters relating to the Assets, their value, operation and suitability. Each of Seller and Purchaser has had substantial input into the drafting and preparation of this Agreement and has had the opportunity to exercise business discretion in

relation to the negotiation of the details of the transactions contemplated hereby. This Agreement is the result of arm's-length negotiations from equal bargaining positions. In the event of a dispute over the meaning or application of this Agreement, it shall be construed fairly and reasonably and neither more strongly for nor against either Party.

Section 12.15 Limitation on Damages. **NOTWITHSTANDING ANY OTHER PROVISION CONTAINED ELSEWHERE IN THIS AGREEMENT TO THE CONTRARY, THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT DOES NOT AUTHORIZE ONE PARTY TO SUE FOR OR COLLECT FROM THE OTHER PARTY ITS OWN PUNITIVE DAMAGES, OR ITS OWN CONSEQUENTIAL OR INDIRECT DAMAGES IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH PARTY EXPRESSLY WAIVES FOR ITSELF AND ON BEHALF OF ITS AFFILIATES, ANY AND ALL CLAIMS IT MAY HAVE AGAINST THE OTHER PARTY FOR ITS OWN SUCH DAMAGES IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY REGARDLESS OF FAULT.**

Section 12.16 Conspicuousness. **PROVISIONS IN THIS AGREEMENT IN "BOLD" TYPE SATISFY ANY REQUIREMENTS OF THE "EXPRESS NEGLIGENCE RULE" AND ANY OTHER REQUIREMENTS AT LAW OR IN EQUITY THAT PROVISIONS BE CONSPICUOUSLY MARKED OR HIGHLIGHTED.**

Section 12.17 Severability. If any term or other provisions of this Agreement is held invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a materially adverse manner with respect to either party.

Section 12.18 Time of Essence. Time is of the essence in this Agreement. If the date specified in this Agreement for giving any notice or taking any action is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration date of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement has been signed by each of the Parties on the date first above written.

PURCHASER:

DTE O&G LLC, a Delaware limited liability company

By: 
Name: March Kimmel
Title: CEO

SELLER:

KINGS PEAK ENERGY, LLC a Nevada limited liability company

By: 
Name: F. Robert Tiddens
Title: Chief Restructuring Officer

EXHIBITS

Exhibit "A"	Leases
Exhibit "A-1"	Wells and Units
Exhibit "A-2"	Vehicles
Exhibit "B"	Excluded Assets
Exhibit "C"	Form of Assignment

SCHEDULES

Schedule 1.2(d)	Contracts
Schedule 1.2(e)	Surface Contracts
Schedule 1.2(g)	Pipelines
Schedule 2.3(a)	Allocation of Purchase Price for Tax Purposes
Schedule 2.3(b)	Allocation of Purchase Price for Title Defect and Environmental Defect Purposes
Schedule 5.7	Litigation
Schedule 5.8(a)	Contract Matters
Schedule 5.8(b)	Certain Contracts
Schedule 5.9	Hydrocarbon Production Payments
Schedule 5.10	Preference Rights and Transfer Requirements
Schedule 5.12	AFEs
Schedule 5.15	Imbalances
Schedule 5.17	Suspense Funds
Schedule 5.20	Compliance with Laws

EXHIBIT "A"

Attached to and made part of that certain Purchase and Sale Agreement dated May 1st, 2018 between Kings Peak Energy (Seller) and DTE O LLC (Purchaser)

LEASES AND LANDS

LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
USA U-013145	N C HIGGINS	10/1/1954	9/30/1959	4	433	T3N R14E Sec 25: W/2, W/2E/2, NE/4NE/4 T3N R15E Sec 30: L1	SUMMIT	UTAH	1.00000000	0.84500000
USA U-013148	N C HIGGINS	10/1/1954	9/30/1959	M5	374	T3N R14E Sec 22: W2, W2E2 Sec 27: W2, W2E2, SESE Sec 34: N2, SE, N2SW, SESW	SUMMIT	UTAH	1.00000000	0.84500000
				M5	374	T3N R14E Sec 15: SESE Sec 22: E2E2 Sec 27: E2NE, NESE	SUMMIT	UTAH		
USA U-013147	N C HIGGINS	10/1/1954	9/30/1959	M4	459	T3N R14E Sec 14: L1, L2, L3, E2SW, SWSW, SE Sec 23: ALL Sec 26: ALL Sec 35: N2N2, SENE, NESE LANDS INSIDE UNIT	SUMMIT	UTAH	1.00000000	0.84500000

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LEASES AND LANDS

LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
				M4	459	T3N R14E Sec 35: SWNE, S2NW, N2SW, SESW, NWSE, S2SE	SUMMIT	UTAH		
						LANDS OUTSIDE OF UNIT				
USA U-013146	N C HIGGINS	10/1/1954	9/30/1959	M4	445	T3N R14E Sec 13: L4, W2SW	SUMMIT	UTAH	1.00000000	0.84500000
						Sec 24: S2, S2N2, NWNW T3N R15E Sec 19: L2, L3, L4				
ST OF UT ML-17185	THOMAS F STROOCK TRUSTEE	5/21/1958	1/1/1969	M4	462	T3N R14E	SUMMIT	UTAH	1.00000000	0.84500000
						Sec 36: NW, W2NE, N2SW, NWSE LANDS INSIDE BRIDGER LAKE UNIT				
				M4	462	T3N R14E Sec 36: E2E2, SWSE, S2SW	SUMMIT	UTAH		
USA WYW-47524	A W CULLEN	6/1/1958	5/31/1963	264	231	T12N R114W	UINTA	WYOMING	1.00000000	0.84625000

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 30: LOT 4				
USA WYW-72535	A W CULLEN	6/1/1958	5/31/1963	249	154	T12N R115W Sec 25: LOTS 1, 2 TR 5 IN BRIDGER LAKE UNIT	UINTA	WYOMING	1.00000000	0.84625000
USA UTU-27917	N C HIGGINS	10/1/1954	9/30/1959	4	433	T3N R14E Sec 25: E2SE, SENE	SUMMIT	UTAH	1.00000000	0.84500000
						T3N R15E Sec 29: ALL Sec 30: L2, L3, L4, E2W2, E2 Sec 31: L1, L2, L3, E2W2, E2				
USA UTU-47084	H C HIGGINS	10/1/1954	10/1/1959	4	459	T3N R14E Sec 14: L4, NW/4SW/4	SUMMIT	UTAH	1.00000000	0.84500000
USA UTU-27918	H C HIGGINS	10/1/1954	9/30/1959	M4	445	T3N R14E Sec 13: L1, L2, L3, SE, E2SW Sec 24: N2NE, NENW T3N R15E Sec 17: L3, L4, N2SW Sec 18: L1, L2, L3, L4, L5, E2SW, SE	SUMMIT	UTAH	1.00000000	0.84500000

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 19: L1, E2W2, E2 Sec 20: NENE, S2N2, S2				
USA WYW-61811	JO A PITNER	1/12/1978	1/31/1988			T12N R114W Sec 19: S2SE, E2SW, L2, L3, L4 Sec 20: S2S2 Sec 29: L1, L2, L3, L4 Sec 30: L1, L2, L3 LANDS OUTSIDE OF THE LUCKEY DITCH UNIT	UINTA	WYOMING	0.93929976	0.74277005
						T12N R114W Sec 19: L1, E2NW, N2SE, S2NE, NWNE SURFACE - 16,004' LANDS INSIDE OF THE LUCKEY DITCH UNIT	UINTA	WYOMING		
						T12N R114W Sec 19: L1, E2NW, N2SE, S2NE, NWNE BELOW 16,004'	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						LANDS INSIDE OF THE LUCKEY DITCH UNIT				
						T12N R114W Sec 19: NENE SURFACE - 15,642'	UINTA	WYOMING		
						LANDS INSIDE OF THE LUCKEY DITCH UNIT				
						T12N R114W Sec 19: NENE 15,642' - 16,004'	UINTA	WYOMING		
						LANDS INSIDE OF THE LUCKEY DITCH UNIT				
						T12N R114W Sec 19: NENE BELOW 16,004'	UINTA	WYOMING		
						LANDS INSIDE OF THE LUCKEY DITCH UNIT				
						T12N R114W Sec 20: N2, N2S2 SURFACE - 15,642'	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						LANDS INSIDE OF THE LUCKEY DITCH UNIT T12N R114W Sec 20: N2, N2S2 BELOW 15,642'	UINTA	WYOMING		
USA WYW-94683	WALTER WILLIAM DOERGINSFELD JR	1/19/1983	1/31/1993			LANDS INSIDE OF THE LUCKEY DITCH UNIT T12N R114W	UINTA	WYOMING	1.00000000	0.79451171
						Sec 10: L1, L2, L7, L8, S2NE, NW, N2SW, NWSE				
USA WYW-68824	BONNIE J SORENSON	8/28/1979	8/31/1989			T12N R114W Sec 18: L1,L2,L3,L4 (W/2W/2), E/2W/2	UINTA	WYOMING	0.96900842	0.77808406
						T12N R114W	UINTA	WYOMING	0.93093973	0.74810042
USA WYW-72537	BONNIE J SORENSON	8/28/1979	8/31/1989			Sec 21: S/2SE/4 THIS ACREAGE IS OUTSIDE OF THE PART AREA -	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						THEREFORE RENTALS ARE DUE EACH YEAR				
						T12N R114W Sec 17: ALL SURFACE - 15,642'	UINTA	WYOMING		
						T12N R114W Sec 17: NWN, SESE, W2, W2SE BELOW 15,642'	UINTA	WYOMING		
						T12N R114W Sec 18: E2 (RECORD TITLE) Sec 21: N2, SW, N2SE (RECORD TITLE)	UINTA	WYOMING		
USA WYW-56022	MARY E ROHRBACH REV TRUST C/O MARSHALL & ILSLEY TRUST CO	8/31/1976	8/31/1986			T12N R114W Sec 8: N/2, N/2S/2, L1,L2,L7,L8 (SW), L3,L4,L5,L6 (SE)	UINTA	WYOMING	0.98626203	0.78511662

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 9: N/2, N/2S/2, LOTS 1,2,7,8 (SW), 3,4,5,6 (SE) SURFACE - 15,642'				
						T12N R114W Sec 8: N/2, N/2S/2, L1,L2,L7,L8 (SW), L3,L4,L5,L6 (SE) Sec 9: N/2, N/2S/2, LOTS 1,2,7,8 (SW), 3,4,5,6 (SE) BELOW 15,642'	UINTA	WYOMING		
USA WYW-67571	JUDITH A LAWTON	4/20/1979	4/30/1989			T12N R114W	UINTA	WYOMING	1.00000000	0.82500000
						Sec 22: NW/4, NW/4SW/4 ALL DEPTHS AND IS INSIDE 6TH REV OF DAKOTA P.A. AND RECORD TITLE OWNERSHIP				
						T12N R114W	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 28: L1,L2,L3,L4				
						Sec 22: NE/4, NE/4SW/4, SW/4SW/4, NW/4SE/4 ALL DEPTHS (LANDS OUTSIDE OF UNIT)				
USA WYW-94684	NANCY SUE HANAGAN	4/1/1983	3/31/1993			T12N R114W	UINTA	WYOMING	1.00000000	0.79468750
						Sec 10: NW/4NE/4				
						INSIDE LUCKEY DITCH UNIT				
						T12N R114W	UINTA	WYOMING		
						Sec 10: NE/4NE/4				
						LANDS OUTSIDE LUCKEY DITCH UNIT				
ST OF WY 84-00291	MARTHA S MILLER	4/2/1984	4/1/1989			T12N R114W	UINTA	WYOMING	1.00000000	0.83333333
						Sec 16: ALL				
JEWEL MEEKS ET UX	HAL MCVAY	1/24/1981	1/24/1986	308	205	T12N R114W	UINTA	WYOMING	1.00000000	0.82500000
						Sec 15: NW/4NE/4				

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LEASES AND LANDS

LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						SURFACE - 14,450' (INSIDE LUCKEY DITCH UNIT)				
						T12N R114W Sec 15: NW/4NE/4	UINTA	WYOMING		
						BELOW 14,450' (INSIDE LUCKEY DITCH UNIT)				
				308	205	T12N R114W Sec 11: S/2NW/4, N/2SW/4	UINTA	WYOMING		
						SURFACE- 14,450' (OUTSIDE LUCKEY DITCH UNIT)				
						T12N R114W Sec 11: S/2NW/4, N/2SW/4	UINTA	WYOMING		
						BELOW 14,450' (OUTSIDE LUCKEY DITCH UNIT)				
JEWEL MEEKS ET UX	THOMAS F STROOCK TRUST	1/24/1979	1/24/1989	344	238	T12N R114W	UINTA	WYOMING	1.00000000	0.82500000

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 10: L3,L6, NE/4SE/4 LOT 3 (N/2SW/4SE/4- 19.48), LOT 6 (S/2SW/4SE/4- 19.61), SURFACE - 14, 450'				
						LANDS INSIDE OF LUCKEY DITCH UNIT (6TH REV TO P.A.)				
						T12N R114W Sec 10: L3,L6, NE/4SE/4 LOT 3 (N/2SW/4SE/4- 19.48), LOT 6 (S/2SW/4SE/4- 19.61), BELOW 14, 450'	UINTA	WYOMING		
						LANDS INSIDE OF LUCKEY DITCH UNIT (6TH REV TO P.A.)				
				344	238	T12N R114W	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 10: L4, L5 (N/2SE/4SE/4-19.56) (S/2SE/4SE/4-19.74) SURFACE - 14,450'				
						LANDS OUTSIDE OF LUCKEY DITCH UNIT				
						T12N R114W Sec 10: L4, L5 (N/2SE/4SE/4-19.56) (S/2SE/4SE/4-19.74) BELOW 14,450'	UINTA	WYOMING		
						LANDS OUTSIDE OF LUCKEY DITCH UNIT				
USA WYW-57108	STANLEY W ZYSK	1/1/1977	12/31/1986			T12N R114W Sec 15: SW/4NE/4, W/2, W/2SE/4	UINTA	WYOMING	1.00000000	0.82500000
						LANDS INSIDE LUCKEY DITCH UNIT				
						T12N R114W	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 15: SE/4NE/4, E/2SE/4				
						LANDS OUTSIDE OF LUCKEY DITCH UNIT				
USA WYW-94388	S ANDERSON	2/1/1976	1/31/1986			T13N R114W Sec 27: SW/4NE/4, SW/4 OPERATING RIGHTS AND RECORD TITLE	UINTA	WYOMING	1.00000000	0.82000000
USA WYW-94389	JOHN P BURUBELTZ	4/1/1976	3/31/1986			T13N R114W Sec 28: W/2, SE/4, S/2NE/4, NW/4NE/4 SURFACE - 15,045' (OP RTS)	UINTA	WYOMING	1.00000000	0.81250000
						T13N R114W Sec 28: NE/4NE/4 SURFACE - 15,045' OPERATING RIGHTS	UINTA	WYOMING		
						T13N R114W	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 27: S2NW, W2SE, SESE OPERATING RIGHTS AND RECORD TITLE				
						T13N R114W Sec 34: ALL OPERATING RIGHTS AND RECORD TITLE	UINTA	WYOMING		
USA W 126788	MERIT ENERGY CO	2/1/1976	2/1/1986			T13N R114W	UINTA	WYOMING	1.00000000	0.81000000
						Sec 27: E/2NE4, NW/4NE/4 THESE LANDS ARE OUTSIDE THE TAYLOR RANCH UNIT				
USA WYW-83346	MELVIN NOVOTNY	4/1/1982	4/1/1992			T13N R114W	UINTA	WYOMING	1.00000000	0.78250000
						Sec 25: SW/4NE/4, S/2NW/4, SW/4, NE/4SE/4				
						Sec 26: E/2SE/4 Sec 35: SW/4NW/4, NW/4SW/4				

