

ASSIGNMENT OF WELLBORE

This Assignment of Wellbore ("Assignment") is from Pennaco Energy, Inc. ("Assignor") 5555 San Felipe, Houston, TX 77056, a wholly owned subsidiary of Marathon Oil Company, P. O. Box 3128, Houston, TX 77253 To Verlin and Karen J. Dannar ("Assignee"), P.O. Box 350, Sheridan, WY 82801

RECITALS

1. Assignor owns the following wellbore (i.e. the physical hole that makes up the well) including the production casing and wellhead (collectively the "Well") in Sheridan County, Wyoming:

DANNAR 5-4-57-82 MZ/CR, SWNW, Section 4, T57N, R82W

2. Assignor's intent is to transfer only the Well (being the wellbore, production casing, and wellhead) owned by Assignor, and located on the quarter section on which the Well is located as described above. No other facilities, pumps, or other equipment is to be transferred by this Assignment. Pursuant to Paragraph 16 of that certain Surface Use and Damage Agreement between Assignor's predecessor and Assignee dated August 27, 1999 ("SUA"), Assignee has elected to acquire said Well for use as a private water well.
3. Assignee desires to acquire all of Assignor's interest in the Well in exchange for assuming plugging and abandonment and associated liabilities of the Well.

NOW THEREFORE, Assignor does hereby convey, assign and transfer to Assignee the wellbore, production casing and well head associated with the following described wells:

DANNAR 5-4-57-82 MZ/CR, SWNW, Section 4, T57N, R82W

Assignor's intent is to transfer only the Well (being the wellbore, production casing, and wellhead) owned by Assignor, and located on the quarter section on which the Well is located as described above. No other facilities, pumps, or other equipment is to be transferred by this Assignment.

Assignor and Assignee will execute and file any documents with the Wyoming Oil and Gas Conservation Commission and/or State Engineer's Office necessary or convenient to effect this Assignment.

Assignee specifically assumes all obligations for reclamation, plugging and abandonment, remediation and surface owner obligations with respect to the Well and Assignee hereby agrees to indemnify Assignor for any liability, damages or claims relating to conversion, operation or reclamation of the Well which might be asserted by the surface owner or any other third party on or after the date of this assignment. Assignee specifically releases Assignor from all obligations and liabilities relating to the Well otherwise arising under the parties' SUA.

The Well, conveyed by this Assignment is conveyed on "AS IS" and "WHERE IS" basis, without any express or implied warranty or representation as to merchantability of any of the equipment or its fitness for any purpose and without any other express or implied warranty or representation whatsoever.

Assignee has represented that it intends to convert and to use the above described Well as a private water well and agrees that its use will be limited to this purpose. Assignee understands and agrees that Assignor has made no warranties or representations as to the Well's fitness or suitability for this or any other use. Assignor assumes no liability for the quantity or quality of water produced, and makes no representations as to its ability to continue producing water in the future. Assignee understands and agrees that any and all equipment assigned as part of this Assignment are received "as is." Assignee understands and agrees that Assignor will, from this day forward, be relieved of all responsibilities and liabilities whatsoever related to said Well.

Executed by the respective parties as indicated below, effective this 23rd day of April, 2014.

Peggy A. Gilbert
Peggy A. Gilbert, Attorney in Fact
Pennaco Energy, Inc.

4/25/14
Date

Verlin Dannar
Verlin Dannar

4-23-14
Date

Karen J. Dannar
Karen J. Dannar

4-23-14
Date

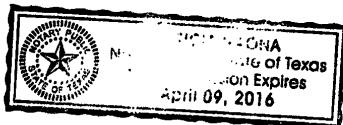
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF HARRIS

On this 25th day of April, 2014, before the undersigned, a Notary Public in and for said county and state personally appeared Peggy A. Gilbert, Attorney-in-Fact of Pennaco Energy, Inc. to me personally known to be the identical person whose name is affixed to the above instrument, and acknowledged the execution thereof to be his voluntary act and deed as such office and the voluntary act and deed of the said corporation.

Witness my hand and seal in said county and state the day and year last written.

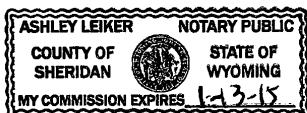


[Signature]
Notary Public

STATE OF WYOMING)
) ss
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me by Verlin and Karen J. Dannar this 23 day of April, 2014.

Witness my hand and official seal.



Ashley Leiker
Notary Public