040111 Hanna 2.pd

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form T-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR TRANSFER OF INJECTION OR SURFACE PIT PERMIT Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,

MUST be submitted with this form. Check Applicable Boxes: Effective Date of Transfer: Oil Lease: No. of Oil Wells Gas Lease: No. of Gas Wells _ 1 KS Dept of Revenue Lease No.: 201925 Gas Gathering System: _ Lease Name: HANNA #2 Saltwater Disposal Well - Permit No.: ___ _ C _ SE Sec. 29 Twp. 31 R. 43 F _____feet from N / S Line Legal Description of Lease: SEC 29 & SEC 32 feet from E / W Line Enhanced Recovery Project Permit No.: ___ County: MORTON Entire Project: Yes No Number of Injection Wells Production Zone(s):_TOPEKA Field Name: GREENWOOD Injection Zone(s):___ ** Side Two Must Be Completed. feet from N / S Line of Section Surface Pit Permit No.: (API No. if Drill Pit, WO or Haul) feet from E / W Line of Section Drilling O Workover Burn Settling Haul-Off Type of Pit: Emergency Contact Person: _ANNE MANESS Past Operator's License No. Phone: 512-328-2953 X258 JONES ENERGY LTD Past Operator's Name & Address: _ 807 LAS CIMAS PKWY #350. AUSTIN, TX 78746 Signature: ASSIGN MENT A Hached Contact Person: STEPHANIE CLASEN 34539 / New Operator's License No. -New Operator's Name & Address: SOVEREIGN ENERGY LLC Phone: 303-297-0347 Oil / Gas Purchaser: REGENCY ENERGY PARTNERS LP 621 17TH STREET, SUITE 950 **DENVER, CO 80293** Title: OFFICE MANAGER Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit #... noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit. is acknowledged as is acknowledged as the new operator of the above named lease containing the surface pit the new operator and may continue to inject fluids as authorized by permitted by No.: _ __ . Recommended action: Date: 6.21.11 PRODUCTION ____ DISTRICT -District Mail to: Past Operator _ **New Operator**

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichia, Kansas 67202

KCC WICHITA

Must Be Filed For All Wells

| I aana Name | HANNA #2 | | * Location: (| CSE SEC 29 | |
|-----------------|------------------------------|------------------------------------|----------------------------|--|--------------------------------------|
| Lease Name: | 4 | | LOGATION | | |
| Well No. | API No. (YR DRLD/PRE '67) | Footage from (i.e. FSL = Feet from | | Type of Well (Oil/Gas/INJ/WSW) | Well Status (PROD/TA'D/Abandoned) |
| 2 | 15-129-10164 / | /40/ Circle 1320 (FS) FNL | /378 Circle 1320 FEDFWL | GPS Ftgs Dist. | / PROD |
| | | FSL/FNL | FEUFWL | | |
| | | FSL/FNL | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | |
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| | | FSL/FNL | FEL/FWL | | MAY 16 2 |
| | | FSL/FNL | FEL/FWL | | KCC WICH |

