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Official
Recording requested By
BERRY PETROLEUM Record

Eureka County - NV Mike Rebaleati - Recorder

Fee: \$26.00

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Book- 499 Page- 0166



RECORDING REQUESTED BY:

Berry Petroleum Company 1999 Broadway Street, Suite 3700 Denver, CO 80202

ASSIGNMENT AND BILL OF SALE (Title of Document)

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE (this "Assignment") from Meritage Energy Company, LLC, a Delaware limited liability company, with offices at 1600 Broadway, Suite 1360, Denver, Colorado 80202 ("Assignor"), to Berry Petroleum Company, a Delaware corporation, with offices at 1999 Broadway, Suite 3700, Denver, Colorado, 80202 ("Assignee"), is executed on the dates set forth in the respective notary certifications below, but effective for all purposes as of 9:00 a.m., Central time, January 1, 2010 (the "Effective Time").

RECITALS

Assignor owns certain undivided interests in and to the Assets (as defined below).

Pursuant to that certain Purchase and Sale Agreement between Assignor and Assignee dated January 8, 2010 (the "Agreement"), Assignor has agreed to assign to Assignee all of its right, title, and interest in and to the Assets.

It is the intent of Assignor to transfer, and the intent of Assignee to acquire the Assets, subject to the Excluded Assets (as defined in Section 2 below) and the further terms and conditions of this Assignment and the Agreement.

Capitalized terms used herein but not defined shall have the meanings assigned to such terms in the Agreement.

NOW, THEREFORE, in consideration of the transactions contemplated in the Agreement and the covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ASSIGNMENT

- Section 1. <u>Assignment</u>. Assignor, for and in consideration of the sum of Ten Dollars (\$10) cash and other good and valuable consideration, in hand paid, the receipt and sufficiency of which is hereby acknowledged, hereby GRANTS, BARGAINS, SELLS, AND CONVEYS, and by these presents has GRANTED, BARGAINED, SOLD, AND CONVEYED unto Assignee the following described real and personal properties, rights and interests located in Eureka County, Nevada (collectively, the "<u>Assets</u>"):
- (a) All of Assignor's right, title, interest, of every kind and nature, in, to and under the oil and gas leases described in Exhibit A-1 attached hereto (the "Leases"), covering the land described in Exhibit A-1 (the "Land"), whether or not such interests or land are accurately or completely described on Exhibit A-1, together with all the property and rights incident thereto.
- (b) All of Assignor's right, title and interest in, to, under or derived from all operating agreements, pooling, communitization and unitization agreements, farmout agreements, joint venture agreements, product purchase and sale contracts, transportation, processing, treatment or gathering agreements, leases, permits, rights-of-way, easements,

EUREKA COUNTY

licenses, options, declarations, orders, contracts, and instruments in any way relating to the Leases or other Assets, including but not limited to those that are listed on <u>Exhibit A-2</u> attached hereto (the "Contracts").

- (c) All of Assignor's right, title and interest in and to the wells situated on the Leases and Land or on land pooled, communitized or unitized therewith, including without limitation the wells described in Exhibit A-3 attached hereto (the "Wells"), together with all of Assignor's interests in and to all of the personal property, fixtures, improvements and other property, whether real, personal or mixed, as of the Effective Time on, appurtenant to or used by Assignor or obtained by Assignor in connection with the Leases, Land or Wells or with the production, injection, treatment, sale or disposal of hydrocarbons and all other substances produced therefrom or attributable thereto (collectively, the "Equipment"), including, without limitation, producing and non-producing wells, injection wells, disposal wells, well equipment, casing, tubing, tanks, generators, boilers, buildings, pumps, motors, machinery, pipelines, gathering systems, power lines, telephone and telegraph lines, roads, field processing plants, field offices and other furnishings related thereto, equipment leases, trailers, and all other improvements or appurtenances thereunto belonging, the material items of which are listed on Exhibit A-4 attached hereto to the extent related to Wells or Equipment operated by Assignor.
- (d) All of Assignor's overriding royalty interests, mineral interests, net profits interests, operating interests, reversionary interests and other interests owned by Assignor in and to the Land and the Leases or in or attributable to production therefrom, and all rights, properties and interests of Assignor relating to such interests, including without limitation (i) the overriding royalty interests and fee mineral interests described in Exhibit A-5 attached hereto and (ii) Assignor's interests in options, farmout agreements, exploration agreements, and other agreements granting to Assignor the right to earn or otherwise acquire interests in the Leases, Land and Wells.
- (e) All of the oil and gas and associated hydrocarbons ("Oil and Gas") in and under or otherwise attributable to the Leases and Land or produced from the Wells on and after the Effective Time.
- (f) To the extent assignable, all permits, licenses, authorizations, franchises, orders, exemptions, variances, waivers, certificates, consents, rights and privileges issued by any federal, state, local, municipal, or other government, or governmental, regulatory or administrative agency, commission, body, arbitrator or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or court or governmental tribunal ("Governmental Authority"), as well as any applications for the same, related to the Leases, Land and Wells or the use thereof (the "Governmental Authorizations").
- (g) To the extent assignable, but only to the extent necessary to protect Assignee with respect to Assumed Liabilities, all of Assignor's rights to indemnity and otherwise under Section 9.3 of that certain Purchase and Sale Agreement dated August 7, 2006 between Assignor and Deerfield Production Company (the "Prior Purchase Agreement").

