PURCHASE AND SALE AGREEMENT

AMONG

WAPITI OIL & GAS, L.L.C.,
A DELAWARE LIMITED LIABILITY COMPANY

AND

WAPITI ENERGY, LLC,

A TEXAS LIMITED LIABILITY COMPANY

COLLECTIVELY, AS "SELLER"

AND

ARGENT ENERGY (US) HOLDINGS INC.,

A DELAWARE CORPORATION

AS "BUYER"

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Article I. Assets.....1

Section 1.01. Agreement to Sell and Purchase. Subject to and in accordance with the terms and conditions of this Agreement, and with the reservation of the Excluded Assets, Buyer agrees to purchase all of Seller's right, title and interest in the Assets from Seller, and each Seller, severally and not jointly, agrees to sell 100% of Seller's right, title and interest in the Assets to Buyer. 1

Section 1.02. Assets. Subject to Section 1.03, the term "Assets" shall mean 100% of Seller's right, title and interest in and to: 1

Section 1.03. Excluded Assets. Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the sale contemplated by this Agreement (collectively, the "Excluded Assets"): (a) on a lease by lease basis, all depths of the Leases 100 feet below the lowest producing interval (or interval capable of production) as of the Effective Time, as described on the reservations set forth on Schedule 1.03, (b) except to the extent described in Section 1.02(c), Section 1.02(g), Section 1.02(i) or Section 1.02(j), all trade credits and refunds and all accounts, instruments and general intangibles (as such terms are defined in the Texas Uniform Commercial Code), attributable to the Assets with respect to any period of time prior to the Effective Time; (c) except to the extent described in Section 1.02(i) or Section 1.02(j), all claims and causes of action of Seller arising from acts, omissions or events occurring prior to the Effective Time; (d) except to the extent described in Section 1.02(i) or Section 1.02(j), all rights and interests of Seller (i) under any policy or agreement of insurance or indemnity, (ii) under any bond, or (iii) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events, or damage to or destruction of property, occurring prior to the Effective Time; (e) all Hydrocarbons produced from or attributable to the Subject Interests during all periods prior to the Effective Time, together with all proceeds from the sale of such Hydrocarbons for which Seller did not receive credit under Section 10.02(a); (f) all claims of Seller for refunds of or loss carry forwards with respect to any taxes and refunds for amounts paid in connection with the Assets attributable to any period prior to the Effective Time; (g) all amounts due or payable to the Seller as adjustments to insurance premiums related to the Assets with respect to any period prior to the Effective Time; (h) all proceeds, income or revenues (and any security or other deposits made) attributable to the Assets for any period prior to the Effective Time for which Seller did not receive credit for under Section 10.02(a); (i) except to the extent described in Section 1.02(h), all of Seller's rights and interests in geological and geophysical data that is interpretive in nature or which cannot be transferred without the consent of or payment to any Third Party for which Buyer has not agreed to pay or obtain such consent; (j) data and other information that cannot be disclosed or assigned to Buyer as a result of confidentiality or similar arrangements under agreements with Third Parties and which records and data are not material to the operation of any of the Assets; (k) all audit rights arising under any of the Contracts with respect to

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any period prior to the Effective Time; (l) all rights and obligations of WOG under the Development Agreement with BP America Production Company dated as of April 1, 2012, (m) all rolling stock, including trucks used on the Leases and Lands, and (n) all books and records solely relating to the Excluded Assets. 3

Article II. Purchase Price 4

Section 2.01. Purchase Price. The total consideration for the purchase, sale and conveyance of the Assets to Buyer is Buyer's payment to Seller of the sum of ONE HUNDRED TWENTY MILLION AND NO/100 U.S. Dollars, (US$120,000,000.00) (such amount, as allocated and as adjusted in accordance with this Agreement, the "Purchase Price"). As a performance deposit, the Buyer shall deliver to the Seller the Deposit upon the execution of this Agreement. The Deposit, together with earnings on the Deposit while held by the Seller, will be credited to the Purchase Price at the Closing, and is not refundable, except as provided in Section 11.03 of this Agreement. The earnings on the Deposit will become part of the Deposit and will be paid to the Party entitled to the Deposit in accordance with the terms hereof. 4

Section 2.02. Allocated Values. Buyer and Seller have agreed on the allocation of the Purchase Price among the Assets as set forth in Exhibit C attached hereto (the "Allocated Values"). Seller and Buyer agree that the Allocated Values shall be used to compute any adjustments to the Purchase Price pursuant to the provisions of ARTICLE III and ARTICLE IV. 4

Section 2.03. Effective Time. If the transactions contemplated by this Agreement are consummated in accordance with the terms and provisions hereof, the purchase and sale of the Assets shall be effective as of 7:00 a.m. local time where the Assets are located on October 1, 2012 (the "Effective Time"). 4

Article III. Title Matters 5

Section 3.01. Examination Period. Following the execution date of this Agreement until Closing, Seller shall permit Buyer and/or its representatives (including Buyer's Environmental Consultant) to examine, at all reasonable times, in Seller's offices, the Records, subject to such restrictions on disclosure as may exist under confidentiality agreements or other agreements binding on Seller or such data, but only to the extent such restrictions on disclosure are set forth in Schedule 3.01. 5

Section 3.02. Permitted Encumbrances. The term "Permitted Encumbrances" shall mean any of the following matters to the extent the same are valid and subsisting and affect the Assets: 5

Section 3.03. Special Warranty of Title. Except as set forth in the Assignments and in this Section 3.03, Seller makes no warranty or representation, express or implied, statutory or otherwise, with respect to Seller's title to any of the Assets, and Buyer hereby acknowledges and agrees that the sole remedy for any defect of title, including any Title Defect, with respect to any of the Assets shall be the special warranty of title set forth below and in the Assignments. Pursuant to

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the form of Assignments set forth in Exhibit D-1 and Exhibit D-2 attached hereto, Seller hereby agrees to warrant and defend title to the Assets solely unto Buyer against every Person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Seller, but not otherwise; subject, however, to the Permitted Encumbrances. 7

Section 3.04. Consents to Assignment. Seller will set forth the list of Assets that are subject to consents from third parties to assign the Assets in Schedule 3.04. Seller shall use all reasonable efforts to obtain all necessary consents from Third Parties to assign the Assets prior to Closing (other than governmental approvals that are customarily obtained after Closing) and Buyer shall assist Seller with such efforts. To the extent any Required Consents are not obtained prior to Closing, the Buyer shall have the option to (a) acquire such Assets at Closing and assume all liabilities arising out of the failure to obtain such Required Consent or (b) exclude such Assets from the Assets, in which case (i) the Purchase Price shall be reduced by the Allocated Value of such Asset and (ii) such Asset shall be deemed to constitute an Excluded Asset for all purposes hereunder. If any such Required Consent requirement with respect to which an adjustment to the Purchase Price is made under this Section 3.04 is subsequently satisfied prior to the date of the Final Settlement Date, then (A) Seller shall, promptly after such Required Consent requirement is satisfied, convey the applicable Assets to Buyer, (B) Buyer shall, simultaneously with the conveyance of the applicable Asset, pay the amount of any previous deduction from the Purchase Price to Seller and (C) such Asset shall be deemed (1) to be added to Exhibit A attached hereto and (2) shall not constitute an Excluded Asset for all purposes hereunder. Subject to the terms hereof, at Closing Buyer shall acquire and take title to all other Assets subject to unobtained consents that do not constitute Required Consents and in no event shall such non-Required Consents constitute Title Defects. As used herein, "Required Consent" means any consent, approval or authorization that is required to be obtained, made or complied with for or in connection with the sale, assignment or transfer of any Asset, or any interest therein by Seller as contemplated by this Agreement that expressly provides in the applicable agreement or contract that the sale or transfer of such Asset without compliance with the terms of any such agreement or contract would result in material impairment of any rights in relation to any Assets or the voiding or terminating the applicable Asset; provided, however, "Required Consent" shall not include any consent, approval or authorization that cannot be unreasonably withheld. 7

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Section 4.02. Environmental Definitions. As used herein:.....9

Section 4.03. Waiver of Environmental Defects. Buyer hereby acknowledges and agrees that except for the representations, warranties and covenants of any Seller set forth herein or in the other documents or instruments delivered in connection with

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transactions contemplated hereunder and for any Retained Obligation, BUYER RELEASES, REMISES AND FOREVER DISCHARGES EACH SELLER FROM ANY AND ALL SUITS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, DAMAGES, LOSSES, COSTS, LIABILITIES, LOSSES, INTEREST OR CAUSES OF ACTION WHATSOEVER, IN LAW OR IN EQUITY, KNOWN OR UNKNOWN, ATTRIBUTABLE TO ANY PERIODS OF TIME WHICH BUYER, ITS AFFILIATES AND ALL SUCH PERSONS' RESPECTIVE STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS AND REPRESENTATIVES MIGHT NOW OR SUBSEQUENTLY MAY HAVE, BASED ON, RELATING TO OR ARISING OUT OF, THE EXISTENCE OF ANY ENVIRONMENTAL DEFECT, ENVIRONMENTAL LIABILITIES, RELEASE OF HAZARDOUS MATERIALS OR ANY OTHER ENVIRONMENTAL CONDITION WITH RESPECT TO THE ASSETS. 9

Article V. Representations and Warranties of Seller 10

Section 5.01. Seller's Existence. Each of WOG and WE is a limited liability company, duly organized, validly existing and in good standing under the laws of the state of its formation, and is qualified to conduct business in the State of Texas. Seller has full legal power, right and authority to carry on its business as such is now being conducted and as contemplated to be conducted. Seller's headquarters and principal offices are all located in the State of Texas. 10

Section 5.02. Legal Power. Seller has all requisite power and authority to own the Assets, to carry on its business as presently conducted and to execute, deliver and perform this Agreement and the transactions contemplated hereby. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with: 10

Section 5.03. No Liens or Encumbrances Created. The execution and delivery of this Agreement does not (i) create a lien or encumbrance on the Assets that will remain in existence after Closing, (ii) violate, or be in conflict with, any provision of the governing documents of Seller, or, to Seller's knowledge, any provision of any statute, rule or regulation applicable to Seller or the Assets or any material lease, contract, agreement, instrument or obligation to which Seller is a party or by which Seller or the Assets are bound, or (iii) violate, or be in conflict with, any judgment, decree or order applicable to Seller or the Assets. 10

Section 5.04. Execution. The execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement are duly and validly authorized by all requisite limited liability company action on the part of Seller. This Agreement constitutes, 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 does, or when executed will,

constitute, the legal, valid and binding obligation of Seller enforceable in accordance with its terms. 10

Section 5.05. Brokers. No broker or finder is entitled to any brokerage or finder's fee, or to any commission, based in any way on agreements, arrangements or understandings made by or on behalf of Seller or any Affiliate of Seller for which Buyer or Buyer Indemnitee has or will have any liabilities or obligations (contingent or otherwise), and Seller shall indemnify Buyer Indemnitees with respect thereto. 11

Section 5.06. Bankruptcy. There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by any Seller or to the knowledge of Seller threatened against Seller or the Assets. 11

Section 5.07. Pending Litigation. There is no suit, action, claim, investigation, arbitration, mediation, administrative proceeding or inquiry by any Person and no legal, administrative or arbitration proceeding pending or, to Seller's knowledge, threatened against Seller or any Affiliate of Seller or any of the Assets, except as shown on Schedule 5.07. 11

Section 5.08. Compliance with Law. Other than the matters listed on Schedule 5.08, the Assets, Seller's operation of the Assets and Seller are in compliance with all (i) applicable Laws, and (ii) all judgments, decrees and orders of courts, applicable to the Assets. 11

Section 5.09. Royalties. Except as set forth in Schedule 5.09, all rentals, Royalties and other payments due under the Subject Interests have been paid, except those amounts in suspense. 11

Section 5.10. Taxes. (i) There are not currently in effect any extensions or waivers of any statute of limitations of any jurisdiction regarding the assessment or collection of any taxes related to the Assets and no request for such waiver or extension are pending; (ii) there are no proceedings, suits, actions, claims, arbitrations, investigations, inquiries or administrative proceedings against the Assets or Seller by any Governmental Authority in respect of taxes now in progress or to the knowledge of Seller pending with respect to such taxes and no assessment, deficiency or adjustment has been asserted, proposed, or threatened against Seller with respect to such taxes; (iii) there are no tax liens on any of the Assets except for liens for taxes not yet due; and (iv) except as would not have a material adverse effect, Seller has timely filed all tax returns required to be filed by it with the appropriate Governmental Authorities, such tax returns are true and correct in all material respects and all taxes shown to be due on such tax returns or otherwise have been timely paid when due and are no in arrears. Seller has complied in all material respects with all applicable Laws relating to the payment, withholding and deduction of taxes and has fully and timely withheld and paid over to the appropriate Governmental Authorities all amounts required to be so withheld and paid over for all periods under all applicable Laws. None of the Assets is an equity interest in any entity, and no Asset is subject to a tax partnership agreement or provision requiring a partnership tax return be filed for U.S. federal or applicable state income tax

purposes. Each of the Assets that is subject to property tax has been properly listed and described on the property tax rolls of the appropriate taxing jurisdictions for all periods, and no portion of the Assets constitutes omitted property for property tax purposes. No claim has ever been made by a Government Authority in a jurisdiction where Seller does not file tax returns that Seller is or may be subject to taxation in that jurisdiction, and to Seller's knowledge, the Assets are not subject to tax in any jurisdiction in which the Seller has not filed tax returns. Seller is not a party to any agreement with any Governmental Authority with respect to taxes that would be terminated or adversely affected as a result of the transactions contemplated by this Agreement. Seller is not a "foreign person" (or an entity disregarded as separate from a "foreign person") within the meaning of Code Section 1445. .11

Section 5.11. Contracts. Schedule 5.11(a) lists all of the following Contracts: (a) any agreement with any Affiliate of Seller; (b) any agreement of or binding upon Seller to sell, lease, farmout, or otherwise dispose of any interest in any of the Assets after the date hereof, other than non-consent penalties for nonparticipation in operations under operating agreements, conventional rights of reassignment arising in connection with Seller's surrender or release of any of the Assets; (c) any tax partnership agreement of or binding upon Seller affecting any of the Assets; (d) any agreement (other than joint operating agreements, unit operating agreements and similar agreements) that could reasonably be expected to result in aggregate payments by Seller with respect to the Assets in excess of **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** during the current or any subsequent year; or (e) any agreement that could reasonably be expected to result in aggregate revenues to Seller with respect to the Assets in excess of **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** during the current or any subsequent year. Except as set forth on Schedule 5.11(b), (i) the Contracts are in full force and effect, valid and binding, and to Seller's knowledge (without any duty of investigation or inquiry), enforceable against the parties thereto in accordance with their respective terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium and similar Laws affecting creditors' rights generally and the application of general principles of equity (regardless of whether that enforceability is considered in a proceeding at law or in equity), (ii) Seller is not in default under any of its obligations thereunder, and (iii) Seller has not received and has not given a written notice of default under any of the Contracts. No event has occurred, which after notice or lapse of time, or both, would constitute a material default by Seller, or to Seller's knowledge (without any duty of investigation or inquiry), any other party to any Contract. Prior to the date hereof Seller has provided Buyer with a complete and accurate copy of each Contract and Lease and all amendments thereto. 12

Section 5.12. Hydrocarbon Sales Contracts, Take-Or Pay; Payouts. 12

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Section 5.13. Area of Mutual Interest and Other Agreements. Except as listed on Schedule 5.13, neither Seller nor any Asset is subject to (or has related to it) any area of mutual interest agreements or any farm-out or farm-in agreement under which any patty thereto is entitled to receive assignments not yet made, or could earn additional assignments after the Effective Time.....13

Section 5.14. Imbalance Volumes. Except as set forth on Schedule 5.14 hereto, at the Effective Time, there do not exist any gas imbalances (i) which are with gatherers, processors, or transporters or with co-tenants or working interest owners in a well, unit, or field, (ii) which are associated with the Assets and (iii) where Seller has received a quantity of gas prior to the Effective Time for which Buyer will have a duty at or after the Effective Time to deliver an equivalent quantity of gas or pay a sum of money. 13

Section 5.15. Property Expenses. In the ordinary course of business, Seller has paid all property expenses attributable to the Assets as such Property Expenses become due, and such property expenses are being paid in a timely manner before the same become delinquent, except such Property Expenses as are disputed in good faith by Seller in a timely manner.....13

Section 5.16. Permits. Seller possesses all permits required to be obtained for conducting its business with respect to the Assets as presently conducted, and with respect to each such permit, Seller has not received written notice nor has any knowledge (i) of any violations of such permits that remains uncured or (ii) that such permit will not be renewed in the ordinary course. 13

Section 5.17. Outstanding Commitments, AFEs and Invoices. Except as set forth in Schedule 5.17, (i) Seller has incurred no expenses, and has made no commitments to make expenditures (including any agreements that would obligate Buyer to make expenditures) in connection with the ownership or operation of the Assets at or after the Effective Time, other than with respect to routine operations performed in the ordinary course of operating the existing Wells, which operations are, in the agreement, estimated to cost **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** or less, net to Seller's interest, and (ii) no proposals or authorities for expenditures (AFEs) are currently outstanding (whether made by Seller or by any other party) to drill additional wells, or to deepen, plug back, or rework existing wells, or to conduct other operations on the Assets for which consent is required under the applicable operating or unitization agreement, or to abandon any Wells, or to conduct any other operation on the Assets for which, in the aggregate, the estimated cost exceeds **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** net to Seller's interest. 13

Section 5.18. Hedging Arrangements. The Leases are not subject to any oil sales, gas sales, gathering or transportation contracts which include provisions for hedging, price risk management or other such financial arrangements or transactions, which will affect or burden the Leases from and after the Closing Date. 13

Section 5.19. Surface Use Agreements. With the exception of Lease provisions, including provisions set forth in recorded addendums to Leases, there are no surface use

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agreements to which Seller is a party covering any portion of the Lands with the exception of the surface use agreements identified on Schedule 5.19.....13

Section 5.20. Plugging and Abandonment Obligations. With the exception of the Wells identified on Schedule 5.20, there are no Wells which are required to be plugged and abandoned at the present time under applicable governmental laws, rules and regulations or the terms of any Lease or agreement to which Seller is a party. 14

Section 5.21. Leases and Wells. All of the Leases are in force and effect and have been maintained by payment of bonuses, delay rentals, shut-in Royalties or production as necessary, save and except possibly the Leases identified on Schedule 5.21. Except as scheduled on Schedule 5.21, no additional drilling or other operations are necessary to maintain any Lease in force or effect for as long as production from the applicable wells continues in paying quantities. To Seller's knowledge (without any duty of investigation or inquiry), all of the Wells in which Seller has an interest have been drilled and completed within the boundaries of the applicable Asset or within the limits otherwise permitted by contract, pooling or unit agreement and, by applicable Law.....14

Section 5.22. Condemnation. There is no actual or threatened taking (whether permanent, temporary, whole or partial) of any part of the Assets by reason of condemnation or the threat of condemnation. 14

Section 5.23. Plugging and Abandonment. Except as set forth on Schedule 5.23, Seller has not abandoned, or agreed to abandon or received any pending demands to abandon, any wells included in the Assets and to Seller's knowledge (without any duty of investigation or inquiry) there are no dry holes or inactive wells located on the Lands, other than wells that have been properly plugged and abandoned. 14

Section 5.24. Investment Company. Seller is not (a) an investment company or a company controlled by an investment company within the meaning of the Investment Company Act of 1940, as amended or (b) subject in any respect to the provisions of said act. 14

Section 5.25. Prospectus Disclosure. Seller will: (a) review the information relating to Seller and the Assets to be contained in the preliminary short form prospectus (the "Prospectus") of Argent Energy Trust (the "Trust") to be dated on or about December 10, 2012 relating to the "bought deal" public offering by the Trust of trust units by the Trust (the "Trust Offering"); (b) identify and mark the portions of the Prospectus with the disclosures to be made by the Seller pursuant hereto (the "Seller Disclosures") on Schedule 5.25 to be prepared and attached to this Agreement; and (c) provide Schedule 5.25 in a form satisfactory to Buyer, acting reasonably, on the date that the Trust files the Prospectus. The Seller Disclosures, on the date of the Prospectus, will not to the knowledge of Seller, having made due inquiry, contain any "misrepresentation" as such term is defined in the *Securities Act* (Alberta) (as amended, the "Securities Act"). Seller acknowledges that Buyer is obtaining the representations in this Section 5.25 on its own behalf and as trustee for and

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on behalf of the Trust and that any damages resulting from a breach of this Section 5.25 shall be determined by reference to the actual damages suffered or incurred by the Trust as a result of a breach of this Section 5.25 by Seller.....14

Section 5.26. Environmental Matters. Except as set forth on Schedule 5.26, to Seller's knowledge (without any duty of investigation or inquiry): (i) during the period of time that the Assets have been owned by the Seller, the Assets have been operated and are in compliance in all material respects with applicable Environmental Laws; (ii) no material Release of Hazardous Materials has occurred or is occurring at, on, in or under any Assets for which applicable Environmental Law requires notice, further investigation, remediation or any form of response action; (iii) Seller has identified and prior to the date hereof made complete and accurate copies available to Buyer of every environmental audit, assessment and other similar report and study in Seller's or any of Seller Indemnitee's possession or control describing environmental conditions of the Assets. Seller has not disposed of, sent or arranged for the transportation of Hazardous Materials at or to a site that pursuant to any applicable Environmental Law has been placed or is proposed to be placed by the United States Environmental Protection Agency or similar state authority on the National Priorities List or similar state list, as in effect as of the Closing Date.15

Section 5.27. Absence of Certain Changes. Since June 1, 2012, Seller has not taken any action which, if such action (or the failure to take any action) would have occurred after the date hereof, would be prohibited by, or require the consent of Buyer pursuant to, ARTICLE XIII. 15

Section 5.28. Delta Settlement Agreement. WOG hereby represents and warrants to Buyer that (a) the execution, delivery and performance of the Delta Settlement Agreement and the transactions contemplated thereby are duly and validly authorized by all requisite limited liability company action on the part of WOG and, to the knowledge of WOG (without any duty of investigation or inquiry), the Wapiti Recovery Trust, (b) the Delta Settlement Agreement constitutes, the legal, valid and binding obligation of WOG and, to the knowledge of WOG (without any duty of investigation or inquiry), the Wapiti Recovery Trust and (c), to the knowledge of WOG (without any duty of investigation or inquiry), the Delta Settlement Agreement is enforceable in accordance with its terms against the Wapiti Recovery Trust, including all provisions which provide for the release, waiver and discharge of any and all existing and future Delta Bankruptcy Claims against WOG or which could be asserted against Buyer as a result of the consummation of the transactions contemplated hereunder. 15

Article VI. Representations and Warranties of Buyer 15

Section 6.01. Buyer's Existence. Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the state of Delaware, and is qualified to conduct business in the State of Texas. Buyer has full legal power, right and authority to carry on its business as such is now being conducted and as contemplated to be conducted.....15

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Section 6.02. Legal Power. Buyer has the legal power and right to enter into and perform this Agreement and the transactions contemplated by this Agreement. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with: 15

Section 6.03. Execution. The execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement are duly and validly authorized by all requisite corporate action on the part of Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms. 16

Section 6.04. Brokers. No broker or finder is entitled to any brokerage or finder's fee, or to any commission, based in any way on agreements, arrangements or understandings made by or on behalf of Buyer or any Affiliate of Buyer for which Seller or any of its Affiliates has or will have any liabilities or obligations (contingent or otherwise), and Buyer shall indemnify Seller with respect thereto. 16

Section 6.05. Bankruptcy. There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by or to the knowledge of Buyer threatened against Buyer or any Affiliate of Buyer. 16

Section 6.06. Suits. There is no suit, action, claim, investigation or inquiry by any Person and no legal, administrative or arbitration proceeding pending or, to Buyer's knowledge, threatened in writing against Buyer or any Affiliate of Buyer that has materially affected or will materially affect Buyer's ability to consummate the transactions contemplated by this Agreement. 16

Section 6.07. Investment. Prior to entering into this Agreement, Buyer was advised by its own legal, tax and other professional counsel concerning this Agreement, the Assets and the value thereof. Buyer is acquiring the Assets for its own account and not for distribution or resale in any manner that would violate any state or federal securities law, rule, regulation or order. Buyer understands and acknowledges that if any of the Assets were held to be securities, they would be restricted securities and may not be transferred without registration under applicable state and federal securities laws or the availability of an exemption from such registration. Buyer is knowledgeable about the oil and gas business, and Buyer is aware of its risks. Buyer has been afforded the opportunity to examine the Records and other materials made available to it by Seller and Seller's authorized representatives with respect to the Assets (the "Background Materials"). In making the decision to enter into this Agreement and consummate the transactions contemplated by this Agreement, Buyer has relied solely on the basis of its own independent due diligence investigation of the Assets and not on any representations or warranties of Seller or any other person or entity, expect for those express representations and warranties of Seller contained in this Agreement and the Assignments. Except for the express representations and warranties of Seller contained herein and in the Assignments, Buyer acknowledges and agrees that neither Seller nor any other Seller Indemnitee has made any representations or warranties, express or