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PRESTON ROSS JOHNSON	CONTEX ENERGY COMPANY	8/14/2012	8/14/2022			Sec 36: NW/4NE/4, N/2NW/4 T13N R114W	UINTA	WYOMING	1.00000000	0.83333333
USA WYW-94685	ENSTAR PETROLEUM CO	9/1/1984	8/31/1989			Sec 25: NWSE, S2SE T12N R114W	UINTA	WYOMING	0.75000000	0.62625000
USA WYW-89298	EXXON MOBIL PRODUCTION	8/1/1987	7/31/1992			Sec 4: L1, (NENE-40.33), SE/4NE/4, E/2SE/4 ALL DEPTHS T12N R114W	UINTA	WYOMING	1.00000000	0.87500000
						Sec 5: L1, S/2N/2, NE/4SW/4, SE/4 LOT 1 (NENE-40.35 ACS) ALL DEPTHS (THERE IS A COMM AGMT FOR THE DAKOTA FORMATION)				

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
USA WYW 104987	ANADARKO PETROLEUM CORPORATION	7/1/1987	6/30/1992	528	459	T12N R114W Sec 5: W/2SW/4, SE/4SW/4 COMM AGMT 12/1/87 DAKOTA FORMATION COMMUNITIZED COVERING T12N- R114W, SEC 5: ALL	UINTA	WYOMING	0.96662863	0.83806300
USA W-56034	JOSEPH C KOISTRA	9/1/1976	8/31/1986	533	665	T12N R115W Sec 12: SE/4NE/4, N/2NE/4 THESE LANDS ARE WITHIN THE CONTRACTED WHISKEY SPRINGS UNIT AREA	UINTA	WYOMING	0.97923074	0.78612983
				533	665	T12N R115W Sec 12: NW/4, SW/4NE/4, N/2S/2	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						LANDS OUTSIDE OF CONTRACTED WHISKEY SPRINGS				
						UNIT AREA				
USA W 72536	JOSEPH C KOISTRA	9/1/1976	8/31/1986			T12N R115W	UINTA	WYOMING	0.97923074	0.78612983
						Sec 1: L1,L2, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4 THESE LANDS WITHIN THE WHISKEY SPRINGS				
						CONTRACTED UNIT AREA				
						T12N R115W	UINTA	WYOMING		
						Sec 1: L3,L4, SW/4NW/4, W/2SW/4				
						Sec 2: L1,L2,L4, S/2NE/4, SW/4NW/4, S/2				
						Sec 11: N/2, N/2S/2				

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						LANDS OUTSIDE OF THE WHISKEY SPRINGS CONTRACTED UNIT AREA				
USA W-104988	TEXACO EXPLORATION & PROD INC	10/1/1987	9/30/1997			T12N R114W	UINTA	WYOMING	0.96662863	0.83806300
						Sec 7: L1,L2,L3,L5,L6,L7,L8 ,L9,L10,E/2NW/4,N E/4, N/2SE/4,NE/4SW/4				
						THESE LANDS ARE WITHIN THE WHISKEY SPRINGS CONTRACTED UNIT AREA				
						T12N R114W Sec 7: L4,L11 THESE LANDS ARE OUTSIDE OF THE WHISKEY SPRINGS CONTRACTED UNIT AREA	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
USA W-39382	G G HILLER	5/1/1973	4/30/1983			6th PM T12N R114W Sec 6: LOTS 1-7, S2NE, SENW, E2SW, SE T13N R114W Sec 31: SESE Sec 32: S2NE, SE THESE LANDS ARE WITHIN THE WHISKEY SPRINGS CONTRACTED UNIT AREA	UINTA	WYOMING	0.97923074	0.78701473
						6th PM T13N R114W Sec 30: LOTS 1-4, E2W2 Sec 31: LOTS 1-4, E2W2, NE, N2SE, SWSE Sec 32: N2NE	UINTA	WYOMING		
						6th PM T13N R114W Sec 32: N2NW, SWNW LESS AND EXCEPT THE WELLBORE FOR	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						THE HILLER FEDERAL #1-32				
						6th PM T13N R114W Sec 32: SENW, SW	UINTA	WYOMING		
						SURFACE - 15,820'				
						THESE LANDS ARE WITHIN THE WHISKEY SPRINGS				
						CONTRACTED UNIT AREA				
						6th PM T13N R114W Sec 32: SENW, SW	UINTA	WYOMING		
						BELOW 15,820' THESE LANDS ARE WITHIN THE WHISKEY SPRINGS				
						CONTRACTED UNIT AREA				
						6th PM T13N R114W	UINTA	WYOMING		

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LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
						Sec 32: HILLER FEDERAL #1-32 WELLBORE ONLY				
USA W 062886 A	A W CULLEN	6/1/1958	6/1/1968	249	154	T12N R115W Sec 24: ALL Sec 25: L3,L4	UINTA	WYOMING	1.00000000	0.85500000
USA WYW-89297	ANADARKO PRODUCTION COMPANY	11/1/1984	11/1/1989	475	745	T12N R114W Sec 4: L2,L3,L4, SW/4NE/4, S/2NW/4, SW/4, W/2SE/4	UINTA	WYOMING	1.00000000	0.87500000
USA WYW-102120	G G HILLER DBA JERRY HILLER CO	5/1/1973	5/1/1983			T12N R114W Sec 5: L2,L3,L4 T13N R114W Sec 33: W/2W/2, NE/4SW/4 OPERATING RIGHTS	UINTA	WYOMING	1.00000000	0.87500000
USA WYW-104989	TEXACO PRODUCING INC	8/1/1987	8/1/1997	528	625	T13N R114W Sec 33: E/2NW/4 OPERATING RIGHTS	UINTA	WYOMING	0.967385828	0.835516017

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USA WYW-104996	EXXON CORPORATION	1/1/1985	1/1/1995			T13N R114W Sec 33: E/2, SE/4SW/4 OP RTS & R/T	UINTA	WYOMING	1.00000000	0.87500000
USA WYW-56035	MILAN S PAPULAK	9/1/1976	9/1/1986	536	6	T12N R115W Sec 14: ALL Sec 22: ALL 73.93% OF COMM AGMT, CA W- 119585 - GRAHAM RES FED A2	UINTA	WYOMING	1.00000000	0.82500000
USA WYW-96655	ANADARKO PETROLEUM CORPORATION	1/1/1986	1/1/1991	498	559	T12N R115W Sec 27: L1,L2 TR 1: OP RTS OWNERSHIP - 75.9364% - COMPRISES 13% OF COMM AGMT, CA W- 119585 - FOR GRAHAM RES FED A2 - DAKOTA FORMATION ONLY	UINTA	WYOMING	1.00000000	0.87500000

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LEASES AND LANDS

LESSOR	LESSEE	EFF DATE	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	WI	NRI
USA WYW-98382	SUN OPERATING LIMITED PARTNERSHIP	4/1/1986	4/1/1991			T12N R115W Sec 27: L3,L4 WPC OWNS NO LEASEHOLD INTEREST - WPC REPORTS FEDERAL ROYALTIES FOR LEASES IN THE GRAHAM RES FED A2 UNIT 13.07% OF COMM AGMT CA W- 119585 FOR GRAHAM RES FED A2	UINTA	WYOMING	1.00000000	0.81811200

EXHIBIT "A-1"

Attached to and made part of that certain Purchase and Sale Agreement
dated April 26, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

WELLS AND UNITS

LUCKEY DITCH UNIT						
UOA TRACT NO.	LEASE	LANDS	GROSS	WI	NRI	TPFI
10	WYW-94684 (SEGR FROM WYW83896)	Township 12 North. Range 114 West. 6th P.M. Section 10: NW/4NE/4	40.00000000	1.00000000	0.79468750	0.00688179
9	WYW-94683 (SEGR FROM WYW82345)	Township 12 North. Range 114 West. 6th P.M. Section 10: Lots 1, 2, 7, 8, S/2NE/4, NW/4, N/2SW/4, NW/4SE/4	437.58000000	1.00000000	0.79451171	0.07528336
3	WYW-56022	Township 12 North. Range 114 West. 6th P.M. Section 8: Lots 1-8, N/2, N/2S/2 Section 9: Lots 1-8, N/2, N/2S/2	1261.75000000	0.98626203	0.78511873	0.21707751
7	WYW-68824	Township 12 North. Range 114 West. 6th P.M. Section 18: Lots 1-4, E/2W/2	315.36000000	0.96900842	0.77808406	0.05425604
8	WYW-72537	Township 12 North. Range 114 West. 6th P.M. Section 17: All Section 18: E/2 Section 21: N/2, N/2S/2, N/2SW/4	1520.00000000	0.93093973	0.74810042	0.26150808
	84-00291	Township 12 North, Range 115 West, 6th P.M. Section 16: All	640.00000000	1.00000000	0.83333333	0.11010866
4	WYW-57108	Township 12 North, Range 115 West, 6th P.M. Section 15: W/2, W/2SE/4, SW/4NE/4	440.00000000	1.00000000	0.82500000	0.07569971
6	WYW-67571	Township 12 North, Range 115 West, 6th P.M. Section 22: NW/4, NW/4SW/4	200.00000000	1.00000000	0.82500000	0.03440896
5	WYW-61811	Township 12 North, Range 115 West, 6th P.M. Section 19: Lot 1, E/2NW/4, NE/4, N/2SE/4 Section 20: N/2, N/2S/2	838.66000000	0.93929976	0.74277005	0.14428708
12	JEWELL (FEE)	Township 12 North, Range 115 West, 6th P.M. Section 15: NW/4NE/4	40.00000000	1.00000000	0.82500000	0.00688179
13	JEWELL (FEE)	Township 12 North, Range 115 West, 6th P.M. Section 10: Lots 3, 6, NE/4SE/4	79.09000000	1.00000000	0.82500000	0.01360702
TOTAL					0.96851824	0.78023634

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WELLS AND UNITS

TAYLOR RANCH UNIT						
UOA TRACT NO.	LEASE	LANDS	GROSS	WI	NRI	TPFI
4	WYW-94388	TOWNSHIP 13 NORTH - RANGE 114 WEST 6TH P.M. SECTION 27: SWNE, SW	200.00000000	1.00000000	0.81250000	0.10869565
5	WYW-94389	TOWNSHIP 13 NORTH - RANGE 114 WEST 6TH P.M. SECTION 27: S2NW, W2SE, SESE SECTION 28: SENE, E2SE SECTION 34: NWSW, E2, NW, E2SW	920.00000000	1.00000000	0.81250000	0.50000000
17	WYW-83346	TOWNSHIP 13 NORTH - RANGE 114 WEST 6TH P.M. SECTION 25: SW, S2NW, SWNE, NESE SECTION 26: E2SE SECTION 35: SWNW, NWSW SECTION 36: N2NW, NWNE	600.00000000	1.00000000	0.78250000	0.32608696
23	ROSS L. MARGAR	TOWNSHIP 13 NORTH - RANGE 114 WEST 6TH P.M. SECTION 25: NWSE, S2SE	120.00000000	1.00000000	0.80937500	0.06521739
TOTAL				1.00000000	0.80251359	

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WELLS AND UNITS

BRIDGER LAKE UNIT						
UOA TRACT NO.	LEASE	LANDS	GROSS	WI	NRI	TPFI
12	UTU-013146	Township 3 North, Range 14 East. S.L.M. Section 13: Lot 4, W/2SW/4 Section 24: S/2N/2, NW/4NW/4, S/2 Township 3 North, Range 15 East. S.L.M. Section 19: Lot 2, Lot 3, Lot 4	718.37000000	1.00000000	0.84500000	0.18717252
10	UTU-013145	Township 3 North, Range 14 East, S.L.M. Section 25: NE/4NE/4, W/2E/2, W/2 Township 3 North, Range 15 East, S.L.M. Section 30: Lot 1	557.92000000	1.00000000	0.84500000	0.14536700
14	UTU-013147	Township 3 North, Range 14 East. S.L.M. Section 14: Lots 1- 3, E/2SW/4, SW/4SW/4, SE/4 Section 23: All Section 26: All Section 35: N/2N/2, SE/4NE/4, NE/4SE/4	1809.79000000	1.00000000	0.84500000	0.47154385
16	UTU-013148	Township 3 North, Range 14 East. S.L.M. Section 15: SE/4SE/4 Section 22: E/2E/2 Section 27: E/2NE/4, NE/4SE/4	320.00000000	1.00000000	0.84500000	0.08337654
26	ML 17185	Township 3 North, Range 14 East. S.L.M. Section 36: W/2NE/4, NW/4SE/4, NW/4, N/2SW/4	360.00000000	1.00000000	0.84500000	0.09379861
5	W-72535 [SEGR from W- 62886A]	Township 12 North, Range 115 West. 6th P.M. Section 25: Lot 1, Lot 2	46.98000000	1.00000000	0.84625000	0.01224072
4	WYW-47524 [SEGR from WYW-62885]	Township 12 North, Range 114 West. 6th P.M. Section 30: Lot 4	24.95000000	1.00000000	0.84625000	0.00650076

EXHIBIT "A-1"

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WELLS AND UNITS**TOTAL** 1.00000000 0.84502343

WHISKEY SPRINGS UNIT						
UOA TRACT NO.	LEASE	LANDS	GROSS	WI	NRI	TPFI
1	WYW-39382	Township 12 North, Range 114 West, 6th P.M. Section 6: All	635.64000000	0.97923074	0.78701473	0.28120438
1	WYW-39382	Township 13 North, Range 114 West, 6th P.M. Section 31: SE/4SE/4	40.00000000	0.97923074	0.78701473	0.01769583
1	WYW-39382	Township 13 North, Range 114 West, 6th P.M. Section 32: SE/4, S/2NE/4	240.00000000	0.97923074	0.78701473	0.10617496
1	WYW-39382	Township 13 North, Range 114 West, 6th P.M. Section 32: SW/4, SE/4NW/4	200.00000000	0.97923071	0.78784399	0.08847913
12A	WYW-104988	Township 12 North, Range 114 West, 6th P.M. Section 7: Lots 1-3, Lots 5-10, E/2NW/4, NE/4, NE/4SW/4, N/2SW/4	584.94000000	0.96662863	0.83806300	0.25877492
4	W-72536	Township 12 North, Range 115 West, 6th P.M. Section 1: Lot 1, Lot 2, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4	439.84000000	0.97923074	0.78612983	0.19458331
2	W-56034	Township 12 North, Range 115 West, 6th P.M. Section 12: N/2NE/4, SE/4NE/4	120.00000000	0.97923074	0.78612983	0.05308748
TOTAL				0.97596963	0.80007895	

Attached to and made part of that certain Purchase Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller), and DTE O LLC (Purchaser)

VEHICLES AND EQUIPMENT

VEHICLES

VIN #	LICENSE PLATE #	YEAR	COLOR	MAKE	MODEL
5TFUW5F10EX399214	19-T-17406	2014	SILVER	TOYOTA	TUNDRA
5TFUW5F19FX427500	19-T-17407	2015	WHITE	TOYOTA	TUNDRA
5TFUW5F14FX430739	19-T-17408	2015	SILVER	TOYOTA	TUNDRA

EQUIPMENT

Graham Reservoir Federal A-2 Location Inventory

1. Wellhead
2. Treater—4' X 30'
3. Treater Building
4. Recycle Building
5. Crude Oil Tank—400 Barrel 12' X 20'
6. Crude Oil Tank—400 Barrel 12' X 20'
7. Produced Water Tank—300 Barrel 12' X 15' SN R51857 10/87
8. Propane Tank—1000 gal.