A separate sheet may be attached if necessary

^{*}When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

| Email Address: Surface Owner Information: SEE ATTACHED LIST | 34539 | MAIN I a continue |
|---|---|---|
| Address 2: Lease Name: MRNNA Well #: 4 City: DENVER State: CO Zip: 80293 If filing a Form F-1 for multiple wells on a lease, enter the legal description of the lease below: STEPHANIE CLASEN If filing a Form F-1 for multiple wells on a lease, enter the legal description of the lease below: Surface Owner Information: Name: SEE ATTACHED LIST When filing a Form T-1 imobing multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer. City: State: Zip: + If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filling in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my open address, phone number, fax, and email address. I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form | OPERATOR: License # 57555 | Well Location: C SE see 29 Tun 31 s. p. 43 ∏ East VI West |
| Address 2: Lease Name: MRNNA Well #: 4 City: DENVER State: CO Zip: 80293 If filing a Form F-1 for multiple wells on a lease, enter the legal description of the lease below: STEPHANIE CLASEN If filing a Form F-1 for multiple wells on a lease, enter the legal description of the lease below: Surface Owner Information: Name: SEE ATTACHED LIST When filing a Form T-1 imobing multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer. City: State: Zip: + If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filling in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my open address, phone number, fax, and email address. I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form | Name: 621 17TH STREET SUITE 950 | MORTON |
| City: DENVER State: CO Zip: 80293 If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: Fax: 303 297-0347 Fax: 303 297-9075 | | County: HANNA 2 |
| Surface Owner Information: Name: SEE ATTACHED LIST When filing a Form T-1 involving multiple surface owners, attach an additional sheet itsiting all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer. If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filling in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form, and 3) my operator name, address, phone number, fax, and email address. I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned. I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief. | Address 2: CO 80293 | Lease Name: weil #: |
| Surface Owner Information: Name: SEE ATTACHED LIST When filing a Form T-1 involving multiple surface owners, attach an additional sheet itsiting all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer. If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filling in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form, and 3) my operator name, address, phone number, fax, and email address. I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned. I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief. | STEPHANIE CLASEN | If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: |
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| Surface Owner Information: Name: SEE ATTACHED LIST Address 1: | | - |
| Name: SEE ATTACHED LIST When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer. If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address. I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned. | Email Address: | - |
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| Address 2: | | sheet listing all of the information to the left for each surface owner. Surface |
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| Date: 5/12/11 Signature of Operator or Agent: Stephanic Class Title: OFFICE MANAGER Title: | the KCC with a plat showing the predicted locations of lease roads, to are preliminary non-binding estimates. The locations may be entered Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will be CP-1 that I am filing in connection with this form; 2) if the for form; and 3) my operator name, address, phone number, fax I have not provided this information to the surface owner(s). KCC will be required to send this information to the surface task, I acknowledge that I am being charged a \$30.00 handled the choosing the second option, submit payment of the \$30.00 handled the choosing the second option, submit payment of the \$30.00 handled the choosing the second option, submit payment of the \$30.00 handled the choosing the second option, submit payment of the \$30.00 handled the choosing the second option, submit payment of the \$30.00 handled the choosing the second option, submit payment of the \$30.00 handled the choosing the second option is the choosing the second option. | e Act (House Bill 2032), I have provided the following to the surface e located: 1) a copy of the Form C-1, Form CB-1, Form CB-1, Form T-1, or Form m being filed is a Form C-1 or Form CB-1, the plat(s) required by this t, and email address. I acknowledge that, because I have not provided this information, the owner(s). To mitigate the additional cost of the KCC performing this ing fee, payable to the KCC, which is enclosed with this form, the KSONA-1 |
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KCC WICHITA

KANSAS SURFACE OWNERS

| Name | Address 1 | City, State, Zip | Well |
|-------------------|-------------|--------------------|-------------|
| Trahern Land, LLC | 53500 CR EE | Walsh, CO 81090 | Hanna 1 & 2 |
| KUEA | Box 928 | Lawrence, KS 66048 | Hanna 2 |
| Michael Landrum | Box 659 | Elkhart, KS 67950 | Hanna 1 |

WHEN RECORDED, RETURN TO:

BWAB-Sovereign Energy Group LLC 475 17th Street, Ste. 1390 Denver, Colorado 80202

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment, Bill of Sale and Conveyance ("Conveyance") from Knight Energy Group II, LLC, a Delaware limited liability company and CCPR Sub LLC, a Delaware limited liability company, each of whose address is 807 Las Cimas Parkway, Suite 350, Austin, Texas 78746 (collectively, "Grantor"), to BWAB-Sovereign Energy Group LLC, a limited liability company formed under the laws of the State of Colorado, with the address of 475 17th Street, Ste. 1390, Denver, Colorado 80202 ("Grantee"), is effective as of 7:00 a.m. Central Time on March 1, 2011 (the "Effective Time").