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implied, written or oral, as to the accuracy or completeness of any of the Background Materials made available to it by Seller and Seller's authorized representatives with respect to the Assets or as to any other information relating to the Assets, furnished or to be furnished to Buyer or its representatives by or on behalf of Seller, including any estimate with respect to the value of the Assets or reserves, the ability to obtain required permits, spacing orders including increased density spacing orders, exceptions or other approvals that may be necessary to develop the Assets, the spacing pattern that may apply to the Assets, the availability or adequacy of facilities or capacity for gathering, compressing, treating, transporting, storing or processing Hydrocarbons produced from the Wells or any additional wells drilled on the Assets; whether adequate rights-of-way exist for facilities for gathering, compressing, treating, transporting, storing or processing Hydrocarbons that are included in the Assets, or any projections as to events that could or could not occur. In entering into this Agreement, Buyer acknowledges and affirms that it has relied and will rely solely on the terms of this Agreement and the Assignments and upon its independent analysis, evaluation and investigation of, and judgment with respect to, the business, economic, legal, tax or other consequences of this transaction including its own estimate and appraisal of the extent and value of the petroleum, natural gas and other reserves attributable to the Assets and the prices that may be received for Hydrocarbons produced therefrom. Except as expressly provided in this Agreement, neither Seller nor any other Seller Indemnitee shall have any liability to Buyer or its Affiliates, agents, representatives or employees resulting from any use of, authorized or unauthorized, or reliance on, the Background Materials or other information relating to the Assets provided by or on behalf of Seller or any other Seller Indemnitee Party. 16

Article VII. Seller's Conditions to Close 17

Section 7.01. Representations. The representations and warranties of Buyer herein contained shall be true and correct in all material respects on the Closing Date as though made on and as of such date. 17

Section 7.02. Performance. Buyer shall have performed all material obligations, covenants and agreements contained in this Agreement to be performed or complied with by it at or prior to the Closing. 17

Section 7.03. **[REDACTED: COMMERCIALLY SENSITIVE CONTRACTUAL TERM RELATING TO PENDING MATTERS]** 17

Section 7.04. Closing Payment. Buyer shall deliver to Seller an aggregate amount equal to the Closing Payment by wire transfer in immediately available funds to the account or accounts designated in writing by Seller prior to the Closing Date, which transfer shall be evidenced by delivery from Buyer's bank of confirmation that the wire transfer has been sent and containing the dollar amount, a reference or other identifying number, the time of sending, the

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routing number of the bank which is to receive the wire transfer and the account number of that bank into which the wire transfer is to be made. 17

Section 7.05. Execution and Delivery of the Closing Documents. Buyer shall be ready, willing and able to execute, acknowledge and deliver, as appropriate, to Seller all closing documents described in Section 10.05. 18

Article VIII. Buyer's Conditions to Close 18

Section 8.01. Representations. The representations and warranties of Seller herein contained shall be true and correct in all material respects on the Closing Date as though made on and as of such date. 18

Section 8.02. Performance. Seller shall have performed all material obligations, covenants and agreements contained in this Agreement to be performed or complied with by it at or prior to the Closing. 18

Section 8.03. **[REDACTED: COMMERCIALLY SENSITIVE CONTRACTUAL TERM RELATING TO PENDING MATTERS]** 18

Section 8.04. Execution and Delivery of the Closing Documents. Seller shall be ready, willing and able to execute, acknowledge and deliver, as appropriate, to Buyer all closing documents described in Section 10.04. 18

Section 8.05. [Intentionally Deleted] 18

Section 8.06. Trust Offering. The Trust shall have completed, concurrent with Closing, the Trust Offering. 18

Section 8.07. Bank Facility. Buyer shall have entered into a definitive amending the agreement with the Trust's current lenders to increase the credit available under the Trust's credit facilities to an amount not less than US $90,000,000. 18

Article IX. Tax Matters 18

Section 9.01. Transfer Taxes. All sales, use or other taxes (other than taxes on gross income, net income or gross receipts) and duties, levies, recording fees or other governmental charges incurred by or imposed with respect to the Asset transfers undertaken pursuant to this Agreement shall be the responsibility of, and shall be paid by, Buyer. 18

Section 9.02. Ad Valorem and Severance Taxes. Ad valorem taxes, real property taxes, personal property taxes and similar obligations assessed against the Assets shall be apportioned between Seller and Buyer as of the Effective Time. Seller shall retain responsibility for such taxes attributable to the period of time prior to the Effective Time and Buyer shall assume responsibility for the period of time from and after the Effective Time. Furthermore, all severance, production, or excise taxes, conservation fees and other similar such taxes or fees (other than income taxes) payable on a current basis with respect to oil and gas produced and sold from the Assets shall be borne by the Seller to the extent the production on which such taxes are based occurs on or prior to the Effective Time and shall be borne by Buyer to the extent such production occurs after the Effective Time. 18

Section 9.03. Form 8594. Seller and Buyer shall cooperate in the preparation of Internal Revenue Service Form 8594 pursuant to Section 1060 of the Internal Revenue

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Code of 1986, (as amended and the Treasury Regulations promulgated thereunder, the "Code") to report the allocation of the Purchase Price among the Assets. To the extent required by Code Section 1060, and any regulations promulgated thereunder, any such allowance shall be consistent with the Purchase Price allocation set forth in Exhibit C. Seller and Buyer agree that the Allocated Value of the Assets set forth on Exhibit C represent the Parties' good faith allocation of the sum of the Purchase Price for the various Assets for federal and state income tax purposes, which allocations shall be made in accordance with Section 1060 of the Code and the Treasury Regulations thereunder and are to be consistent with the Allocated Values of such Assets. 19

Section 9.04. Tax Returns. Seller agrees to immediately forward to Buyer copies of any tax reports and tax returns received by Seller after Closing and provide Buyer with any information in the possession or control of Seller that is necessary for Buyer to file any required tax reports and tax returns related to the Assets. 19

Section 9.05. Tax Cooperation. Buyer and Seller will cooperate fully as and to the extent reasonably requested by the other party, in connection with the filing of any tax returns with respect to the Assets (other than with respect to income and franchise taxes) and any audit, litigation or other proceeding with respect to such taxes imposed on or with respect to the Assets for any period ending on or prior to the Closing and for any period that includes the Closing. 19

Article X. The Closing 19

Section 10.01. Time and Place of the Closing. If the conditions referred to in ARTICLE VII and ARTICLE VIII of this Agreement have been satisfied or waived in writing, the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Locke LLP, whose address is 600 Travis Street, Suite 2800 Houston, Texas 77002, or at such place designated by Buyer and Seller on or before 6:00 A.M. Mountain Standard Time on December 28, 2012 (the "Target Closing Date"), expressly provided that upon written notice, and only to coincide with the closing of the Trust Offering, Buyer may extend the Closing Date up to and through December 31, 2012. Notwithstanding the above, Buyer and Seller shall have all forms and documents required to be delivered at the Closing by such Party completed, in final and executable form and delivered to the offices of Locke Lord LLP at the address set out herein (the "Pre-Closing"), as of 3:00 p.m. Mountain Standard Time on the last business day immediately preceding the Target Closing Date; provided that if the Closing does not occur on the Target Closing Date then the Pre-Closing shall occur on the last business day immediately preceding the actual Closing Date. 19

Section 10.02. Adjustments to Purchase Price at the Closing. 19

Section 10.03. Closing. Not later than four (4) calendar days prior to the Closing Date, Seller shall prepare a statement of the estimated Purchase Price Adjustments taking into account the foregoing principles and setting forth for each adjustment category separate line items (the "Statement"). Until two (2) calendar days

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prior to the Closing Date, Buyer shall have the opportunity to review the Statement with the Seller, *provided, however*, that Seller shall not be required to make any changes thereto to which Seller does not agree, and any disputes will be resolved with and at the time of the Final Statement. Buyer and Seller shall make a good faith attempt to agree on the Statement. Prior to or at Closing, Buyer and Seller will execute and deliver to each other the Statement as prepared in accordance with the terms hereof. At the Closing, Buyer shall pay the Purchase Price, as adjusted by the estimated Purchase Price Adjustments reflected on the Statement. 22

Section 10.04. Actions of Seller at the Closing. At the Closing, Seller shall:.....22

Section 10.05. Actions of Buyer at the Closing. At the Closing, Buyer shall:.....23

Article XI. Termination 24

Section 11.01. Right of Termination. This Agreement may be terminated at any time at or prior to the Closing: 24

Section 11.02. Effect of Termination. In the event that the Closing does not occur as a result of any Party exercising its right to terminate pursuant to Section 11.01, then except as set forth in Section 11.03, this Agreement shall be null and void and no Party shall have any further rights or obligations under this Agreement, except (a) the provisions of Section 4.01, Section 13.06, ARTICLE XVI, Section 17.01 and Section 17.03 through Section 17.15 shall survive such termination and (b) nothing herein shall relieve any Party from any liability for any breach hereof or any liability that has accrued prior to the date of such termination. 25

Section 11.03. Rights and Liabilities in the Event of Termination.....25

Section 11.04. Attorneys' Fees, Etc. Notwithstanding anything to the contrary in this Agreement, in no event shall any Party be entitled to receive any lost profits, punitive, indirect or consequential damages unless same are a part of a Third Party claim for which a Party is seeking indemnification hereunder, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF ANY OTHER PARTY**.....25

Article XII. Post Closing Obligations.....26

Section 12.01. Allocation of Expense and Revenues. 26

Section 12.02. Transition Services Agreement. Buyer and each Seller agree that from and after the Closing Date, on and subject to the terms and conditions of the Transition Services Agreement attached hereto as Exhibit E, Wapiti Operating LLC will operate the Assets for the benefit of the Buyer. 26

Section 12.03. Final Accounting Statement.....26

Section 12.04. Records. From and after Closing, Seller shall make the Records available to the Buyer. Seller shall make the Records available to be picked up by Buyer at the offices of Seller during normal business hours within five (5) calendar days after the termination of the Transition Services Agreement to the extent the Records are in the possession or control of Seller and are not subject to

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contractual restrictions on transferability. Seller shall have the right to retain copies of any of the Records and the rights granted under Section 17.03. 27

Section 12.05. Further Cooperation. From and after the Closing Date, each Party, at the request of any other Party and without additional consideration, shall execute and deliver, or shall cause to be executed and delivered, from time to time such further instruments of conveyance and transfer and shall take such other action as any other Party may reasonably request to convey and deliver the Assets to Buyer and to accomplish the orderly transfer of the Assets to Buyer in the manner contemplated by this Agreement. After the Closing, the Parties will cooperate to have all proceeds received and attributable to the Assets be paid to the proper Party hereunder and to have all expenditures to be made with respect to the Assets be made by the proper Party hereunder. 27

Article XIII. Operation of the Assets and other covenants 28

Section 13.01. Operations after Effective Time. Seller agrees, from and after the date hereof until Closing, except as expressly contemplated by this Agreement, as expressly consented to in writing by Buyer, or in situations wherein emergency action is taken in the face of risk to life, property or the environment, to: 28

Section 13.02. Restrictions on Operations. Except in the case of an emergency and subject to the terms of applicable operating and other existing agreements, without the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed, Seller shall not 29

Section 13.03. Limitations on the Operational Obligations and Liabilities of Seller 30

Section 13.04. Financial Statements. Seller acknowledges that Buyer and/or its Affiliates may be required to include statements of revenues and direct operating expenses and other tax and financial information relating to the Assets ("Financial Statements") in documents filed with Governmental Authorities by Buyer and/or its Affiliates pursuant to the Securities Act or other applicable Laws and that such Financial Statements may be required to be audited. In that regard, Seller shall, and shall use commercially reasonable efforts to cause its Affiliates and its and their respective partners, members, shareholders, owners, officers, directors, managers, employees, agents and representatives to, use commercially reasonable efforts to, provide Buyer reasonable access to such records (to the extent such information is available) and personnel of Seller and its Affiliates as Buyer may reasonably request to enable Buyer, and its representatives and accountants, at Buyer's sole cost and expense, to create and audit any Financial Statements that Buyer deems necessary. Notwithstanding the foregoing, (i) Seller shall in no event be required to create new records relating to the Assets pursuant to this Section 13.04, and (ii) the access to be provided to Buyer pursuant to this Section 13.04 shall not interfere with Seller's ability to prepare its own financial statements or its regular conduct of business and shall be made available during Seller's normal business hours. Seller shall consent to the inclusion or incorporation by reference of the Financial Statements in any prospectus, registration statement, report or other

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document of Buyer or any of its Affiliates to be filed with the Governmental Authorities in which Buyer or such Affiliate reasonably determines that the Financial Statements are required to be included or incorporated by reference to satisfy any rule or regulation of such Governmental Authorities or to satisfy relevant disclosure obligations under the Securities Act. Further, from and after the date of this Agreement until the date thirty six (36) months after the Closing Date, Seller agrees to (a) make available to Buyer and its Affiliates and its and their agents and representatives any and all books, records, information and documents that are attributable to the Assets in Seller's or its Affiliates' possession or control reasonably required by Buyer, its Affiliates and its and their agents and representatives in order to prepare for Buyer or its Affiliates, if required, in connection with such filings, financial statements relating to the Assets or to Seller or its Affiliates meeting the requirements of the Securities Act, along with any documentation attributable to the Assets or otherwise related to Seller, its Affiliates or accountants required to complete any audit associated with such financial statements, (b) obtain the consent of the independent auditor of Seller that conducted any audit of any filings or financial statements of Seller to be named as an expert in any report filed by Buyer with any applicable Governmental Authority or public stock exchange. Buyer agrees to indemnify Seller from and against any costs or liabilities which Seller may incur by reason of Buyer utilizing any data or information provided by Seller in the manner contemplated in this Section 13.04. 30

Section 13.05. Casualty Loss. 31

Section 13.06. Confidentiality. From and after the Closing, (a) Buyer shall keep all information and data not relating to the Assets that Buyer may have obtained during its due diligence in strict confidence and shall not disclose such information to any Person except to its attorneys and to the extent such disclosure is required by applicable Law and (b) Seller shall keep, and shall cause its Affiliates and its and their respective members, managers, officers, employees, agents and representatives to keep, confidential the terms and existence of this Agreement and each other agreement, instrument or document executed or to be executed in connection with the transactions contemplated hereby and all Records, reports, information and data relating to the Assets and shall not use or disclose such information to any Person except to its attorneys, to the extent such disclosure is required by applicable Law or to the extent such Records and information is otherwise publically available. 31

Section 13.07. Releases of Certain Liens. On or prior to Closing, Seller shall deliver, or cause to be delivered, fully executed releases and terminations of all liens and security interests encumbering the Assets securing any indebtedness for borrowed money, indenture, mortgage, loan, credit, sale-leaseback or similar financial contract of Seller or any Affiliate thereof. 32

Section 13.08. No Revisions. Buyer and Trust covenant and agree that they will not amend the provisions of the Prospectus to be attached hereto as Schedule 5.25 without

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the advance written consent of the Seller, such consent not to be unreasonably withheld or delayed.....32

Section 13.09. Employee Interests. Prior to or on the Closing Date, Seller shall cause the owners of the Employee Interests to convey and assign to Seller all of the Employee Interests, effective prior to the Effective Time.....32

Section 13.10. Railroad Commission Filings. On or prior to Closing, Buyer shall take all actions for Buyer to be in compliance with Texas Natural Resources Code, Chapter 89, Subchapter B-1 and the Texas Natural Resources Code, §91.019, including the plugging and abandonment of any and all wells, removal of all surface equipment as to each inactive well, and the taking of all actions required to file and have accepted a Form W-3X, or other applicable form, with the Railroad Commission of Texas designating Buyer as operator of the Wells.32

Article XIV. Obligations and Indemnification 32

Section 14.01. Retained Obligations. Subject to the terms hereof, Seller shall retain any and all Losses, duties, claims, costs, expenses, liabilities, damages, causes of action, and obligations accruing or relating to the Assets conveyed by that Seller with respect to: (a) the personal injury or death of any Person to the extent occurring on or attributable to ownership or the Assets prior to the Closing; (b) any and all litigation and proceedings existing as of the Closing Date to the extent it relates to the period of time prior to the Effective Time; (c) employee-related claims of the applicable Seller attributable to the period of time prior to the Closing; (d) the mispayment or failure to pay any Royalties attributable to Seller's ownership of the Assets; (e) the mispayment or failure to pay any production, severance or similar taxes measured by the production of hydrocarbons from the Assets attributable to periods prior to the Effective Time; (f) the offsite disposal of Hazardous Materials from or used in connection with the ownership or operation of the Assets prior to the Closing Date; (g) any income taxes, margin taxes or similar taxes of any Seller Indemnitee; (h) any Excluded Asset; (i) any Property Expenses attributable to Seller's interest ownership or operation of the Assets prior to the Effective Time; (j) any fines, penalties and sanctions asserted, imposed or levied by any Governmental Authority resulting from, arising out of or related to the applicable Seller's ownership, use, maintenance or operation of the Assets (including any fines, penalties or sanctions arising out of any non-compliance with any Environmental Laws) or (k) the Delta Bankruptcy Claims (collectively, the "Retained Obligations").....32

Section 14.02. Assumed Obligations. Upon Closing, subject to Section 14.03 and Section 14.04, Buyer hereby assumes all duties, claims, costs, expenses, liabilities, judgments, damages, losses, obligations, causes of action, costs and expenses of every kind and character (including without limitation, those involving theories of negligence or strict liability) and including court costs and attorneys' fees ("Losses") with respect to the Assets or the ownership or operation thereof (other than the Retained Obligations), including, without

limitation, those arising out of (a) all obligations and liabilities for the payment or improper payment of Royalties, rentals and other similar payments under the Leases relating to the Subject Interests accruing before, on or after the Effective Time; (b) all obligations for Environmental Defects, subject to Section 14.04; (c) all obligations under the Contracts for (i) overhead charges related to periods on or after the Effective Time, (ii) Property Expenses attributable to periods on or after the Effective Time, and (iii) other payment obligations that accrue and become due on or after the Effective Time; (d) the terms of the Easements, Contracts, Leases, personal property or Subject Interests comprising part of the Assets, (e) gas imbalances accruing after the Effective Time or for which the Purchase Price has been adjusted hereunder, (f) all funds held in suspense to the extent accruing after the Effective Time or which accrued prior to the Effective Time and such funds have been transferred to Seller in accordance with Section 10.04(l), (g) ad valorem, property, severance and other similar taxes or assessments based upon or measured by the ownership of the Assets or the production therefrom on or after the Effective Time or for which the Purchase Price has been adjusted hereunder, (h) the condition of the Subject Interests regardless of whether such condition arose before or after the Effective Time, (i) obligations to properly plug and abandon or re-plug or re-abandon or remove wells, flowlines, gathering lines or other facilities, equipment or other personal property or fixtures comprising part of the Assets, and (j) obligations to restore the surface of the Subject Interests and obligations to remediate or bring the Subject Interests into compliance with applicable Environmental Laws (including conducting any remediation activities that may be required on or otherwise in connection with activities on the Subject Interests) regardless of whether such obligations or conditions or event giving rise to such obligations arose, occurred or accrued before or after the Effective Time any other duty, obligation, event, condition or liability assumed by Buyer under the terms of this Agreement (collectively, the "Assumed Obligations"); provided, however, in no event shall the "Assumed Obligations" include any Retained Obligation or any other Losses for which Seller is obligated to indemnify any Buyer Indemnitees under Section 14.04..33

Section 14.03. Buyer's Indemnification. Notwithstanding any investigation by or on behalf of any Person, provided that the Closing occurs, Buyer shall release, defend, indemnify and hold harmless the applicable Seller, its Affiliates and each of their respective partners, officers, directors, employees, agents, representatives, members, shareholders, Affiliates and subsidiaries (collectively, the "Seller Indemnitees") from and against any and all Losses as a result of, arising out of, or related to (a) any breach of any representation or warranty of Buyer contained in this Agreement or any other agreement or instrument delivered by or on behalf of Buyer hereunder, (b) any breach of any covenant or agreement of Buyer contained in this Agreement or any other agreement or instrument delivered by or on behalf of Buyer hereunder or (c) the Assumed Obligations, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY**

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THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF ANY OF THE SELLER INDEMNITEES.....33

Section 14.04. Seller's Indemnification. Notwithstanding any investigation by or on behalf of any Person, provided that the Closing occurs, the applicable Seller shall release, defend, indemnify and hold harmless Buyer, its Affiliates, and each of their respective partners, officers, directors, employees, agents, representatives, members, shareholders, Affiliates and subsidiaries (collectively, the "Buyer Indemnitees") from and against any and all Losses as a result of, arising out of, or related to (a), any breach of any representation or warranty of the applicable Seller contained in this Agreement or any other agreement or instrument delivered by or on behalf of that Seller hereunder, (b) any breach of any covenant or agreement of the applicable Seller contained in this Agreement or any other agreement or instrument delivered by or on behalf of that Seller hereunder or (c) the Retained Obligations, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF ANY OF THE BUYER INDEMNITEES**.....34

Section 14.05. Survival; Limitations on Liability.....34

Section 14.06. Exclusive Remedy. After the Closing Date, the indemnification provisions provided for in this ARTICLE XIV constitute the sole and exclusive remedy available to each Seller and the Buyer with respect to any and all breaches or failures of representations, warranties, covenants, conditions, agreements or obligations contained in this Agreement, but excluding any and all breaches or failures of representations, warranties, covenants, conditions, agreements or obligations (a) caused or alleged to have been caused by the fraudulent acts or willful misconduct of any Party or (b) as expressly provided in the Transition Services Agreement or the Cooperation Agreements delivered hereunder. In furtherance of the foregoing, except for breaches of any indemnities or covenants set forth in this ARTICLE XIV each of the Parties hereby waives, from and after the Closing, to the fullest extent permitted under applicable law, any and all other rights, claims and causes of action it may have against the other Parties related to the subject matter of this Agreement, but excluding any other rights, claims or causes of action (a) caused or alleged to have been caused by the fraudulent acts or willful misconduct of any Party or (b) as expressly provided in the Transition Services Agreement and Cooperation Agreements delivered hereunder. 36

Section 14.07. Notices and Defense of Indemnified Matters. All claims for indemnification under ARTICLE XIV shall be asserted and resolved as follows: 37

Article XV. Limitations on Representations and Warranties 39

Section 15.01. Disclaimers of Representations and Warranties. The express representations and warranties of each of WOG and WE, severally as Seller, contained in this Agreement and the other agreements and instruments delivered in connection

herewith are exclusive and are in lieu of all other representations and warranties, express, implied or statutory. **EXCEPT FOR THE EXPRESS REPRESENTATIONS OF EACH SELLER IN THIS AGREEMENT AND THE OTHER AGREEMENTS AND INSTRUMENTS DELIVERED IN CONNECTION HEREWITH, BUYER ACKNOWLEDGES THAT THE APPLICABLE SELLER HAS NOT MADE, AND EACH SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER 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, GAS BALANCING INFORMATION 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 BUYER BY OR ON BEHALF OF THE APPLICABLE SELLER, EXCEPT FOR THE EXPRESS REPRESENTATIONS OF SUCH SELLER IN THIS AGREEMENT, AND (c) THE ENVIRONMENTAL CONDITION OF THE ASSETS, EXCEPT FOR THE EXPRESS REPRESENTATIONS OF EACH SELLER IN THIS AGREEMENT AND THE OTHER AGREEMENTS AND INSTRUMENTS DELIVERED IN CONNECTION HEREWITH. EXCEPT FOR THE EXPRESS REPRESENTATIONS OF SUCH SELLER IN THIS AGREEMENT AND THE OTHER AGREEMENTS AND INSTRUMENTS DELIVERED IN CONNECTION HEREWITH, EACH SELLER EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE ASSETS (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 BUYER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (v) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (vi) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (vii) 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 BUYER AND**

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SELLER THAT THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES INCLUDED IN THE ASSETS SHALL BE CONVEYED TO BUYER, AND BUYER SHALL ACCEPT SAME, AS IS, WHERE IS, WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND BUYER REPRESENTS TO EACH SELLER THAT BUYER WILL MAKE OR CAUSE TO BE MADE SUCH INSPECTIONS WITH RESPECT TO SUCH PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES AS BUYER DEEMS APPROPRIATE. EACH SELLER AND BUYER 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. 39

Article XVI. Dispute Resolution 40

Section 16.01. General. Any and all claims, Disputes, controversies or other matters in question arising out of or relating to title issues, environmental issues, or calculation of the Statement or revisions thereto (all of which are referred to herein as "Disputes" which term shall not include any other disputes, claims, controversies or other matters in question arising under this Agreement) shall be resolved in the manner prescribed by this ARTICLE XVI. 40