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(h) All of the files, records, and data of Assignor relating to the items described in subsections (a), (b), (c), (d), (e) and (f) above (the "Records"), including, without limitation, lease records, well records, and division order records; well files and prospect files; title records (including abstracts of title, title opinions and memoranda, and title curative documents related to the Leases and Wells); contracts and contract files; correspondence; data files; micro-fiche data files; geological, geophysical and seismic records, interpretations, data, maps and information; production records, electric logs, core data, pressure data, decline curves and graphical production curves; reserve reports; and accounting records, to the extent only that the Records can be transferred without violation of any third-party restriction and are not protected by Assignor's attorney-client privilege. The Records do not include any appraisals or other evaluation materials related to Assignor's preparation of the Assets for sale hereunder nor any of Assignor's income tax returns or files related thereto.

It is the intent of Assignor to convey and this Assignment hereby conveys to Assignee, all of Assignor's right, title, and interest, from and after the Effective Time, in and to all of the Assets, regardless of the omission of any lease or leases, errors in description or specification of any interests in any of the Assets, any incorrect or misspelled names or any transcribed or incorrect recording references.

Assignor also hereby grants and transfers to Assignee, its successors and assigns, the right to enforce, to the extent so transferable, the benefit of the covenants and warranties, if any, which Assignor is entitled to enforce with respect to Assignor's predecessors in title to the Assets.

EXCEPTING AND RESERVING to Assignor, however, the Excluded Assets (as defined below).

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

Section 2. <u>Excluded Assets</u>. Notwithstanding anything to the contrary in Section 1 or elsewhere in this Assignment, the Assets shall not include (a) rights of Assignor to indemnity and otherwise under Prior Purchase Agreement to the extent necessary to protect Assignor with respect to Retained Liabilities and to the extent related to rights and properties not assigned to Assignee under this Agreement and (b) those items listed in <u>Exhibit B</u> (the "<u>Excluded Assets</u>").

Section 3. Special Warranty. Assignor warrants title to the Assets, unto Assignee, its successors and assigns, against all persons claiming or to claim the same or any part thereof by, through, or under Assignor, but not otherwise. EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE, ASSIGNOR MAKES NO, AND EXPRESSLY DISCLAIMS AND NEGATES ANY, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE TO ANY OF THE ASSETS. Assignor hereby assigns to Assignee all rights, claims, and causes of action on title warranties given or made by Assignor's predecessors (other than Affiliates of Assignor), and Assignee is specifically subrogated to all rights which Assignor may have against its predecessors (other than Affiliates of Assignor), to the extent Assignor may legally transfer such rights and grant such subrogation.

- Disclaimer of Other Warranties. Except as specifically represented Section 4. otherwise in the Agreement, ASSIGNOR MAKES NO, AND EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, CONCERNING OR RELATING TO THE ASSETS, ASSIGNOR, OR MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO ASSIGNEE OR ITS CONNECTION WITH THE **EMPLOYEES** REPRESENTATIVES OR IN TRANSACTION CONTEMPLATED HEREIN, AND FURTHER DISCLAIMS ANY **EXPRESS** OR IMPLIED. OF WARRANTY. REPRESENTATION OR PARTICULAR PURPOSE, MERCHANTABILITY, **FITNESS FOR** CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, THE ASSETS ARE BEING TRANSFERRED "AS IS, WHERE IS" WITH ALL FAULTS AND DEFECTS.
- Section 5. Further Assurances. From and after the date hereof, Assignor, 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 Assignor to effectively vest in Assignee beneficial and record title to the Assets conveyed pursuant hereto and, if applicable, to put Assignee in actual possession of such Assets. After the date of this Assignment, Assignor and Assignee 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 Assignor or Assignee to accomplish the conveyance and transfer of the Assets and otherwise consummate the transactions contemplated by this Assignment and the Agreement, and shall send all required notices with respect to the Assets.
- Section 6. <u>Assignment Subject to Agreement</u>. This Assignment is expressly subject to the terms and conditions of the Agreement, which terms are hereby incorporated into this Assignment by reference for all purposes. The Agreement contains certain representations, warranties, covenants and agreements between the parties, some of which may survive the delivery of this Assignment, as more particularly provided for therein. Nevertheless, third parties may conclusively rely on this Assignment to vest title to the Assets in Assignee.
- Section 7. Successors and Assigns. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.
- Section 8. <u>Titles and Captions</u>. All article or section titles or captions in this Assignment are for convenience only, shall not be deemed part of this Assignment and in no way define, limit, extend, or describe the scope or intent of any provisions hereof.
- Section 9. Governing Law. This Assignment shall be construed in accordance with, and governed by, the laws of the State of Texas without regard to principles of conflicts of law.
- Section 10. No Oral Change. This Assignment may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing signed by the

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party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

Section 11. Severability. If any provision of this Assignment shall be held invalid or unenforceable by any court of competent jurisdiction, the remainder of this Assignment shall not be affected thereby and each other term, covenant, condition, and provision shall be valid and enforceable to the fullest extent permitted by law.