ARTICLE 1

Conveyance of Oil and Gas Interests

- Section 1.1. <u>Conveyance</u>: Grantor, for and in consideration of the sum of \$10 cash and other good and valuable consideration, in hand paid, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, sells, and conveys unto Grantee all of Grantor's right, title and interest in and to the leases, wells, oil and gas units, and rights-of-way located in Morton County, Kansas, and the other related assets described as follows (collectively the "Assets"):
 - (a) The oil and gas leases and interests, described on Exhibit A (the "Leases") or appurtenant to the wells described on Exhibit A-1, as of the Effective Time, together with any interest in any pooled, communitized or unitized acreage to the extent any such wells are a part thereof and all of the rights appurtenant thereto (the "Subject Properties");
 - (1) The wells described on Exhibit A-1 in the amounts of the working interests and net revenue interest set forth on Exhibit A-I hereto ("Wells"), and well equipment (surface and subsurface). all materials. fixtures, platforms, facilities. pumps, equipment, leased equipment, electrical distribution systems, flowlines, gathering pipelines, meters and metering equipment, gas facilities, gathering systems, storage. distribution, treating, processing and disposal facilities and tanks, tools, compressors, and all other real or tangible personal property, inventory or fixtures which are used solely in connection with the production, disposal, gathering, storing, measuring, compression, injection, treating, operating, maintaining, marketing or transportation of production and substances from the Subject Properties and Wells or lands pooled or unitized therewith, and all other improvements which were acquired for or are used in connection with the operation of the Subject Properties, ("Equipment"), (2) all oil, gas. minerals and other hydrocarbon substances in the tanks or storage or produced on and after the Effective Time from the Leases as well as all revenue from same; (3) all contracts insofar as they relate to the Subject Properties, Wells and Equipment, including, without limitation, all orders, unit orders, title opinions and documents. abstracts of title, leases, deeds, unitization agreements, pooling agreements, operating agreements, division of interest statements, participation agreements, production handling agreements. license agreements, farmin and farmout agreements, oil and gas leases, assignments, compression and/or processing agreements, and transportation, gathering and processing contracts and agreements (the "Contracts"); (4) all surface leaseholds used in connection with the Subject Properties, easements, rights-of-way (as described on Exhibit A-2 hereto), licenses, authorizations, water rights, permits and similar rights and interests; and (5) all records, regulatory files, non-privileged legal records and files, lease files, land files, title and lease records and opinions, operating files, well files, oil and gas sales contract files, gas processing files, division order files. abstracts, title files and materials (the "Records").

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Without limiting the generality of the foregoing, it is the intent of the Parties that this Conveyance shall cover any and all of Grantor's right, title and interest in the Subject Properties (to all depths), Wells (to all depths) and Equipment.

Notwithstanding anything in this Conveyance to the contrary, the Assets shall not include all trade credits, account receivables, net receivable, take or pay amounts receivable, and other receivables attributable to the Assets with respect to any period of time prior to the Effective Time.

TO HAVE AND TO HOLD the Assets unto Grantee, its successors and assigns, forever, subject, however, to the terms and conditions of this Conveyance.

ARTICLE 2

Special Warranty; Disclaimers; Release

Section 2.1. Special Warranty of Title: Subject to the terms and conditions of this Assignment, Grantor warrants title to the Assets, free and clear of all liens and encumbrances (other than Permitted Encumbrances as defined in that certain Purchase and Sale Agreement between Grantor and Grantee, dated March 23, 2011 (the "Purchase Agreement")) arising by, through or under Grantor, but not otherwise, but with full substitution and subrogation of Grantee, and all persons claiming by, through and under Grantee. Grantee hereby acknowledges and agrees that Grantee's sole and exclusive remedy for any Title Defect (as defined in the Purchase Agreement) with respect to any of the Leases. Wells, rights-of way or other property right shall be as provided in Article III of the Purchase Agreement, except for Title Defects arising from a breach of Grantor's special warranty of title set forth above.