Section 16.02. Senior Management. Except as provided in Section 16.06 below, if a Dispute occurs that the senior representatives of the Parties responsible for the transaction contemplated by this Agreement have been unable to settle or agree upon within a period of fifteen (15) days after such Dispute arose, Seller shall nominate and commit one of its senior officers, and Buyer shall nominate and commit one of its senior officers, to meet at a mutually agreed time and place not later than thirty (30) days after the Dispute has arisen to attempt to resolve same. If such senior management have been unable to resolve such Dispute within a period of fifteen (15) days after such meeting, or if such meeting has not occurred within forty-five (45) days following such Dispute arising, then any Party shall have the right, by written notice to the other, to resolve the Dispute through binding arbitration pursuant to Section 16.03. 40

Section 16.03. Arbitration. Except as provided in Section 16.04 and Section 16.06 below, any and all claims, demands, cause of action, disputes, controversies, and other matters in question arising out of or relating to this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, even though some or all of such claims allegedly are extracontractual in nature, whether such claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, shall be solely, finally and exclusively resolved by binding arbitration pursuant to the Federal

Arbitration Act in accordance with the Commercial Arbitration Rules then in effect with the American Arbitration Association (the "AAA"). The arbitration proceeding shall be conducted in Houston, Texas. The arbitration may be initiated by any Party by filing with the AAA a Demand for Arbitration and providing to the other Parties a written notice of arbitration specifying the claims. Within thirty (30) days of the filing of the Demand for Arbitration, a single arbitrator shall be appointed by the AAA, in accordance with its Commercial Arbitration Rules. The arbitration shall be conducted with limited discovery, and the arbitrator, utilizing the Commercial Arbitration Rules of the AAA, shall within 180 days of his or her appointment, render a final award resolving all disputes between the Parties. The arbitrator's decision shall be in writing, as brief as possible, and the arbitrator shall not assign the reasons for his or her decision. The arbitrator's decision shall be final and non-appealable to the maximum extent permitted by law. Judgment upon any award rendered in any such arbitration proceeding may be entered by any federal or state court having jurisdiction. This agreement to arbitrate shall be enforceable in either federal or state court. The enforcement of this agreement to arbitrate and all procedural aspects of this agreement to arbitrate, including but not limited to, the construction and interpretation of this agreement to arbitrate, the issues subject to arbitration (i.e., arbitrability), the scope of the arbitrable issues, allegations of waiver, delay or defenses to arbitrability, and the rules governing the conduct of the arbitration, shall be governed by and construed pursuant to the Federal Arbitration Act and shall be decided by the arbitrator. In deciding the substance of any such claims, the arbitrator shall apply the substantive laws of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other State's law); *provided, however*, it is expressly agreed that, regardless whether such damages may be available under Texas law, the arbitrator shall have no authority to award punitive, indirect or consequential damages unless same are a part of a Third Party claim for which a Party is seeking indemnification hereunder, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE OTHER PARTIES**, the Parties hereby waiving their right, if any, to recover punitive, indirect or consequential damages in connection with any such claims. 40

Section 16.04. Injunctive Relief. Notwithstanding the agreement to arbitrate contained in Section 16.03, above, in the event that any Party wishes to seek a temporary restraining order, a preliminary or temporary injunction, or other injunctive relief in connection with any or all such claims, demands, cause of action, disputes, controversies, and other matters in question arising out of or relating to this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, even though some or all of such claims allegedly are extracontractual in nature, whether such claims sound in contract, tort, or otherwise, at law or in equity, under state or federal

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law, whether provided by statute or the common law, for damages or any other relief, each Party shall have the right to pursue such injunctive relief in court, rather than by arbitration. The parties agree that such action for a temporary restraining order, a preliminary or temporary injunction, or other injunctive relief will be brought in the State or federal courts residing in Houston, Harris County, Texas. 41

Section 16.05. Costs. The arbitrator shall have the authority to allocate any award of costs and expenses, including but not limited to, attorneys' fees, the fees of the arbitrator and the AAA and any other related costs) for any arbitration or legal action. ..41

Section 16.06. Disputed Adjustments. During the 10-day period following the date thirty (30) days following Buyer's receipt of the Accounting Statement, disputes with respect to adjustments to the Purchase Price shall be submitted to a nationally-recognized independent accounting firm or consulting firm mutually acceptable to both Buyer and Seller or absent such agreement during the 10 day period, by the Houston office of the AAA (the "Accounting Expert"). The Accounting Expert shall not have worked as an employee or outside counsel for any Party or any Affiliate of any Party during the ten (10) year period preceding the arbitration or have any financial interest in the dispute. The dispute proceeding shall be held in Houston, Texas and shall be conducted in accordance with, but not under the auspices or jurisdiction of, the Commercial Arbitration Rules of the AAA, to the extent such rules do not conflict with the terms of this Section 16.06. The Accounting Expert's determination shall be made within thirty (30) days after submission of the matters in dispute and shall be final and binding upon the Parties, without right of appeal. In making a determination, the Accounting Expert shall be bound by the rules set forth herein and may consider such other matters as in the opinion of the Accounting Expert are necessary or helpful to make a proper determination. Additionally, the Accounting Expert may consult with and engage any disinterested Third Party to advise the Accounting Expert, including petroleum engineers and accountants. The Accounting Expert shall act as an expert for the limited purpose of determining the specific disputed adjustments to the Purchase Price submitted by any Party and may award reasonable costs and expenses (including reasonable attorneys' fees and fees and expenses of the Accounting Expert but in no event any fines or penalties to any Party with respect to any matter determined by such Accounting Expert.....41

Article XVII. Miscellaneous.....42

Section 17.01. Expenses. Each Party shall be solely responsible for all expenses, including due diligence expenses, incurred by it in connection with the transactions contemplated by this Agreement, and no Party shall be entitled to any reimbursement for such expenses from the any other Parties. 42

Section 17.02. Document Retention. As used in this Section 17.02, the term "Documents" shall mean all files, documents, books, records and other data delivered to Buyer by Seller pursuant to the provisions of this Agreement (other than those

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that Seller has retained either the original or a copy of), including, but not limited to: financial and tax accounting records; land, title and division of interest files; contracts; engineering and well files; and books and records related to the operation of the Assets prior to the Closing Date. Buyer shall retain and preserve the Documents in the possession or control of Buyer for a period of no fewer than three (3) years following the Closing Date (or for such longer period as may be required by law or governmental regulation), and shall allow Seller or its representatives (at their sole cost and expense) to inspect the Documents at reasonable times and upon reasonable notice during regular business hours during such time period. Seller shall have the right during such period to make copies of the Documents at its expense. 42

Section 17.03. Entire Agreement. This Agreement and the Confidentiality Agreement, dated November 14, 2012 between the Sellers and Buyer, the documents to be executed hereunder, and the exhibits attached hereto 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. No supplement, amendment, alteration, modification or waiver of this Agreement shall be binding unless executed in writing by the Parties and specifically referencing this Agreement and expressly identified as an amendment or modification hereof. The Confidentiality Agreement shall terminate at Closing. 42

Section 17.04. Waiver. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. 43

Section 17.05. Publicity. Neither Seller nor Buyer will issue any public announcement or press release concerning the transactions contemplated by this Agreement without the written consent of any other Party (except as required by Law or the rules of any applicable stock or equity exchange and in such case with prior written agreement, not unreasonably withheld, between the Parties on the wording of the announcement or press release).....43

Section 17.06. Construction. 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. The Parties acknowledge that they have participated jointly in the negotiation and drafting of this Agreement and as such the Parties agree that if an ambiguity or question of intent or interpretation arises hereunder, this Agreement shall not be construed more strictly against one Party than another on the grounds of authorship. 43

Section 17.07. No Third Party Beneficiaries. Except as provided in Section 5.25, Section 14.04 and Section 14.05 (but subject to Section 14.05(h)), nothing in this Agreement shall provide any benefit to any Third Party or entitle any Third Party to any claim, cause of action, remedy or right of any kind, it being the

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intent of the Parties that this Agreement shall otherwise not be construed as a Third Party beneficiary contract. 43

Section 17.08. Assignment. No Party may assign or delegate any of its rights or duties hereunder without the prior written consent of the other Parties, and any such assignment shall be void. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors, assigns and legal representatives. 43

Section 17.09. Governing Law. This Agreement, other documents delivered pursuant hereto and the legal relations between the Parties shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction. 43

Section 17.10. Notices. Any notice, communication, request, instruction or other document required or permitted hereunder shall be given in writing and delivered in person or sent by U.S. Mail postage prepaid, return receipt requested, nationally recognized, receipt overnight courier, email or facsimile to the addresses of Seller and Buyer set forth below. Any such notice shall be effective only upon receipt. If a date specified herein 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. 43

Section 17.11. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and the Parties shall negotiate in good faith to modify this Agreement so as to effect their original intent as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the extent possible. 44

Section 17.12. Time of the Essence. Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement. 45

Section 17.13. Knowledge. The knowledge or best knowledge of a Party, or similar phrases, shall mean for purposes of this Agreement, the actual knowledge of the Party. If the Party is a corporation or other entity other than a natural person, such actual knowledge must be on the part of the person or persons listed on Schedule 17.13 with respect to such Party. 45

Section 17.14. Counterpart Execution. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Agreement are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Agreement, but each counterpart shall be considered an original. Facsimile, .pdf or other

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electronic transmission of copies of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof.....45

Section 17.15. Defined Terms. Capitalized terms used in this Agreement but not defined herein shall have the respective meanings assigned to them in Appendix I or in the Sections referred to therein. 45

EXHIBITS AND SCHEDULES

Appendix I	Defined Terms
Exhibit A	Subject Interests
Exhibit A-1	Leases
Exhibit A-2	Wells
Exhibit A-3	Rights of Way, Surface Rights and Easements
Exhibit A-4	Fee Mineral and Surface Interests
Exhibit A-5	Rolling Stock
Exhibit B	[Intentionally Deleted]
Exhibit C	Allocated Values
Exhibit D-1	Form of Assignment and Bill of Sale
Exhibit D-2	Form of Deed
Exhibit D-3	Form of Bill of Sale – Rolling Stock
Exhibit E	Transition Services Agreement
Exhibit F	Sellers' Counsel Opinions
Exhibit G	Form of Cooperation Agreement
Schedule 1.03	Excluded Assets
Schedule 3.01	Restrictions on Disclosure
Schedule 3.04	Consents
Schedule 5.07	Pending Litigation
Schedule 5.08	Compliance with Law
Schedule 5.09	Royalties
Schedule 5.11(a)	Contracts
Schedule 5.11(b)	Contract Exceptions
Schedule 5.12(a)	Hydrocarbon Sales Contracts
Schedule 5.12(b)	Take or Pay
Schedule 5.12(c)	Payouts
Schedule 5.13	AMIs
Schedule 5.14	Imbalance Volumes
Schedule 5.17	Outstanding Contracts, AFEs and Invoices
Schedule 5.19	Surface Use Agreements
Schedule 5.20	Plugging and Abandonment Obligations
Schedule 5.21	Possibly Expired Leases
Schedule 5.23	Prior Plugged and Abandoned Wells

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Schedule 5.25 Prospectus Disclosure
Schedule 5.26 Environmental Matters
Schedule 17.13 Knowledge Parties

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is made and entered into this 5th day of December, 2012, by and among (i) Wapiti Oil & Gas, L.L.C., a Delaware limited liability company ("WOG") and (ii) Wapiti Energy, LLC, a Texas limited liability company, ("WE" and collectively with WOG, the "Seller"), and Argent Energy (US) Holdings Inc., a Delaware corporation (the "Buyer"). Buyer and Seller are collectively referred to herein as the "Parties", and are sometimes referred to individually as a "Party." All capitalized terms not defined herein shall have the meaning set forth in Appendix I hereto.

W I T N E S S E T H:

WHEREAS, Seller owns and desires to sell certain of its interests in oil and gas properties located in Atascosa, Kenedy, Newton, Polk and Tyler Counties, Texas, all as more particularly described in Section 1.02, below;

WHEREAS Buyer desires to purchase a total of 100% of Seller's interest in the Assets, all upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual benefits derived and to be derived from this Agreement by each Party, Seller and Buyer hereby agree as follows:

ARTICLE I.
ASSETS

Section 1.01. Agreement to Sell and Purchase. Subject to and in accordance with the terms and conditions of this Agreement, and with the reservation of the Excluded Assets, Buyer agrees to purchase all of Seller's right, title and interest in the Assets from Seller, and each Seller, severally and not jointly, agrees to sell 100% of Seller's right, title and interest in the Assets to Buyer.

Section 1.02. Assets. Subject to Section 1.03, the term "Assets" shall mean 100% of Seller's right, title and interest in and to:

(a) the leasehold estates in and to the oil, gas and mineral leases described or referred to in Exhibit A-1 (the "Leases"), the Lands and all tenements, hereditaments and appurtenances belonging thereto, including contractual working interests, production payments, reversionary interests, carried interests, net profits interests, royalties, overriding royalty interests, fee royalty interests and other similar rights, title and interests of Seller in and to the lands covered by the Leases, and the Hydrocarbons in and under or that may be produced from or attributable to the Lands, Leases or Wells, including all rights in any pooled, unitized or communitized acreage by virtue of the Lands or Leases being a part thereof and all Hydrocarbons produced from or attributable to the pool or unit allocated to any such Lands or Leases, even though Seller's interest therein may be incorrectly described in or omitted from, such Exhibit A-1 or Exhibit A-4, provided that all of the foregoing are subject to the limitations described in Exhibit A-1 or Exhibit A-4, which include depth limitations and reservations described therein (collectively, with the Lands and the Wells, the "Subject Interests," or singularly, a "Subject Interest");

(b) without limitation of the foregoing, all fee mineral interests, mineral interests, nonparticipating royalty interests, executive rights (including all such interests and rights described on Exhibit A-4 attached hereto) and other right, title and interest (of whatever kind or character, whether legal or equitable, and whether vested or contingent) of Seller in and to the Leases, the or the lands described on Exhibit A-1, Exhibit A-4 hereto or described in any of the Leases, deeds, rights, properties, tracts, parcels or other instruments described on Exhibit A or in any of the other Subject Interests (the "Lands"), including, without limitation, any other interest in oil, gas and/or mineral leases, production payments, net profits interests and other similar interests insofar as they cover the Lands;

(c) all rights incident to the Subject Interests, including, without limitation, all rights with respect to any pooled, communitized or unitized acreage by virtue of any Subject Interest being a part thereof or under any unitization, pooling, and/or communitization agreements, declarations and/or orders (including, without limitation, all units formed under orders, rules, regulations, or other official acts of any Governmental Authority, and voluntary unitization agreements, designations and/or declarations), including all Hydrocarbon production after the Effective Time attributable to the Subject Interests or any such pool or unit allocated to any such Subject Interest;

(d) all easements, rights-of-way, surface leases, servitudes, permits, licenses, authorizations, orders, franchises, surface agreements, surface rights and other estates or similar rights and privileges applicable to, or used in connection with, the ownership and operation of any of the Subject Interests (the "Easements"), including, without limitation, the Easements described or referred to in Exhibit A-3;

(e) all personal property, equipment, fixtures, inventory and improvements located on or used in connection with the ownership or operation of the Subject Interests and the Easements or with the production, gathering, treatment, sale, or disposal of oil, gas or other hydrocarbons (collectively, "Hydrocarbons"), byproducts or waste produced therefrom or attributable thereto, including, without limitation, all wells located on the lands covered by the Subject Interests or on lands with which the Subject Interests may have been pooled, communitized or unitized (whether producing, shut in or abandoned, and whether for production, injection or disposal), including, without limitation, the wells described in Exhibit A-2 (the "Wells"), together with all other oil and gas wells and water, injection and disposal wells on the Lands or on lands pooled, communitized or unitized therewith, whether producing, shut-in or temporarily abandoned, and all wellhead equipment, casing, tubing, pumps, pumping units, flowlines, gathering systems, piping, tanks, buildings, treatment facilities, injection facilities, disposal facilities, compression facilities, and other materials, supplies, equipment, facilities, machinery and tools (collectively, the "Personal Property"), including, without limitation, the Rolling Stock owned by Wapiti Operating, LLC, described or referred to in Exhibit A-5;

(f) to the extent assignable, all contracts, agreements and other arrangements that directly relate to the Subject Interests, the Leases or the Easements, including, without limitation, production sales contracts, farmout agreements, operating agreements, service agreements and similar arrangements (collectively, the "Contracts");

(g) all books, records, files, muniments of title, reports, studies, surveys, electronic lease and land data, GIS data, ARIES data, customer lists, supplier lists, sales materials, promotional materials, operational records, technical records, production and processing records, division order and lease, land and right-of-way files, well and data files, well logs, maps, geologic files, production and accounting files (but not including general financial accounting or tax accounting records) and contract files and similar documents and materials, whether existing in electronic or written form, including, without limitation, lease records, well records, and division order records, well files, title records (including abstracts of title, title opinions and memoranda, and title curative documents related to the Assets), contracts and contract files, correspondence, that relate to the Assets, to the extent transferable without material restriction or payment of a transfer or licensing fee under Third Party agreements not advanced or reimbursed by Buyer, in the actual possession or control of Seller (collectively, together with the data, records, logs and information described in Section 1.02(h) below, the "Records");

(h) geological, seismic and geophysical data, well logs, core samples and reports relating to the Subject Interests, including (including raw data and any interpretive data or information relating to such geologic, geophysical and seismic data) but excluding any such data which cannot be transferred without the consent of or payment to any Third Party for which Buyer has not agreed to pay or be responsible.

(i) except for claims, payments, and proceeds under insurance policies, the proceeds of which are expressly not transferred in connection with any Casualty Losses that are covered under Section 13.05, all sums payable to Seller (to the extent not paid by the Final Settlement Date) or rights to payment arising out of or attributable to the Assets accruing or attributable to any period after the Effective Time, and all rights, claims, refunds, causes of action, or choses in action relating to the foregoing; and

(j) all rights, insurance claims, other claims and causes of action arising, occurring or existing in favor of any Seller Indemnitee related to the Assumed Obligations (including but not limited to rights of contribution or natural resources damages under CERCLA, RCRA or other applicable Environmental Laws), and including full power and rights of substitution and subrogation in and to all covenants and warranties (including warranties of title) given or made with respect to the Assets or any part thereof by preceding owners, vendors, or others, excluding, however, Seller or any Affiliate of Seller.

Section 1.03. Excluded Assets. Notwithstanding the foregoing, the Assets shall not include, and there is excepted, reserved and excluded from the sale contemplated by this Agreement (collectively, the "Excluded Assets"): (a) on a lease by lease basis, all depths of the Leases 100 feet below the lowest producing interval (or interval capable of production) as of the Effective Time, as described on the reservations set forth on Schedule 1.03, (b) except to the extent described in Section 1.02(c), Section 1.02(g), Section 1.02(i) or Section 1.02(j), all trade credits and refunds and all accounts, instruments and general intangibles (as such terms are defined in the Texas Uniform Commercial Code), attributable to the Assets with respect to any period of time prior to the Effective Time; (c) except to the extent described in Section 1.02(i) or Section 1.02(j), all claims and causes of action of Seller arising from acts, omissions or events occurring prior to the Effective Time; (d) except to the extent described in Section 1.02(i) or Section 1.02(j), all rights and interests of Seller (i) under any policy or agreement of insurance or

indemnity, (ii) under any bond, or (iii) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events, or damage to or destruction of property, occurring prior to the Effective Time; (e) all Hydrocarbons produced from or attributable to the Subject Interests during all periods prior to the Effective Time, together with all proceeds from the sale of such Hydrocarbons for which Seller did not receive credit under Section 10.02(a); (f) all claims of Seller for refunds of or loss carry forwards with respect to any taxes and refunds for amounts paid in connection with the Assets attributable to any period prior to the Effective Time; (g) all amounts due or payable to the Seller as adjustments to insurance premiums related to the Assets with respect to any period prior to the Effective Time; (h) all proceeds, income or revenues (and any security or other deposits made) attributable to the Assets for any period prior to the Effective Time for which Seller did not receive credit for under Section 10.02(a); (i) except to the extent described in Section 1.02(h), all of Seller's rights and interests in geological and geophysical data that is interpretive in nature or which cannot be transferred without the consent of or payment to any Third Party for which Buyer has not agreed to pay or obtain such consent; (j) data and other information that cannot be disclosed or assigned to Buyer as a result of confidentiality or similar arrangements under agreements with Third Parties and which records and data are not material to the operation of any of the Assets; (k) all audit rights arising under any of the Contracts with respect to any period prior to the Effective Time; (l) all rights and obligations of WOG under the Development Agreement with BP America Production Company dated as of April 1, 2012, (m) all rolling stock, including trucks used on the Leases and Lands, and (n) all books and records solely relating to the Excluded Assets.

ARTICLE II.
PURCHASE PRICE

Section 2.01. Purchase Price. The total consideration for the purchase, sale and conveyance of the Assets to Buyer is Buyer's payment to Seller of the sum of ONE HUNDRED TWENTY MILLION AND NO/100 U.S. Dollars, (US$120,000,000.00) (such amount, as allocated and as adjusted in accordance with this Agreement, the "Purchase Price"). As a performance deposit, the Buyer shall deliver to the Seller the Deposit upon the execution of this Agreement. The Deposit, together with earnings on the Deposit while held by the Seller, will be credited to the Purchase Price at the Closing, and is not refundable, except as provided in Section 11.03 of this Agreement. The earnings on the Deposit will become part of the Deposit and will be paid to the Party entitled to the Deposit in accordance with the terms hereof.

Section 2.02. Allocated Values. Buyer and Seller have agreed on the allocation of the Purchase Price among the Assets as set forth in Exhibit C attached hereto (the "Allocated Values"). Seller and Buyer agree that the Allocated Values shall be used to compute any adjustments to the Purchase Price pursuant to the provisions of ARTICLE III and ARTICLE IV.

Section 2.03. Effective Time. If the transactions contemplated by this Agreement are consummated in accordance with the terms and provisions hereof, the purchase and sale of the Assets shall be effective as of 7:00 a.m. local time where the Assets are located on October 1, 2012 (the "Effective Time").

ARTICLE III.
TITLE MATTERS

Section 3.01. Examination Period. Following the execution date of this Agreement until Closing, Seller shall permit Buyer and/or its representatives (including Buyer's Environmental Consultant) to examine, at all reasonable times, in Seller's offices, the Records, subject to such restrictions on disclosure as may exist under confidentiality agreements or other agreements binding on Seller or such data, but only to the extent such restrictions on disclosure are set forth in Schedule 3.01.