Section 12. Counterparts.

- (a) This Assignment 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 Assignment 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.

IN WITNESS WHEREOF, this Assignment has been executed by each of the Parties as of the Effective Date.

ASSIGNOR: MERITAGE ENERGY COMPANY, LLC

By: Name:

Title:

ASSIGNEE:

BERRY PETROLEUM COMPANY

By: Name:

Title:

Thomas G. Fast

Corporate Land Manager

ACKNOWLEDGMENTS

STATE OF COLORADO §	\ \
STATE OF COLORADO § § COUNTY OF DENVER §	
The foregoing instrument	t was acknowledged before me this 30 day of March, 2010, by , the of Meritage are limited liability company, as the act and deed and on behalf of
such limited liability company.	are milited madnity company, as the act and deed and on behan of
	Lingth Lauren
	Notary Public in and for the State of Colorado
STATE OF COLORADO	§ §
COUNTY OF DENVER	§ \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Thomas G. Fast	t was acknowledged before me this day of March, 2010, by , the Corporate Land Hanager of Berry
Petroleum Company, a Delawa corporation.	re corporation, as the act and deed and on behalf of such
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Medion Expires Vo	0214958 Book 499 04/19/2010 Page: Tof 13

BETWEEN MERITAGE ENERGY, COMPANY, LLC AS SELLER, AND BERRY PETROLEUM COMPANY, AS BUYER LEASES, LANDS ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND BILL OF SALE

Lease No.

BLACK STONE MINERALS COMPANY, LP.	lessor
MERITAGE ENERGY COMPANY, LLC	PSSSB
12/1/2009	lease Date
497	
189	Page
EUREKA EUREKA	County
TOWNISHIP 9 NORTH, RANGE 52 EAST, MD P.M. SECTION 35: ALL TOWNISHIP 28 NORTH, RANGE 52 EAST, MD P.M. SECTION 11: LOTS 1-5, SW/4NE/4, S/ZNW/4 TOWNISHIP 29 NORTH, RANGE 52 EAST, MD P.M. SECTION 27: N/2, W/ZSE/4, E/2SE/4, SW/4	

EXHIBIT A-2 MATERIAL CONTRACTS

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND BILL OF SALE BETWEEN MERITAGE ENERGY COMPANY, LLC, AS SELLER, AND BERRY PETROLEUM COMPANY, AS BUYER

AGREEMENTS

		NEVADA PROPERTIES	NEVADA PROPERTIES	NEVADA PROPERTIES	LEASE NAME
	CRUDE PURCHASE AGREEMENT	CONSULTING AGREEMENT	PURCHASE & SALE AGREEMENT	FORELAND REFINING CORP.	OPERATOR
	FORELAND / MECO	GREATBASIN / MECO	DEERFIELD / MECO	MERITAGE ENERGY COMPANY	NON- OPERATOR
\	9/1/2008	1/15/2004	8/7/2006	9/1/2008	Date
	EUREKA	EUREKA	EUREKA	EUREKA	County/State
	CRUDE PURCHASE AGREEMENT	CONSULTING AGREEMENT	PURCHASE AND SALE AGREEMENT	SEE AGREEMENT FOR LANDS	Description

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EXHIBIT A-3 TO ASSIGNMENT AND BILL OF SALE

WELLS AND LOCATIONS

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND BILL OF SALE BETWEEN MERITAGE ENERGY COMPANY, AS SELLER, AND BERRY PETROLEUM AS BUYER

There is no Exhibit A-3 - Eureka County, Nevada

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EXHIBIT A-4

EQUIPMENT

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND BILL OF SALE BETWEEN MERITAGE ENERGY COMPANY, LLC, AS SELLER AND BERRY PETROLEUM COMPANY, AS BUYER

There is no Exhibit A-4 – Eureka County, Nevada

EXHIBIT A-5 OTHER INTERESTS ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND BILL OF SALE BETWEEN MERITAGE ENERGY COMPANY, LLC, AS SELLER AND BERRY PETROLEUM COMPANY, AS BUYER

There is no Exhibit A-5 - Eureka County, NV

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EXHIBIT 'B'

EXCLUDED ASSETS

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT AND BILLOF SALE BETWEEN MERITAGE ENERGY COMPANY, AS SELLER AND BERRY PETROLEUM COMPANY, AS BUYER

There is no Exhibit 'B' - Eureka County, Nevada