Hiller Federal 1-32 Location Inventory

1. Wellhead
2. Treater—Natco Model 8880 6' X 20' SN 4002601-21
3. Triplex Building—Wauk Model 1197 SN 166919
4. Gas House Building
5. Tank Building
6. Crude Oil Tank—400 Barrel 12' X 20'
7. Crude Oil Tank—400 Barrel 12' X 20'
8. Crude Oil Tank—400 Barrel 12' X 20'
9. Produced Water Tank—400 Barrel 12' X 20'
10. Fresh Water Tank—Western Fab. 90 Barrels 8' X 10' SN ST86-104-01
11. Fresh Water Tank—Natco Model STD 100 Barrel 9.6 X 8' SN 8W96201-04
12. Multi Tank—6' X 5'
13. Methanol Tank—500 gal.
14. Chemical Tank—130 gal.
15. Chemical Tank—130 gal. DN-89
16. Lube Tank—500 Gal. with SAE 40
17. Propane Tank—Eaton SN LP 29408 1000 gal.

Lucky Ditch #3 Location Inventory

1. Wellhead
2. Line Heater—Sivalls Model #5427-T1 SN C3744 4'6" X 24'
3. Scrubber—SN EL9F74601-05 2005
4. Scrubber—SN MM9T7180-01 2006
5. Meter

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VEHICLES AND EQUIPMENT

6. Compressor Building—Engine Caterpillar Model #G3306NA SN 07Y02332
7. Chemical Building
8. Chemical Building
9. Vent Tank (Blow down)—100 barrel
10. Vent Tank—100 barrel
11. Methanol Tank—250 gal.
12. Chemical Tank—250 gal.
13. Oil Tank—1000 gal.

Lucky Ditch #4 Location Inventory

1. Wellhead
2. Compressor—Ajax
3. Treater
4. Separator
5. Line Heater
6. Compressor Building—15' X 30'
7. Separator Building—15' X 27'
8. Separator Building—20' X 30'
9. Solar Pump Building
10. Recycle Pump Building
11. Meter Building—4' X 6'
12. Load Out Building—8' X 8'
13. Crude Oil Tank—400 Barrel 12' X 20'
14. Crude Oil Tank—400 Barrel 12' X 20'
15. Produced Water Tank—400 Barrel 12' X 20'
16. Produced Water Tank—400 Barrel 12' X 20'
17. Produced Water Tank—400 Barrel 12' X 20'

Lucky Ditch #6 Location Inventory

1. Wellhead
2. Line Heater—Sivall SN C-3812
3. Line Heater Retrieval—Sivall SN C-3993 1987
4. Meter Building

Lucky Ditch #6 & #7 Compressor Station Location Inventory

1. Scrubber
2. Compressor—DPC 230
3. Vent Tank—200 Barrel SN 8W79401-08 2008
4. Lube Oil Tank—1000 gal.

Lucky Ditch #8 Location Inventory

1. Wellhead
2. Scrubber
3. Line Heater

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VEHICLES AND EQUIPMENT

4. Separator
5. Treater
6. Recycle Building
7. Separator Building
8. Gas House
9. Crude Oil Tank—500 Barrel
10. Crude Oil Tank—500 Barrel
11. Produced Water Tank—500 Barrel
12. Produced Water Tank—300 Barrel

Lucky Ditch #9 Location Inventory

1. Wellhead
2. Treater—6 X 21
3. Separator—5 X 18
4. Separator—2 X 9
5. Separator—2 X 9
6. Line Heater 6 X 30
7. Compressor Building—Ajax
8. Line Heater/Separator Building
9. Meter Building—4' X 6'
10. Solar Pump Building 4' X 6'
11. Solar Pump Building 4' X 6'
12. Recycle Building—6' X 8'
13. Crude Oil Tank—300 Barrel 12' X 15'
14. Crude Oil Tank—300 Barrel 12' X 15'
15. Produced Water Tank—300 Barrel 12' X 15'
16. Multi Tank—9' X 10'
17. Multi Tank—10' X 15'

Lucky Ditch #11 Location Inventory

1. Wellhead
2. Line Heater
3. Heat Trace Line Heater
4. Separator
5. Scrubber
6. Scrubber
7. Scrubber
8. Compressor—DPC 115
9. Compressor Building
10. Recycle Building
11. Gas House
12. Methanol Building
13. Lube Oil Tank—1000 gal.
14. Crude Oil Tank—400 Barrel

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VEHICLES AND EQUIPMENT

15. Crude Oil Tank—400 Barrel
16. Crude Oil Tank—400 Barrel
17. Produced Water Tank—400 Barrel

Line Heater Locations Inventory

1. LD#3
2. LD #4
3. LD #9
4. LD #9 & #11

Lucky Ditch Plant Location Inventory

1. Wellhead (Lucky Ditch #1)
2. (2) Air Compressors
3. (2) Dehys & (2) Towers
4. (9) Treater
5. (10) Separators
6. (2) Line Heaters
7. (5) Scrubbers
8. (1) Filter Scrubber Pot
9. (1) Inlet Receiver
10. (3) Meter Buildings
11. (2) Dehy Buildings
12. (1) Air Compressor Building
13. (1) Scrubber Building
14. (5) Buildings
15. (1) Office
16. (1) Recycle Building
17. (4) Produced Water Tanks—400 Barrel
18. (3) Oil Tanks—500 Barrel
19. (1) Multi-purpose Tank—400 Barrel
20. (4) Vent Tanks
21. (2) Vent/Pump Tanks

Reed Location Inventory

1. Wellhead
2. Treater—Natco Model SB16-8 SN 0509-790 8" X 30'
3. Scrubber—Nation Tank Co. SN EL8D78701-03 1440 PSI 2000
4. Recycle Building
5. Treater Building
6. Gas House
7. Separator Building
8. Crude Oil Tank—American Tank & Steel Co. 400 Barrel 12 X 20 SN N/A
9. Crude Oil Tank—American Tank & Steel Co. 400 Barrel 12 X 20 SN RS 177 6
10. Produced Water Tank—Unknown Mfg. 400 Barrel 12 X 20

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VEHICLES AND EQUIPMENT

11. Multi Tank—Handmade 6 X 5 SN N/A
12. Methanol Tank—1000 gal.
13. Propane Tank—America Welding & Tank SN 7SE 048062 1000 gal.

Taylor Ranch 13-28 Location Inventory

1. Wellhead
2. Separator—American Tank and Steel Co. SN 8780 16 X 8 X2 1000 PSI
3. Line Heater
4. Separator Building
5. Meter Building
6. Hyd Lift Pump Building
7. Recycle Building
8. Produced Water Tank—Natco 400 Barrel 12' X 20' SN 9C25501-04
9. Crude Oil Tank—Natco 400 Barrel 12' X 20' SN 9883201-15
10. Crude Oil Tank—Natco 400 Barrel 12' X 20' SN 9C25501-05
11. Crude Oil Tank—Natco 400 Barrel 12' X 20' SN 9883101-12
12. Multi Tank—Handmade 6' X 5' Blow down tank
13. Methanol Tank—500 gal.
14. Paraffin Solvent Tank—130 gal.

Taylor Ranch 1-27 Location Inventory

1. Wellhead
2. Separator—SN 105A001291 2011 24" X 11 1/2'
3. Scrubber—16" X 6'
4. Treater—Model #VFH-RM3 SN CWIT79801 6' X 21" 1987 6-0X20-0
5. Heater—30" X 10' SN A14312000140201 2012
6. Meter/Gas Building
7. Recycle Building
8. Heater/Separator/Scrubber Building
9. Produced Water Tank—400 Barrel 12 X 20
10. Crude Oil Tank—400 Barrel 12 X 20
11. Crude Oil Tank—400 Barrel 12 X 20
12. Methanol Tank—500 Gal.
13. Glycol Tank—500 Gal.
14. Propane Tank—Eaton Metal Products SN 32701 1000 gal.

Whiskey Springs #2 Location Inventory

1. Wellhead

Whiskey Springs 3-7 Location Inventory

1. Wellhead
2. Treater—Natco 8' X 21' SN CW 1R82601-01
3. Separator—Cimarron—13" X 8 ½' 2008
4. Scrubber Building—Cameron 24" X 8' SN 105A001149 2011

EXHIBIT A-2

Attached to and made part of that certain Purchase Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller), and DTE O LLC (Purchaser)

VEHICLES AND EQUIPMENT

5. Compressor—Ariel SN F 1699 Wauk Engine SN 339750 F1197 GU
6. Heat Trace Line Heater
7. Line Heater
8. Storage Building
9. Water Load Line Building
10. Crude Load Line Building
11. Recycle Pump Building
12. Meter/Gas Building
13. Compressor Building
14. Methanol pump Building
15. Crude Oil Tank—Conel Type B 400 Barrel 12 X 20 SN 5022 1988
16. Crude Oil Tank—Conel Type B 400 Barrel 12 X 20 SN 5026 1988
17. Crude Oil Tank—Conel Type B 400 Barrel 12 X 20 SN 5021 1988
18. Crude Oil Tank—Conel Type B 400 Barrel 12 X 20 SN 5025 1988
19. Crude Oil Tank—Conel Type B 400 Barrel 12 X 20 SN 5020 1988
20. Crude Oil Tank—Conel Type B 400 Barrel 12 X 20 SN 5024 1988
21. Produced Water Tank—Conel Type B 400 Barrel 12 X 20 SN 5019 1988
22. Produced Water Tank—Conel Type B 400 Barrel 12 X 20 SN 5023 1988
23. Multi Tank—Natco STD 100 Barrel 9.6 X 88 SN 8W96201-03 2009

Whiskey Springs #4 Location Inventory

1. Wellhead

Whiskey Springs A-1 Location Inventory

1. Wellhead
2. Compressor—Ariel SN F551 Wauk Engine
3. Scrubber Building
4. (2) Empty buildings
5. Storage building
6. Meter building
7. Scrubber Vert—20" X 6'
8. Water Tank—Conel Inc. 400 Barrel 12 X 20 1988 SN 5012
9. Crude Oil Tank—Conel Inc. 400 Barrel 12 X 20 1989 SN 5059B
10. Crude Oil Tank—Conel Inc. 400 Barrel 12 X 20 1989 SN 5060B
11. Crude Oil Tank—Natco 400 Barrel 12 X 20 1981 SN 9A65201-06

Whiskey Springs A-2 Location Inventory

1. Wellhead

Whiskey Springs B-1 Location Inventory

1. Wellhead
2. Treater—National BD 50 psi SN 55198
3. Separator Building—National BP 1985 SN ELT 7071801-11
4. Line Heater

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VEHICLES AND EQUIPMENT

5. Gas House
6. Recycle Building
7. Water tank—Eaton 400 Barrel 12 X 20 SN 0028-1
8. Crude oil tank—Eaton 400 Barrel 12 X 20 SN 0028-3
9. Crude oil tank—Eaton 400 Barrel 12 X 20 SN 0028-5
10. Methanol tank

Whiskey Springs C-1 Location Inventory

1. Wellhead
2. Treater-- 72" X 20' National BD Heater
3. Separator—Natco 30" X 10'
4. Line Heater
5. Line Heater Building
6. Compressor and Triplex Building—Ariel Mod#J6P-2, SN-F-1600; Engine—Arrow Mod #A-34, SN-4217
7. Crude oil tank—Unknown make 400 barrel 12 X 20
8. Crude oil tank, Power oil—Natco, 500 barrel 13'6" X 20 SN 8JP0701-03
9. Crude oil tank—Unknown make 500 barrel 12 X 20
10. Crude oil tank—Pro-tech 500 barrel 13'6" X 20 Model #TPT-500 SN HCS-05
11. Produced water tank—Unknown
12. Produced water tank—Protech Model #500TPT SN HCS-100-12
13. Vent tank—D-B 1992 210 Barrel Palmer 10 X 15 SN 1115-3
14. Vent tank overflow—Cameron 200 Barrel 12 X 10 SN 513A002876

EXHIBIT "B"

Attached to and made part of that certain Purchase Sale Agreement dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O&G LLC (Purchaser)

EXCLUDED ASETS

1. All corporate, financial, income and franchise tax and legal records of Seller that relate to Seller's business generally (whether or not relating to the Assets), and all books, records and files that relate to the Excluded Assets and those records retained by Seller pursuant to **Section 1.2(j)** and copies of any other Records retained by Seller pursuant to **Section 1.5**;
2. All Hydrocarbons produced and saved from, or otherwise attributable to the Properties prior to the Effective Time, as well as all other benefits relating to the Properties or other Assets and attributable to periods of time prior to the Effective Time;
3. All rights to any refund of Taxes or other costs or expenses borne by Seller or Seller's predecessors in interest and title attributable to periods prior to the Effective Time;
4. Seller's federal, state and area-wide bonds, permits and licenses, and other permits, licenses or authorizations used in the conduct of Seller's business generally including, for the avoidance of doubt, all Bonds and Bond Collateral;
5. All trade credits, account receivables, joint interest billings, note receivables, take-or-pay amounts receivable, and other receivables attributable to the Assets with respect to any period of time prior to the Effective Time;
6. All rights, titles, claims and interests of Seller or any Affiliate of Seller (i) to or under any policy or agreement of insurance or any insurance proceeds, and (ii) to or under any bond or bond proceeds;
7. Any patent, patent application, logo, service mark, copyright, trade name or trademark of or associated with Seller or any Affiliate of Seller or any business of Seller or of any Affiliate of Seller.
8. All equity interests of Seller, including stock, stock options and membership interests in its Affiliates;
9. All of Seller's right, title and interest in and to any office leases and office equipment, furniture, and supplies;
10. All of Seller's bank accounts, cash and monies in checking, savings or other financial accounts, certificates of deposits and all government and corporate bonds and other negotiable or non-negotiable instruments;
11. All security deposits with public utilities, telephone companies, landlords and others;
12. All litigation, including any causes of action arising under Bankruptcy Code §§ 542 through 553; and
13. All prepaid expenses, including without limitation, insurance and legal retainers.

EXHIBIT “C”
Attached to and made a part of that certain Purchase and Sale Agreement
dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and
DTE O&G LLC (Purchaser)

“ASSIGNMENT, BILL OF SALE AND CONVEYANCE”

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this “Assignment”), effective April 1, 2018 at 12:01 a.m., Mountain Time (the “Effective Time”), is from Kings Peak Energy LLC, a Nevada limited liability company, 1660 Lincoln Street, Suite 2100, Denver, CO 80264 (“Assignor”), to DTE O&G LLC, a Texas limited liability company, 110 Broadway, Suite 215, San Antonio, TX 78217 (“Assignee”).