Section 3.02. Permitted Encumbrances. The term "Permitted Encumbrances" shall mean any of the following matters to the extent the same are valid and subsisting and affect the Assets:

(a) the terms of all Leases and Contracts to the extent the net cumulative effect of such burdens do not, individually or in the aggregate, (i) reduce Seller's Net Revenue Interests in the applicable Asset below that shown in Exhibit A-2 or (ii) obligate Sellers to bear a Working Interest for any Asset above the percentage shown in Exhibit A-2 for such Asset unless the Net Revenue Interest for such Asset is greater than the Net Revenue Interest set forth on Exhibit A-2 for such Asset in the same proportion as any increase in such Working Interest or (iii) have an adverse effect on the operation, value or use of such Asset;

(b) any (i) undetermined or inchoate liens or charges constituting or securing the payment of expenses that were incurred incidental to the maintenance, development, production or operation of the Assets or for the purpose of developing, producing, or processing Hydrocarbons therefrom or therein, and (ii) materialmans', mechanics', repairmans', employees', contractors', operators' liens or other similar liens or charges for liquidated amounts, in each case of (i) and (ii) above, arising in the ordinary course of business for amounts not yet delinquent (including any amounts being withheld as provided by applicable law);

(c) any liens for taxes and assessments not yet delinquent or, if delinquent, that are being contested in good faith in the ordinary course of business and for which any Seller has agreed to pay pursuant to the terms hereof or which have been prorated pursuant to the terms hereof;

(d) the terms, conditions, restrictions, exceptions, reservations, limitations and other matters contained in (including any liens or security interests created by law or reserved in oil and gas leases for royalty, bonus or rental, or created to secure compliance with the terms of) the agreements, instruments and documents that create or reserve to Seller its interest in the Assets if the net cumulative effect of such burdens do not, individually or in the aggregate, (i) reduce Seller's Net Revenue Interests in the applicable Asset below that shown in Exhibit A-2 or (ii) obligate Sellers to bear a Working Interest for any Asset above the percentage shown in Exhibit A-2 for such Asset unless the Net Revenue Interest for such Asset is greater than the Net Revenue Interest set forth on Exhibit A-2 for such Asset in the same proportion as any increase in such Working Interest or (iii) have an adverse effect on the operation, value or use of such Asset;

(e) any obligations or duties affecting the Assets to any municipality or public authority with respect to any franchise, grant, license or permit and all applicable laws, rules, regulations and orders of any Governmental Authority;

(f) any (i) easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations, pipelines, grazing, hunting, lodging, canals, ditches or reservoirs, and (ii) easements for streets, alleys, highways, pipelines, telephone lines, power lines, railways and other similar rights-of-way on, over or in respect of property owned or leased by Seller or over which Seller owns rights-of-way, easements, permits or licenses, to the extent that the same do not adversely interfere with the oil and gas operation conducted on the Assets;

(g) all Royalties and other burdens on or deductions from the proceeds of production created or in existence as of the Effective Time, whether recorded or unrecorded, provided that the net cumulative effect of such burdens do not, individually or in the aggregate, (i) reduce Seller's Net Revenue Interests in the applicable Asset below that shown in Exhibit A-2 or (ii) obligate Seller's to bear a Working Interest for any Asset above the percentage shown in Exhibit A-2 for such Asset unless the Net Revenue Interest for such Asset is greater than the Net Revenue Interest set forth on Exhibit A-2 for such Asset in the same proportion as any increase in such Working Interest;

(h) preferential rights to purchase or similar agreements with respect to which (i) waivers or consents are timely obtained from the appropriate parties for the transactions contemplated by this Agreement, or (ii) required notices have been given for the transactions contemplated by this Agreement to the holders of such rights and the appropriate period for asserting such rights has expired without an exercise of or dispute with respect to such rights;

(i) required Third Party consents to assignments or similar agreements with respect to which (i) waivers or consents are obtained from the appropriate parties for the transactions contemplated by this Agreement, or (ii) required notices have been given for the transactions contemplated by this Agreement to the holders of such rights and the appropriate period for asserting such rights has expired without an exercise of or dispute with respect to such rights;

(j) all rights to consent by, required notices to, filings with, or other actions by Governmental Authorities in connection with the sale or conveyance of oil and gas leases or interests therein that are customarily obtained subsequent to such sale or conveyance;

(k) production sales contracts; division orders; contracts for sale, purchase, exchange, refining or processing of Hydrocarbons; unitization and pooling designations, declarations, orders and agreements; operating agreements; agreements of development; area of mutual interest agreements; gas balancing or deferred production agreements; processing agreements; plant agreements; pipeline, gathering and transportation agreements; injection, repressuring and recycling agreements; salt water or other disposal agreements; seismic or geophysical permits or agreements; and any and all other agreements that have terms that are ordinary and customary to the oil and gas exploration, development, processing or extraction business or in the business of processing of gas and gas condensate production for the extraction of products therefrom, to the extent the net cumulative effect of such burdens do not, individually or in the aggregate, (i) reduce Seller's Net Revenue Interests in the applicable Asset below that shown in Exhibit A-2 or

(ii) obligate Seller to bear a Working Interest for any Asset above the percentage shown in Exhibit A-2 for such Asset unless the Net Revenue Interest for such Asset is greater than the Net Revenue Interest set forth on Exhibit A-2 for such Asset in the same proportion as any increase in such Working Interest;

(l) rights reserved to or vested in any Governmental Authority to control or regulate any of the Assets and the applicable laws, rules, and regulations of such Governmental Authorities;

(m) any liens of record to be released by Seller at the Closing, expressly including the liens of the senior secured lender of the Seller; and

(n) all defects and irregularities affecting the Assets which individually or in the aggregate (i) do not operate to (A) reduce the Net Revenue Interest of Seller, (B) increase the proportionate share of costs and expenses of leasehold operations attributable to or to be borne by the Working Interests of Seller, or (C) otherwise interfere materially with the operation, value or use of the Assets, or (D) that would not be considered material when applying general industry standards; or (ii) operate to increase the proportionate share of costs and expenses of leasehold operations attributable to or to be borne by the Working Interest of Seller, so long as there is a proportionate increase in Seller's Net Revenue Interest.

Section 3.03. Special Warranty of Title. Except as set forth in the Assignments and in this Section 3.03, Seller makes no warranty or representation, express or implied, statutory or otherwise, with respect to Seller's title to any of the Assets, and Buyer hereby acknowledges and agrees that the sole remedy for any defect of title, including any Title Defect, with respect to any of the Assets shall be the special warranty of title set forth below and in the Assignments. Pursuant to the form of Assignments set forth in Exhibit D-1 and Exhibit D-2 attached hereto, Seller hereby agrees to warrant and defend title to the Assets solely unto Buyer against every Person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Seller, but not otherwise; subject, however, to the Permitted Encumbrances.

Section 3.04. Consents to Assignment. Seller will set forth the list of Assets that are subject to consents from third parties to assign the Assets in Schedule 3.04. Seller shall use all reasonable efforts to obtain all necessary consents from Third Parties to assign the Assets prior to Closing (other than governmental approvals that are customarily obtained after Closing) and Buyer shall assist Seller with such efforts. To the extent any Required Consents are not obtained prior to Closing, the Buyer shall have the option to (a) acquire such Assets at Closing and assume all liabilities arising out of the failure to obtain such Required Consent or (b) exclude such Assets from the Assets, in which case (i) the Purchase Price shall be reduced by the Allocated Value of such Asset and (ii) such Asset shall be deemed to constitute an Excluded Asset for all purposes hereunder. If any such Required Consent requirement with respect to which an adjustment to the Purchase Price is made under this Section 3.04 is subsequently satisfied prior to the date of the Final Settlement Date, then (A) Seller shall, promptly after such Required Consent requirement is satisfied, convey the applicable Assets to Buyer, (B) Buyer shall, simultaneously with the conveyance of the applicable Asset, pay the amount of any previous deduction from the Purchase Price to Seller and (C) such Asset shall be deemed (1) to be added to Exhibit A attached hereto and (2) shall not constitute an Excluded Asset for all

purposes hereunder. Subject to the terms hereof, at Closing Buyer shall acquire and take title to all other Assets subject to unobtained consents that do not constitute Required Consents and in no event shall such non-Required Consents constitute Title Defects. As used herein, "Required Consent" means any consent, approval or authorization that is required to be obtained, made or complied with for or in connection with the sale, assignment or transfer of any Asset, or any interest therein by Seller as contemplated by this Agreement that expressly provides in the applicable agreement or contract that the sale or transfer of such Asset without compliance with the terms of any such agreement or contract would result in material impairment of any rights in relation to any Assets or the voiding or terminating the applicable Asset; provided, however, "Required Consent" shall not include any consent, approval or authorization that cannot be unreasonably withheld.

ARTICLE IV.
ENVIRONMENTAL MATTERS

Section 4.01. Environmental Review.

(a) Prior to the execution hereof, Buyer has had the right to conduct or cause a consultant ("Buyer's Environmental Consultant") to conduct an environmental review of the Assets and the Records ("Buyer's Environmental Review"). The cost and expense of Buyer's Environmental Review, if any, shall be borne solely by Buyer. Buyer hereby agrees to release, defend, indemnify and hold harmless Seller from and against all Losses, claims, damages, costs, expenses, causes of action and judgments of any kind or character (**INCLUDING THOSE RESULTING FROM SELLER'S SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY**) arising out of or relating to Buyer's Environmental Review, unless or to the extent that any such liability is due to the gross negligence or willful misconduct of Seller.

(b) Unless otherwise required by applicable law or reasonably necessary in connection with the satisfaction of the condition set forth in Section 8.06, prior to Closing (i) Buyer shall (and shall cause Buyer's Environmental Consultant to) treat confidentially any matters revealed by Buyer's Environmental Review and any reports or data generated from such review (the "Environmental Information"), and (ii) Buyer shall not (and shall cause Buyer's Environmental Consultant to not) disclose any Environmental Information to any Governmental Authority or other Third Party without the prior written consent of Seller, unless such disclosure by Buyer or Buyer's Environmental Consultant is legally required. Unless otherwise required by law or reasonably necessary in connection with the satisfaction of the condition set forth in Section 8.06, Buyer may use the Environmental Information only in connection with the transactions contemplated by this Agreement. If Buyer, Buyer's Environmental Consultant, or any Third Party to whom Buyer has provided any Environmental Information become legally compelled to disclose any of the Environmental Information, Buyer shall make all reasonable efforts to provide Seller with prompt notice sufficiently prior to any such disclosure so as to allow Seller to file any protective order, or seek any other remedy, as it deems appropriate under the circumstances. If this Agreement is terminated prior to the Closing, Buyer shall deliver the Environmental Information to Seller, which Environmental Information shall become the sole property of Seller. Buyer shall provide copies of the Environmental Information to Seller without charge.

Section 4.02. Environmental Definitions. As used herein:

(a) Environmental Defects. The term "Environmental Defect" shall mean, with respect to any given Asset and Seller's ownership or operation thereof, (i) an individual environmental condition that constitutes, (i) violations of or non-compliance with any applicable Environmental Law and (ii) any condition that, if investigated by an authority having jurisdiction, would reasonably be expected to constitute a violation of or non-compliance with any applicable Environmental Law regardless of whether Seller has been so notified or investigated by a Governmental Authority or (ii) any Environmental Liabilities.

(b) Governmental Authority. The term "Governmental Authority" shall mean, any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city, tribal, quasi-governmental entity or other political subdivision or authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power.

(c) Environmental Laws. The term "Environmental Laws" shall mean all Laws pertaining to health, the environment, pollution or protection of the environment or biological or cultural resources as may be interpreted by applicable court decisions or administrative orders, including, without limitation, 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 Clean Air Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"), the Resource Conservation and Recovery Act, as amended ("RCRA"), the Federal Water Pollution Control Act, as amended, the Occupational Safety and Health Act, as amended, the Resources Conservation and Recovery Act, as amended, the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, the Superfund Amendment and Reauthorization Act of 1986, as amended, the Hazardous Materials Transportation Act, as amended, the Oil Pollution Act, as amended,; the Emergency Planning and Community Right to Know Act, as amended, and comparable Laws of other state, local or other Governmental Authorities.

(d) Laws. The term "Laws" means all laws, statutes, rules, regulations, ordinances, orders, decrees, requirements, judgments and codes of Governmental Authorities.

Section 4.03. Waiver of Environmental Defects. Buyer hereby acknowledges and agrees that except for the representations, warranties and covenants of any Seller set forth herein or in the other documents or instruments delivered in connection with transactions contemplated hereunder and for any Retained Obligation, BUYER RELEASES, REMISES AND FOREVER DISCHARGES EACH SELLER FROM ANY AND ALL SUITS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, DAMAGES, LOSSES, COSTS, LIABILITIES, LOSSES, INTEREST OR CAUSES OF ACTION WHATSOEVER, IN LAW OR IN EQUITY, KNOWN OR UNKNOWN, ATTRIBUTABLE TO ANY PERIODS OF TIME WHICH BUYER, ITS AFFILIATES AND ALL SUCH PERSONS' RESPECTIVE STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS AND REPRESENTATIVES MIGHT NOW OR SUBSEQUENTLY MAY HAVE, BASED ON, RELATING TO OR ARISING OUT OF, THE EXISTENCE OF ANY ENVIRONMENTAL

DEFECT, ENVIRONMENTAL LIABILITIES, RELEASE OF HAZARDOUS MATERIALS OR ANY OTHER ENVIRONMENTAL CONDITION WITH RESPECT TO THE ASSETS.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF SELLER

Each of WOG and WE represents and warrants, severally and not jointly with respect to the applicable Assets to be conveyed by each, to Buyer as of the date hereof and as of the Closing Date that:

Section 5.01. Seller's Existence. Each of WOG and WE is a limited liability company, duly organized, validly existing and in good standing under the laws of the state of its formation, and is qualified to conduct business in the State of Texas. Seller has full legal power, right and authority to carry on its business as such is now being conducted and as contemplated to be conducted. Seller's headquarters and principal offices are all located in the State of Texas.

Section 5.02. Legal Power. Seller has all requisite power and authority to own the Assets, to carry on its business as presently conducted and to execute, deliver and perform this Agreement and the transactions contemplated hereby. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with:

(a) any provision of Seller's limited liability company agreement, or other governing documents;

(b) except for any preferential purchase rights and consents to assignment which constitute Permitted Encumbrances, any material agreement or instrument to which Seller is a party or by which Seller or the Assets are bound nor will consummation of the transactions give rise to (with or without the giving of notice or the passage of time or both) any right of termination, cancellation or acceleration under any Contract as listed on Schedule 5.11 hereto; or

(c) any judgment, order, ruling or decree applicable to Seller as a party in interest or any law, rule or regulation applicable to Seller.

Section 5.03. No Liens or Encumbrances Created. The execution and delivery of this Agreement does not (i) create a lien or encumbrance on the Assets that will remain in existence after Closing, (ii) violate, or be in conflict with, any provision of the governing documents of Seller, or, to Seller's knowledge, any provision of any statute, rule or regulation applicable to Seller or the Assets or any material lease, contract, agreement, instrument or obligation to which Seller is a party or by which Seller or the Assets are bound, or (iii) violate, or be in conflict with, any judgment, decree or order applicable to Seller or the Assets.

Section 5.04. Execution. The execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement are duly and validly authorized by all requisite limited liability company action on the part of Seller. This Agreement constitutes, 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 does, or when executed will, constitute, the legal, valid and binding obligation of Seller enforceable in accordance with its terms.

Section 5.05. Brokers. No broker or finder is entitled to any brokerage or finder's fee, or to any commission, based in any way on agreements, arrangements or understandings made by or on behalf of Seller or any Affiliate of Seller for which Buyer or Buyer Indemnitee has or will have any liabilities or obligations (contingent or otherwise), and Seller shall indemnify Buyer Indemnitees with respect thereto.Bankruptcy. There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by any Seller or to the knowledge of Seller threatened against Seller or the Assets.

Section 5.07. Pending Litigation. There is no suit, action, claim, investigation, arbitration, mediation, administrative proceeding or inquiry by any Person and no legal, administrative or arbitration proceeding pending or, to Seller's knowledge, threatened against Seller or any Affiliate of Seller or any of the Assets, except as shown on Schedule 5.07.

Section 5.08. Compliance with Law. Other than the matters listed on Schedule 5.08, the Assets, Seller's operation of the Assets and Seller are in compliance with all (i) applicable Laws, and (ii) all judgments, decrees and orders of courts, applicable to the Assets.

Section 5.09. Royalties. Except as set forth in Schedule 5.09, all rentals, Royalties and other payments due under the Subject Interests have been paid, except those amounts in suspense.

Section 5.10. Taxes. (i) There are not currently in effect any extensions or waivers of any statute of limitations of any jurisdiction regarding the assessment or collection of any taxes related to the Assets and no request for such waiver or extension are pending; (ii) there are no proceedings, suits, actions, claims, arbitrations, investigations, inquiries or administrative proceedings against the Assets or Seller by any Governmental Authority in respect of taxes now in progress or to the knowledge of Seller pending with respect to such taxes and no assessment, deficiency or adjustment has been asserted, proposed, or threatened against Seller with respect to such taxes; (iii) there are no tax liens on any of the Assets except for liens for taxes not yet due; and (iv) except as would not have a material adverse effect, Seller has timely filed all tax returns required to be filed by it with the appropriate Governmental Authorities, such tax returns are true and correct in all material respects and all taxes shown to be due on such tax returns or otherwise have been timely paid when due and are no in arrears. Seller has complied in all material respects with all applicable Laws relating to the payment, withholding and deduction of taxes and has fully and timely withheld and paid over to the appropriate Governmental Authorities all amounts required to be so withheld and paid over for all periods under all applicable Laws. None of the Assets is an equity interest in any entity, and no Asset is subject to a tax partnership agreement or provision requiring a partnership tax return be filed for U.S. federal or applicable state income tax purposes. Each of the Assets that is subject to property tax has been properly listed and described on the property tax rolls of the appropriate taxing jurisdictions for all periods, and no portion of the Assets constitutes omitted property for property tax purposes. No claim has ever been made by a Government Authority in a jurisdiction where Seller does not file tax returns that Seller is or may be subject to taxation in that jurisdiction, and to Seller's knowledge, the Assets are not subject to tax in any jurisdiction in which the Seller has not filed tax returns. Seller is not a party to any agreement with any Governmental Authority with respect to taxes that would be terminated or adversely affected as a result of the transactions

contemplated by this Agreement. Seller is not a "foreign person" (or an entity disregarded as separate from a "foreign person") within the meaning of Code Section 1445.

Section 5.11. Contracts. Schedule 5.11(a) lists all of the following Contracts: (a) any agreement with any Affiliate of Seller; (b) any agreement of or binding upon Seller to sell, lease, farmout, or otherwise dispose of any interest in any of the Assets after the date hereof, other than non-consent penalties for nonparticipation in operations under operating agreements, conventional rights of reassignment arising in connection with Seller's surrender or release of any of the Assets; (c) any tax partnership agreement of or binding upon Seller affecting any of the Assets; (d) any agreement (other than joint operating agreements, unit operating agreements and similar agreements) that could reasonably be expected to result in aggregate payments by Seller with respect to the Assets in excess of **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** during the current or any subsequent year; or (e) any agreement that could reasonably be expected to result in aggregate revenues to Seller with respect to the Assets in excess of **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** during the current or any subsequent year. Except as set forth on Schedule 5.11(b), (i) the Contracts are in full force and effect, valid and binding, and to Seller's knowledge (without any duty of investigation or inquiry), enforceable against the parties thereto in accordance with their respective terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium and similar Laws affecting creditors' rights generally and the application of general principles of equity (regardless of whether that enforceability is considered in a proceeding at law or in equity), (ii) Seller is not in default under any of its obligations thereunder, and (iii) Seller has not received and has not given a written notice of default under any of the Contracts. No event has occurred, which after notice or lapse of time, or both, would constitute a material default by Seller, or to Seller's knowledge (without any duty of investigation or inquiry), any other party to any Contract. Prior to the date hereof Seller has provided Buyer with a complete and accurate copy of each Contract and Lease and all amendments thereto. Hydrocarbon Sales Contracts, Take-Or Pay; Payouts.

(a) Except as set forth on Schedule 5.12(a), no Hydrocarbons are subject to a sales contract (other than division orders or spot sales agreements terminable on no more than thirty (30) days' notice) and no Person has any call upon, option to purchase or similar rights with respect to the production from the Assets. Proceeds from the sale of Hydrocarbons from the Assets are being received in all respects by Seller in the ordinary course of business and are not being held in suspense for any reason.

(b) Except as set forth on Schedule 5.12(b), Seller is not obligated, under a production payment, take-or-pay or similar arrangement, or by virtue of an election to non-consent or not participate in a past or current operation on the Assets pursuant to the applicable operating agreement, to produce Hydrocarbons, or allow Hydrocarbons to be produced, without receiving full payments at the time of delivery in an amount that corresponds to the net revenue interest in the Hydrocarbons attributable to any Well.

(c) To Seller's knowledge, Schedule 5.12(c) contains a complete and accurate list of the status of any "payout" balance, as of the Effective Time, for the Assets subject to a reversion or other adjustment at some level of cost recovery or payout (or passage of time or other event other than termination of a Lease by its terms).

Section 5.13. Area of Mutual Interest and Other Agreements. Except as listed on Schedule 5.13, neither Seller nor any Asset is subject to (or has related to it) any area of mutual interest agreements or any farm-out or farm-in agreement under which any patty thereto is entitled to receive assignments not yet made, or could earn additional assignments after the Effective Time.

Section 5.14. Imbalance Volumes. Except as set forth on Schedule 5.14 hereto, at the Effective Time, there do not exist any gas imbalances (i) which are with gatherers, processors, or transporters or with co-tenants or working interest owners in a well, unit, or field, (ii) which are associated with the Assets and (iii) where Seller has received a quantity of gas prior to the Effective Time for which Buyer will have a duty at or after the Effective Time to deliver an equivalent quantity of gas or pay a sum of money.

Section 5.15. Property Expenses. In the ordinary course of business, Seller has paid all property expenses attributable to the Assets as such Property Expenses become due, and such property expenses are being paid in a timely manner before the same become delinquent, except such Property Expenses as are disputed in good faith by Seller in a timely manner.

Section 5.16. Permits. Seller possesses all permits required to be obtained for conducting its business with respect to the Assets as presently conducted, and with respect to each such permit, Seller has not received written notice nor has any knowledge (i) of any violations of such permits that remains uncured or (ii) that such permit will not be renewed in the ordinary course.

Section 5.17. Outstanding Commitments, AFEs and Invoices. Except as set forth in Schedule 5.17, (i) Seller has incurred no expenses, and has made no commitments to make expenditures (including any agreements that would obligate Buyer to make expenditures) in connection with the ownership or operation of the Assets at or after the Effective Time, other than with respect to routine operations performed in the ordinary course of operating the existing Wells, which operations are, in the agreement, estimated to cost **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** or less, net to Seller's interest, and (ii) no proposals or authorities for expenditures (AFEs) are currently outstanding (whether made by Seller or by any other party) to drill additional wells, or to deepen, plug back, or rework existing wells, or to conduct other operations on the Assets for which consent is required under the applicable operating or unitization agreement, or to abandon any Wells, or to conduct any other operation on the Assets for which, in the aggregate, the estimated cost exceeds **[REDACTED: COMMERCIALLY SENSITIVE DOLLAR AMOUNT]** net to Seller's interest.

Section 5.18. Hedging Arrangements. The Leases are not subject to any oil sales, gas sales, gathering or transportation contracts which include provisions for hedging, price risk management or other such financial arrangements or transactions, which will affect or burden the Leases from and after the Closing Date.

Section 5.19. Surface Use Agreements. With the exception of Lease provisions, including provisions set forth in recorded addendums to Leases, there are no surface use

agreements to which Seller is a party covering any portion of the Lands with the exception of the surface use agreements identified on Schedule 5.19.

Section 5.20. Plugging and Abandonment Obligations. With the exception of the Wells identified on Schedule 5.20, there are no Wells which are required to be plugged and abandoned at the present time under applicable governmental laws, rules and regulations or the terms of any Lease or agreement to which Seller is a party.

Section 5.21. Leases and Wells. All of the Leases are in force and effect and have been maintained by payment of bonuses, delay rentals, shut-in Royalties or production as necessary, save and except possibly the Leases identified on Schedule 5.21. Except as scheduled on Schedule 5.21, no additional drilling or other operations are necessary to maintain any Lease in force or effect for as long as production from the applicable wells continues in paying quantities. To Seller's knowledge (without any duty of investigation or inquiry), all of the Wells in which Seller has an interest have been drilled and completed within the boundaries of the applicable Asset or within the limits otherwise permitted by contract, pooling or unit agreement and, by applicable Law.

Section 5.22. Condemnation. There is no actual or threatened taking (whether permanent, temporary, whole or partial) of any part of the Assets by reason of condemnation or the threat of condemnation.

Section 5.23. Plugging and Abandonment. Except as set forth on Schedule 5.23, Seller has not abandoned, or agreed to abandon or received any pending demands to abandon, any wells included in the Assets and to Seller's knowledge (without any duty of investigation or inquiry) there are no dry holes or inactive wells located on the Lands, other than wells that have been properly plugged and abandoned.

Section 5.24. Investment Company. Seller is not (a) an investment company or a company controlled by an investment company within the meaning of the Investment Company Act of 1940, as amended or (b) subject in any respect to the provisions of said act.

Section 5.25. Prospectus Disclosure. Seller will: (a) review the information relating to Seller and the Assets to be contained in the preliminary short form prospectus (the "Prospectus") of Argent Energy Trust (the "Trust") to be dated on or about December 10, 2012 relating to the "bought deal" public offering by the Trust of trust units by the Trust (the "Trust Offering"); (b) identify and mark the portions of the Prospectus with the disclosures to be made by the Seller pursuant hereto (the "Seller Disclosures") on Schedule 5.25 to be prepared and attached to this Agreement; and (c) provide Schedule 5.25 in a form satisfactory to Buyer, acting reasonably, on the date that the Trust files the Prospectus. The Seller Disclosures, on the date of the Prospectus, will not to the knowledge of Seller, having made due inquiry, contain any "misrepresentation" as such term is defined in the *Securities Act* (Alberta) (as amended, the "Securities Act"). Seller acknowledges that Buyer is obtaining the representations in this Section 5.25 on its own behalf and as trustee for and on behalf of the Trust and that any damages resulting from a breach of this Section 5.25 shall be determined by reference to the actual damages suffered or incurred by the Trust as a result of a breach of this Section 5.25 by Seller.

Section 5.26. Environmental Matters. Except as set forth on Schedule 5.26, to Seller's knowledge (without any duty of investigation or inquiry): (i) during the period of time that the Assets have been owned by the Seller, the Assets have been operated and are in compliance in all material respects with applicable Environmental Laws; (ii) no material Release of Hazardous Materials has occurred or is occurring at, on, in or under any Assets for which applicable Environmental Law requires notice, further investigation, remediation or any form of response action; (iii) Seller has identified and prior to the date hereof made complete and accurate copies available to Buyer of every environmental audit, assessment and other similar report and study in Seller's or any of Seller Indemnitee's possession or control describing environmental conditions of the Assets. Seller has not disposed of, sent or arranged for the transportation of Hazardous Materials at or to a site that pursuant to any applicable Environmental Law has been placed or is proposed to be placed by the United States Environmental Protection Agency or similar state authority on the National Priorities List or similar state list, as in effect as of the Closing Date.

