



3-14

**ASSIGNMENT OF OIL AND GAS LEASES**  
**(Big River)**

**PAXTON RESOURCES, LLC**, a Michigan Limited Liability Company, whose address is 132 N. Otsego Ave, Gaylord, Michigan 49735 (hereinafter called "Assignor"), for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, convey, assign and transfer to **FLATIRONS RESOURCES, LLC**, a Colorado limited liability company, whose address is 11080 Circle Point Road, Suite 180, Westminster, Colorado 80020, (hereinafter called "Assignee"), the following:



An undivided ten percent (10%) of all right, title and interest in and to the Oil and Gas Leases described on Exhibit "A" together with an undivided ten percent (10%) interest in and to the units, associated wells and facilities, including all materials, supplies, machinery, equipment, improvements and other personal property and fixtures, attributable to the leases assigned herein, including but not limited to wellhead equipment, buildings, gathering systems and other equipment used in connection with the development, operation or maintenance of the wells described on Exhibit "B" attached hereto and made a part hereof for all purposes herein.

Assignor does hereby reserve and except unto itself, its heirs, successors and assigns, an overriding royalty interest equal to the difference between all existing lease burdens recorded as of the effective date hereof and 20% of 8/8ths of the oil, gas or other hydrocarbons in and under and which may be produced, saved and sold from said lands, it being the intent of Assignor to assign to Assignee an 80% net revenue interest in the leases. Said overriding royalty interest shall be free of all costs, but subject to its proportionate share of applicable taxes.

In the event the Oil and Gas Leases cited in Exhibit "A" cover less than the entire and undivided fee interest in the lands described therein, then the interests herein assigned and reserved shall be proportionately reduced.

Said overriding royalty shall apply to any extensions, renewals or new leases covering the leased interests acquired by Assignee, its successors or assigns, within one year from the expiration of a lease covered by this Assignment.

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

- 1) An unrecorded Letter Agreement dated July 15, 2014 between Assignor and Assignee
- 2) Joint Operating Agreement dated April 22, 2011, as amended, between Assignor and Wavelet Investments, LLC

TO HAVE AND TO HOLD the Leases unto Assignee, its successors and assigns, forever, subject to the terms, conditions, reservations and exceptions herein expressed and Assignor hereby warrants the title to same by, through or under Assignor, but not otherwise.

This Assignment of Oil and Gas Leases shall be binding upon and shall inure to the benefit of the parties hereto, their respective representatives, agents, successors and assigns.

Notwithstanding anything herein to the contrary contained herein, it is hereby understood and agreed that this assignment is not a duplication of any other assignment bearing the same effective date, between the parties hereto.

Dated this 31<sup>st</sup> day of July, 2014, but effective as of June 1, 2014.

**PAXTON RESOURCES, LLC**

BY:   
Scott Lampert, as Member

Time Submitted for Recording  
Date 8/11/2014 Time 09:33 AM  
Lawrence Kestenbaum  
Washtenaw County Clerk/Registrar



Assignment of Oil and Gas Leases  
Paxton Resources to Flatirons Resources  
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STATE OF MICHIGAN )  
 ) SS  
COUNTY OF OTSEGO )

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of August, 2014, by Scott Lampert, as Member of Paxton Resources, LLC, a Michigan limited liability company, on behalf of the company.

My Commission Expires: May 15, 2016

Becky A Farmer  
Becky A. Farmer Notary Public  
In and for Otsego County, Michigan  
Acting in Otsego County, Michigan

Prepared by/Return to: Becky A. Farmer, Paxton Resources, 132 N. Otsego Ave., Gaylord, MI 49735

Washtenaw County Exhibit A to Assignment of Oil and Gas Leases dated July 31, 2014 between Paxton Resources and Flatirons Resources

Lease No.	Lessor	Lessee	Date	Book	Page	Twp	Rge	Sec	Description
<b>Baldus B2-16</b>									
211610363	KENNETH A. BALDIUS ET UX	Paxton Resources LLC	10/19/2011	4880	789	4S	5E	16	E/2SW/4
211610469	VINCENT BANKSTON	Paxton Resources LLC	3/7/2013	4976	605	4S	5E	16	SE/NW/4, PT W/2W/2SE/4
211610486	MAGGIE J. BANKSTON	Paxton Resources LLC	6/20/2014	5047	630	4S	5E	16	PT W/2W/2SE/4
<b>Dwyer D3-34</b>									
211610372	NOEL S. WALSH ET UX	Paxton Resources LLC	2/3/2011	4880	791	4S	5E	34	PT SW/4SE/4
211610451	KEITH E. RATCLIFF ET UX	Paxton Resources LLC	10/4/2012	4940	611	4S	5E	34	PT SW/4SE/4
211610480	HACK RD, LLC	Paxton Resources LLC	9/12/2013	5001	959	4S	5E	34	PT S/2SE/4
<b>Finkbeiner B1-16</b>									
211610439	DAVID FINKBEINER ET UX	Paxton Resources LLC	8/29/2012	4928	498	4S	5E	16	W/2NW/4
211610454	HAZEL E. SEEGER REV TRUST	Paxton Resources LLC	11/8/2012	4945	533	4S	5E	9	PT SW/4SW/4
<b>Finkbeiner B4-17:</b>									
211610439	DAVID FINKBEINER ET UX	Paxton Resources LLC	8/29/2012	4928	498	4S	5E	17	NE/4NE/4, PT N/2SE/4NE/4
<b>Girbach D4-27</b>									
211610441	DAVID DEYO ET UX	Paxton Resources LLC	8/22/2012	4927	232	4S	5E	27	PT E/2SE/4SW/4, PT W/2SW/4SE/4
<b>Heaton Trust A2-15</b>									
211610457	KEVIN L. CLINK ET UX	Paxton Resources LLC	12/12/2012	4953	313	4S	5E	10	PT SW/4SE/4
211610459	INGA J. HEATON REV TRUST	Paxton Resources LLC	12/18/2012	4987	229	4S	5E	10	W/2E/2SE/4, PT SW/4SE/4
<b>Jedele C4-9</b>									
211610479	JACK GREGORY MITCHELL ET UX	Paxton Resources LLC	8/6/2013	4996	314	4S	5E	9	PT E/2SE/4
<b>Kohler D1-15</b>									
211610478	MICHAEL H. ARMBRUSTER ET UX	Paxton Resources LLC	6/17/2013	4986	775	4S	5E	15	PT W/2E/2SW/4