For 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 interest in and to the following real and personal property interests (collectively, the “Assets”):

- (a) The oil, gas and/or mineral leases specifically described in Exhibit A, together with all top leases, amendments, renewals, extensions or ratifications thereof (collectively, the “Leases”), and the lands covered by the Leases, or pooled, unitized, communitized or consolidated therewith (the “Lands”), together with all mineral interests, royalty interests, overriding royalty interests, net profits interests, carried interests, farmout rights, options, force pooled interests and non-consent interests covering or relating to the Leases or Lands;
- (b) The oil, gas, casinghead gas, coalbed methane, condensate and other gaseous or liquid hydrocarbons, or any combination thereof, and all other lease substances under the Leases (the “Hydrocarbons”) that may be produced under and pursuant to the Leases;
- (c) The oil, gas, water, disposal or injection wells located on the Lands, whether producing, shut-in, or temporarily abandoned, including those described on Exhibit B (the “Wells”), and all of the personal property, equipment, fixtures and improvements used in connection therewith;
- (d) The unitization, pooling and communitization agreements, declarations and orders (the “Unit Agreements”), and the units created thereby (the “Units”) and all other such agreements relating to the properties and interests described in (a), (b), and (c) and to the production of Hydrocarbons, if any, attributable to said properties and interests;
- (e) All equipment, machinery, fixtures and other tangible personal property and improvements charged to and located on, used or held for use in connection with the operation of the properties and interests described in (a) through (d) (including without limitation, well equipment, tanks, fixtures, injection facilities, production facilities, saltwater disposal facilities, compression facilities, pumping units, flow lines, pipelines, gathering systems, gas and oil treating facilities, measurement facilities, and other appurtenances, improvements and facilities), and all pipes, casing, tubing, tubulars, fittings, and other spare parts, supplies, tools, and materials charged to and held as inventory in connection with the properties and interests described in (a) through (d) (the “Equipment”);
- (f) All existing and effective sales, purchase, exchange, gathering agreements, service agreements, joint operating agreements, and other contracts, agreements and instruments, which relate and only insofar as they relate, to the properties and interests described in (a) through (e) (the “Material Agreements”);

- (g) To the extent assignable, all surface leases, permits, rights-of-way licenses, easements and other surface rights agreements used or held in connection with the production, gathering, treatment, processing, storing, sale or disposal of Hydrocarbons or produced water from the properties and interests described in (a) through (f) including those described on Exhibit C (the “Easements”).
- (h) To the extent assignable, all permits, as well as any applications for the same, related exclusively to the Leases, Wells or Units or the use or operation thereof; and
- (i) The files, records and data relating to the items described in (a) through (h) maintained by Seller, including all agreement files, lease files, land files, well files, well logs and other well data, geological and geophysical records, physical core data and reports, fluid assays, regional interpretations including seismic survey data, pressure data, maps (including gathering system and pipeline maps) and drawings, abstracts, surveys, decline curves, prospect files and related information, division order files, run sheets, revenue decks, abstracts, title files, title opinions, production files, ad valorem property and production or severance tax files, technical, engineering and maintenance files, operations, environmental, safety and other similar information, and all accounting records for periods prior to and after the Effective Time, but excluding from the foregoing those files, records and data subject to the unaffiliated third party contractual restrictions on disclosure or transfer (provided that Seller shall use all commercially reasonable efforts to obtain, at Buyer’s cost, any necessary waivers of such restrictions on disclosure or transfer) (the “Records”).

TO HAVE AND TO HOLD the Assets unto Assignee and its successors and assigns forever, excepting and reserving to Assignor, however, the Excluded Assets.

This Assignment is made subject to the following terms and conditions:

A. This Assignment is being made pursuant to the terms of the Purchase and Sale Agreement dated April __, 2018 between Assignor and Assignee (the “PSA”). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the PSA. If there is a conflict between the terms of this Assignment and the terms of the PSA, the terms of the PSA shall control in all respects. The Assignor and Assignee intend that the terms of the PSA remain separate and distinct from and not merge into the terms of this Assignment.

B. ASSIGNOR WARRANTS TITLE TO THE LEASES, LANDS, UNITS AND WELLS FROM AND AGAINST ALL PERSONS CLAIMING BY, THROUGH AND UNDER ASSIGNOR, BUT NOT OTHERWISE AND EXCEPT FOR THIS SPECIAL WARRANTY, THIS ASSIGNMENT IS MADE WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY.

C. Disclaimer. EXCEPT FOR THE SPECIAL WARRANTY OF TITLE SET FORTH IN PARAGRAPH B IMMEDIATELY ABOVE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY WARRANTY AS TO THE CONDITION OF ANY PERSONAL PROPERTY, EQUIPMENT, FIXTURES AND ITEMS OF MOVABLE PROPERTY COMPRISING ANY PART OF THE ASSETS, INCLUDING (I) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (II) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (III) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (IV) ANY RIGHTS OF ASSIGNEE UNDER APPLICABLE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, AND (V) ANY CLAIM BY ASSIGNEE FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, IT BEING EXPRESSLY UNDERSTOOD BY ASSIGNEE THAT SAID PERSONAL PROPERTY, FIXTURES, EQUIPMENT AND ITEMS COMPRISING THE ASSETS ARE BEING CONVEYED TO ASSIGNEE “AS IS, WHERE IS,” WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR.

D. To the extent permitted by law, Assignee shall be subrogated to Assignor's rights in and to representations, warranties and covenants given with respect to the Assets. Assignor hereby

grants and transfers to Assignee, its successors and assigns, to the extent so transferable and permitted by law, the benefit of and the right to enforce the covenants, representations and warranties, if any, which Assignor is entitled to enforce with respect to the Assets, but only to the extent not enforced by Assignor.

E. Assignor to Assignee may execute separate governmental form assignments of the Assets on officially approved forms, 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, power 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 herein.

F. This Assignment binds and inures to the benefit of Assignor and Assignee and their respective successors and assigns.

G. Assignor agrees to execute and deliver to Assignee, from time to time, such other and additional instruments, notices, division orders, transfer orders and other documents, and to do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to Assignee the Assets.

H. This Assignment may be executed in several counterparts all of which are identical. All of such counterparts together shall constitute one and the same instrument.

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

**ASSIGNOR:
KINGS PEAK ENERGY LLC**

F. Robert Tiddens, Chief Restructuring Officer

**ASSIGNEE:
DTE O&G LLC**

March Kimmel, CEO

ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ___ day of April 2018, by F. Robert Tiddens, as Chief Restructuring Officer, of Kings Peak Energy LLC, a Nevada corporation.

Witness my hand and official seal.
My commission expires: _____

Notary Public

STATE OF _____)
CITY AND) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of April 2018, by March Kimmel, as CEO of DTE O&G LLC.

Witness my hand and official seal.
My commission expires: _____

Notary Public

Attached to and made a part of that certain Purchase and Sale Agreement dated April 26, 2018 between Kings Peak Energy LLC (Seller) and Headwaters E&P LLC (Purchaser)

CONTRACTS

CONTRACT	STATUS	STATE	EFF DATE	DATED
COMMUNITIZATION AGREEMENT WYW-119585	A	WYOMING	2/21/1988	2/21/1988
COMMUNITIZATION AGREEMENT USA WYW-109204	A	WYOMING	12/1/1987	12/1/1987
COMMUNITIZATION AGREEMENT WYW-109202	A	WYOMING	1/1/1987	1/1/1987
COMMUNITIZATION AGREEMENT WYW-109201	A	WYOMING	2/1/1986	2/1/1986
TAYLOR RANCH UNIT & UNIT OPERATING AGREEMENT	A	WYOMING	5/8/1985	11/21/1984
WHISKEY SPRINGS UNIT & UNIT OPERATING AGREEMENT	A	WYOMING	5/7/1986	5/7/1986
LUCKEY DITCH UNIT & UNIT OPERATING AGREEMENT	A	WYOMING	10/24/1984	10/24/1984
BRIDGER LAKE UNIT & UNIT OPERATING AGREEMENT	A	UTAH	3/10/1965	3/10/1965
BIG WEST, PURCHASE OF SWEET CRUDE (REFERENCE NO. P1750117)	A	WYOMING/UTAH	1/1/2017	1/24/2017
UNITED ENERGY TRADING, LLC, CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS (11-916-2860)	A	WYOMING/UTAH	1/1/2015	1/1/2015

SCHEDULE 7.2 (e)

Attached to and made a part of that certain Purchase and Sale Agreement
dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

SURFACE CONTRACTS

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	
*	SUR	FS 7770-41	KINGS PEAK ENERGY LLC	11/14/2017	11/13/2022		T3N R14E Sec 15: ALL Sec 16: ALL Sec 25: ALL Sec 26: ALL Sec 27: ALL Sec 35: ALL Sec 36: ALL China Meadows Road FS# 40072, 3.8 miles, Red Mountain Road, FS# 40017 and# 80017, 7.2 Miles and Henry's Fork Road FS# 80077, 3.4 miles.	SUMMIT	UTAH	
*	SUR	USDA FOREST SERVICE MTV4513	KINGS PEAK ENERGY, LLC	4/27/2016	12/31/2064		T3N R14E S.L.M. SECTION 25 SPECIAL USE PERMIT FOR OPERATION AND MAINTENANCE OF BRIDGER LAKE GAS PLANT 12.4 ACRES	SUMMIT	UTAH	
*	SUR	USDA FOREST SERVICE MTV4511	KINGS PEAK ENERGY, LLC	4/27/2016	12/31/2044		T13N R114W 6th P.M.: SECTION 33 T12N R114W 6th P.M.: SECTION 4 T3N R14E S.L.M.:SECTION 23; SECTION 14 NINE (9) ACRES PLANT INTO THE FORK A, #D10 DISPOSAL WELL 1. Operation and maintenance of a pad and water disposal from the inlet receiver of the Bridger Lake Gas Plant into the Fork A #010 disposal well. The pad is approximately .5 acres and the pipeline is less than 12" diameter. The ROW is 20' wide and 17,500' long. Previous authorization MTV451101. 2. Water transmission line from Whiskey Springs to Taylor Federal Unit, ROW 150 feet long by 20 feet wide. Previous authorization MTV450101.	SUMMIT	UTAH	
	SUR	LYMAN GRAZING ASSOCIATION	SUN EXPLORATION AND PRODUCTION	8/20/1985	8/19/2023	500	607	T12N R114W Sec 21: E/2	UINTA	WYOMING
*	SUR	USDA FOREST SERVICE MTV4515	KINGS PEAK ENERGY LLC	4/27/2016	12/31/2035		T12N R114W 6TH P.M.: SECTION 8; SECTION 9; SECTION 17 SPECIAL USE PERMIT FOR Road segments leading to Taylor Federal 1-27 and Whiskey Springs Federal A-1, A-2, B-1, C-1 well sites. Total length is 2.71 miles, roads are 30' wide which includes a 2.5' shoulder. Forest system roads# 367 & 408 9.85 acres or 2.71 miles	UINTA	WYOMING	
	SUR	ST OF WY SU-392	WHITING OIL AND GAS CORPORATION	4/1/2010	4/1/2035		6th PM T12N R114W Sec 16: SWNE, BEGINNING AT A POINT LYING S.34 DEG 16'46"W., 2988.97 FT FROM THE NORTHEAST CORNER OF SAID SECTION 16 AND SAID POINT BEING THE	UINTA	WYOMING	

SCHEDULE 7.2 (e)

Attached to and made a part of that certain Purchase and Sale Agreement
dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

SURFACE CONTRACTS

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE
							NORTHEASTERLY CORNER OF TRACT; THENCE S. 11 DEG 48'33"W., 20.00 FT; THENCE N. 78 DEG 11'27" W., 40.00 FT; THENCE N. 11 DEG 48'33"E., 20 FT;		
SUR	ST OF WY SU-331	WHITING OIL AND GAS CORPORATION	3/1/2011	3/1/2036	T12N	R114W	Sec 16: BEGINNING AT THE W 1/4 CORNER OF SECTION 16, (BRASS CAP), THENCE N 58 DEG 59'14"E, 495.12 FT TO THE TRUE POINT OF BEGINNING; THENCE EAST 750.00 FT; THENCE NORTH 858.70 FT; THENCE N 52 DEG 52'18"W, 956.89 FT; THENCE S 37 DEG 07'42"W, 550.00 FT; THENCE SOUTH 52 DEG 52'18"E, 100.00 FT; THENCE SOUTH 37 DEG 07'2"W, 200.00 FT; THENCE SOUTH 52 DEG 52'18"E, 484.01 FT; THENCE SOUTH 485.89 FT TO THE TRUE POINT OF BEGINNING, SAID TRACT CONTAINING 24.38 ACRES, MORE OR LESS.	UINTA	WYOMING
SUR	JACK HICKEY	ROBERT HEWETT	3/25/1985	6/25/2068	T13N	R114W	Sec 25: NW/4SE/4 Sec 25: SW/4SE/4 Sec 25: SE/4SE/4	UINTA	WYOMING
					T13N	R113W	Sec 30: SW/4SW/4 Sec 31: NW/4NW/4		
SUR	JOYCE H TAYLOR	ROBERT HEWETT	3/25/1985	6/25/2068	T13N	R113W	Sec 32: NW/4NW/4 Sec 32: NE/4NW/4 Sec 32: NW/4NE/4	UINTA	WYOMING
SUR	DELORES H MAXFIELD	ROBERT HEWETT	3/25/1985	6/25/2068	T13N	R113W	Sec 31: NW/4NE/4 Sec 31: NE/4NE/4 Sec 32: NE/4NE/4 Sec 29: SE/4SE/4 Sec 29: SW/4SW/4 Sec 28: SW/4SW/4 Sec 30: SE/4SE/4	UINTA	WYOMING
SUR	USA WYW 116802	CONOCOPHILLIPS COMPANY	10/23/1989	12/31/2018	T13N	R114W	Sec 27: NW/4SW/4 Sec 27: S/2SW/4	UINTA	WYOMING
**	USA WYW-105077	CONOCOPHILLIPS COMPANY	8/5/1987	8/10/2017	T12N	R114W	Sec 2: NW/4NW/4 Sec 3: L1 Sec 3: S/2NE/4	UINTA	WYOMING

SCHEDULE 7.2 (e)

Attached to and made a part of that certain Purchase and Sale Agreement dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

SURFACE CONTRACTS

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE
							Sec 3: SE/4NW/4 Sec 3: N/2SW/4 Sec 3: SW/4SW/4 Sec 4: S/2		
***	SUR	GLEN AND FAY WADSWORTH	MAXUS EXPLORATION COMPANY	6/1/1988	9/1/2071		T13N R114W Sec 3: SE/4SW/4 Sec 9: SE/4NE/4, SE/4 Sec 10: W/2NW/4, NW/4SW/4 Sec 16: E/2, NE/4, NW/4 Sec 20: E/2E/2 Sec 21: W/2W/2 Sec 28: W/2 Sec 29: E/2 T14N R114W Sec 35: S2SW/4	UINTA	WYOMING
***	SUR	GLEN AND FAY WADSWORTH	MAXUS EXPLORATION COMPANY	6/1/1988	9/1/2071		T14N R114W Sec 35: NE/4, E2NW/4, NE/4SW/4, N2SE/4	UINTA	WYOMING
***	SUR	GLEN AND FAY WADSWORTH	MAXUS EXPLORATION COMPANY	6/1/1988	9/1/2071		T14N R114W Sec 35: NE/4; E/2NW/4; NE/4SW/4; N/2SE/4	UINTA	WYOMING
***	ROW	GLEN AND FAY WADSWORTH	ANADARKO PETROLEUM CORPORATION	10/20/1988	1/20/2072		T13N R114W Sec 28: SW/4	UINTA	WYOMING
***	SUR	GLEN WADSWORTH AND FAY WADSWOR	DOMO PETROLEUM CORPORATION	12/23/1980	12/23/2099		T13N R114W Sec 3: SW Sec 4: E2SE Sec 8: SESE Sec 9: SE, NE, E2NW, S2SW Sec 10: W/2 Sec 15: W/2 Sec 16: E/2, NENW, W2W2 Sec 17: E2E2 Sec 19: E/2 Sec 20: ALL Sec 21: W2W2, N2NE Sec 22: N2NW Sec 28: ALL Sec 29: ALL Sec 30: E/2 Sec 32: E2, E2W2 Sec 33: W2W2	UINTA	WYOMING

SCHEDULE 7.2 (e)

Attached to and made a part of that certain Purchase and Sale Agreement dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

SURFACE CONTRACTS

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE
							T14N R114W Sec 35: S2SW/4		
***	SUR	GLEN WADSWORTH AND FAY WADSWOR	12/23/1980	12/23/2099			T14N R114W Sec 35: NE/4, E2NW/4, NESW, N2SE/4	UINTA	WYOMING
	SUR	USA WYW-127038	10/13/2014	10/13/2044			T13N R114W Sec 33: E/2SE/4 Sec 34: SW/4NW/4, NW/4SW/4 (30' FT WIDE, 3759.36 FT LONG CONTAINS 2.59 ACRES MORE OR LESS)	UINTA	WYOMING

*Not assignable, change of ownership by Form FS-2700-3A, USDA Forest Service.