Section 5.27. Absence of Certain Changes. Since June 1, 2012, Seller has not taken any action which, if such action (or the failure to take any action) would have occurred after the date hereof, would be prohibited by, or require the consent of Buyer pursuant to, ARTICLE XIII.

Section 5.28. Delta Settlement Agreement. WOG hereby represents and warrants to Buyer that (a) the execution, delivery and performance of the Delta Settlement Agreement and the transactions contemplated thereby are duly and validly authorized by all requisite limited liability company action on the part of WOG and, to the knowledge of WOG (without any duty of investigation or inquiry), the Wapiti Recovery Trust, (b) the Delta Settlement Agreement constitutes, the legal, valid and binding obligation of WOG and, to the knowledge of WOG (without any duty of investigation or inquiry), the Wapiti Recovery Trust and (c), to the knowledge of WOG (without any duty of investigation or inquiry), the Delta Settlement Agreement is enforceable in accordance with its terms against the Wapiti Recovery Trust, including all provisions which provide for the release, waiver and discharge of any and all existing and future Delta Bankruptcy Claims against WOG or which could be asserted against Buyer as a result of the consummation of the transactions contemplated hereunder.

ARTICLE VI.
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to each Seller as of the date hereof and as of the Closing Date that:

Section 6.01. Buyer's Existence. Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the state of Delaware, and is qualified to conduct business in the State of Texas. Buyer has full legal power, right and authority to carry on its business as such is now being conducted and as contemplated to be conducted.

Section 6.02. Legal Power. Buyer has the legal power and right to enter into and perform this Agreement and the transactions contemplated by this Agreement. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with:

(a) any provision of Buyer's corporate charter or other governing documents;

(b) any material agreement or instrument to which Buyer is a party or by which Buyer is bound; or

(c) any judgment, order, ruling or decree applicable to Buyer as a party in interest or any law, rule or regulation applicable to Buyer.

Section 6.03. Execution. The execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement are duly and validly authorized by all requisite corporate action on the part of Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

Section 6.04. Brokers. No broker or finder is entitled to any brokerage or finder's fee, or to any commission, based in any way on agreements, arrangements or understandings made by or on behalf of Buyer or any Affiliate of Buyer for which Seller or any of its Affiliates has or will have any liabilities or obligations (contingent or otherwise), and Buyer shall indemnify Seller with respect thereto.

Section 6.05. Bankruptcy. There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by or to the knowledge of Buyer threatened against Buyer or any Affiliate of Buyer.

Section 6.06. Suits. There is no suit, action, claim, investigation or inquiry by any Person and no legal, administrative or arbitration proceeding pending or, to Buyer's knowledge, threatened in writing against Buyer or any Affiliate of Buyer that has materially affected or will materially affect Buyer's ability to consummate the transactions contemplated by this Agreement.

Section 6.07. Investment. Prior to entering into this Agreement, Buyer was advised by its own legal, tax and other professional counsel concerning this Agreement, the Assets and the value thereof. Buyer is acquiring the Assets for its own account and not for distribution or resale in any manner that would violate any state or federal securities law, rule, regulation or order. Buyer understands and acknowledges that if any of the Assets were held to be securities, they would be restricted securities and may not be transferred without registration under applicable state and federal securities laws or the availability of an exemption from such registration. Buyer is knowledgeable about the oil and gas business, and Buyer is aware of its risks. Buyer has been afforded the opportunity to examine the Records and other materials made available to it by Seller and Seller's authorized representatives with respect to the Assets (the "Background Materials"). In making the decision to enter into this Agreement and consummate the transactions contemplated by this Agreement, Buyer has relied solely on the basis of its own independent due diligence investigation of the Assets and not on any representations or warranties of Seller or any other person or entity, expect for those express representations and warranties of Seller contained in this Agreement and the Assignments. Except for the express representations and warranties of Seller contained herein and in the Assignments, Buyer acknowledges and agrees that neither Seller nor any other Seller Indemnitee has made any representations or warranties, express or implied, written or oral, as to the accuracy or

completeness of any of the Background Materials made available to it by Seller and Seller's authorized representatives with respect to the Assets or as to any other information relating to the Assets, furnished or to be furnished to Buyer or its representatives by or on behalf of Seller, including any estimate with respect to the value of the Assets or reserves, the ability to obtain required permits, spacing orders including increased density spacing orders, exceptions or other approvals that may be necessary to develop the Assets, the spacing pattern that may apply to the Assets, the availability or adequacy of facilities or capacity for gathering, compressing, treating, transporting, storing or processing Hydrocarbons produced from the Wells or any additional wells drilled on the Assets; whether adequate rights-of-way exist for facilities for gathering, compressing, treating, transporting, storing or processing Hydrocarbons that are included in the Assets, or any projections as to events that could or could not occur. In entering into this Agreement, Buyer acknowledges and affirms that it has relied and will rely solely on the terms of this Agreement and the Assignments and upon its independent analysis, evaluation and investigation of, and judgment with respect to, the business, economic, legal, tax or other consequences of this transaction including its own estimate and appraisal of the extent and value of the petroleum, natural gas and other reserves attributable to the Assets and the prices that may be received for Hydrocarbons produced therefrom. Except as expressly provided in this Agreement, neither Seller nor any other Seller Indemnitee shall have any liability to Buyer or its Affiliates, agents, representatives or employees resulting from any use of, authorized or unauthorized, or reliance on, the Background Materials or other information relating to the Assets provided by or on behalf of Seller or any other Seller Indemnitee Party.

ARTICLE VII.
SELLER'S CONDITIONS TO CLOSE

Except as may be waived in writing by Seller, the obligations of Seller to consummate the transactions contemplated by this Agreement are subject, at the option of Seller, to the fulfillment on or prior to the Closing Date of each of the following conditions:

Section 7.01. Representations. The representations and warranties of Buyer herein contained shall be true and correct in all material respects on the Closing Date as though made on and as of such date.

Section 7.02. Performance. Buyer shall have performed all material obligations, covenants and agreements contained in this Agreement to be performed or complied with by it at or prior to the Closing.

Section 7.03. **[REDACTED: COMMERCIALLY SENSITIVE CONTRACTUAL TERM RELATING TO PENDING MATTERS]**

Section 7.04. Closing Payment. Buyer shall deliver to Seller an aggregate amount equal to the Closing Payment by wire transfer in immediately available funds to the account or accounts designated in writing by Seller prior to the Closing Date, which transfer shall be evidenced by delivery from Buyer's bank of confirmation that the wire transfer has been sent and containing the dollar amount, a reference or other identifying number, the time of sending, the routing number of the bank which is to receive the wire transfer and the account number of that bank into which the wire transfer is to be made.

Section 7.05. Execution and Delivery of the Closing Documents. Buyer shall be ready, willing and able to execute, acknowledge and deliver, as appropriate, to Seller all closing documents described in Section 10.05.

ARTICLE VIII.
BUYER'S CONDITIONS TO CLOSE

Except as may be waived in writing by Buyer, the obligations of Buyer to consummate the transactions contemplated by this Agreement are subject, at the option of Buyer, to the fulfillment on or prior to the Closing Date of each of the following conditions:

Section 8.01. Representations. The representations and warranties of Seller herein contained shall be true and correct in all material respects on the Closing Date as though made on and as of such date.

Section 8.02. Performance. Seller shall have performed all material obligations, covenants and agreements contained in this Agreement to be performed or complied with by it at or prior to the Closing.

Section 8.03. **[REDACTED: COMMERCIALLY SENSITIVE CONTRACTUAL TERM RELATING TO PENDING MATTERS]**

Section 8.04. Execution and Delivery of the Closing Documents. Seller shall be ready, willing and able to execute, acknowledge and deliver, as appropriate, to Buyer all closing documents described in Section 10.04.

Section 8.05. [Intentionally Deleted]

Section 8.06. Trust Offering. The Trust shall have completed, concurrent with Closing, the Trust Offering.

Section 8.07. Bank Facility. Buyer shall have entered into a definitive amending the agreement with the Trust's current lenders to increase the credit available under the Trust's credit facilities to an amount not less than US $90,000,000.

ARTICLE IX.
TAX MATTERS

Section 9.01. Transfer Taxes. All sales, use or other taxes (other than taxes on gross income, net income or gross receipts) and duties, levies, recording fees or other governmental charges incurred by or imposed with respect to the Asset transfers undertaken pursuant to this Agreement shall be the responsibility of, and shall be paid by, Buyer.

Section 9.02. Ad Valorem and Severance Taxes. Ad valorem taxes, real property taxes, personal property taxes and similar obligations assessed against the Assets shall be apportioned between Seller and Buyer as of the Effective Time. Seller shall retain responsibility for such taxes attributable to the period of time prior to the Effective Time and Buyer shall assume responsibility for the period of time from and after the Effective Time. Furthermore, all

severance, production, or excise taxes, conservation fees and other similar such taxes or fees (other than income taxes) payable on a current basis with respect to oil and gas produced and sold from the Assets shall be borne by the Seller to the extent the production on which such taxes are based occurs on or prior to the Effective Time and shall be borne by Buyer to the extent such production occurs after the Effective Time.

Section 9.03. Form 8594. Seller and Buyer shall cooperate in the preparation of Internal Revenue Service Form 8594 pursuant to Section 1060 of the Internal Revenue Code of 1986, (as amended and the Treasury Regulations promulgated thereunder, the "Code") to report the allocation of the Purchase Price among the Assets. To the extent required by Code Section 1060, and any regulations promulgated thereunder, any such allowance shall be consistent with the Purchase Price allocation set forth in Exhibit C. Seller and Buyer agree that the Allocated Value of the Assets set forth on Exhibit C represent the Parties' good faith allocation of the sum of the Purchase Price for the various Assets for federal and state income tax purposes, which allocations shall be made in accordance with Section 1060 of the Code and the Treasury Regulations thereunder and are to be consistent with the Allocated Values of such Assets.

Section 9.04. Tax Returns. Seller agrees to immediately forward to Buyer copies of any tax reports and tax returns received by Seller after Closing and provide Buyer with any information in the possession or control of Seller that is necessary for Buyer to file any required tax reports and tax returns related to the Assets.

Section 9.05. Tax Cooperation. Buyer and Seller will cooperate fully as and to the extent reasonably requested by the other party, in connection with the filing of any tax returns with respect to the Assets (other than with respect to income and franchise taxes) and any audit, litigation or other proceeding with respect to such taxes imposed on or with respect to the Assets for any period ending on or prior to the Closing and for any period that includes the Closing.

ARTICLE X.
THE CLOSING

Section 10.01. Time and Place of the Closing. If the conditions referred to in ARTICLE VII and ARTICLE VIII of this Agreement have been satisfied or waived in writing, the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Locke LLP, whose address is 600 Travis Street, Suite 2800 Houston, Texas 77002, or at such place designated by Buyer and Seller on or before 6:00 A.M. Mountain Standard Time on December 28, 2012 (the "Target Closing Date"), expressly provided that upon written notice, and only to coincide with the closing of the Trust Offering, Buyer may extend the Closing Date up to and through December 31, 2012. Notwithstanding the above, Buyer and Seller shall have all forms and documents required to be delivered at the Closing by such Party completed, in final and executable form and delivered to the offices of Locke Lord LLP at the address set out herein (the "Pre-Closing"), as of 3:00 p.m. Mountain Standard Time on the last business day immediately preceding the Target Closing Date; provided that if the Closing does not occur on the Target Closing Date then the Pre-Closing shall occur on the last business day immediately preceding the actual Closing Date.

Section 10.02. Adjustments to Purchase Price at the Closing.

(a) The Purchase Price shall be increased by the following amounts:

(i) The (A) proceeds of production of Hydrocarbons attributable to the Assets occurring before the Effective Time and received by Buyer (net of all Royalties and Property Expenses not reimbursed to Seller by the purchaser of production that are actually paid by Seller under this Agreement), and (B) any other proceeds earned with respect to the Assets received by the Buyer and attributable to periods prior to the Effective Time;

(ii) The amount of all Property Expenses attributable to the Assets and accruing after the Effective Time and paid by the Seller which are not deducted in the determination of proceeds pursuant to Section 10.02(a)(i);

(iii) The value (net of Royalties) of all unsold merchantable Hydrocarbons attributable to the Assets and stored in existing tanks, pipelines and vessels. The adjustment shall be calculated at a price equal to the average price received by Seller from sales during the month of October, 2012 of comparable Hydrocarbons from each field from which such substances were produced, net of Royalty amounts, gravity adjustments, quality bank adjustments, production payments, excise, severance and other production taxes, marketing costs (which include for purposes hereof, among other things, costs of gathering, treating, processing, compression, and transportation) and other burdens upon, measured by, or payable out of such Hydrocarbon production;

(iv) The actual aggregate net imbalances, if any, owed to Seller attributable to the ownership of the Assets for periods prior to Effective Time; and

(v) Any other amount expressly provided for in this Agreement or agreed upon by Buyer and Seller; and

(b) The Purchase Price shall be decreased by the following amounts:

(i) The proceeds of (A) production of Hydrocarbons attributable to the Assets occurring on or after the Effective Time and received by Seller (net of all Royalties, and Property Expenses not reimbursed to Seller by the purchaser of production that are actually paid by Buyer under this Agreement) and (B) other proceeds earned with respect to the Assets received by Seller and attributable to periods on or after the Effective Time;

(ii) the Allocated Value of any Assets excluded from the sale pursuant to any provision of this Agreement;

(iii) all downward Purchase Price Adjustments determined in accordance with ARTICLE III;

(iv) the amount of all Royalties in suspense, other suspense funds payable to any Person but held in suspense by or on behalf of any Seller or its Affiliates at Closing (and any interest actually accrued or required under applicable Law to be accrued thereon) to the extent such funds are not transferred to Buyer's control at Closing;

(v) the actual aggregate net imbalances, if any, owed by Seller attributable to the ownership of the Assets for periods prior to Effective Time;

(vi) the amount of all prepaid expenses, cash call or advance payments (including prepaid drilling or completion costs, applicable insurance costs and prepaid utility charges) received by Seller or its Affiliates, to the extent applying to the ownership or operation of the Assets (or undivided interests of cotenants thereof) after the Effective Time; and

(vii) any other amount provided for in this Agreement or agreed upon by Buyer and Seller.

(c) The adjustments described in Section 10.02(a) and Section 10.02(b) are hereinafter referred to as the "Purchase Price Adjustments".

(d) Adjustment Methodology. It is agreed that, in making such adjustments pursuant to Section 10.02:

(i) the amounts set forth Section 10.02(a)(iv) and Section 10.02(b)(v) shall be based on a settlement price equal to the higher of the applicable contract price (if readily determinable) or $2.50 per mmBtu;

(ii) the Parties hereto will negotiate and agree in good faith upon an allocation or method of allocation based on the relative value of Assets if ad valorem, personal property and similar taxes are not separately assessed by the taxing authority;

(iii) ad valorem, personal property and similar taxes with respect to the Assets assessed with respect to a period which begins before, and ends after, the Effective Time shall be prorated based on the number of days in such period which fall on each side of the Effective Time (with the day on which the Effective Time falls being counted in the period after the Effective Time);

(iv) delay rental costs and expenses shall constitute Property Expenses and shall be prorated based on the number of days in such period of delay which fall on each side of the Effective Time (with the day on which the Effective Time falls being counted in the period after the Effective Time);

(v) no consideration shall be given to the local, state or federal income or margin tax liabilities of any Party or its Affiliates;

(vi) the adjustments set forth in this Section 10.02 and the obligations of the Parties hereto in ARTICLE X and ARTICLE XII shall be determined without duplication; and

(vii) the Accounting Statement and Final Statement will be prepared in accordance with this Agreement, generally accepted accounting principles (applicable in the United States as customarily applied) in the petroleum industry, and applicable laws,

rules and regulations, and will include the calculation of each adjustment therein and a copy of all documentation reasonably necessary to support each such adjustment.

Section 10.03. Closing. Not later than four (4) calendar days prior to the Closing Date, Seller shall prepare a statement of the estimated Purchase Price Adjustments taking into account the foregoing principles and setting forth for each adjustment category separate line items (the "Statement"). Until two (2) calendar days prior to the Closing Date, Buyer shall have the opportunity to review the Statement with the Seller, *provided, however*, that Seller shall not be required to make any changes thereto to which Seller does not agree, and any disputes will be resolved with and at the time of the Final Statement. Buyer and Seller shall make a good faith attempt to agree on the Statement. Prior to or at Closing, Buyer and Seller will execute and deliver to each other the Statement as prepared in accordance with the terms hereof. At the Closing, Buyer shall pay the Purchase Price, as adjusted by the estimated Purchase Price Adjustments reflected on the Statement.

Section 10.04. Actions of Seller at the Closing. At the Closing, Seller shall:

(a) execute, acknowledge and deliver to Buyer an assignment in the form as set forth in Exhibit D-1 of this Agreement, a deed in the form as set forth in Exhibit D-2 of this Agreement (such assignment and deed, individually and collectively, the "Assignment") and such other instruments (in form and substance mutually agreed upon by Buyer and Seller) as may be reasonably necessary to convey the Assets to Buyer;

(b) execute and deliver to Buyer, as applicable, such other assignments, bills of sale or other evidence of transfer of title as may be reasonably necessary to effect the transfer and sale to Buyer of any of the Assets not conveyed by the Assignments;

(c) execute, acknowledge and deliver to Buyer letters in lieu of transfer or division orders directing all purchasers of production from the Subject Interests to make payment of proceeds attributable to such production to Buyer from and after the Effective Time, as reasonably requested by Buyer prior to the Closing Date in form acceptable to both Parties;

(d) deliver to Buyer a certificate executed by a duly authorized officer of Seller dated the Closing Date, representing and certifying that the conditions set forth in Section 8.01 and Section 8.02 have been satisfied;

(e) cause Wapiti Operating LLC to execute and deliver to Buyer the Transition Services Agreement in substantially the form set forth in Exhibit E hereto;

(f) deliver to Buyer possession of the Assets;

(g) execute and deliver to Buyer a certificate of non-foreign status of Seller which meets the requirements of Treasury Regulation Section 1.1445-2(b)(2);

(h) execute and deliver to Buyer the Statement;

(i) execute, acknowledge and deliver to Buyer any other agreements provided for herein or necessary or desirable to effectuate the transactions contemplated by this Agreement;

(j) deliver to Buyer fully executed and acknowledged releases and terminations of all liens and security interests encumbering the Assets securing any indebtedness for borrowed money, indenture, mortgage, loan, credit, sale-leaseback or similar financial contract of Seller or any Affiliate thereof;

(k) deliver to Buyer all amounts held in suspense to the Buyer, plus all interest required under Law to be accrued thereon;

(l) deliver, or cause to be delivered, favorable legal opinions dated the Closing Date to be addressed and delivered to the Buyer, the Trust and the several underwriters (the "Underwriters") referred to in the Underwriting Agreement to be dated on or about December 10, 2012 with respect to matters relating to Sellers, by their United States counsel, in form and substance acceptable to counsel to the Underwriters, acting reasonably, including without limitation opinions substantially to the effect as set forth on Exhibit F attached hereto;

(m) execute and deliver to Buyer individual Cooperation Agreements in substantially the form as set forth on Exhibit G attached hereto, each such individual Cooperation Agreement covering the separate Assets as may be agreed in good faith among the Parties hereto;

(n) deliver, or cause to be delivered, to Buyer copies of all Required Consents obtained by Seller;

(o) WE shall cause its wholly owned subsidiary, Wapiti Operating, LLC to convey by Bill of Sale and Assignment, and related delivery of certificates of title, the title to the Rolling Stock as set forth on Exhibit D-1 hereto (the "Rolling Stock Assignment"); and

(p) deliver original executed counterparts of the assignments of all of the Employee Interests in and to Seller, effective immediately prior to the Effective Time, in form reasonably acceptable to Buyer.

Section 10.05. Actions of Buyer at the Closing. At the Closing, Buyer shall:

(a) deliver to Sellers an aggregate amount equal to the Closing Payment by wire transfer of immediately available funds to the account or accounts designated in writing by Sellers in the Statement, which transfer shall be evidenced by delivery from Buyer's bank of confirmation that the wire transfer has been sent and containing the dollar amount, a reference or other identifying number, the time of sending, the routing number of the bank which is to receive the wire transfer and the account number of that bank into which the wire transfer is to be made;

(b) Intentionally Deleted;

(c) execute and deliver to Seller the Transition Services Agreement in substantially the form set forth in Exhibit E hereto;

(d) execute and deliver to Seller the Statement;

(e) execute and deliver to Seller counterparts of, as applicable, such other assignments, bills of sale or other evidence of transfer of title as may be reasonably necessary to effect the transfer and sale of any of the Assets not conveyed by the Assignments to Buyer;

(f) execute, acknowledge and deliver counterparts of letters in lieu of transfer or division orders to Seller directing all purchasers of production from the Subject Interests to make payment of proceeds attributable to such production to Buyer from and after the Effective Time in form acceptable to both Parties;

(g) deliver to Seller a certificate executed by a duly authorized officer of Buyer dated the Closing Date, representing and certifying that the conditions set forth in Section 7.01 and Section 7.02 have been satisfied;

(h) take possession of the Assets and all amounts held in suspense (subject to the terms and conditions of the Transition Services Agreement); and

(i) execute and deliver to each applicable Seller individual Cooperation Agreements in substantially the form as set forth on Exhibit G hereto, each such individual Cooperation Agreement covering the separate Assets as may be agreed upon in good faith among the Parties.

(j) execute, acknowledge and deliver to Seller a counterpart of the Assignments and any other agreements provided for herein or necessary or desirable to effectuate the transactions contemplated by this Agreement.

ARTICLE XI.
TERMINATION

Section 11.01. Right of Termination. This Agreement may be terminated at any time at or prior to the Closing:

(a) by mutual written consent of the Parties;

(b) by Seller on or after 5pm, Houston, Texas time on December 6, 2012, if the Deposit has not been paid in full;

(c) by Seller on or after December 31, 2012 if the conditions set forth in ARTICLE VII have not been satisfied in all material respects or waived by Seller in writing and Seller is ready, willing and able to Close;

(d) by Buyer on or after December 31, 2012 if the conditions set forth in ARTICLE VIII have not been satisfied in all material respects or waived by Buyer in writing and Buyer is ready, willing and able to Close;

(e) by any Party if any Governmental Authority shall have issued a final, non-appealable order, judgment or decree or taken any other action challenging, delaying, restraining, enjoining, prohibiting or invalidating the consummation of any of the transactions contemplated by this Agreement;

provided, *however*, that no Party shall have the right to terminate this Agreement pursuant to clause (b) or (c) above if such Party is at such time in material breach of any provision of this Agreement.

Section 11.02. Effect of Termination. In the event that the Closing does not occur as a result of any Party exercising its right to terminate pursuant to Section 11.01, then except as set forth in Section 11.03, this Agreement shall be null and void and no Party shall have any further rights or obligations under this Agreement, except (a) the provisions of Section 4.01, Section 13.06, ARTICLE XVI, Section 17.01 and Section 17.03 through Section 17.15 shall survive such termination and (b) nothing herein shall relieve any Party from any liability for any breach hereof or any liability that has accrued prior to the date of such termination.

Section 11.03. Rights and Liabilities in the Event of Termination.

(a) If all conditions precedent to the obligations of Buyer set forth in ARTICLE VIII have been met and the transactions contemplated by this Agreement are not consummated on or before the Closing Date because of the failure of Buyer to perform any of its material obligations hereunder or the breach of any representation herein by Buyer and Seller has performed all of its material obligations hereunder and has not breached any material representation herein by Seller, then in such event, (i) Seller shall have the option to terminate this Agreement and retain the Deposit, or (ii) be entitled to all of its legal remedies for Buyer's breach hereof to the extent of Seller's direct damages, and retain the Deposit until all such direct damages are determined. Notwithstanding anything to the contrary set forth in this Agreement, if the Seller has performed all of its material obligations hereunder and has not breached any material representation herein by Seller, and Seller terminates under Sections 11.01(b), or 11.01(c), or if Buyer elects not to close because the conditions set forth in Sections 8.06 or 8.07 have not been met, then Seller shall be entitled to retain the Deposit.

(b) If all conditions precedent to the obligations of Seller set forth in ARTICLE VII have been met and the transactions contemplated by this Agreement are not consummated on or before the Closing Date because of the failure of Seller to perform any of its material obligations hereunder or the breach of any representation herein by Seller and Buyer has performed all of its material obligations hereunder and has not breached any material representation herein by Buyer, then in such event, Buyer (i) Buyer shall have the right to terminate this Agreement and required that the Deposit be returned to it, or (ii) shall be entitled to all rights and remedies that Buyer may be entitled to at law or in equity, including the right to specific performance, with the Deposit to be returned, unless the Buyer elects specific performance. Notwithstanding anything to the contrary contained herein, if this Agreement is terminated by the mutual written consent of the Parties pursuant to Section 11.01(a), the Deposit shall be returned to Buyer.