Section 2.2. Disclaimers: Except as expressly set forth herein and as set forth in the Purchase Agreement. Grantor disclaims all liability and responsibility for any representation, warranty, statements or communications (orally or in writing) to any person (including any information contained in any opinion, information or advice that may have been provided to any such person by any officer, director, stockholder, partner, employee, agent, consultant, representative or contractor of Grantor, its affiliates or any engineer or engineering firm, or other agent, consultant or representative) wherever and however made with respect to the transaction contemplated hereby. BY ACCEPTING THIS CONVEYANCE, GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN OR IN THE PURCHASE AGREEMENT, GRANTOR HAS MADE NO. AND GRANTOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND GRANTEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW. BY STATUTE OR OTHERWISE RELATING TO (a) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY. ATTRIBUTABLE TO THE ASSETS, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO GRANTEE BY OR ON BEHALF OF GRANTOR, OR (c) THE ENVIRONMENTAL CONDITION OF THE NOTWITHSTANDING TO THE CONTRARY IN THIS CONVEYANCE. GRANTOR EXPRESSLY DISCLAIMS AND NEGATES, AND BY ACCEPTING THIS CONVEYANCE GRANTEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EOUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE ASSETS (i) AN IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (ii) AN IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. (iii) AN IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (iv) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS. WHETHER KNOWN OR UNKNOWN, (v) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW. AND (vi) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT. OR PROTECTION OF THE ENVIRONMENT OR HEALTH. IT BEING THE EXPRESS INTENTION OF GRANTEE AND GRANTOR THAT THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES INCLUDED IN THE ASSETS SHALL BE CONVEYED TO GRANTEE, AND GRANTEE SHALL ACCEPT SAME, AS IS, WHERE IS, WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR. AND

GRANTEE REPRESENTS TO GRANTOR THAT GRANTEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS WITH RESPECT TO SUCH PERSONAL PROPERTY. EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES AS GRANTEE DEEMS APPROPRIATE. GRANTOR AND GRANTEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

Section 2.3. Release: Without limiting and except as set forth in the Purchase Agreement. Grantee, on behalf of itself and its successors, assigns and affiliates, and its and their respective officers, employees, lenders, equity investors and representatives, fully releases and forever discharges Grantor and its and its affiliates' managers, officers, directors, employees, shareholders and representatives from all demands, claims, causes of action, suits, obligations, and liabilities of any kind whatsoever, statutory, at common law or otherwise, and regardless of the grounds therefor, whether known or unknown, WHETHER BASED ON OR ARISING OUT OF ANY THEORY OF LIABILITY, now existing or that might arise hereafter, directly or indirectly relating to, arising out of, or any way incidental to the Assets or the formation or performance of the Purchase Agreement.

Section 2.4. Purchase and Sale Agreement: This Conveyance is made pursuant to and is subject to the terms of the Purchase Agreement, which are incorporated herein by this reference, which terms shall survive the execution and delivery of this Conveyance in accordance with their terms. The Purchase Agreement shall not be deemed to have merged with this Conveyance.

ARTICLE 3

Subject to Contracts

Section 3.1. Subject to Contracts: Grantee is taking the Assets subject to the terms and conditions of the Purchase Agreement, the Leases and the Contracts, to the extent the Contracts are valid, binding and enforceable on the date of this Conveyance, and Grantee hereby assumes and agrees to fulfill, perform, pay and discharge Grantor's obligations under such Contracts both before and after the Effective Time, except as otherwise provided by and in accordance with the terms of the Purchase Agreement.