** Renewal Pending

*** Negotiating contract

SCHEDULE 1.2(g)

Attached to and made a part of that certain Purchase and Sale Agreement
dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

PIPELINES

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE
*	SUR	USDA FS MTV4500	KINGS PEAK ENERGY, LLC	4/27/2016	12/31/2044		T12N R115W 6TH P.M.: SECTION 2; SECTION 11; SECTION 14; SECTION 23; SECTION 24; SECTION 25 T13N R115W 6TH P.M.: SECTION 34; SECTION 35 T12N R114W 6TH P.M.: SECTION 13; SECTION 4; SECTION 16; SECTION 17; SECTION 6; SECTION 7 T13N R114W 6TH P.M.: SECTION 33 T3N R14E S.L.M.: SECTION 14; SECTION 23; SECTION 25; SECTION 26 Consolidation of ten (10) permits for oil & gas pipelines related to the Bridger lake oil and gas plant. Pipelines vary in size ranging from 3" to 6" and are a combination of oil and natural gas lines	SUMMIT	UTAH
*	SUR	USDA FOREST SERVICE MTV4502	KINGS PEAK ENERGY, LLC	4/27/2016	12/31/2035		T3N R15E S.L.M.: SECTION 18 3" Natural gas pipeline from Lucky Ditch to Flash Federal #1, pipeline ROW width is 20' X 1760'. Well and related equipment and structures see photos identifying permitted equipment and structures as Appendix B. Roads #182 and #184 are 30' wide and total 1320' in length 4.9 acres or .58 miles	SUMMIT	UTAH
*	SUR	USDA FOREST SERVICE MTV4511	KINGS PEAK ENERGY, LLC	4/27/2016	12/31/2044		T13N R114W 6th P.M.: SECTION 33 T12N R114W 6th P.M.: SECTION 4 T3N R14E S.L.M.:SECTION 23; SECTION 14 NINE (9) ACRES PLANT INTO THE FORK A, #D10 DISPOSAL WELL 1. Operation and maintenance of a pad and water disposal from the inlet receiver of the Bridger Lake Gas Plant into the Fork A #010 disposal well. The pad is approximately .5 acres and the pipeline is less than 12" diameter. The ROW is 20' wide and 17,500' long. Previous authorization MTV451101. 2. Water transmission line from Whiskey Springs to Taylor Federal Unit, ROW 150 feet long by 20 feet wide. Previous authorization MTV450101. WELL SITES TO TAYLOR FEDERAL UNIT T13N R114W Sec 33: .1 AC 20X150' FOR OPERATION AND MAINTENACE OF A WATER TRANSMISSION LINE FROM WHISKEY SPRINGS WELL SITES TO TAYLOR FEDERAL UNIT	SUMMIT	UTAH
**	SUR	USA ROW WYW 87190	WHITING OIL AND GAS CORPORATION	4/19/2014	4/19/2044		T12N R114W Sec 2: LOT 4	UINTA	WYOMING
*	SUR	USDA FOREST SERVICE MTV4511	KINGS PEAK ENERGY, LLC	4/27/2016	12/31/2044		T13N R114W 6th P.M.: SECTION 33 T12N R114W 6th P.M.: SECTION 4 T3N R14E S.L.M.:SECTION 23; SECTION 14 NINE (9) ACRES	SUMMIT	UTAH

SCHEDULE 1.2(g)

Attached to and made a part of that certain Purchase and Sale Agreement dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

PIPELINES

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE
							PLANT INTO THE FORK A, #D10 DISPOSAL WELL 1. Operation and maintenance of a pad and water disposal from the inlet receiver of the Bridger Lake Gas Plant into the Fork A #010 disposal well. The pad is approximately .5 acres and the pipeline is less than 12" diameter. The ROW is 20' wide and 17,500' long. Previous authorization MTV451101. 2. Water transmission line from Whiskey Springs to Taylor Federal Unit, ROW 150 feet long by 20 feet wide. Previous authorization MTV450101.		

*Not assignable, change of ownership by Form FS-2700-3A, USDA Forest Service.

** Renewal Pending

*** Negotiating contract

SCHEDULE 2.3(a)

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between
Kings Peak Energy LLC, (Seller), and DTE O&G LLC, (Purchaser)

ALLOCATION OF PURCHASE PRICE FOR TAX PURPOSES

TO BE COMPLETED

SCHEDULE 2.3(b)

To that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC, (Seller), and DTE O&G LLC, (Purchaser)

ALLOCATION OF PURCHASE PRICE FOR TITLE DEFECT AND ENVIRONMENTAL DEFECT PURPOSES

WELL	UNIT	API #	ALLOCATED PRICE
LUCKEY DITCH STATE #1	LUCKEY DITCH FEDERAL UNIT	4904120676	\$1,526,957.04
LUCKEY DITCH FED A-3	LUCKEY DITCH FEDERAL UNIT	4904120734	\$1,593,938.55
LUCKEY DITCH FED B-4	LUCKEY DITCH FEDERAL UNIT	4904120752	\$1,526,957.04
LUCKEY DITCH FED D-6	LUCKEY DITCH FEDERAL UNIT	4904120755	\$1,590,921.24
LUCKEY DITCH FED E-7	LUCKEY DITCH FEDERAL UNIT	4904120754	\$1,590,415.54
LUCKEY DITCH FED F-8	LUCKEY DITCH FEDERAL UNIT	4904120761	\$1,526,957.04
LUCKEY DITCH FED G-9	LUCKEY DITCH FEDERAL UNIT	4904120763	\$1,526,957.04
LUCKEY DITCH FED I-11	LUCKEY DITCH FEDERAL UNIT	4904120762	\$1,526,957.04
B L FORK A-3	BRIDGER LAKE FEDERAL UNIT	4304320010	\$235,279.11
B L FORK A-4	BRIDGER LAKE FEDERAL UNIT	4304320143	\$234,323.35
B L FORK A-5H	BRIDGER LAKE FEDERAL UNIT	4304320186	\$153,214.68
B L FORK A-6	BRIDGER LAKE FEDERAL UNIT	4304320196	\$233,339.99
B L FORK A-7	BRIDGER LAKE FEDERAL UNIT	4304320303	\$153,214.68
B L FORK A-13	BRIDGER LAKE FEDERAL UNIT	4304330146	\$153,214.68
BRIDGER LAKE D-10 SWD	BRIDGER LAKE FEDERAL UNIT	4304330001	\$153,214.68
WHISKEY SPRINGS UNIT 2-6	WHISKEY SPRINGS FEDERAL UNIT	4904120774	\$529,993.50
WHISKEY SPRINGS UNIT 3-7	WHISKEY SPRINGS FEDERAL UNIT	4904120775	\$464,239.02
WHISKEY SPRINGS UNIT 4-32	WHISKEY SPRINGS FEDERAL UNIT	4904120789	\$529,473.68
TAYLOR RANCH UNIT 1-27	TAYLOR RANCH FEDERAL UNIT	4904120808	\$42,940.65
BEAU JASON 32-34	TAYLOR RANCH FEDERAL UNIT	4904120730	\$42,940.65
WHISKEY SPRINGS A- 1	N/A	4904120740	\$80,646.51
WHISKEY SPRINGS A- 2	N/A	4904120806	\$80,008.97
WHISKEY SPRINGS B- 1	N/A	4904120771	\$609,042.74
WHISKEY SPRINGS C- 1	N/A	4904120773	\$1,180,149.35
GRAHAM FED RES A-2	N/A	4904120772	\$42,940.65
BIG SPRING 15-23	N/A	4904120367	\$0.00
TAYLOR RANCH 25-33 (NOT IN UNIT)	N/A	4904120698	\$42,940.65
TAYLOR RANCH 13-28 (NOT IN UNIT)	N/A	4904120377	\$42,940.65
HILLER FEDERAL 1-32	N/A	4904120263	\$42,940.65
FLASH FEDERAL 1 SWD	N/A	4304330282	\$42,940.65

\$17,500,000.00

SCHEDULE 5.7

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between
Kings Peak Energy LLC, (Seller), and DTE O&G LLC, (Purchaser)

LITIGATION

[NONE]

SCHEDULE 5.8(a)

Attached to and made a part of that certain Purchase and Sale Agreement dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

CONTRACTS MATTERS

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	MATTER
SUR	RICHARD E TAYLOR BEULAH R TAYL	DIAMOND SHAMROCK REFINING AND MARKETING CO.	6/15/1985	6/14/2015			T13N R114W Sec 34: SW/4NE/4 (ROADWAY GRANT TO BEAU JASON 32-34 WELL)	UINTA	WYOMING	EXPIRED, NEGOTIATING
SUR	JEWEL F MEEKS	ROBERT HEWETT	3/25/1985	3/25/2015			T13N R113W Sec 31: NE/4NW/4	UINTA	WYOMING	EXPIRED, NEGOTIATING
ROW	LYMAN GRAZING ASSOCIATION	SUN EXPLORATION & PROD CO	9/4/1986	1/3/2015	547	27	T12N R114W	UINTA	WYOMING	EXPIRED, NEGOTIATING
SUR	JOYCE H TAYLOR	ROBERT HEWETT	3/25/1985	6/25/2068			T13N R113W Sec 32: NW/4NW/4 Sec 32: NE/4NW/4 Sec 32: NW/4NE/4	UINTA	WYOMING	NEGOTIATING
SUR	DELORES H MAXFIELD	ROBERT HEWETT	3/25/1985	6/25/2068			T13N R113W Sec 31: NW/4NE/4	UINTA	WYOMING	NEGOTIATING
SUR	GLEN AND FAY WADSWORTH	MAXUS EXPLORATION COMPANY	6/1/1988	9/1/2071			T13N R114W Sec 3: SE/4SW/4 Sec 9: SE/4NE/4, SE/4 Sec 10: W/2NW/4, NW/4SW/4 Sec 16: E/2, NE/4, NW/4 Sec 20: E/2E/2 Sec 21: W/2W/2 Sec 28: W/2 Sec 29: E/2 T14N R114W Sec 35: S2SW/4	UINTA	WYOMING	NEGOTIATING
SUR	GLEN AND FAY WADSWORTH	MAXUS EXPLORATION COMPANY	6/1/1988	9/1/2071			T14N R114W Sec 35: NE/4, E2NW/4, NE/4SW/4, N2SE/4	UINTA	WYOMING	NEGOTIATING
SUR	GLEN AND FAY WADSWORTH	MAXUS EXPLORATION COMPANY	6/1/1988	9/1/2071			T14N R114W Sec 35: NE/4; E/2NW/4; NE/4SW/4; N/2SE/4	UINTA	WYOMING	NEGOTIATING
ROW	GLEN AND FAY WADSWORTH	ANADARKO PETROLEUM CORPORATION	10/20/1988	1/20/2072			T13N R114W Sec 28: SW/4	UINTA	WYOMING	NEGOTIATING
SUR	GLEN WADSWORTH AND FAY WADSWOR	DOME PETROLEUM CORPORATION	12/23/1980	12/23/2099			T13N R114W Sec 3: SW Sec 4: E2SE Sec 8: SESE Sec 9: SE, NE, E2NW, S2SW Sec 10: W/2 Sec 15: W/2	UINTA	WYOMING	NEGOTIATING

SCHEDULE 5.8(a)

Attached to and made a part of that certain Purchase and Sale Agreement dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O LLC (Purchaser)

CONTRACTS MATTERS

TYPE	LESSOR	LESSEE	DATED	EXP DATE	BOOK	PAGE	LEGAL DESCRIPTION	COUNTY	STATE	MATTER
							Sec 16: E/2, NENW, W2W2 Sec 17: E2E2 Sec 19: E/2 Sec 20: ALL Sec 21: W2W2, N2NE Sec 22: N2NW Sec 28: ALL Sec 29: ALL Sec 30: E/2 Sec 32: E2, E2W2 Sec 33: W2W2 T14N R114W Sec 35: S2SW/4			
SUR	GLEN WADSWORTH AND FAY WADSWOR	DOME PETROLEUM CORPORATION	12/23/1980	12/23/2099			T14N R114W Sec 35: NE/4, E2NW/4, NESW, N2SE/4	UINTA	WYOMING	NEGOTIATING
	ALL UNITED STATES FOREST SERVICE PERMITS ARE NON-TRANSFERABLE									
	UNRECORDED SURFACE USE, ACCESS ROADS, PIPELINE AGREEMENTS HAVE NOT BEEN PROVIDED BY PREVIOUS OPERATOR. CONTRACT NEGOTIATIONS ARE ONGOING.									