Section 11.04. Attorneys' Fees, Etc. Notwithstanding anything to the contrary in this Agreement, in no event shall any Party be entitled to receive any lost profits, punitive, indirect or consequential damages unless same are a part of a Third Party claim for which a Party is seeking indemnification hereunder, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF ANY OTHER PARTY**.

ARTICLE XII.
POST CLOSING OBLIGATIONS

Section 12.01. Allocation of Expense and Revenues.

(a) Provided that the Closing occurs, (i) Buyer will be entitled to receive all proceeds from sales of Hydrocarbons that are produced and saved from and after the Effective Time and any other revenues arising out of the ownership or operation of the Assets from and after the Effective Time, net of all Property Expenses that are incurred in the ownership or operation of the Assets from and after the Effective Time, and (ii) Seller will be entitled receive all proceeds from sales of Hydrocarbons that are produced and saved prior to the Effective Time and any other revenues arising out of the ownership or operation of the Assets prior to the Effective Time, net of all Property Expenses that are incurred in the ownership or operation of the Assets from and after the Effective Time.

(b) Provided that the Closing occurs, (i) Buyer will bear any Property Expenses which are incurred in connection with ownership or operation of the Assets from and after the Effective Time and (ii) Seller will bear any Property Expenses which are incurred in connection with the ownership or operation of the Assets prior to the Effective Time;

(c) In addition to the foregoing, the Seller will be entitled to receive the value of all merchantable Hydrocarbons produced prior to the Effective Time but in storage or upstream of the applicable sales meter on the Closing Date.

(d) In addition to the foregoing, the Buyer will be paid an amount equal to all unpaid ad valorem, property, production, severance and similar taxes and assessments based upon or measured by the ownership of the Assets that are attributable to periods of time prior to the Effective Time, which amounts shall, to the extent not actually assessed or for which current rates of assessment are not available, be computed based on such taxes and assessments for the preceding tax year (such amount to be prorated for the period of Seller's and Buyer's ownership before and after the Effective Time).

(e) After the completion of the post-Closing adjustments under Section 12.03, (i) if any Party receives revenues that belong to any other Party under this Agreement, the Party receiving the revenues agrees to promptly remit those revenues to such other Party and (ii) if any Party pays expenses that are the responsibility of any other Party, the Party on whose behalf the expenses were paid agrees to promptly reimburse such other Party for the expenses paid on its behalf upon receiving satisfactory evidence of such payment.

Section 12.02. Transition Services Agreement. Buyer and each Seller agree that from and after the Closing Date, on and subject to the terms and conditions of the Transition Services Agreement attached hereto as Exhibit E, Wapiti Operating LLC will operate the Assets for the benefit of the Buyer.

Section 12.03. Final Accounting Statement.

(a) On or before ninety (90) days after the Closing Date, Seller shall prepare and deliver to Buyer a post-closing statement setting forth a detailed calculation of all post-Closing

adjustments applicable to the period for time between the Effective Time and Closing ("Accounting Statement"). The Accounting Statement shall include any adjustment or payment which was not finally determined as of the Closing Date and the allocation of revenues and expenses as determined in accordance with Section 12.01(e). To the extent reasonably required by Seller, Buyer shall assist in the preparation of the Accounting Statement. Seller shall provide Buyer such data and information as Buyer supporting the amounts reflected on the Accounting Statement in order to permit Buyer may reasonably request to perform or cause to be performed an audit. The Accounting Statement shall become final and binding upon the parties on the thirtieth (30th) day following receipt thereof by Buyer (the "Final Settlement Date") unless Buyer gives written notice of its disagreement (a "Notice of Disagreement") to Seller prior to such date. Any Notice of Disagreement shall specify in detail the dollar amount, nature and basis of any disagreement so asserted. If a Notice of Disagreement is received by Seller in a timely manner, then the Parties shall resolve the Dispute (as defined in Section 16.01) evidenced by the Notice of Disagreement in accordance with Section 16.06.

(b) Within five (5) calendar days after the Final Settlement Date, Seller shall pay to Buyer or Buyer shall pay to Seller in immediately available funds the net amount due. For purposes of this Agreement, the term "Final Statement" shall mean (i) the revised Statement becoming final pursuant to this Section, or (ii) upon resolution of any Dispute regarding a Notice of Disagreement, the revised Statement reflecting such resolution, which the Parties shall issue, or cause the Accounting Expert or arbitrators to issue, as applicable, following such resolution. All payments made or to be made under this Agreement to each Seller shall be made by electronic transfer of immediately available funds to such Seller to such bank and account as may be specified by such Seller in writing. All payments made or to be made hereunder to Buyer shall be by electronic transfer of immediately available funds to such bank and account as may be specified by Buyer in writing.

Section 12.04. Records. From and after Closing, Seller shall make the Records available to the Buyer. Seller shall make the Records available to be picked up by Buyer at the offices of Seller during normal business hours within five (5) calendar days after the termination of the Transition Services Agreement to the extent the Records are in the possession or control of Seller and are not subject to contractual restrictions on transferability. Seller shall have the right to retain copies of any of the Records and the rights granted under Section 17.03.

Section 12.05. Further Cooperation. From and after the Closing Date, each Party, at the request of any other Party and without additional consideration, shall execute and deliver, or shall cause to be executed and delivered, from time to time such further instruments of conveyance and transfer and shall take such other action as any other Party may reasonably request to convey and deliver the Assets to Buyer and to accomplish the orderly transfer of the Assets to Buyer in the manner contemplated by this Agreement. After the Closing, the Parties will cooperate to have all proceeds received and attributable to the Assets be paid to the proper Party hereunder and to have all expenditures to be made with respect to the Assets be made by the proper Party hereunder.

ARTICLE XIII.
OPERATION OF THE ASSETS AND OTHER COVENANTS

Section 13.01. Operations after Effective Time. Seller agrees, from and after the date hereof until Closing, except as expressly contemplated by this Agreement, as expressly consented to in writing by Buyer, or in situations wherein emergency action is taken in the face of risk to life, property or the environment, to:

(a) operate the Assets in the usual, regular and ordinary manner consistent with past practice;

(b) maintain the books of account and records relating to the Assets in the usual, regular and ordinary manner, in accordance with the usual accounting practices of each such Person;

(c) pay all taxes and assessments with respect to the Assets that become due and payable by Seller prior to the Closing Date;

(d) maintain the insurance now in effect with respect to the Assets through the date of Closing;

(e) preserve in full force and effect all oil and gas leases, operating agreements, easements, rights-of-way, permits, licenses and agreements that relate to the Assets;

(f) perform and comply in all material respects with all covenants and conditions to be performed by Seller contained in agreements relating to the Assets;

(g) use commercially reasonable efforts to preserve relationships with all Persons having business dealings with respect to the Assets;

(h) cooperate with Buyer in the notification of all applicable Governmental Authorities of the transactions contemplated hereby and cooperate with Buyer in obtaining the issuance by each such authority of such permits, licenses and authorizations as may be necessary for Buyer to own the Assets and to operate any Asset currently operated by Seller (or an Affiliate of Seller) following the Closing;

(i) submit to Buyer for prior written approval in the sole discretion of Buyer, all requests for operating or capital expenditures relating to the Assets that involve individual commitments of more than $50,000.00;

(j) obtain Buyer's written approval prior to voting under any operating, joint venture, partnership or similar agreement;

(k) promptly notify Buyer of any event that could lead to an Environmental Defect or of any other significant occurrence or change affecting the Assets;

(l) comply in all material respects with all Laws (i) that are applicable to Seller's ownership of the Assets and (ii) as to those Assets operated by a Seller or an Affiliate of Seller, that are applicable to the operation of such Assets; and

(m) promptly notify Buyer of any suit, action or other written proceeding before any court or governmental agency and any cause of action that relates to the Assets or that might, in Seller's reasonable judgment, result in impairment or loss of Seller's title to any portion of the Assets or the value thereof or that might hinder or impede the operation of the Leases, in each case, arising or threatened in writing prior to the Closing.

Section 13.02. Restrictions on Operations. Except in the case of an emergency and subject to the terms of applicable operating and other existing agreements, without the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed, Seller shall not

(a) enter into any contract, or materially amend or change the terms of any such contract that would extend beyond the Closing;

(b) commit to or incur any individual expenditure in excess of $50,000 (net to Seller's interest) or aggregate expenditures in excess of $250,000 (net to Seller's interest) with respect to any part of the Assets;

(c) waive, compromise or settle any right or claim with respect to any of the Assets for which Buyer would have any liability after Closing or which would have an adverse effect on the ownership or operation of the Assets;

(d) with respect to any Asset, enter into any lease, contract, agreement, commitment, arrangement, or transaction outside the ordinary course of business consistent with past practice, or any lease, contract, agreement, commitment, arrangement, or transaction (i) which grants, creates, extends or expands any area of mutual interest, consent to assignment, option, right of first refusal, call, put or other preferential right in favor of any Person, (ii) for the sale, exchange, gathering, processing and transportation of Hydrocarbons having a term of more than 60 days, or (iii) which would constitute a Contract;

(e) make any nonconsent elections with respect to operations affecting the Assets;

(f) plug or abandon any Well or release (or permit to terminate) or modify or reduce its rights under all or a portion of any of the Leases;

(g) amend, modify or terminate any of the Contracts or waive or relinquish any right thereunder;

(h) agree to any renegotiated price, take-or-pay or other terms under existing gas purchase agreements;

(i) agree to any credit or prepayment arrangement that would reduce the share of crude oil, gas or natural gas liquids deliverable with respect to the Assets following the Effective Time;

(j) enter into any agreement or instrument for the sale, treatment, or transportation of production from the Assets (except for sales agreements terminable without penalty on no more than thirty (30) days' notice);

(k) create any material gas imbalance affecting the Assets;

(l) transfer, sell, mortgage, pledge, dispose, relinquish, abandon or otherwise encumber any of the Assets other than the sale and/or disposal of Hydrocarbons in the ordinary course of business and, upon advance written notice to Buyer, sales of equipment that is no longer necessary in the operation of the Assets or for which replacement equipment has been obtained and installed; or

(m) commit, authorize or propose, or agree in writing or otherwise to take, any of the actions described in this Section 13.02.

Section 13.03. Limitations on the Operational Obligations and Liabilities of Seller

(a) From and after the date of execution of this Agreement and until the Closing, and subject to the provisions of applicable operating and other agreements, Seller shall act, with respect to the Assets, in a prudent and workmanlike manner and in the normal, usual and customary manner, consistent with prior practice and in compliance with all applicable Laws and contractual obligations.

(b) Buyer acknowledges that Seller owns undivided interests in some or all of the Assets, and Buyer agrees that the acts or omissions of the other working interest owners shall not constitute a violation of the provisions of this ARTICLE XIII, nor shall any action required by a vote of working interest owners constitute such a violation so long as Seller has voted its interests in a manner that complies with the provisions of this ARTICLE XIII. To the extent that Seller is not the operator of any of the Assets, the obligations of Seller in this ARTICLE XIII shall be construed to require that Seller use best efforts (without being obligated to incur any expense or institute any cause of action) to cause the operator of such Assets to take such actions or render such performance within the constraints of the applicable operating agreements and other applicable agreements.

Section 13.04. Financial Statements. Seller acknowledges that Buyer and/or its Affiliates may be required to include statements of revenues and direct operating expenses and other tax and financial information relating to the Assets ("Financial Statements") in documents filed with Governmental Authorities by Buyer and/or its Affiliates pursuant to the Securities Act or other applicable Laws and that such Financial Statements may be required to be audited. In that regard, Seller shall, and shall use commercially reasonable efforts to cause its Affiliates and its and their respective partners, members, shareholders, owners, officers, directors, managers, employees, agents and representatives to, use commercially reasonable efforts to, provide Buyer reasonable access to such records (to the extent such information is available) and personnel of Seller and its Affiliates as Buyer may reasonably request to enable Buyer, and its representatives and accountants, at Buyer's sole cost and expense, to create and audit any Financial Statements that Buyer deems necessary. Notwithstanding the foregoing, (i) Seller shall in no event be required to create new records relating to the Assets pursuant to this Section 13.04, and (ii) the access to be

provided to Buyer pursuant to this Section 13.04 shall not interfere with Seller's ability to prepare its own financial statements or its regular conduct of business and shall be made available during Seller's normal business hours. Seller shall consent to the inclusion or incorporation by reference of the Financial Statements in any prospectus, registration statement, report or other document of Buyer or any of its Affiliates to be filed with the Governmental Authorities in which Buyer or such Affiliate reasonably determines that the Financial Statements are required to be included or incorporated by reference to satisfy any rule or regulation of such Governmental Authorities or to satisfy relevant disclosure obligations under the Securities Act. Further, from and after the date of this Agreement until the date thirty six (36) months after the Closing Date, Seller agrees to (a) make available to Buyer and its Affiliates and its and their agents and representatives any and all books, records, information and documents that are attributable to the Assets in Seller's or its Affiliates' possession or control reasonably required by Buyer, its Affiliates and its and their agents and representatives in order to prepare for Buyer or its Affiliates, if required, in connection with such filings, financial statements relating to the Assets or to Seller or its Affiliates meeting the requirements of the Securities Act, along with any documentation attributable to the Assets or otherwise related to Seller, its Affiliates or accountants required to complete any audit associated with such financial statements, (b) obtain the consent of the independent auditor of Seller that conducted any audit of any filings or financial statements of Seller to be named as an expert in any report filed by Buyer with any applicable Governmental Authority or public stock exchange. Buyer agrees to indemnify Seller from and against any costs or liabilities which Seller may incur by reason of Buyer utilizing any data or information provided by Seller in the manner contemplated in this Section 13.04.

Section 13.05. Casualty Loss.

(a) If after the Effective Time and prior to the Closing any part of the Assets shall be damaged or destroyed by fire or other casualty or if any part of the Assets shall be taken in condemnation or under the right of eminent domain or if proceedings for such purposes shall be pending or threatened (with such event being a "Casualty Loss"), this Agreement shall remain in full force and effect notwithstanding any such destruction, taking or proceeding, or the threat thereof and the Parties shall proceed with the transactions contemplated by this Agreement notwithstanding such destruction or taking without reduction of the Purchase Price.

(b) In the event of a Casualty Loss, Buyer shall have the option to include the affected Asset in the sale, in which event (i) Seller shall pay to Buyer all sums paid to Seller by Third Parties by reason of the destruction or taking of such Assets (up to the Allocated Value thereof), including any sums paid pursuant to any policy or agreement of insurance or indemnity, and shall assign, transfer and set over unto Buyer all of the rights, title and interest of Seller in and to any claims, causes of action, unpaid proceeds or other payments from Third Parties, including any policy or agreement of insurance or indemnity, arising out of such destruction or taking (up to the Allocated Value thereof) and (ii) the Purchase Price will be reduced by the amount of the Casualty Loss not covered by the payments paid by Seller to Buyer hereunder or covered by such assigned claims.

Section 13.06. Confidentiality. From and after the Closing, (a) Buyer shall keep all information and data not relating to the Assets that Buyer may have obtained during its due diligence in strict confidence and shall not disclose such information to any Person except to its

attorneys and to the extent such disclosure is required by applicable Law and (b) Seller shall keep, and shall cause its Affiliates and its and their respective members, managers, officers, employees, agents and representatives to keep, confidential the terms and existence of this Agreement and each other agreement, instrument or document executed or to be executed in connection with the transactions contemplated hereby and all Records, reports, information and data relating to the Assets and shall not use or disclose such information to any Person except to its attorneys, to the extent such disclosure is required by applicable Law or to the extent such Records and information is otherwise publically available.

Section 13.07. Releases of Certain Liens. On or prior to Closing, Seller shall deliver, or cause to be delivered, fully executed releases and terminations of all liens and security interests encumbering the Assets securing any indebtedness for borrowed money, indenture, mortgage, loan, credit, sale-leaseback or similar financial contract of Seller or any Affiliate thereof.

Section 13.08. No Revisions. Buyer and Trust covenant and agree that they will not amend the provisions of the Prospectus to be attached hereto as Schedule 5.25 without the advance written consent of the Seller, such consent not to be unreasonably withheld or delayed.

Section 13.09. Employee Interests. Prior to or on the Closing Date, Seller shall cause the owners of the Employee Interests to convey and assign to Seller all of the Employee Interests, effective prior to the Effective Time.

Section 13.10. Railroad Commission Filings. On or prior to Closing, Buyer shall take all actions for Buyer to be in compliance with Texas Natural Resources Code, Chapter 89, Subchapter B-1 and the Texas Natural Resources Code, §91.019, including the plugging and abandonment of any and all wells, removal of all surface equipment as to each inactive well, and the taking of all actions required to file and have accepted a Form W-3X, or other applicable form, with the Railroad Commission of Texas designating Buyer as operator of the Wells.

ARTICLE XIV.
OBLIGATIONS AND INDEMNIFICATION

Section 14.01. Retained Obligations. Subject to the terms hereof, Seller shall retain any and all Losses, duties, claims, costs, expenses, liabilities, damages, causes of action, and obligations accruing or relating to the Assets conveyed by that Seller with respect to: (a) the personal injury or death of any Person to the extent occurring on or attributable to ownership or the Assets prior to the Closing; (b) any and all litigation and proceedings existing as of the Closing Date to the extent it relates to the period of time prior to the Effective Time; (c) employee-related claims of the applicable Seller attributable to the period of time prior to the Closing; (d) the mispayment or failure to pay any Royalties attributable to Seller's ownership of the Assets; (e) the mispayment or failure to pay any production, severance or similar taxes measured by the production of hydrocarbons from the Assets attributable to periods prior to the Effective Time; (f) the offsite disposal of Hazardous Materials from or used in connection with the ownership or operation of the Assets prior to the Closing Date; (g) any income taxes, margin taxes or similar taxes of any Seller Indemnitee; (h) any Excluded Asset; (i) any Property Expenses attributable to Seller's interest ownership or operation of the Assets prior to the Effective Time; (j) any fines, penalties and sanctions asserted, imposed or levied by any

Governmental Authority resulting from, arising out of or related to the applicable Seller's ownership, use, maintenance or operation of the Assets (including any fines, penalties or sanctions arising out of any non-compliance with any Environmental Laws) or (k) the Delta Bankruptcy Claims (collectively, the "Retained Obligations").

Section 14.02. Assumed Obligations. Upon Closing, subject to Section 14.03 and Section 14.04, Buyer hereby assumes all duties, claims, costs, expenses, liabilities, judgments, damages, losses, obligations, causes of action, costs and expenses of every kind and character (including without limitation, those involving theories of negligence or strict liability) and including court costs and attorneys' fees ("Losses") with respect to the Assets or the ownership or operation thereof (other than the Retained Obligations), including, without limitation, those arising out of (a) all obligations and liabilities for the payment or improper payment of Royalties, rentals and other similar payments under the Leases relating to the Subject Interests accruing before, on or after the Effective Time; (b) all obligations for Environmental Defects, subject to Section 14.04; (c) all obligations under the Contracts for (i) overhead charges related to periods on or after the Effective Time, (ii) Property Expenses attributable to periods on or after the Effective Time, and (iii) other payment obligations that accrue and become due on or after the Effective Time; (d) the terms of the Easements, Contracts, Leases, personal property or Subject Interests comprising part of the Assets, (e) gas imbalances accruing after the Effective Time or for which the Purchase Price has been adjusted hereunder, (f) all funds held in suspense to the extent accruing after the Effective Time or which accrued prior to the Effective Time and such funds have been transferred to Seller in accordance with Section 10.04(l), (g) ad valorem, property, severance and other similar taxes or assessments based upon or measured by the ownership of the Assets or the production therefrom on or after the Effective Time or for which the Purchase Price has been adjusted hereunder, (h) the condition of the Subject Interests regardless of whether such condition arose before or after the Effective Time, (i) obligations to properly plug and abandon or re-plug or re-abandon or remove wells, flowlines, gathering lines or other facilities, equipment or other personal property or fixtures comprising part of the Assets, and (j) obligations to restore the surface of the Subject Interests and obligations to remediate or bring the Subject Interests into compliance with applicable Environmental Laws (including conducting any remediation activities that may be required on or otherwise in connection with activities on the Subject Interests) regardless of whether such obligations or conditions or event giving rise to such obligations arose, occurred or accrued before or after the Effective Time any other duty, obligation, event, condition or liability assumed by Buyer under the terms of this Agreement (collectively, the "Assumed Obligations"); provided, however, in no event shall the "Assumed Obligations" include any Retained Obligation or any other Losses for which Seller is obligated to indemnify any Buyer Indemnitees under Section 14.04.

Section 14.03. Buyer's Indemnification. Notwithstanding any investigation by or on behalf of any Person, provided that the Closing occurs, Buyer shall release, defend, indemnify and hold harmless the applicable Seller, its Affiliates and each of their respective partners, officers, directors, employees, agents, representatives, members, shareholders, Affiliates and subsidiaries (collectively, the "Seller Indemnitees") from and against any and all Losses as a result of, arising out of, or related to (a) any breach of any representation or warranty of Buyer contained in this Agreement or any other agreement or instrument delivered by or on behalf of Buyer hereunder, (b) any breach of any covenant or agreement of Buyer contained in this Agreement or any other agreement or instrument delivered by or on behalf of Buyer hereunder or

(c) the Assumed Obligations, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF ANY OF THE SELLER INDEMNITEES**.

Section 14.04. Seller's Indemnification. Notwithstanding any investigation by or on behalf of any Person, provided that the Closing occurs, the applicable Seller shall release, defend, indemnify and hold harmless Buyer, its Affiliates, and each of their respective partners, officers, directors, employees, agents, representatives, members, shareholders, Affiliates and subsidiaries (collectively, the "Buyer Indemnitees") from and against any and all Losses as a result of, arising out of, or related to (a), any breach of any representation or warranty of the applicable Seller contained in this Agreement or any other agreement or instrument delivered by or on behalf of that Seller hereunder, (b) any breach of any covenant or agreement of the applicable Seller contained in this Agreement or any other agreement or instrument delivered by or on behalf of that Seller hereunder or (c) the Retained Obligations, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF ANY OF THE BUYER INDEMNITEES**.

Section 14.05. Survival; Limitations on Liability.

(a) Subject to Section 14.05(b): (i) the Fundamental Representation of each Seller set forth in Section 5.10 and the corresponding representations and warranties given in the certificates delivered by each Seller at Closing pursuant to Section 10.04(d) shall survive the Closing and terminate on the date seven (7) years and sixty (60) days after the Closing Date; (ii) the Fundamental Representation of each Seller set forth in Section 5.25 with respect to the Assets conveyed by that Seller and the corresponding representation and warranty given in the certificates delivered by each Seller at Closing pursuant to Section 10.04(d) shall survive the Closing and terminate on the date three (3) years and sixty (60) days after the Closing Date; (iii) all Fundamental Representations of each Seller (other than the Fundamental Representations set forth in Section 5.10 and Section 5.25), the corresponding representations and warranties given in the certificates delivered by that Seller at Closing pursuant to Section 10.04(d), and the covenants and agreements of that Seller to be performed after Closing, including the covenants with respect to the Retained Obligations, shall survive the Closing indefinitely (without tolling or waiving any applicable statute of limitations); (iv) all other representations and warranties of each Seller, the corresponding representations and warranties given in the certificates delivered by that Seller pursuant to Section 10.04(d), and the covenants and agreements of that Seller to be performed on or prior to Closing shall each survive the Closing and terminate on the date twelve (12) months after the Closing Date; (v) the covenants, representations and warranties of Buyer set forth in this Agreement, the certificates delivered by Buyer at Closing pursuant Section 10.04(d) and any other agreement, instrument or document delivered by Buyer in connection herewith shall survive the Closing indefinitely (without tolling or waiving any applicable statute of limitations); and (vi) representations, warranties, covenants and agreements shall be of no further force and effect, and no Seller shall have any obligations hereunder, after the applicable date of their expiration, provided, however, that there shall be no termination of any bona fide claim asserted pursuant to this Agreement with respect to such a representation, warranty, covenant or agreement prior to the expiration or termination date thereof.

(b) The covenants of each Seller set forth in Section 14.04(a) and Section 14.04(b) shall terminate as of the termination date of each respective representation, warranty, covenant or agreement of that Seller that is subject to indemnification, except in each case as to matters for which a specific written claim for indemnity has been validly delivered to the applicable Seller on or before the earlier of such termination date or the date otherwise required to be delivered hereunder, in which case such the obligations of that Seller with respect to such matters subject to such written claim shall survive for that period of time necessary to resolve the claim to the satisfaction of the Buyer. The covenant of each Seller set forth in Section 14.04(c) shall survive Closing indefinitely, (without tolling or waiving any applicable statute of limitations as to each such Retained Obligation.