Washtenaw County  
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Lease No.	Lessor	Lessee	Date	Book	Page	Twp	Rge	Sec	Description
Koshy C1-10									
211610481	NEG MICHIGAN LLC	Paxton Resources LLC	10/28/2013	5010	630	4S	5E	10	PT NW/4SW/4
211610482	ARBOR INT'L INC PROFIT SHARING	Paxton Resources LLC	10/28/2013	5010	629	4S	5E	10	PT NW/4SW/4 LYING NLY OF HWY US 12
Mehler, Cherney A4-34									
211610452	HOWARD W. MEHLER ET AL	Paxton Resources LLC	11/8/2012	4940	610	4S	5E	34	PT NE/4NE/4

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Exhibit B to Assignment of Oil and Gas Leases dated  
July 31, 2014 between Paxton Resources, LLC and Flatirons, LLC

Well Name	WI %	NRI %	County	Twp	Rge	Sec	Description	Pooled Area
Baldus B2-16	10.000%	8.000%	Washtenaw	4S	5E	16	SE/4NW/4, E/2SW/4, W/2W/2SE/4	
Cook 1-27	10.000%	8.000%	Washtenaw	4S	5E	21	NE/4NW/4	
Dwyer 1-21	10.000%	8.000%	Washtenaw	4S	5E	21	S/2NE/4NE/4, N/2SE/4NE/4	
Dwyer D3-34	10.000%	8.000%	Washtenaw	4S	5E	34	S/2SE/4	
Finkbeiner B1-16	10.000%	8.000%	Washtenaw	4S	5E	9	SW/4SW/4	
Finkbeiner B4-17	10.000%	8.000%	Washtenaw	4S	5E	8	S/NE/4SE/4, SE/4SE/4	
Girbach D4-27	10.000%	8.000%	Washtenaw	4S	5E	27	N/2SE/4NE/4, NE/4NE/4	
Gordon B3-27	10.000%	8.000%	Washtenaw	4S	5E	27	E/2SE/4SW/4, SW/4SE/4, W/2SE/4SE/4	
Gordon C3-27	10.000%	8.000%	Washtenaw	4S	5E	27	SE/4NW/4, SW/4NE/4	
Heaton Trust A2-15	10.000%	8.000%	Washtenaw	4S	5E	10	NE/4SW/4, NW/4SE/4	
Jedele B4-16	10.000%	8.000%	Washtenaw	4S	5E	16	NE/4NW/4, NW/4NE/4	
Jedele C4-9	10.000%	8.000%	Washtenaw	4S	5E	9	E/2NE/4	
Kohler D1-15	10.000%	8.000%	Washtenaw	4S	5E	15	E/2SE/4	
Kohler-McTaggart D4-16	10.000%	8.000%	Washtenaw	4S	5E	15	W/2E/2SW/4, E/2W/2SW/4	
Koshy A1-15	10.000%	8.000%	Washtenaw	4S	5E	16	W/2W/2SW/4	
Koshy C1-10	10.000%	8.000%	Washtenaw	4S	5E	10	E/2E/2SE/4	
Koshy D3-16	10.000%	8.000%	Washtenaw	4S	5E	10	SW/4SW/4	
Luckhardt B1-22	10.000%	8.000%	Washtenaw	4S	5E	15	NW/4NW/4	
Luckhardt C2-22	10.000%	8.000%	Washtenaw	4S	5E	16	NW/4SW/4	
Lutz D2-22	10.000%	8.000%	Washtenaw	4S	5E	22	E/2W/2SE/4, W/2E/2SE/4	
Mehler & Cherney A4-34	10.000%	8.000%	Washtenaw	4S	5E	22	NW/4	
	10.000%	8.000%	Washtenaw	4S	5E	22	N/2SW/4	
	10.000%	8.000%	Washtenaw	4S	5E	22	S/2SW/4	
	10.000%	8.000%	Washtenaw	4S	5E	34	N/2NE/4	

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