SCHEDULE 5.8(b)

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC, (Seller), and DTE O&G LLC, (Purchaser)

CERTAIN CONTRACTS

[NONE]

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller), and DTE O LLC (Purchaser)

HYDROCARBON PRODUCTION PAYMENTS

OWNER NAME

31 GROUP

A-8 INVESTMENT COMPANY

AARDVARK OIL COMPANY

ALAN R SMITH

ALAN SCHOTTENSTEIN

ALPHA DEVELOPMENT CORP

ANGELA S LAWTON

ARATA ENERGY

A T & L ENERGY LLC

AZTEC EXPLORATION

BELLPORT OIL & GAS INC

BETTY WISE GUIDA REVOCABLE TRUST

BILL & PAT CLAYTON

BILLIE MCWILLIAMS ESTATE

BMNW RESOURCES LLC

BRYAN W PERSHERN

CES OIL OPERATIONS INC

ROBERT M JENNEY 2004 TRUST FBO

DEAN MOHR

DENNIS & NANCY L G FLYNN

DONALD MELTZER

ELIZABETH G RAINEY

ELIZABETH M SMYTHE 1980-1

FLOYD J. ROGALSKI

FORTUNE OIL LTD

FRED L ENGLE

GERALD HAGERMAN

GERALDINE HARMAN SCHMID

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller),
and DTE O LLC (Purchaser)

HYDROCARBON PRODUCTION PAYMENTS

OWNER NAME

HANACO LLC

HELEN D MCVEY

HUDSON FAMILY PARTNERSHIP

JACK N PRICE

JAMES EARL GHORMLEY

JAMES PATRICK DOERINGFELD

JANE L. TOWER

JOAN B REEP

JOE FARRIS JR

K&M OIL COMPANY

KAB ACQUISITION LLLP-VI

KENNETH G LEIS

KING'S PEAK ENERGY LLC

LANSDALE FAMILY TRUST

LESLY AVEDISIAN

LINDA A BUNCH

LYLE A HALE FAMILY LP

MARY T TITUS

MAURICE W BROWN OIL & GAS LLC

MCNEILL OIL & GAS LLC

MELANIE J SWEERE

MICHAEL B MCNEILL

MICHAEL L PINNELL

NATHAN J TITUS

NORMA JEAN WILLIAMS

NUGGET TRUST

PAFFETT FAMILY TRUST

ROBERT M JENNEY 2004 TRUST FBO

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller),
and DTE O LLC (Purchaser)

HYDROCARBON PRODUCTION PAYMENTS

OWNER NAME

PHILLIP ANDREW MCNEILL

PINTAIL PRODUCTION COMPANY INC

PRIDE ENERGY COMPANY

RANDALL C THOMPSON

REX P FULLER

ROBERT A MCCLINTOCK

ROBERT KRUSE

RONALD RAYMOND ROGALSKI

RUTH MELTZER SIEGEL

SABIO MINERAL JOINT VENTURE

SAMMIE LOUISE INMAN

SAMSON RESOURCES

SCHMID PROPERTIES INC

SCOTT KIRCHEN

SHERILYN MELTZER BIRD

STANLEY W ZYSK ESTATE

STEPHENSON ROYALTY TRUST

STEVE BROWNE

STEVEN K. REEP

STROOCK MINER LLC

STROUBE ENERGY CORP

SUN OPERATING LIMITED PARTNERS

ROBERT M JENNEY 2004 TRIST FBO

THOMAS KIRCHEN JR

THOMAS KIRCHEN SR

TOBY BRUCE MELTZER

TRENT T NOVOTNY

TRIGG DRILLING CO INC

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller),
and DTE O LLC (Purchaser)

HYDROCARBON PRODUCTION PAYMENTS

OWNER NAME

TRIGG FAMILY TRUST

TRIGG VENTURE NOMINEE INC

TUCKER FAMILY INVESTMENTS LLLP

TUCKER REVOCABLE TRUST

UNKNOWN

VIKING EXPLORATION, INC

WALTER ARSDALE SCHMID JR TESTAMEN

W DAVID THOMPSON

W DEVIER PIERSON

WILLIAM E DUNAWAY

W E WEST REVOCABLE TRUST

WILLIAMS OIL & GAS LLC

SCHEDULE 5.10

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC, (Seller), and DTE O&G LLC, (Purchaser)

PREFERENCE RIGHTS AND TRANSFER REQUIREMENTS

PREFERENCE RIGHTS

[NONE]

TRANSFER REQUIREMENTS

1. All United States Forest Service permits are non-transferable. Buyer is required to submit applications.
2. Assignment of Record Title and Operating Rights with the Bureau of Land Management
3. Wyoming reclamation bond with the Wyoming Bureau of Land Management State Office
4. Utah reclamation bond with the Utah Bureau of Land Management State Office
5. Assignment and Bill of Sale filed with Summit County, Utah and Uinta County, Wyoming
6. Assignment of Surface Use Agreements (Access roads, valves, well pad sites, memorandums, pipelines, flowlines, etc.)
7. Designation of Successor Unit(s) Operator and Communitization Agreement(s)
8. Wyoming State Land Board Special Use Bond(s)
9. Wyoming Oil and Gas Conservation Commission Taylor Ranch Lease bonds
10. Wyoming State Land Board bonds for 84-00291

SCHEDULE 5.12

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC, (Seller), and DTE O&G LLC, (Purchaser)

AFEs

AFEs
[NONE]

SCHEDULE 5.15

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC, (Seller), and DTE O&G LLC, (Purchaser)

IMBALANCES

IMBALANCES

[NONE]

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller), and DTE O LLC (Purchaser)

SUSPENSE FUNDS

OWNER NAME

31 GROUP

A-8 INVESTMENT COMPANY

AARDVARK OIL COMPANY

ALAN R SMITH

ALAN SCHOTTENSTEIN

ALPHA DEVELOPMENT CORP

ANGELA S LAWTON

ARATA ENERGY

A T & L ENERGY LLC

AZTEC EXPLORATION

BELLPORT OIL & GAS INC

BETTY WISE GUIDA REVOCABLE TRUST

BILL & PAT CLAYTON

BILLIE MCWILLIAMS ESTATE

BMNW RESOURCES LLC

BRYAN W PERSHERN

CES OIL OPERATIONS INC

ROBERT M JENNEY 2004 TRUST FBO

DEAN MOHR

DENNIS & NANCY L G FLYNN

DONALD MELTZER

ELIZABETH G RAINEY

ELIZABETH M SMYTHE 1980-1

FLOYD J. ROGALSKI

FORTUNE OIL LTD

FRED L ENGLE

GERALD HAGERMAN

GERALDINE HARMAN SCHMID

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller), and DTE O LLC (Purchaser)

SUSPENSE FUNDS

OWNER NAME

HANACO LLC

HELEN D MCVEY

HUDSON FAMILY PARTNERSHIP

JACK N PRICE

JAMES EARL GHORMLEY

JAMES PATRICK DOERINGFELD

JANE L. TOWER

JOAN B REEP

JOE FARRIS JR

K&M OIL COMPANY

KAB ACQUISITION LLLP-VI

KENNETH G LEIS

KING'S PEAK ENERGY LLC

LANSDALE FAMILY TRUST

LESLEY AVEDISIAN

LINDA A BUNCH

LYLE A HALE FAMILY LP

MARY T TITUS

MAURICE W BROWN OIL & GAS LLC

MCNEILL OIL & GAS LLC

MELANIE J SWEERE

MICHAEL B MCNEILL

MICHAEL L PINNELL

NATHAN J TITUS

NORMA JEAN WILLIAMS

NUGGET TRUST

PAFFETT FAMILY TRUST

ROBERT M JENNEY 2004 TRUST FBO

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller), and DTE O LLC (Purchaser)

SUSPENSE FUNDS

OWNER NAME

PHILLIP ANDREW MCNEILL

PINTAIL PRODUCTION COMPANY INC

PRIDE ENERGY COMPANY

RANDALL C THOMPSON

REX P FULLER

ROBERT A MCCLINTOCK

ROBERT KRUSE

RONALD RAYMOND ROGALSKI

RUTH MELTZER SIEGEL

SABIO MINERAL JOINT VENTURE

SAMMIE LOUISE INMAN

SAMSON RESOURCES

SCHMID PROPERTIES INC

SCOTT KIRCHEN

SHERILYN MELTZER BIRD

STANLEY W ZYSK ESTATE

STEPHENSON ROYALTY TRUST

STEVE BROWNE

STEVEN K. REEP

STROOCK MINER LLC

STROUBE ENERGY CORP

SUN OPERATING LIMITED PARTNERS

ROBERT M JENNEY 2004 TRIST FBO

THOMAS KIRCHEN JR

THOMAS KIRCHEN SR

TOBY BRUCE MELTZER

TRENT T NOVOTNY

TRIGG DRILLING CO INC

to that certain Purchase and Sale Agreement dated May 1st, 2018 by and between Kings Peak Energy LLC (Seller), and DTE O LLC (Purchaser)

SUSPENSE FUNDS

OWNER NAME

TRIGG FAMILY TRUST

TRIGG VENTURE NOMINEE INC

TUCKER FAMILY INVESTMENTS LLLP

TUCKER REVOCABLE TRUST

UNKNOWN

VIKING EXPLORATION, INC

WALTER ARSDALE SCHMID JR TESTAMEN

W DAVID THOMPSON

W DEVIER PIERSON

WILLIAM E DUNAWAY

W E WEST REVOCABLE TRUST

WILLIAMS OIL & GAS LLC

JEWEL F. MEEKS

RICHARD E TAYLOR BEULAH
R TAYL

LYMAN GRAZING ASSOCIATION

JOYCE H TAYLOR

DELORES H MAXFIELD

ABCDW LLC

SCHEDULE 5.20

Attached to and made part of that certain Purchase and Sale Agreement dated May 1st, 2018 between Kings Peak Energy LLC (Seller) and DTE O&G LLC (Purchaser)

COMPLIANCE WITH LAW

1. Notice of Violation and Order to Comply – Utah Administration Code R307-401-5(1) Notice of Intent (NOI) - Summit County, Utah
2. United States Department of the Interior Bureau of Land Management – Notice of Written Order – 18JS031W
 - a. Hiller Federal 1-32
3. United States Department of the Interior Bureau of Land Management – Notice of Written Order – 18JS033W
 - a. Whiskey Springs B-1
4. United States Department of the Interior Bureau of Land Management – Notice of Written Order – 18JS034W
 - a. Whiskey Springs C-1
5. United States Department of the Interior Bureau of Land Management – Notice of Written Order – 18JS030W
 - a. Graham Rersvr A-2
6. United States Department of the Interior Bureau of Land Management – Notice of Written Order – 18JS028W
 - a. Luckey Ditch Unit 1
 - b. Luckey Ditch Unit F-8
 - c. Luckey Ditch Unit I-11
 - d. Luckey Ditch Unit D-6
 - e. Luckey Ditch Unit E-7
 - f. Luckey Ditch Unit G-9
 - g. Luckey Ditch Facility Storage
 - h. Luckey Ditch 1
 - i. Luckey Ditch A-3
 - j. Luckey Ditch B-4
 - k. Luckey Ditch F-8
 - l. Luckey Ditch D-6
 - m. Luckey Ditch E-7
 - n. Luckey Ditch G-9
 - o. Luckey I-11
7. United States Department of the Interior Bureau of Land Management – Notice of Written Order – 18JS032W
 - a. Whiskey Springs A-1
 - b. Whiskey Springs A-2
8. United States Department of the Interior Bureau of Land Management – Notice of Written Order – 18JS029W
 - a. Whiskey Springs 4-32
 - b. Whiskey Springs 2-6
 - c. Whiskey Springs 3-7
 - d. Whiskey Springs 4-32
9. Utah Department of Environmental Quality and United States Forest Service Rules and Regulations for site closure and remediation are on going with expected completion in 2020.

EXHIBIT C**CONTRACT COUNTERPARTIES AND CURE AMOUNTS**

The proposed effective date of the assignments is no more than 30 days after the entry of an order approving the sale.

Type of Contract/Lease	Name and Address** of Contract Counterparty	Cure Amount
All oil & gas leases with federal & state governmental agencies	See Exhibit A to the PSA; addresses are attached	\$0
Oil & Gas Lease	Preston Ross Johnson 9805 Greenhouse Street Eagle River, AK 99577	\$0*
Purchase of Oil	Big West Oil, LLC 333 W Center St. Salt Lake City, UT 84054	\$0
Purchase of Natural Gas	United Energy Trading, LLC 225 Union Blvd. #200 Lakewood, CO 80228	\$0
Surface Use	U. S. Forest Service (FS 7770-41) Uinta- Wasatch- Cache National Forests Supervisor's Office 857 W. South Jordan Parkway South Jordan, UT 84095	\$0
Surface Use	U. S. Forest Service (USDA FOREST SERVICE MTV4513) Uinta- Wasatch- Cache National Forests Supervisor's Office 857 W. South Jordan Parkway South Jordan, UT 84095	\$0
Surface Use	U. S. Forest Service (USDA FOREST SERVICE MTV4511) Uinta- Wasatch- Cache National Forests Supervisor's Office 857 W. South Jordan Parkway South Jordan, UT 84095	\$0
Surface Use	U. S. Forest Service (USDA FOREST SERVICE MTV4515) Uinta- Wasatch- Cache National Forests Supervisor's Office 857 W. South Jordan Parkway South Jordan, UT 84095	\$0
Surface Use	Wyoming Oil & Gas Conservation Commission (ST OF WY SU-392) 2211 King Blvd. Casper, WY 82604	\$0
Surface Use	Wyoming Oil & Gas Conservation Commission (ST OF WY SU-331) 2211 King Blvd. Casper, WY 82604	\$0
Surface Use	Joyce H Taylor c/o Harold W. Fam Taylor Family Living Trust PO Box 12 Mountain View, Wy 82939-0012	\$1,800.00*

Surface Use	Delores H Maxfield c/o Delores H. Maxfield and Sons Partnership, c/o Ricky Maxfield PO Box 822 Lyman, WY 82937-0822	\$2,400.00*
Surface Use	Jack Hickey Jack & Marian Hickey Trusts HC 67 Box 23 Lonetree WY 82936-9600	\$2,400.00*
Surface Use	The United States of America Department of the Interior (USA WYW 116802) Bureau of Land Management 5353 Yellowstone Rd. Cheyenne, WY 82009	\$0
Surface Use	Lyman Grazing Association P. O. Box 458 Lyman, WY 82937	\$0*
Surface Use	The United States of America Department of the Interior Bureau of Land Management (USA WYW-127038) 5353 Yellowstone Rd. Cheyenne, WY 82009	\$0
Working Interest Big Spring UOA	31 Group PO Box 1706 Rockwall, TX 75087	\$0-
Working Interest Big Spring UOA	Alan Schottenstein PO Box 110 Bennington, VT 05201-0110	\$0-
Working Interest Big Spring UOA	A T & L Energy LLC PO Box 29 Watonga, OK 73772	\$0-
Working Interest Big Spring UOA	Aztec Exploration PO Box 2046 Chickasha, OK 73023	\$0-
Working Interest Big Spring UOA	Bill & Pat Clayton	\$0-
Working Interest Big Spring UOA	Elizabeth G Rainey C/O Guest Petroleum Inc PO Box 805 Edmond, OK 73083-0805	\$0-
Working Interest Big Spring UOA	Elizabeth M Smythe 1980-1 Theodore H Smythe Trustee	\$0-
Working Interest Big Spring UOA	Excalibur Energy Co PO Drawer 25045 Albuquerque, NM 87125-0045	\$0-
Working Interest Big Spring UOA	Hudson Family Partnership 1200 28th Street Boulder, CO 80303	\$0-
Working Interest Big Spring UOA	K&M Oil Company	\$0-