(c) No Seller shall, individually or in the aggregate, have any liability for any indemnification under Section 14.04 (a) with respect to any representations or warranties of that Seller that do not constitute Fundamental Representations unless and until the aggregate amount of such Seller's liability exceeds one and one half percent (1.5%) of such Seller's allocation of the Purchase Price as set forth on Exhibit C; and then, (i) that Seller's liability for such indemnification shall apply only to the extent the aggregate amount of such liability exceeds one and one-half percent (1.5%) of such Seller's allocation of the Purchase Price as set forth on Exhibit C.

(d) Notwithstanding anything to the contrary contained elsewhere in this Agreement, (i) no Seller shall, individually or in the aggregate, have any liabilities or be required to indemnify Buyer Indemnitees under Section 14.04(a) with respect to any representation and warranties of any Seller that do not constitute Fundamental Representations for aggregate liabilities in excess of twenty-five (25%) of the Purchase Price allocable to the Assets conveyed by that Seller, and (ii) no Seller shall individually or in the aggregate, have any liability or be required to indemnify Buyer Indemnitees under Section 14.04(a) for aggregate liabilities other than as set forth in (d)(i) above, in excess of one hundred percent (100%) of the of the Purchase Price allocable to the Assets conveyed by that Seller.

(e) Notwithstanding anything herein to the contrary, any Losses arising or related to the breach by any (i) Seller of its representations or warranties contained herein or any agreement or instrument delivered hereunder (ii) Buyer of its representations or warranties contained herein or any agreement or instrument delivered hereunder shall, in each case, be determined without giving effect to any qualifiers as to materiality, or material adverse effect set forth in any such representations or warranties.

(f) After Closing, Buyer and each Seller hereby waive any and all rights to rescind, cancel, terminate, revoke or void this Agreement or any of the transactions contemplated hereby.

(g) Except as expressly provided in the proviso set forth in this Section 14.05(g), (i) the representations and warranties of each of the Parties set forth in this Agreement and in the other agreements and instruments delivered hereunder, subject to the express exceptions thereto, shall not be affected by any information furnished to, or any investigation or audit conducted before or after the Closing Date by, any of the Parties or their respective representatives in connection with the transactions contemplated hereby, (ii) in order to preserve the benefit of the bargain otherwise represented by this Agreement, each Party shall be entitled to rely upon the

representations, warranties, covenants and agreements of the other Party set forth herein and in the other agreements and instruments delivered hereunder notwithstanding any investigation or audit conducted or any knowledge acquired (or capable of being acquired) before or after the Closing Date or the decision of any Party to complete the Closing, and such representations, warranties, covenants and agreements shall be the sole and exclusive representations, warranties, covenants and agreements hereunder, and on which the affected Party may rely, and (iii) the right to indemnification or other remedy based on any of the representations, warranties, covenants or agreements in this Agreement and in the other agreements and instruments delivered hereunder shall not be affected by any investigation or audit conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or agreement; provided, however, if any Party proceeds to Closing with actual knowledge of any condition precedent to such Party's obligation to close set forth in Section 7.01 or Section 8.01, as applicable, not being satisfied, then such Party hereby waives any right to indemnification hereunder for any breach of any such representation and warranty or covenants that such Party has actual knowledge of immediately prior to the Closing.

(h) Any claim for indemnity under this ARTICLE XIV by any Person that is not a Party must be brought and administered by the applicable Party to this Agreement. No Indemnified Person other than the applicable Seller and Buyer shall have any rights against the applicable Seller or Buyer under the terms of this ARTICLE XIV, except as may be exercised on its behalf by Buyer or the applicable Seller pursuant to this ARTICLE XIV. Each Seller and Buyer may elect to exercise or not exercise indemnification rights under this Section on behalf of such other Persons in its sole discretion and shall have no liability to any other Person for any action or inaction under this Section 14.05(h).

(i) The Parties shall treat, for tax purposes, any amounts paid under this ARTICLE XIV as an adjustment to the Purchase Price.

Section 14.06. Exclusive Remedy. After the Closing Date, the indemnification provisions provided for in this ARTICLE XIV constitute the sole and exclusive remedy available to each Seller and the Buyer with respect to any and all breaches or failures of representations, warranties, covenants, conditions, agreements or obligations contained in this Agreement, but excluding any and all breaches or failures of representations, warranties, covenants, conditions, agreements or obligations (a) caused or alleged to have been caused by the fraudulent acts or willful misconduct of any Party or (b) as expressly provided in the Transition Services Agreement or the Cooperation Agreements delivered hereunder. In furtherance of the foregoing, except for breaches of any indemnities or covenants set forth in this ARTICLE XIV each of the Parties hereby waives, from and after the Closing, to the fullest extent permitted under applicable law, any and all other rights, claims and causes of action it may have against the other Parties related to the subject matter of this Agreement, but excluding any other rights, claims or causes of action (a) caused or alleged to have been caused by the fraudulent acts or willful misconduct of any Party or (b) as expressly provided in the Transition Services Agreement and Cooperation Agreements delivered hereunder.

Section 14.07. Notices and Defense of Indemnified Matters. All claims for indemnification under ARTICLE XIV shall be asserted and resolved as follows:

(a) For purposes of this ARTICLE XIV, the term "Indemnifying Party" when used in connection with particular liabilities shall mean the Person(s) having an obligation to indemnify another Person(s) with respect to such liabilities pursuant to this ARTICLE XIV, and the term "Indemnified Person" when used in connection with particular Damages shall mean a Person(s) having the right to be indemnified with respect to such Damages pursuant to this ARTICLE XIV.

(b) To make claim for indemnification under this ARTICLE XIV, an Indemnified Person shall notify the Indemnifying Party of its claim, including the specific details of and specific basis under this Agreement for its claim (the "Claim Notice").

(c) In the event that any claim for indemnification set forth in any Claim Notice is based upon a claim by a Third Party against the Indemnified Person (a "Third Party Claim"), the Indemnified Person shall provide its Claim Notice promptly after the Indemnified Person has actual knowledge of the Third Party Claim and shall enclose a copy of all papers (if any) served with respect to the Third Party Claim; provided that the failure of any Indemnified Person to give notice of an Third Party Claim as provided in this Section 14.06 shall not relieve the Indemnifying Party of its obligations under this ARTICLE XIV except to the extent such failure results in insufficient time being available to permit the Indemnifying Party to effectively defend against the Third Party Claim or otherwise prejudices the Indemnifying Party's ability to defend against the Third Party Claim. In the event that the claim for indemnification is based upon an alleged inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement that was allegedly inaccurate or breached.

(d) In the case of a claim for indemnification based upon an Third Party Claim, the Indemnifying Party shall have thirty (30) days from its receipt of the Claim Notice to notify the Indemnified Person whether it admits or denies its obligation to defend the Indemnified Person against such Third Party Claim under this ARTICLE XIV. The Indemnified Person is authorized, prior to and during such thirty (30) day period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party and that is not prejudicial to the Indemnifying Party. If the Indemnifying Party fails to notify the Indemnified Person within such thirty (30) day period regarding whether the Indemnifying Party admits or denies its obligation to defend the Indemnified Person, then until such date as the Indemnifying Party admits or it is finally determined by an non-appealable judgment that such obligation exists, the Indemnified Person may file any motion, answer or other pleading, settle any Third Party Claim or take any other action that the Indemnified Person deems necessary or appropriate to protect its interest, regardless of whether the Indemnifying Party is prejudiced or adversely impacted by any such actions.

(e) If the Indemnifying Party admits its indemnity obligations under this ARTICLE XIV with respect to any Third Party Claim, then such Indemnifying Party shall have (i) the right and obligation to diligently prosecute and control the defense, at its sole cost and expense, the Third Party Claim and (ii) have full control of such defense and proceedings, including any compromise or settlement thereof unless the compromise or settlement includes the payment of

any amount by, the performance of any obligation by, or the limitation of any right or benefit of, the Indemnifying Party, in which event such settlement or compromise shall not be effective without the consent of the Indemnified Person, which shall not be unreasonably withheld or delayed. Indemnifying Party, if requested by the Indemnifying Party, the Indemnified Person agrees at the cost and expense of the Indemnifying Party to cooperate in contesting any Third Party Claim which the Indemnifying Party elects to contest; provided, however, that the Indemnified Person shall not be required to bring any counterclaim or cross-complaint against any Person. The Indemnified Person may participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this Section 14.06(e) provided that the Indemnified Person may file initial pleadings as described in the last sentence of paragraph (c) above if required by court or procedural rules to do so within the thirty (30) day period in paragraph (c) above. An Indemnifying Party shall not, without the written consent of the Indemnified Person, settle any Third Party Claim or consent to the entry of any judgment with respect thereto that (A) does not result in a final resolution of the Indemnified Person's liability with respect to the Third Party Claim (including, in the case of a settlement, an unconditional written release of the Indemnified Person from all further liability in respect of such Third Party Claim) or (B) may materially and adversely affect the Indemnified Person (other than as a result of money damages covered by the indemnity).

(f) If the Indemnifying Party does not admit its obligation or admits its obligation but fails to diligently defend or settle the Third Party Claim, then the Indemnified Person shall have the right, but not the obligation, to defend and control the defense against the Third Party Claim (at the sole cost and expense of the Indemnifying Party, if the Indemnified Person is entitled to indemnification hereunder), with counsel of the Indemnified Person's choosing, subject to the right of the Indemnifying Party to admit its obligation to indemnify the Indemnified Person and assume the defense of the Third Party Claim at any time prior to settlement or final determination thereof. If the Indemnifying Party has not yet admitted its obligation to indemnify the Indemnified Person, the Indemnified Person shall send written notice to the Indemnifying Party of any proposed settlement and the Indemnifying Party shall have the option for ten (10) days following receipt of such notice to (i) admit in writing its obligation for indemnification with respect to such Third Party Claim and (ii) if its obligation is so admitted, assume the defense of the Third Party Claim, including the power to reject the proposed settlement. If the Indemnified Person settles any Third Party Claim over the objection of the Indemnifying Party after the Indemnifying Party has timely admitted its obligation for indemnification in writing and assumed the defense of the Third Party Claim, the Indemnified Person shall be deemed to have waived any right to indemnity with respect to the Third Party Claim.

(g) In the case of a claim for indemnification not based upon an Third Party Claim, (a "Direct Claim") will be asserted by giving the Indemnifying Party reasonably prompt Claim Notice thereof, but in any event not later than thirty (30) days after the Indemnified Person becomes aware of the events that gave rise to such Direct Claim. Such Claim Notice by the Indemnified Person will describe the Direct Claim in reasonable detail, will include copies of all available material written evidence thereof and will indicate the estimated amount, if reasonably practicable, of Damages that have been or may be sustained by the Indemnified Person. The Indemnifying Party shall have thirty (60) days from its receipt of the Claim Notice to (i) cure the Damages complained of, (ii) admit its obligation to provide indemnification with respect to such Damages or (iii) dispute the claim for such Damages. If the Indemnifying Party does not notify

the Indemnified Person within such sixty (60) day period that it has cured the Damages or that it disputes the claim for such Damages, the Indemnifying Party shall be conclusively deemed obligated to provide indemnification hereunder with respect to such Direct Claim.

ARTICLE XV.
LIMITATIONS ON REPRESENTATIONS AND WARRANTIES

Section 15.01. Disclaimers of Representations and Warranties. The express representations and warranties of each of WOG and WE, severally as Seller, contained in this Agreement and the other agreements and instruments delivered in connection herewith are exclusive and are in lieu of all other representations and warranties, express, implied or statutory. **EXCEPT FOR THE EXPRESS REPRESENTATIONS OF EACH SELLER IN THIS AGREEMENT AND THE OTHER AGREEMENTS AND INSTRUMENTS DELIVERED IN CONNECTION HEREWITH, BUYER ACKNOWLEDGES THAT THE APPLICABLE SELLER HAS NOT MADE, AND EACH SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER 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, GAS BALANCING INFORMATION 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 BUYER BY OR ON BEHALF OF THE APPLICABLE SELLER, EXCEPT FOR THE EXPRESS REPRESENTATIONS OF SUCH SELLER IN THIS AGREEMENT, AND (c) THE ENVIRONMENTAL CONDITION OF THE ASSETS, EXCEPT FOR THE EXPRESS REPRESENTATIONS OF EACH SELLER IN THIS AGREEMENT AND THE OTHER AGREEMENTS AND INSTRUMENTS DELIVERED IN CONNECTION HEREWITH. EXCEPT FOR THE EXPRESS REPRESENTATIONS OF SUCH SELLER IN THIS AGREEMENT AND THE OTHER AGREEMENTS AND INSTRUMENTS DELIVERED IN CONNECTION HEREWITH, EACH SELLER EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE ASSETS (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 BUYER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (v) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (vi) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (vii) 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 BUYER AND SELLER THAT THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES INCLUDED IN THE ASSETS SHALL BE CONVEYED**

TO BUYER, AND BUYER SHALL ACCEPT SAME, AS IS, WHERE IS, WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND BUYER REPRESENTS TO EACH SELLER THAT BUYER WILL MAKE OR CAUSE TO BE MADE SUCH INSPECTIONS WITH RESPECT TO SUCH PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES AS BUYER DEEMS APPROPRIATE. EACH SELLER AND BUYER 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.

ARTICLE XVI.
DISPUTE RESOLUTION

Section 16.01. General. Any and all claims, Disputes, controversies or other matters in question arising out of or relating to title issues, environmental issues, or calculation of the Statement or revisions thereto (all of which are referred to herein as "Disputes" which term shall not include any other disputes, claims, controversies or other matters in question arising under this Agreement) shall be resolved in the manner prescribed by this ARTICLE XVI.

Section 16.02. Senior Management. Except as provided in Section 16.06 below, if a Dispute occurs that the senior representatives of the Parties responsible for the transaction contemplated by this Agreement have been unable to settle or agree upon within a period of fifteen (15) days after such Dispute arose, Seller shall nominate and commit one of its senior officers, and Buyer shall nominate and commit one of its senior officers, to meet at a mutually agreed time and place not later than thirty (30) days after the Dispute has arisen to attempt to resolve same. If such senior management have been unable to resolve such Dispute within a period of fifteen (15) days after such meeting, or if such meeting has not occurred within forty-five (45) days following such Dispute arising, then any Party shall have the right, by written notice to the other, to resolve the Dispute through binding arbitration pursuant to Section 16.03.

Section 16.03. Arbitration. Except as provided in Section 16.04 and Section 16.06 below, any and all claims, demands, cause of action, disputes, controversies, and other matters in question arising out of or relating to this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, even though some or all of such claims allegedly are extracontractual in nature, whether such claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, shall be solely, finally and exclusively resolved by binding arbitration pursuant to the Federal Arbitration Act in accordance with the Commercial Arbitration Rules then in effect with the American Arbitration Association (the "AAA"). The arbitration proceeding shall be conducted in Houston, Texas. The arbitration may be initiated by any Party by filing with the AAA a Demand for Arbitration and providing to the other Parties a written notice of arbitration specifying the claims. Within thirty (30) days of the filing of the Demand for Arbitration, a single arbitrator shall be appointed by the AAA, in accordance with its Commercial Arbitration Rules. The arbitration shall be conducted with limited discovery, and the arbitrator, utilizing the Commercial Arbitration Rules of the AAA, shall within 180 days of his or her appointment, render a final award resolving all disputes

between the Parties. The arbitrator's decision shall be in writing, as brief as possible, and the arbitrator shall not assign the reasons for his or her decision. The arbitrator's decision shall be final and non-appealable to the maximum extent permitted by law. Judgment upon any award rendered in any such arbitration proceeding may be entered by any federal or state court having jurisdiction. This agreement to arbitrate shall be enforceable in either federal or state court. The enforcement of this agreement to arbitrate and all procedural aspects of this agreement to arbitrate, including but not limited to, the construction and interpretation of this agreement to arbitrate, the issues subject to arbitration (i.e., arbitrability), the scope of the arbitrable issues, allegations of waiver, delay or defenses to arbitrability, and the rules governing the conduct of the arbitration, shall be governed by and construed pursuant to the Federal Arbitration Act and shall be decided by the arbitrator. In deciding the substance of any such claims, the arbitrator shall apply the substantive laws of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other State's law); *provided, however*, it is expressly agreed that, regardless whether such damages may be available under Texas law, the arbitrator shall have no authority to award punitive, indirect or consequential damages unless same are a part of a Third Party claim for which a Party is seeking indemnification hereunder, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE OTHER PARTIES**, the Parties hereby waiving their right, if any, to recover punitive, indirect or consequential damages in connection with any such claims.

Section 16.04. Injunctive Relief. Notwithstanding the agreement to arbitrate contained in Section 16.03, above, in the event that any Party wishes to seek a temporary restraining order, a preliminary or temporary injunction, or other injunctive relief in connection with any or all such claims, demands, cause of action, disputes, controversies, and other matters in question arising out of or relating to this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, even though some or all of such claims allegedly are extracontractual in nature, whether such claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, each Party shall have the right to pursue such injunctive relief in court, rather than by arbitration. The parties agree that such action for a temporary restraining order, a preliminary or temporary injunction, or other injunctive relief will be brought in the State or federal courts residing in Houston, Harris County, Texas.

Section 16.05. Costs. The arbitrator shall have the authority to allocate any award of costs and expenses, including but not limited to, attorneys' fees, the fees of the arbitrator and the AAA and any other related costs) for any arbitration or legal action.

Section 16.06. Disputed Adjustments. During the 10-day period following the date thirty (30) days following Buyer's receipt of the Accounting Statement, disputes with respect to adjustments to the Purchase Price shall be submitted to a nationally-recognized independent accounting firm or consulting firm mutually acceptable to both Buyer and Seller or absent such agreement during the 10 day period, by the Houston office of the AAA (the "Accounting Expert"). The Accounting Expert shall not have worked as an employee or outside counsel for any Party or any Affiliate of any Party during the ten (10) year period preceding the arbitration or have any financial interest in the dispute. The dispute proceeding shall be held in Houston, Texas and shall be conducted in accordance with, but not under the auspices or jurisdiction of,

the Commercial Arbitration Rules of the AAA, to the extent such rules do not conflict with the terms of this Section 16.06. The Accounting Expert's determination shall be made within thirty (30) days after submission of the matters in dispute and shall be final and binding upon the Parties, without right of appeal. In making a determination, the Accounting Expert shall be bound by the rules set forth herein and may consider such other matters as in the opinion of the Accounting Expert are necessary or helpful to make a proper determination. Additionally, the Accounting Expert may consult with and engage any disinterested Third Party to advise the Accounting Expert, including petroleum engineers and accountants. The Accounting Expert shall act as an expert for the limited purpose of determining the specific disputed adjustments to the Purchase Price submitted by any Party and may award reasonable costs and expenses (including reasonable attorneys' fees and fees and expenses of the Accounting Expert but in no event any fines or penalties to any Party with respect to any matter determined by such Accounting Expert.

ARTICLE XVII.
MISCELLANEOUS

Section 17.01. Expenses. Each Party shall be solely responsible for all expenses, including due diligence expenses, incurred by it in connection with the transactions contemplated by this Agreement, and no Party shall be entitled to any reimbursement for such expenses from the any other Parties.

Section 17.02. Document Retention. As used in this Section 17.02, the term "Documents" shall mean all files, documents, books, records and other data delivered to Buyer by Seller pursuant to the provisions of this Agreement (other than those that Seller has retained either the original or a copy of), including, but not limited to: financial and tax accounting records; land, title and division of interest files; contracts; engineering and well files; and books and records related to the operation of the Assets prior to the Closing Date. Buyer shall retain and preserve the Documents in the possession or control of Buyer for a period of no fewer than three (3) years following the Closing Date (or for such longer period as may be required by law or governmental regulation), and shall allow Seller or its representatives (at their sole cost and expense) to inspect the Documents at reasonable times and upon reasonable notice during regular business hours during such time period. Seller shall have the right during such period to make copies of the Documents at its expense.

Section 17.03. Entire Agreement. This Agreement and the Confidentiality Agreement, dated November 14, 2012 between the Sellers and Buyer, the documents to be executed hereunder, and the exhibits attached hereto 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. No supplement, amendment, alteration, modification or waiver of this Agreement shall be binding unless executed in writing by the Parties and specifically referencing this Agreement and expressly identified as an amendment or modification hereof. The Confidentiality Agreement shall terminate at Closing.

Section 17.04. Waiver. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 17.05. Publicity. Neither Seller nor Buyer will issue any public announcement or press release concerning the transactions contemplated by this Agreement without the written consent of any other Party (except as required by Law or the rules of any applicable stock or equity exchange and in such case with prior written agreement, not unreasonably withheld, between the Parties on the wording of the announcement or press release).

Section 17.06. Construction. 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. The Parties acknowledge that they have participated jointly in the negotiation and drafting of this Agreement and as such the Parties agree that if an ambiguity or question of intent or interpretation arises hereunder, this Agreement shall not be construed more strictly against one Party than another on the grounds of authorship.

Section 17.07. No Third Party Beneficiaries. Except as provided in Section 5.25, Section 14.04 and Section 14.05 (but subject to Section 14.05(h)), nothing in this Agreement shall provide any benefit to any Third Party or entitle any Third Party to any claim, cause of action, remedy or right of any kind, it being the intent of the Parties that this Agreement shall otherwise not be construed as a Third Party beneficiary contract.

Section 17.08. Assignment. No Party may assign or delegate any of its rights or duties hereunder without the prior written consent of the other Parties, and any such assignment shall be void. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors, assigns and legal representatives.

Section 17.09. Governing Law. This Agreement, other documents delivered pursuant hereto and the legal relations between the Parties shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction.

Section 17.10. Notices. Any notice, communication, request, instruction or other document required or permitted hereunder shall be given in writing and delivered in person or sent by U.S. Mail postage prepaid, return receipt requested, nationally recognized, receipt overnight courier, email or facsimile to the addresses of Seller and Buyer set forth below. Any such notice shall be effective only upon receipt. If a date specified herein 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.

Seller:	Wapiti Oil & Gas, L.L.C. 800 Gessner, Suite 700 Houston, Texas 77004 Attn: Bart Agee Phone: **[REDACTED: PERSONAL CONTACT INFORMATION** Fax: **[REDACTED: PERSONAL CONTACT INFORMATION** Email: **[REDACTED: PERSONAL CONTACT INFORMATION**
Buyer:	Argent Energy (US) Holdings Inc. 650 N. Sam Houston Parkway East Suite 500 Houston, Texas 77060 Attn: John T. Elzner Phone: **[REDACTED: PERSONAL CONTACT INFORMATION** Fax: **[REDACTED: PERSONAL CONTACT INFORMATION** Email: **[REDACTED: PERSONAL CONTACT INFORMATION**
With a copy to: (which shall not constitute notice)	Locke Lord LLP 600 Travis Street, Suite 2800 Houston, Texas 77002 Attn: David Patton Phone: **[REDACTED: PERSONAL CONTACT INFORMATION** Fax: **[REDACTED: PERSONAL CONTACT INFORMATION** Email: **[REDACTED: PERSONAL CONTACT INFORMATION**

Any Party may, by written notice so delivered to the other Parties, change its address for notice purposes hereunder.

Section 17.11. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and the Parties shall negotiate in good faith to modify this Agreement so as to effect their original intent as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the extent possible.

Section 17.12. Time of the Essence. Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

Section 17.13. Knowledge. The knowledge or best knowledge of a Party, or similar phrases, shall mean for purposes of this Agreement, the actual knowledge of the Party. If the Party is a corporation or other entity other than a natural person, such actual knowledge must be on the part of the person or persons listed on Schedule 17.13 with respect to such Party.

Section 17.14. Counterpart Execution. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Agreement are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Agreement, but each counterpart shall be considered an original. Facsimile, .pdf or other electronic transmission of copies of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof.

Section 17.15. Defined Terms. Capitalized terms used in this Agreement but not defined herein shall have the respective meanings assigned to them in Appendix I or in the Sections referred to therein.

[Remainder of Page Intentionally Blank, Signature Pages to Follow]

IN WITNESS WHEREOF, each Seller and Buyer have executed and delivered this Agreement as of the date first set forth above.

SELLER:

WAPITI OIL & GAS, L.L.C.

By: (signed) "*Bart Agee*"
Name: Bart Agee
Title: President and CEO

WAPITI ENERGY, LLC

By: (signed) "*Bart Agee*"
Name: Bart Agee
Title: President and CEO

BUYER:

ARGENT ENERGY (US) HOLDINGS INC.

By: (signed) "*Brian Prokop*"
Name: Brian Prokop
Title: Chief Executive Officer

APPENDIX I
DEFINED TERMS

As used in the Agreement, the following terms have the meanings indicated:

(a) "AAA" shall have the meaning assigned to such term in Section 16.03.

(b) "Accounting Expert" shall have the meaning assigned to such term in Section 16.06.

(c) "Accounting Statement" shall have the meaning assigned to such term in Section 12.03(a).