ARTICLE 4

Miscellaneous

Section 4.1. <u>Further Assurances</u>: After the Effective Time, Grantor, without further consideration will use its reasonable good faith efforts to execute, deliver and (if applicable) file or record or cause to be executed, delivered and filed or recorded such good and sufficient instruments of conveyance and transfer, and take such other action as may be reasonably required of Grantor to effectively vest in Grantee beneficial and record title to the Assets conveyed pursuant hereto and, if applicable, to put Grantee in actual possession of such Assets. After the date of this Conveyance, Grantee shall, without further consideration, execute, deliver and (if applicable) file or record, or cause to be executed, delivered and filed or recorded, all instruments, and take such actions, as may be reasonably required of Grantee to accomplish the conveyance and transfer of the Assets and otherwise consummate the transactions contemplated by this Conveyance.

Section 4.2. <u>Successors and Assigns</u>: This Conveyance shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 4.3. <u>Titles and Captions</u>: All article or section titles or captions in this Conveyance are for convenience only, shall not be deemed part of this Conveyance and in no way define, limit, extend, or describe the scope or intent of any provisions hereof. Except to the extent otherwise stated in this Conveyance, references to "Articles" and "Sections" are to Articles and Sections of this Conveyance, and references to "Exhibits" are to Exhibits attached to this Conveyance, which are made parts hereof for all purposes.

Section 4.4. <u>Governing Law</u>: This Conveyance and the rights of the parties hereunder shall be governed by, and construed in accordance with, the laws of the state of Texas.

Section 4.5. Counterparts:

- (a) This Conveyance may be executed in any number of counterparts, and by different parties in separate counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument.
- (b) To facilitate recordation, there are omitted from the Exhibits to this Conveyance in certain counterparts descriptions of property located in recording jurisdictions other than the jurisdiction in which the particular counterpart is to be filed or recorded.

[Signatures appear on next page.]

| EXECUTED in the presence of the day of March, 2011, but effective as of the | undersigned competent witnesses on the 3154 Effective Time. |
|--|--|
| | Grantor: |
| | By: Name: Craig Fleming Title: Senior Vice President, CFO |
| | By: Name: Crais Fleming Title: Senior Vice President, CFO |
| | Grantee: |
| | BWAB-SOVEREIGN ENERGY GROUP LLC |
| | By: Yoma Name: Thomas S. Metzger Title: Manager |
| <u>GRANT'OR</u> : | |
| STATE OF TEXAS) | |
|) ss. COUNTY OF TRAVIS) | |
| 2011, by Craig Fleming, as Senior Vice Pres | s acknowledged before me this 19 day of January, sident, Chief Financial Officer and Secretary of each II, LLC, both a Delaware limited liability company, |
| Witness my hand and official seal. | |
| SEAL) DEBORAH ROBERTS Notary Public, State of Texas My Commission Expires October 17, 2012 | Notary Public |
| GRANTEE: | |
| STATE OF COLORADO § | |
| SOUNTY OF DENVER § | |
| This instrument was acknowledg March . 2011 by Thomas S. XHKKOX of BWAB-Sovereign Energy Group L | Metzger the manager |
| ARAMAGI OWAD-SUVEREIGH EHERGY GROUP L | |
| SFALL | Onlin |

[SEAL]

WILLIAM G. MILLS, II NOTARY PUBLIC STATE OF COLORADO COMMISSION EXPIRES 18/10/2013 Notary Public in and for the State of Colorado

WILLIAM G. MILLS II C/O BWAB INCORPORATED 175-17¹¹¹ STREET, STE, 1390 DENVER CO 80202

Exhibit A salgnment, Bill of Sale and Conveyance from Knight Energy Group II, LLC, et al, as Grantor and BWAB-Sovereign Energy Group LLC as Grantee, effective March 1, 2011