Working Interest Big Spring UOA	McNeill Oil & Gas LLC 1601 E 19th Street Edmond, OK 73013	\$0-
Working Interest Big Spring UOA	Michael B McNeill Prime Bank Steve Ratliff POA PO Box 31652 Edmond, OK 73003	\$0-
Working Interest Big Spring UOA	Norville Oil Co LLC 901 East Britton Road Oklahoma City, OK 73114	\$0-
Working Interest Big Spring UOA	Phillip Andrew McNeill 1601 SE 19th Edmond, OK 73013-6620	\$0-
Working Interest Big Spring UOA	Pintail Production Company Inc Attn: Harvey Mueller 6467 Southwest Blvd. Fort Worth, TX 76132	\$0-
Working Interest Big Spring UOA	Robert A McClintock	\$0-
Working Interest Big Spring UOA	Robert Kruse PO Box 327 Key West, FL 33040	\$0-
Working Interest Big Spring UOA	Rock Island 1979 Exploration Project 3838 Oak Lawn Suite 1216 Dallas, TX 75219	\$0-
Working Interest Big Spring UOA	Steve Browne	\$0-
Working Interest Big Spring UOA	Syracuse Plastics Of Nc Inc PO Box 1067 Cary, NC 27512	\$0-
Working Interest Big Spring UOA	Trigg Family Trust Wells Fargo Bank West Na Ttee PO Box 41779 Austin, TX 78704	\$0-
Working Interest Graham Reservoir	CFO Resources Inc 3323 N Midland Drive Suite 113-500 Midland, TX 79707	\$0-
Working Interest Graham Reservoir	Headington Oil Company LLC 1700 N Rebud Blvd Suite 400 McKinney, TX 75069	\$0-
Working Interest Lucky Ditch UOA	Aardvark Oil Company 4926 Crestline Road Fort Worth, TX 76107-3710	\$0-
Working Interest Lucky Ditch UOA	Alpha Development Corp 635 S Monroe Way Denver, CO 80209	\$0-
Working Interest Lucky Ditch UOA	Elizabeth G Rainey C/O Guest Petroleum Inc PO Box 805 Edmond, OK 73083-0805	\$0-
Working Interest	Fortune Oil Ltd PO Box 17397	\$0-

Lucky Ditch UOA	Salt Lake City, UT 84117	
Working Interest Lucky Ditch UOA	Geraldine Harman Schmid PO Box 389 Hico, TX 76457	\$0-
Working Interest Lucky Ditch UOA	KAB Acquisition LLLP-VI 410 17th Street Suite 1151 Denver, CO 80202	\$0-
Working Interest Lucky Ditch UOA	Morse Energy Partners LLC 410 17th Street #1150 Denver, CO 80202	\$0-
Working Interest Lucky Ditch UOA	Rock Island 1979 Exploration Project 3838 Oak Lawn Suite 1216 Dallas, TX 75219	\$0-
Working Interest Lucky Ditch UOA	Schmid Properties, Inc. PO Box 389 Hico, TX 76457	\$0-
Working Interest Lucky Ditch UOA	Trigg Family Trust Wells Fargo Bank West Na Ttee PO Box 41779 Austin, TX 78704	\$0-
Working Interest Lucky Ditch UOA	Walter Arsdale Schmid Jr Testamenta PO Box 389 Hico, TX 76457	\$0-
Working Interest Taylor Ranch UOA	Alan Schottenstein PO Box 110 Bennington, VT 05201-0110	\$0-
Working Interest Taylor Ranch UOA	A T & L Energy LLC PO Box 29 Watonga, OK 73772	\$0-
Working Interest Taylor Ranch UOA	Aztec Exploration PO Box 2046 Chickasha, OK 73023	\$0-
Working Interest Taylor Ranch UOA	Bill & Pat Clayton	\$0-
Working Interest Taylor Ranch UOA	Elizabeth G Rainey C/O Guest Petroleum Inc PO Box 805 Edmond, OK 73083-0805	\$0-
Working Interest Taylor Ranch UOA	Elizabeth M Smythe 1980-1 Theodore H Smythe Trustee	\$0-
Working Interest Taylor Ranch UOA	Hudson Family Partnership 1200 28th Street Boulder, CO 80303	\$0-
Working Interest Taylor Ranch UOA	K&M Oil Company	\$0-
Working Interest Taylor Ranch UOA	McNeill Oil & Gas LLC 1601 E 19th Street Edmond, OK 73013	\$0-
Working Interest	Michael B McNeill Prime Bank	\$0-

Taylor Ranch UOA	Steve Ratliff POA PO Box 31652 Edmond, OK 73003	
Working Interest Taylor Ranch UOA	Norville Oil Co LLC 901 East Britton Road Oklahoma City, OK 73114	\$0-
Working Interest Taylor Ranch UOA	Phillip Andrew McNeill 1601 SE 19th Edmond, OK 73013-6620	\$0-
Working Interest Taylor Ranch UOA	Robert A McClintock	\$0-
Working Interest Taylor Ranch UOA	Rock Island 1979 Exploration Project 3838 Oak Lawn Suite 1216 Dallas, TX 75219	\$0-
Working Interest Taylor Ranch UOA	Steve Browne	\$0-
Working Interest Taylor Ranch UOA	Syracuse Plastics Of Nc Inc PO Box 1067 Cary, NC 27512	\$0-
Working Interest Taylor Ranch UOA	Trigg Family Trust Wells Fargo Bank West Na Ttee PO Box 41779 Austin, TX 78704	\$0-
Working Interest Taylor Ranch UOA	Williams Oil & Gas LLC 25825 South Hwy 66 Claremore, OK 74017	\$0-
Working Interest Taylor Ranch UOA	31 Group PO Box 1706 Rockwall, TX 75087	\$0-
Working Interest Taylor Ranch UOA	Pintail Production Company Inc Attn: Harvey Mueller 6467 Southwest Blvd. Fort Worth, TX 76132	\$0-
Working Interest Taylor Ranch UOA	Robert Kruse PO Box 327 Key West, FL 33040	\$0-
Working Interest Taylor Ranch UOA	Bp Production Corp PO Box 836075 Richardson, TX 75083	\$0-
Working Interest Taylor Ranch UOA	W Devier Pierson	\$0-
Working Interest Taylor Ranch UOA	Excalibur Energy Co P Drawer 25045 Albuquerque, NM 87125-0045	\$0-
Working Interest Whiskey Springs UOA	Rock Island 1979 Exploration Project 3838 Oak Lawn Suite 1216 Dallas, TX 75219	\$0
Working Interest Whiskey Springs UOA	Trigg Drilling Co Inc PO Box 18605 Oklahoma City, OK 73154	\$0

Working Interest Whiskey Springs UOA	Trigg Family Trust Wells Fargo Bank West Na Ttee PO Box 41779 Austin, TX 78704	\$0
Working Interest Whiskey Springs UOA	Trigg Venture Nominee Inc C/O Joe Dan Trigg PO Box 18605 Oklahoma City, OK 73154	\$0
Working Interest Whiskey Springs UOA	Alan Schottenstein PO Box 110 Bennington, VT 05201-0110	\$0
Working Interest Whiskey Springs UOA	BMNW Resources LLC PO Box 180573 Dallas, TX 75218	\$0
Working Interest Whiskey Springs UOA	Elizabeth G Rainey C/O Guest Petroleum Inc PO Box 805 Edmond, OK 73083-0805	\$0
Working Interest Whiskey Springs UOA	Linda A Bunch 2529 Bent Brook Drive Mesquite, TX 75181	\$0
Working Interest Whiskey Springs UOA	Schmid Properties, Inc. PO Box 389 Hico, TX 76457	\$0
Working Interest Whiskey Springs UOA	Stroube Energy Corp 18208 Preston Road Dallas, TX 75248	\$0
Surface Lease (T14N R114W, Sec. 28, SW/4), Uinta Cty – see Exh. 1.2(e)	Glen and Fay Wadsworth ABCW, LLC 2240 S 5370 W West Valley City, UT 84120	\$0*
Surface Lease (T14N R114W, portions of Sec. 35) Uinta Cty – see Exh 1.2(e)	Glen and Fay Wadsworth ABCW, LLC 2240 S 5370 W West Valley City, UT 84120	\$0*
Surface Lease (T14N R114W, portions of Sec. 35) Uinta Cty – see Exh 1.2(e)	Glen and Fay Wadsworth ABCW, LLC 2240 S 5370 W West Valley City, UT 84120	\$0*
Surface Lease (portions of various Secs. in T13N R114W) Uinta Cty - See Exh 1.2(e)	Glen and Fay Wadsworth ABCW, LLC 2240 S 5370 W West Valley City, UT 84120	\$0*
Surface Lease (portions of various Secs. in T13N & T14N, R114W)	Glen and Fay Wadsworth ABCW, LLC 2240 S 5370 W West Valley City, UT 84120	\$0*

Uinta Cty - See Exh 1.2(e)		
Surface Lease (portions of Sec. 35 in T14N R114W) Uinta Cty - See Exh 1.2(e)	Glen Wadsworth and Fay Wadsworth ABCW, LLC 2240 S 5370 W West Valley City, UT 84120	\$0*

*Estimate based on information in Debtor's possession

**There is no viable address for certain counter-parties

Addresses for government entities:

Attn: Civil Process Clerk
United States Attorney's Office
District of Colorado
1801 California St. Ste. 1600
Denver, CO 80202

Attorney General of the United States
US Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530-0001

Office of the Attorney General
Attn: Sean D. Reyes,
Utah Attorney General
PO Box 142320
Salt Lake City, UT 84114-2320

US Dept of Interior
Bureau of Land Management
Attn: Michael D. Nedd
Acting Deputy Director (operations)
1849 C Street NW Rm. 5665
Washington, DC 20240

US Department of the Interior
BLM, Wyoming State Office
Attn: Mary Jo Rugwell, State Director
5353 Yellowstone Road
Cheyenne, WY 82009

US Department of the Interior
BLM, Utah State Office
Attn: Ed Robertson, State Director
440 West 200 South, Ste. 500
Salt Lake City, UT 84101

USDA Forest Service
Attn: Vicki Christiansen, Interim Chief
1400 Independence Ave., SW
Washington, DC 20250-1111

USDA Forest Service
Uinta-Wasach-Cache NF
Attn: Michael Hope, USDA OGC
1617 Cole Blvd. #385E
Lakewood, CO 80401

Utah Department of Revenue
Attn: Barry C. Conover,
Executive Director
210 North 1950 West
Salt Lake City, UT 84134

Trust Lands Administration
Attn: LaVonne Garrison,
Assistant Director of Oil and Gas
675 East 500 South Suite 500
Salt Lake City, UT 84102

State of Wyoming
Office of State Lands and Investments
Attn: Bridget Hill, Director
122 W 25th ST 3W
Cheyenne, WY 82002

Wyoming Department of Revenue
Attn: Dan Noble, Director
122 W 25th St., 2nd Floor West
Cheyenne, WY 82002-0110

SERVICES AGREEMENT

EXHIBIT D



THIS AGREEMENT, made and entered into this 11 day of January 2018 (the "Effective Date"), by and between **King's Peak Energy, LLC**, hereinafter "COMPANY", and **Meagher Energy Advisors** hereinafter "MEAGHER".

WHEREAS, COMPANY is desirous of divesting itself of all or a portion of certain oil and gas properties ("Properties") located in Uinta County, Wyoming and Summit County, Utah, a preliminary list of which is attached hereto as Exhibit "A";

WHEREAS, MEAGHER is desirous of assisting COMPANY in the sale of all or a portion of said Properties and represents that it has the ability and staff necessary to effectively evaluate, package, market and otherwise sell oil and gas properties of a similar value;

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties agree as follows:

1. BUSINESS PLAN

- a) In coordination with COMPANY, MEAGHER will implement a comprehensive plan and strategy for the divestment of the Properties.
- b) A tentative timeline for the sale of the Properties is attached as Exhibit "B". MEAGHER will use its commercially reasonable efforts to meet the dates listed on Exhibit "B".

2. DUE DILIGENCE AND DATA REVIEW

- a) MEAGHER will provide a capable staff, sufficient in size to properly gather, review and analyze all data provided by COMPANY to properly prepare an offering memorandum and/or brochure of the Properties suitable for circulation as described in Section 3. As part of this effort, MEAGHER will notify COMPANY of any perceived defects, whether title, environmental or otherwise.
- b) MEAGHER will interface with COMPANY's land, geological, production and accounting personnel as is necessary to achieve the desired results, including the establishment of a fair market value for the Properties. It is the intention of MEAGHER and COMPANY to limit the time and effort spent by COMPANY personnel on the physical undertaking of this divestment project provided, however, COMPANY will have approval authority over the nature and amount of data reviewed and included in a brochure(s).
- c) To the best of its ability, and to the extent in its possession, COMPANY agrees to provide all relevant lease operating expense statements, revenue statements, decline curves, payout statements, oil and gas agreements and related agreements, gas balancing agreements, gas imbalances, environmental review information, land files, well files, geological files, production purchasers, list of



operators, waterflood information, additional geological information pertaining to upside potential, production payments and equipment inventories. MEAGHER will review and analyze the information provided to establish an informational base suitable for brochure marketing and to establish a fair market value for the Properties.

3. MARKETING

- a) MEAGHER will use its database of approximately 14,000 potential buyers, with additional buyers added to this list as needed, in preparing and e-mailing an offering memorandum and solicitation to access MEAGHER's Virtual Data Room.
- b) Subject to COMPANY'S approval, the marketing program at a minimum will include the distribution of the offering memorandum to those parties identified in Section 3.a) above. Based upon the interest generated via the foregoing, follow up phone/written correspondence will continue as warranted.
- c) MEAGHER will keep COMPANY advised of all expressions of interest, which are of a serious nature, which might lead to consummation of a sale.
- d) MEAGHER's database of qualified buyers shall remain the exclusive property of MEAGHER and shall be used only for the project contemplated in this Agreement. COMPANY shall not be given a copy of this database nor shall it have access to the database for any other COMPANY projects.
- e) Subject to COMPANY'S approval as to the need and location, MEAGHER will open a Data Room in MEAGHER's offices and be available to facilitate potential buyers' questions and requests. At COMPANY's request, an approved form of confidentiality agreement will be executed by any party prior to reviewing any information in a Data Room.

4. BIDS/OFFERS AND BUYER NEGOTIATIONS

- a) MEAGHER will receive and review all bids/offers and provide COMPANY with a spreadsheet delineating each such bid/offer and provide COMPANY with a copy of any bid/offer upon request. MEAGHER shall meet with COMPANY to discuss strategies, options, closings etc.
- b) Upon receipt of satisfactory bids/offers and if requested, MEAGHER will assist COMPANY's counsel in the negotiation of all terms and conditions of sale, Purchase and Sale Agreements, agreements, field inspections, environmental issues, and other details, subject to COMPANY'S final approval, to consummate the timely sale of the Properties.



5. DOCUMENT PREPARATION

- a) Upon request, MEAGHER will, at the direction of COMPANY, assist COMPANY's counsel in the preparation of all paperwork to consummate sales to buyers, including but not limited to, Purchase and Sale Agreements, Assignments and Bills of Sale, State, Federal and Indian Assignments, Change of Operator forms, Letters-in-lieu of Transfer Orders, IRC Section 1031 Substitution Agreements, Letter Agreements, preferential right to purchase notifications and Sundry Notices. COMPANY's counsel will prepare a form of Purchase and Sale Agreement for inclusion in the Data Room and, if requested by COMPANY, MEAGHER will request that all potential buyers submit a marked copy of such Purchase and Sale Agreement showing their requested changes thereto when submitting their bid. Negotiations and preparation of preliminary and post closing settlements statements and all matters regarding title and environmental defects, including without limitation responses to defect notices and curative matters, are specifically the exclusive responsibility of COMPANY.
- b) Any negotiated changes to approved forms require COMPANY'S approval prior to finalization.
- c) All documents are to be set up for proper execution by COMPANY, and MEAGHER shall not attempt to execute on behalf of or as agent for COMPANY.

6. CLOSING(S)

- a) Closing(s) are to take place in COMPANY'S offices unless otherwise mutually agreed to in the Purchase and Sale Agreement. MEAGHER will perform and/or participate in the actual closing(s) to the extent reasonably requested by COMPANY.
- b) MEAGHER will forward all pertinent files to buyers after closing has occurred according to the terms of purchase and sale documents in place.

A list of COMPANY and MEAGHER's responsibilities is recapped and listed under Exhibit C.

7. SCHEDULE OF FEES

- a) DIRECT COSTS – No charge to COMPANY
- b) ENGINEERING AND GEOLOGIC FEES – No charge to COMPANY
- c) MAP AND DRAFTING FEES – No charge to COMPANY
- d) LAND FEES – No charge to COMPANY



- e) **ENGAGEMENT FEE** – COMPANY shall pay MEAGHER a non-refundable engagement fee of \$50,000.00. COMPANY shall pay MEAGHER \$25,000.00 upon the execution of this Agreement and \$25,000.00 upon release of the Virtual Data Room.
- f) **COMMISSION** – In addition to the foregoing fees, COMPANY shall pay MEAGHER a commission based on the purchase price, after title and environmental defect adjustments (but no other adjustments), as set forth in any Purchase and Sale Agreement or other closing instrument with the buyer(s), or the fair market value of the Properties listed on Exhibit "A" to the Purchase and Sale Agreement in the event of a trade. Commissions shall apply to any and every buyer, including but not limited to holders of preferential rights to purchase, internal COMPANY entities, individuals, officers, affiliates, subsidiaries, parent companies, or partners of COMPANY and parties acquiring the Properties for outstanding loans, credit or otherwise. Subsequent to Closing, MEAGHER will submit an invoice to COMPANY for its commission. Commissions shall be calculated as follows:

<u>Commission</u>		<u>Cumulative Sales</u>
6%	of	\$1.00 to \$1,000,000 plus;
5%	of	\$1,000,001 to \$2,000,000 plus;
4%	of	\$2,000,001 to \$3,000,000 plus;
3%	of	\$3,000,001 to \$4,000,000 plus;
2%	of	\$4,000,001 to \$5,000,000 plus;
1%	of	\$5,000,001 and above, with a minimum collective Commission of \$200,000.00.

In the event that COMPANY accepts an offer and is engaged in constructive negotiations which lead to a consummated sale from Headwaters Exploration & Production, LLC prior to MEAGHER's mailing an offering memorandum to MEAGHER's database of potential buyers, the commission, as calculated above, shall be reduced by fifty percent (50.00%).

Note: COMPANY is under no obligation to sell any or all of the Properties offered for sale and therefore, can reject any and all offers for any reason(s) whatsoever with no consequential liability for any commission as set forth in the schedule in paragraph 7f) above. For example, if no sale of the Properties is ever consummated pursuant to the terms of this Agreement, then the only fees to be paid under this Agreement will be the Engagement Fee. Further, neither COMPANY nor MEAGHER makes any representation or warranty as to the marketability of the Properties, the value of the Properties or the eventuality of closing the Properties with a prospective buyer.

8. EXCLUSIVE

COMPANY hereby grants MEAGHER an exclusive right to market, contract for the sale of and otherwise sell the Properties for a period of six months from the emailing of the offering memorandum (the "Ending Date"). All Transactions closed before the



Ending Date shall be subject to this Agreement and payment of the Commission as shown in Paragraph 7f). Transactions on the Properties closed after the Ending Date shall be subject to this Agreement and payment of the Commission in the event 1) that a mutually acceptable Purchase and Sale Agreement has been executed by the parties on or before the Ending Date or 2) COMPANY consummates a sale within one (1) year after the Ending Date. COMPANY agrees to promptly notify MEAGHER of any such transactions consummated under this paragraph.

9. INDEPENDENT CONTRACTOR

- a) It is the intention of the parties that MEAGHER shall be an independent contractor and not an employee or agent of COMPANY or of any related entity. MEAGHER shall not be treated as an employee with respect to services performed for purposes of the Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act or income tax withholding at source; provided however, while performing services on COMPANY'S premises, MEAGHER or its representatives will comply with all of COMPANY'S operating and safety rules.
- b) MEAGHER shall not be eligible for any retirement plan, insurance program, or other employee benefits provided to employees of COMPANY.
- c) The work contemplated by this Agreement shall be performed by MEAGHER as an independent contractor, and its employees shall at all times be under its direction and control. MEAGHER shall have full power and authority to select the means, manner, and method of performing the work without detail, control, or direction by COMPANY. MEAGHER will receive directions from COMPANY'S representative as to the end results to be accomplished, and MEAGHER shall be responsible for directing its employees as to the manner and means of accomplishing the work to be performed hereunder by MEAGHER.

10. CONFIDENTIALITY

- a) In providing services under this Agreement, MEAGHER may be reviewing files or records which contain information of a confidential, proprietary and/or interpretive nature. MEAGHER agrees not to use information designated as confidential by COMPANY nor to disclose it to others, either while providing services under this Agreement nor anytime thereafter unless it is determined that the information has become part of the public domain.
- b) MEAGHER shall not at any time during the term of this Agreement nor at any time following expiration or termination of same (regardless of the manner, reason, time or cause thereof) directly or indirectly use for its own business or investment purposes or disclose or furnish to any person not entitled to receive them for the immediate benefit of COMPANY, any trade secrets or other confidential information relating to COMPANY or COMPANY'S business. Such confidential



information includes without limitation, all geological, geophysical, or engineering information obtained as a result of or during the term of this Agreement, or information as to the business plans, methods, operations and affairs of COMPANY, the names, addresses or requirements of any of its customers, or the credit or other terms extended by COMPANY.

- c) Upon the expiration or termination of this Agreement, and upon COMPANY'S request, MEAGHER shall return originals or copies of all materials gathered or created as a result of the services rendered hereunder.

11. ASSIGNABILITY

- a) MEAGHER's rights and duties under this Agreement are personal in nature and cannot be assigned or delegated without COMPANY'S prior written consent.
- b) MEAGHER's right to receive any payment for services rendered under this Agreement may not be assigned, pledged, mortgaged or hypothecated without COMPANY'S prior written consent.

12. TERMINATION

- a) COMPANY or MEAGHER may terminate this Agreement at any time, by giving written notice to COMPANY or MEAGHER specifying that termination is being made under the provisions of this paragraph and specify the effective date of termination, if:
 - I. COMPANY or MEAGHER should become insolvent;
 - II. COMPANY or MEAGHER should make a general assignment for the benefit of creditors;
 - III. COMPANY or MEAGHER should repeatedly refuse or fail to supply enough properly skilled workers to perform the project contemplated hereby or should disregard instructions of COMPANY'S or MEAGHER's representatives which are consistent with this Agreement.
 - IV. COMPANY or MEAGHER should fail to prosecute the project with sufficient promptness and diligence.
- b) COMPANY may not terminate this Agreement in the event COMPANY has not reasonably cooperated with, and provided data to, MEAGHER on a timely basis. Further, COMPANY may not terminate this Agreement in the event MEAGHER is unable to meet the dates outlined on Exhibit B if COMPANY does not reasonably cooperate with and provide data to MEAGHER on a timely basis.
- c) In the event of termination, MEAGHER shall return to COMPANY all information and materials either furnished by COMPANY or created by MEAGHER as a result of this project, together with all notes, maps, summaries, etc. related thereto.



d) Fees due to MEAGHER at the time of termination shall be as set forth in paragraph 7 above.

13. INDEMNIFICATIONS

COMPANY shall indemnify and hold harmless MEAGHER, its affiliates, employees, officers, directors, and contractors, against any and all losses, claims, damages or liabilities, joint or several, to which MEAGHER may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon COMPANY's breach of any duties and obligations, representations, or warranties under the terms or provisions of this Agreement, including but not limited to claims, arising due to any (i) loss or damage to the Properties or property damage related to the sale of the Properties; (ii) personal injury resulting from the use or exposure to the Properties; (iii) breach of any warranty of any kind whatsoever; (iv) misrepresentation of any kind; (v) defect in title; (vi) lawsuits, depositions or subpoenaed documents; and from all other liabilities and expenses directly or indirectly arising in connection with this Agreement; and COMPANY shall reimburse MEAGHER for reasonable legal or other expenses reasonably incurred in connection with investigating or defending such loss, claim, damage, liability or action.

14. PRESS RELEASES

In the event of a press release issued concerning the sale of Properties to a buyer, COMPANY agrees to include a reference of MEAGHER as the marketing agent in such press release. COMPANY further agrees to the use of its name, logo and relationship with MEAGHER for the sole purposes of MEAGHER's advertising and marketing.

15. GOVERNING LAW

This Agreement and the transactions contemplated hereby 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.

16. ARBITRATION

Any claim or dispute of any nature between the parties to this Agreement arising directly or indirectly from the relationship created by this Agreement shall be resolved exclusively by arbitration in Denver, Colorado, by a sole arbitrator, in accordance with the applicable rules of the American Arbitration Association. The decision of the arbitrator shall be final and binding upon both parties. Judgment of the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The fees of the neutral arbitrator and other costs incurred by the parties in connection with such arbitration shall be shared equally by the parties. If



any dispute is submitted to arbitration, each party shall, not later than 30 days before the date set for hearing, provide to the other party and to the arbitrator a copy of all exhibits upon which the party intends to rely at the hearing and a list of all Persons each party intends to call at the hearing. The arbitrator shall have no authority to award punitive or exemplary damages.

17. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding among the parties, their respective partners, shareholders, officers, directors and employees with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such matter.

This Agreement may be executed by the parties in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument. Fax or .pdf signatures shall be considered binding.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first herein above written.

KING'S PEAK ENERGY, LLC

By: _____

Printed Name: _____

Title: _____


G. Robert Tidens
CRO

MEAGHER ENERGY ADVISORS, INC

By: _____

Printed Name: _____

Title: _____



Matthew E. Meagher
President

EXHIBIT "A"
List of Properties

(Attached to Service Agreement dated _____, 2018 between Meagher Energy Advisors and King's Peak Energy, LLC)

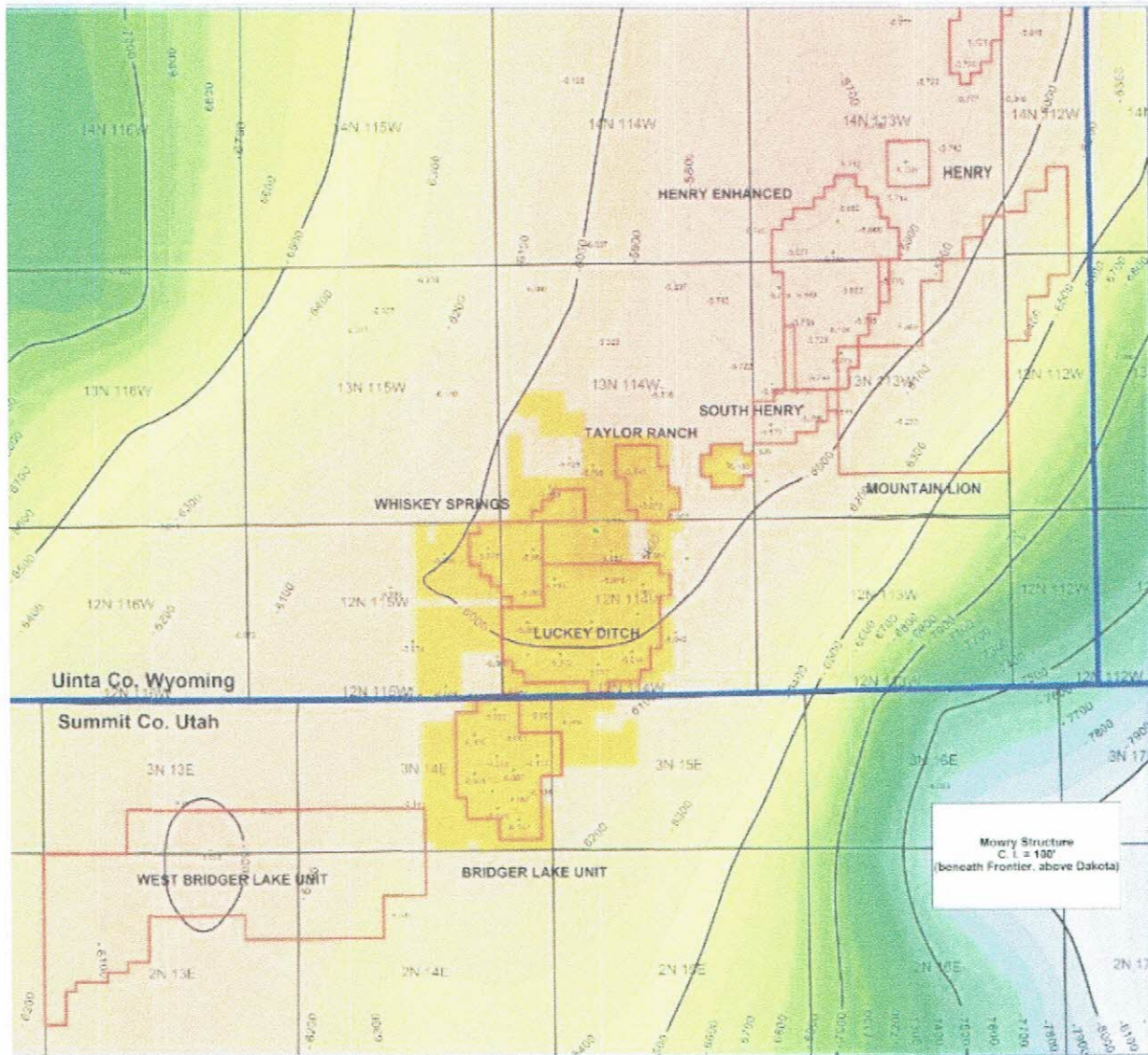




EXHIBIT "B"

Tentative Timeline

(Attached to Service Agreement dated 1/11, 2018 between Meagher Energy Advisors and King's Peak Energy, LLC)

<u>DATE</u>	<u>EVENT</u>
Day 1	Receive Requested Information from Company
Day 30	Release Announcement to Prospective Buyers
Day 30	Open Data Room
Day 60	Bids Due
Day 65	Notify Buyers and Begin Negotiations
Day 75	Buyers Begin Due Diligence
Day 100	Begin Closings
TBD	Effective Date of Sale



EXHIBIT "C"
Performance Designation
(Attached to Service Agreement dated 1/11, 2018 between Meagher Energy Advisors and King's Peak Energy, LLC)

<u>EVENT</u>	<u>RESPONSIBLE PARTY</u>
<i>Prepare Offering Letter/Announcement</i>	MEA
<i>Prepare Virtual Data Room, including:</i>	
<i>Engineering/Geological Data</i>	MEA/COMPANY
<i>Engineering and Geological Write-ups</i>	MEA/COMPANY
<i>Decline Curves</i>	MEA
<i>Reserve Report (optional)</i>	MEA
<i>Lease Operating Statements</i>	COMPANY
<i>Exhibit A's</i>	MEA/COMPANY
<i>Terms of Sale</i>	MEA
<i>Well Lists</i>	MEA
<i>Distribute Announcement</i>	MEA
<i>Data Room</i>	MEA
<i>Contact Potential Buyers, & Review Data</i>	MEA
<i>Receive and Review Bids</i>	MEA
<i>Negotiate P&S Agreement</i>	MEA/COMPANY
<i>Environmental and Title Defect Curative</i>	COMPANY
<i>Prepare Closing Documents</i>	MEA/COMPANY
<i>Closings</i>	MEA/COMPANY
<i>Preliminary and Post Closing Settlements</i>	COMPANY