| Lessor | | į | | • | Descriptio | , | | | | | |
|---|---------------------------------|------------|------|------|------------|-----|-----|-----|--------|-------|---------------|
| | 1 | Date | BOOK | Page | u | Sec | Iwn | Rng | County | State | Well |
| Lewis Elder, a single man | lexas Oil and Gas Corp. | 10/21/1977 | 26 | 39 | NW/4 | 28 | 315 | 42W | Morton | ΥS | Eider #1 |
| The National Benevolent Association | Texas Oil and Gas Corp. | 2/8/1978 | 25 | 403 | NW/4 | 28 | 318 | 42W | Morton | Š | Elder#1 |
| Baughman Foundation, Inc. Texas Oil and Gas Corp. | Fexas Oil and Gas Corp. | 9/30/1977 | 25 | 377 | SW/4 | 28 | 318 | 42W | Morton | & | Elder #1 |
| James S. Bitner, et ux. | Whitaker Enterprises | 2/27/1978 | 25 | 411 | SE/4, NE/4 | 20 | 315 | 42W | Morton | Š | Fider#1 |
| James S. Bitner, et ux. | Whitaker Enterprises | 2/27/1978 | 25 | 411 | SE/4 | 18 | 315 | 42W | Morton | KS | Elder #1 |
| an Knox, et ux | Texas Oil and Gas Corp. | 9/30/1977 | 25 | 376 | NW/4 | 21 | 318 | 42W | Morton | , v | 1 de 1 de 1 |
| B. V. Hanna | Paul Fleeger | 9/30/1947 | 13 | 267 | SW/4, E/2 | 29 | 315 | 43W | Morton | S S | Hanna #1 & #2 |
| B. V. Hanna | Paul Fleeger | 9/30/1947 | 13 | 292 | N/2, SW/4 | 32 | 318 | 43W | Morton | S. | Hanna #1 & #2 |
| Kapeas Thirrocalt | James Goddard | 5/25/1945 | 12 | 9/2 | SE/4 | 32 | 318 | 43W | Morton | ĸS | Hanna #1 |
| Endowment Assoc. | | 3/1/1948 | 4 | 249 | NW/4 | 29 | 33 | 43W | Morton | 2 | C# COCCO |
| USA KS-BLM-010730- DROPPED | J M Huber Corporation | 10/1/1947 | | | SE/4 | 29 | 348 | 43W | Morton | S X | Taillid #2 |
| USA KSW-0131568-A- DROPPED | J M Huber Corporation | 9/27/1963 | 20 | 510 | SE/4 | 29 | 345 | 43W | Morton | Š. | 1.SA #D.1 |
| USA KSW-0131569-A- DROPPED | Pan American Petroleum Corp. | 9/27/1963 | 20 | 295 | SE/4 | 30 | 34S | 43W | Morton | SS. | USA #D-1 |

Exhibit A-1 to the Assignment, Bill of Sale and Conveyance from Knight Energy Group II, LLC, et al, as Grantorand BWAB / Sovereign Energy Group LLC as Grantee, effective March 1, 2011

| Well Name | County | State | Sec | ⊢ | œ | Working | 22 |
|-----------|--------|-------|-----|-----|-----|------------|------|
| ELDER 1 | MORTON | ĸs | 28 | 315 | 42W | 1.00000000 | 0.84 |
| HANNA 182 | MORTON | S | 32 | 315 | 43W | 1.00000000 | |
| USA D-1 | MORTON | KS | 29 | 345 | 43W | 0.92500000 | ,, . |

Exhibit A-2 to the Assignment, Bill of Sale and Conveyance from Knight Energy Group II, LLC, et al, as Grantor and BWAB-Sovereign Energy Group LLC as Granton effective March 4 2044

| March 1, 2011 | Field State County Contract Description Hugoton-KS KS MORTON SE4. Section 30; S2. Section 29; T34S, R43W Morton Co. Ks. |
|---|---|
| effective N | County |
| ntee, e | State KS |
| o ere as Gra | Field State County Hugoton-KS KS MORTON |
| and creates were given an energy of our LLC as Grantee, effective March 1, 2011 | Type Date of Contract UA 9/26/1963 |
| | Type |
| | Contract Name USA #D-1 Communitization Agmt |
| | Enervest No. KS01C001 |