(d) "Affiliate" means with respect to any Person, any Person that directly or indirectly controls, is controlled by or is under common control with such Person, with control in such context meaning the ability to direct the management or policies of a Person through ownership of voting shares or other securities, pursuant to a written agreement, or otherwise.

(e) "Agreement" shall have the meaning assigned to such term in the Preamble.

(f) "Allocated Values" shall have the meaning assigned to such term in Section 2.01.

(g) "Assets" shall have the meaning assigned to such term in Section 1.02.

(h) "Assumed Obligations" shall have the meaning assigned to such term in Section 14.02.

(i) "Assignment" shall have the meaning assigned to such term in Section 10.04(a).

(j) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of Texas or the Province of Alberta and that is not otherwise a federal holiday in the United States or national holiday in Canada.

(k) "Buyer" shall have the meaning assigned to such term in the Preamble.

(l) "Buyer Indemnitees" shall have the meaning assigned to such term in Section 14.04.

(m) "Buyer's Environmental Consultant" shall have the meaning assigned to such term in Section 4.01(a).

(n) "Buyer's Environmental Review" shall have the meaning assigned to such term in Section 4.01(a).

(o) "Casualty Loss" shall have the meaning assigned to such term in Section 13.05(a).

(p) "CERCLA" shall have the meaning assigned to such term in Section 4.02(c).

(q) "Claim Notice" shall have the meaning assigned to such term in Section 14.07(b).

(r) "Closing" shall have the meaning assigned to such term in Section 10.01.

(s) "Closing Date" shall have the meaning assigned to such term in Section 10.01.

(t) "Closing Payment" means an amount equal to the Purchase Price (as adjusted pursuant to the provisions hereof), less the Deposit.

(u) "Code" shall have the meaning assigned to such term in Section 9.03.

(v) "Confidentiality Agreement" shall have the meaning assigned to such term in Section 17.03.

(w) "Contracts" shall have the meaning assigned to such term in Section 1.02(f).

(x) "Delta Bankruptcy Claims" means any and all claims and Losses arising out of and/or related to the filing of a voluntary petition under chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware by Delta Petroleum Corporation or any of its Affiliates, including but not limited to any and all (i) Wapiti Causes of Action (as defined in the Delta Plan), (ii) claims or Losses, including but not limited to claims under 11 U.S.C. §§ 544, 548 and 550, with respect to the transfer of all or any portion of the Assets from Delta to any Seller as an initial transferee or to any Buyer as a subsequent transferee of any of the Assets; (iii) claims or Losses of by Delta Petroleum Corporation, any of its Affiliates or any of their respective successors-in-interest, including but not limited to the trustee of the Wapiti Recovery Trust contemplated under the Delta Plan (iv) Wapiti Causes of Action (as defined in the Delta Plan) or (v) All Claims (as defined in the Delta Settlement Agreement).

(y) "Delta Plan" means that certain Delta Petroleum Corporation's Third Amended Joint Chapter 11 Plan of Reorganization filed on August 12, 2012 and approved on August 15, 2012, as such may be amended from time to time.

(z) "Delta Settlement Agreement" means that certain Agreement of Settlement and Release dated September 19, 2012 among the Wapiti Recovery Trust and WOG.

(aa) "Deposit" means an amount equal to US$5,000,000, to be paid by Buyer pursuant to the terms hereof upon execution of the Agreement.

(bb) "Direct Claim" shall have the meaning assigned to such term in Section 14.07(g).

(cc) "Disputes" shall have the meaning assigned to such term in Section 16.01.

(dd) "Documents" shall have the meaning assigned to such term in Section 17.02.

(ee) "Easements" shall have the meaning assigned to such term in Section 1.02(d).

(ff) "Effective Time" shall have the meaning assigned to such term in Section 2.03.

(gg) "Employee Interests" means those oil and gas interests in and to certain of the Leases, the Wells and the other Assets beneficially owned by certain employees of the Seller and conveyed to Seller immediately prior to the Closing and included in the Assets.

(hh) "Environmental Defect" shall have the meaning assigned to such term in Section 4.02(a).

(ii) "Environmental Information" shall have the meaning assigned to such term in Section 4.01(b).

(jj) "Environmental Laws" shall have the meaning assigned to such term in Section 4.02(c).

(kk) "Environmental Liabilities" means any and all Losses, claims, liabilities, obligations, causes of actions, environmental response costs (including costs of clean-up, remediation, investigation and monitoring), damages, natural resource damages, costs and expenses (including any remedial, removal, response, abatement, clean-up, investigation, rights to contribution under CERCLA), breaches of statutory or implied warranties, nuisance or other tort actions, rights to punitive damages, common law rights of contribution and rights under any contracts, monitoring costs, settlements, consulting fees, expenses, penalties, fines, orphan's share, prejudgment and post-judgment interest, court costs, attorneys' fees, and other liabilities arising out of, incurred, imposed or arising out of (a) pursuant to any order, notice of responsibility, directive (including requirements embodied in Environmental Laws), injunction, judgment or similar act (including settlements) by any Governmental Authority to the extent arising out of non-compliance with or any violation of, or remedial obligation under, any Environmental Laws which are attributable to the ownership or operation of the Assets prior to the Closing or (b) any personal injury, property damage, damage to natural resources, remediation, investigation, monitoring, response or compliance cost, liability or obligation to the extent arising out of any Release of any Hazardous Material which is attributable to the ownership or operation of the Assets prior to the Closing Date.

(ll) "Excluded Assets" shall have the meaning assigned to such term in Section 1.03.

(mm) "Final Prospectus" means the (final) prospectus of the Trust (in both the English and French language unless the context otherwise requires) to be dated as of the date hereof or such later date as agreed to by the Underwriters in writing, relating to the qualification for distribution of the units to be issued and sold by the Trust and to be filed

with the applicable securities commissions or similar securities regulatory authorities in each of the Governmental Authority.

(nn) "Final Settlement Date" shall have the meaning assigned to such term in Section 12.03(a).

(oo) "Final Statement" shall have the meaning assigned to such term in Section 12.03(b).

(pp) "Financial Statements" shall have the meaning assigned to such term in Section 13.04.

(qq) "Fundamental Representations" means the representations set forth in Section 3.03, Section 5.01, Section 5.02, Section 5.03, Section 5.04, Section 5.10 and Section 5.25.

(rr) "Governmental Authority" shall have the meaning assigned to such term in Section 4.02(b).

(ss) "Hazardous Materials" means (i) any "hazardous substance," as defined by any Environmental Law, (ii) any "hazardous waste" or "solid waste," in either case as defined by Environmental Law, and any analogous state statutes, and any regulations promulgated thereunder, (iii) any solid, hazardous, dangerous or toxic chemical, material, waste or substance, within the meaning of and regulated by any applicable Environmental Laws, (iv) any radioactive material, and any source, special or byproduct material as defined in any Environmental Law and any amendments or authorizations thereof, (v) any regulated asbestos-containing materials in any form or condition, (vi) any regulated polychlorinated biphenyls in any form or condition, and (vii) Hydrocarbons or any fraction or byproducts thereof.

(tt) "Hydrocarbons" shall have the meaning assigned to such term in Section 1.02(e).

(uu) "Indemnified Person" shall have the meaning assigned to such term in Section 14.07(a).

(vv) "Indemnifying Party" shall have the meaning assigned to such term in Section 14.07(a).

(ww) "Lands" shall have the meaning assigned to such term in Section 1.02(b).

(xx) "Laws" shall have the meaning assigned to such term in Section 4.02(d).

(yy) "Leases" shall have the meaning assigned to such term in Section 1.02(a).

(zz) "Lenders" means each of the financial institutions named as a "Lender" under that certain Credit Agreement between the Buyer and the [the Bank of Nova Scotia) dated on or around the Closing Date, as such may be amended, extended, replaced, reinstituted from time to time.

(aaa) "Losses" shall have the meaning assigned to such term in Section 14.02.

(bbb) "Notice of Disagreement" shall have the meaning assigned to such term in Section 12.03(a).

(ccc) "Party" and "Parties" shall have the meaning assigned to such term in the Preamble.

(ddd) "Permitted Encumbrances" shall have the meaning assigned to such term in Section 3.02.

(eee) "Person" means any natural person, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), firm, society, or other incorporated or unincorporated enterprise, association, organization, or entity, or Governmental Authority.

(fff) "Property Expenses" means all capital expenses and operating expenses (including without limitation costs to drill, complete, deepen, sidetrack, re-work, re-complete, frac or re-work any Well, costs of gathering, processing and transportation, costs of insurance, rentals, lease renewal costs, shut-in payments, title examination and curative actions, overhead costs charged to the Assets, property taxes and similar taxes, ad valorem taxes and taxes measured by units of production, and severance taxes, attributable to the ownership of the Assets or the production of Hydrocarbons produced from the Assets; 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, but excluding liabilities attributable to (i) overhead costs payable to Seller or any Affiliates of Seller not otherwise provided by COPAS, (ii) personal injury or death, property damage or violation of any Law, (iii) obligations to integrity test, plug and abandon wells and dismantle or decommission facilities, (iv) any liabilities to remediate any adverse environmental condition under applicable Environmental Laws, (v) obligations with respect to imbalances, (vi) costs and expenses to acquire any of the Assets, or to cure or attempt to cure any Title Defects or Environmental Defects, (vii) obligations to pay Royalties or other interest owners revenues or proceeds attributable to sales of Hydrocarbons relating to the Assets, including those held in suspense or (viii) any Retained Obligations.

(ggg) "Prospectus" shall have the meaning assigned to such term in Section 5.25.

(hhh) "Purchase Price" shall have the meaning assigned to such term in Section 2.01.

(iii) "Purchase Price Adjustments" shall have the meaning assigned to such term in Section 10.02(c).

(jjj) "RCRA" shall have the meaning assigned to such term in Section 4.02(c).

(kkk) "Records" shall have the meaning assigned to such term in Section 1.02(g).

(lll) "Release" means any discharge, emission, spilling, leaking, pumping, pouring, injecting, dumping, burying, leaching, migrating, abandoning or disposing into or through the environment of any Hazardous Material including the abandonment or discarding of barrels, containers and other closed receptacles containing any Hazardous Material.

(mmm) "Relevant Documents" means, collectively, (i) this Agreement; (ii) the Transition Services Agreement (iii) the Cooperation Agreement, (iv) the Assignments, and (v) the Rolling Stock Assignment;

(nnn) "Required Consents" shall have the meaning assigned to such term in Section 3.04.

(ooo) Retained Obligations" shall have the meaning assigned to such term in Section 14.01.

(ppp) "Rolling Stock" shall mean those trucks described or listed on Exhibit A-5 hereto.

(qqq) "Rolling Stock Assignment" shall have the meaning set forth in Section 10.04(o).

(rrr) "Royalties" means royalties, non-participating royalties, overriding royalties, reversionary interests, production payments, net profits interests and similar burdens upon, measured by, or payable out of production payable to lessors, or other interest owners, based on revenues or proceeds attributable to the sale of Hydrocarbons.

(sss) "Seller" shall have the meaning assigned to such term in the Preamble.

(ttt) "Seller Disclosures" shall have the meaning assigned to such term in Section 5.25.

(uuu) "Seller Indemnitees" shall have the meaning assigned to such term in Section 14.03.

(vvv) "Statement" shall have the meaning assigned to such term in Section 10.03.

(www)"Subject Interests" shall have the meaning assigned to such term in Section 1.02(a).

(xxx) "Third Party" any Person, governmental or otherwise, other than Seller or Buyer, and their respective Affiliates; the term includes, but is not limited to, working interest owners, Royalty owners, lease operators, landowners, service contractors and governmental agencies.

(yyy) "Third Party Claim" shall have the meaning assigned to such term in Section 14.07(c).

(zzz) "Trust" " shall have the meaning assigned to such term in Section 5.25.

(aaaa) "Trust Offering" shall have the meaning assigned to such term in Section 5.25.

(bbbb) "Underwriters" shall have the meaning assigned to such term in Section 10.04(l).

(cccc) "Wapiti Recovery Trust" means the Wapiti Recovery Trust established pursuant to the Delta Plan and its predecessors (including, without limitation, Delta Petroleum Corporation), successors and assigns.

(dddd) "WE" shall have the meaning assigned to such term in the Preamble.

(eeee) "Wells" shall have the meaning assigned to such term in Section 1.02(e).

(ffff) "WOG" shall have the meaning assigned to such term in the Preamble.

EXHIBIT A
SUBJECT INTERESTS

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION]

EXHIBIT A-1
LEASES

[REDACTED: CONFIDENTIAL PERSONAL INFORMATION, INCLUDING IDENTITY OF LESSOR, AND COMMERCIALLY SENSITIVE INFORMATION, INCLUDING LEGAL TERMS, RELATING TO THE ACQUIRED ASSETS]

EXHIBIT A-2
WELLS

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING LOCATION, RELATED LEASES, WORKING INTERESTS AND PRODUCING STATUS, RELATING TO THE ACQUIRED WELLS]

EXHIBIT A-3
RIGHTS OF WAY, SURFACE RIGHTS AND EASEMENTS

[REDACTED: CONFIDENTIAL PERSONAL INFORMATION, INCLUDING LESSOR IDENTITY, AND COMMERCIALLY SENSITIVE INFORMATION, INCLUDING LEGAL TERMS, RELATING TO APPLICABLE RIGHTS OF WAY, SURFACE RIGHTS AND EASEMENTS]

EXHIBIT A-4
FEE MINERAL AND SURFACE INTERESTS

[REDACTED: CONFIDENTIAL PERSONAL INFORMATION, INCLUDING GRANTOR IDENTITY, AND COMMERCIALLY SENSITIVE INFORMATION, INCLUDING GRANT DETAILS, RELATING TO FEE MINERAL AND SURFACE INTERESTS]

EXHIBIT A-5
ROLLING STOCK

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION RELATING TO ROLLING STOCK]

EXHIBIT B

[INTENTIONALLY DELETED]

EXHIBIT C
ALLOCATED VALUES

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE VALUES ALLOCATED TO, AND THE PRODUCTION STATUS OF, EACH OF THE ACQUIRED PROPERTIES]

EXHIBIT D-1

FORM OF ASSIGNMENT AND BILL OF SALE

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT, CONVEYANCE, DEED AND BILL OF SALE (this "Assignment"), effective as of 7:00 a.m. local time where the Assets are located on October 1, 2012 (the "Effective Time"), is made by Wapiti Oil & Gas, L.L.C., a Delaware limited liability company and Wapiti Energy, LLC, a Texas limited liability company (collectively, the "Assignor"), located at 800 Gessner, Suite 1000 Houston, Texas 77024, to Argent Energy (US) Holdings Inc., a Delaware corporation located at 650 N. Sam Houston Parkway East, Suite 500, Houston, Texas 77060 (the "Assignee").

ARTICLE I
Granting and Habendum

Section 1.1 Granting and Habendum. For Ten Dollars ($10.00) and other good and valuable consideration, the receipt, and sufficiency of which are hereby acknowledged, Assignor does hereby grant, bargain, sell, transfer, convey, set over, assign and deliver unto Assignee and its successors and assigns, effective for all purposes as of the Effective Time and subject to the matters set forth herein, the Assets (as defined below):

The term "Assets" shall mean all of Assignor's right, title and interest (subject to the Excluded Assets) in and to the following:

(A). the leasehold estates in and to the oil, gas and mineral leases described or referred to in Exhibit A (the "Leases"), the Lands and all tenements, heriditaments and appurtenances belong thereto, including contractual working interests, production payments, reversionary interests, carried interests, net profits interests, royalties, overriding royalty interests, fee royalty interests and other similar rights, title and interests of Assignor in and to the lands covered by the Leases, and the Hydrocarbons in and under or that may be produced from or attributable to the Lands, Leases or Wells, including all rights in any pooled, unitized or communitized acreage by virtue of the Lands or Leases being a part thereof and all Hydrocarbons produced from or attributable to the pool or unit allocated to any such Lands or Leases, even though Assignor's interest therein may be incorrectly described in or omitted from, such Exhibit A, and all tenements, hereditaments and appurtenances belonging to the Lands and the Leases, provided that all of the foregoing are subject to the limitations described in Schedule 1.03, which include

depth limitations and reservations (collectively, with the Lands and the Wells, the "Subject Interests," or singularly, a "Subject Interest");

(B). without limitation of the foregoing, all other right, title and interest (of whatever kind or character, whether legal or equitable, and whether vested or contingent) of Assignor in and to the Lands described on Exhibit A hereto or described in any of the Leases or other instruments described on Exhibit A or in any of the other Subject Interests (the "Lands"), including, without limitation, any other interest in oil, gas and/or mineral leases, production payments, net profits interests and other similar interests insofar as they cover the Lands;

(C). all rights incident to the Subject Interests, including, without limitation, all rights with respect to any pooled, communitized or unitized acreage by virtue of any Subject Interest being a part thereof or under any unitization, pooling, and/or communitization agreements, declarations and/or orders (including, without limitation, all units formed under orders, rules, regulations, or other official acts of any Governmental Authority, and voluntary unitization agreements, designations and/or declarations), including all Hydrocarbon production after the Effective Time attributable to the Subject Interests or any such pool or unit allocated to any such Subject Interest;

(D). all easements, rights-of-way, surface leases, servitudes, permits, licenses, authorizations, orders, franchises, surface agreements, surface rights and other estates or similar rights and privileges applicable to, or used in connection with, the ownership or operation of any of the Subject Interests (the "Easements"), including, without limitation, the Easements described or referred to in Exhibit B-2;

(E). all personal property, equipment, fixtures, inventory and improvements located on or used in connection with the ownership or operation of the Subject Interests and the Easements or with the production, gathering, treatment, sale, or disposal of oil, gas or other hydrocarbons (collectively, "Hydrocarbons"), byproducts or waste produced therefrom or attributable thereto, including, without limitation, all wells located on the lands covered by the Subject Interests or on lands with which the Subject Interests may have been pooled, communitized or unitized (whether producing, shut in or abandoned, and whether for production, injection or disposal), including, without limitation, the wells described in Exhibit B -1 (the "Wells"), together with all other oil and gas wells and water, injection and disposal wells on the Lands or on lands pooled, communitized or unitized therewith, whether producing, shut-in or temporarily abandoned, and all wellhead equipment (both surface and subsurface), casing, tubing, pumps, pumping units, flowlines, gathering systems, piping, tanks, buildings, treatment facilities, injection facilities, disposal facilities, compression facilities, and other materials, supplies, equipment, facilities, machinery and tools;

(F). to the extent assignable, all contracts, agreements and other arrangements that directly relate to the Subject Interests, the Leases or the Easements, including,

without limitation, production sales contracts, farmout agreements, operating agreements, service agreements and similar arrangements (collectively, the "Contracts");

(G). all books, records, files, muniments of title, reports, studies, surveys, electronic lease and land data, GIS data, ARIES data, customer lists, supplier lists, sales materials, promotional materials, operational records, technical records, production and processing records, division order and lease, land and right-of-way files, well and data files, well logs, maps, geologic files, production and accounting files (but not including general financial accounting or tax accounting records) and contract files and similar documents and materials, whether existing in electronic or written form, including, without limitation, lease records, well records, and division order records, well files, title records (including abstracts of title, title opinions and memoranda, and title curative documents related to the Assets), contracts and contract files, correspondence, that relate to the Assets, to the extent transferable without material restriction or payment of a transfer or licensing fee under Third Party agreements not advanced or reimbursed by Buyer, in the actual possession or control of Assignor (collectively, together with the data, records, logs and information described in Paragraph (h) below, the "Records");

(H). geological, seismic and geophysical data, well logs, core samples and reports relating to the Subject Interests, including (including raw data and any interpretive data or information relating to such geologic, geophysical and seismic data) but excluding any such data which cannot be transferred without the consent of or payment to any Third Party for which Buyer has not agreed to pay or be responsible.

(I). except for claims, payments, and proceeds under insurance policies, the proceeds of which are expressly not transferred in connection with any Casualty Losses that are covered under Section 13.05 of the Agreement, all sums payable to Assignor (to the extent not paid by the Final Settlement Date (as defined in the Agreement)) or rights to payment arising out of or attributable to the Assets accruing or attributable to any period after the Effective Time, and all rights, claims, refunds, causes of action, or choses in action relating to the foregoing; and

(J). all rights, insurance claims, other claims and causes of action arising, occurring or existing in favor of any Seller Indemnitee (as defined in the Agreement) related to the Assumed Obligations (as defined in the Agreement) (including but not limited to rights of contribution or natural resources damages under CERCLA, RCRA or other applicable Environmental Laws), and including all full power and rights of substitution and subrogation in and to all covenants and warranties (including warranties of title) given or made with respect to the Assets or any part thereof by preceding owners, vendors, or others, excluding, however, Assignor or any Affiliate of Assignor.

NOTWITHSTANDING THE FOREGOING, the Assets shall not include, and there is excepted, reserved and excluded from the assignment contemplated hereby (collectively, the "Excluded Assets"): (a) on a lease by lease basis, all depths of all of the Leases 100 feet below the lowest producing interval (or interval capable of production) as of the Effective Time, as described on the reservations set forth on Schedule 1.03; (b) except to the extent described in Paragraph (c), , Paragraph (i) or Paragraph (j) all trade credits and refunds and all accounts, instruments and general intangibles (as such terms are defined in the Texas Uniform Commercial Code), attributable to the Assets with respect to any period of time prior to the Effective Time; (c) except to the extent described in Paragraph (i), above, all claims and causes of action of Seller arising from acts, omissions or events occurring prior to the Effective Time; (d) except to the extent described in Paragraph (j) above, all rights and interests of Seller (i) under any policy or agreement of insurance or indemnity, (ii) under any bond, or (iii) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events, or damage to or destruction of property, occurring prior to the Effective Time; (e) all Hydrocarbons produced from or attributable to the Subject Interests during all periods prior to the Effective Time, together with all proceeds from the sale of such Hydrocarbons for which Seller did not receive credit for in the Statement (as defined in the Agreement); (f) all claims of Seller for refunds of or loss carry forwards with respect to any taxes and refunds for amounts paid in connection with the Assets attributable to any period prior to the Effective Time; (g) all amounts due or payable to the Seller as adjustments to insurance premiums related to the Assets with respect to any period prior to the Effective Time; (h) all proceeds, income or revenues (and any security or other deposits made) attributable to the Assets for any period prior to the Effective Time for which Seller did not receive credit for in the Statement (as defined in the Agreement); (i) except to the extent described in Paragraph (g), above, all of Seller's rights and interests in geological and geophysical data that is interpretive in nature or which cannot be transferred without the consent of or payment to any Third Party for which Buyer has not agreed to pay or obtain such consent; (j) data and other information that cannot be disclosed or assigned to Buyer as a result of confidentiality or similar arrangements under agreements with Third Parties and which records and data are not material to the operation of any of the Assets; (k) all audit rights arising under any of the Contracts with respect to any period prior to the Effective Time; (l) all rights and obligations of Assignor under the Development Agreement with BP America Production Company dated as of April 1, 2012, (m) all rolling stock, including trucks used on the Leases and Lands, and (n) all books and records solely relating to the Excluded Assets.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, titles, interests, estates, remedies, powers, privileges, contracts and appurtenances, in any way appertaining or belonging thereto, unto Assignee and its respective successors and assigns, forever, subject to the matters set forth herein.

ARTICLE II
A Special Warranty of Title and Disclaimers

Section 2.1 Special Warranty of Title. Assignor hereby agrees to warrant and defend title to the Assets solely unto Assignee against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise; subject, however, to the Permitted Encumbrances (as such term is defined in the Agreement) and the other matters set forth herein. In no event shall the foregoing warranty extend to or be enforceable by any party other than Assignee, specifically excluding successors and assigns of Assignee in all or part of the Assets.

Section 2.2 Disclaimer. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THE AGREEMENT AND ASSIGNOR'S SPECIAL WARRANTY OF TITLE SET FORTH HEREIN, ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE 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, GAS BALANCING INFORMATION 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 ASSIGNEE BY OR ON BEHALF OF ASSIGNOR; AND (c) THE ENVIRONMENTAL CONDITION OF THE ASSETS. EXCEPT FOR THE EXPRESS REPRESENTATIONS OF ASSIGNOR IN THE AGREEMENT AND ASSIGNOR'S SPECIAL WARRANTY OF TITLE SET FORTH HEREIN, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE ASSETS (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 APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (v) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (vi) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (vii) 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 ASSIGNEE AND ASSIGNOR THAT, EXCEPT AS SET FORTH ABOVE, THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES INCLUDED IN THE ASSETS SHALL BE CONVEYED TO ASSIGNEE, AND ASSIGNEE SHALL ACCEPT SAME, AS IS, WHERE IS, WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND ASSIGNEE REPRESENTS TO ASSIGNOR THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS

WITH RESPECT TO SUCH PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES AS ASSIGNEE DEEMS APPROPRIATE. ASSIGNOR AND ASSIGNEE 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.

ARTICLE III
Miscellaneous

Section 3.1 Construction. The captions in this Assignment are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Assignment. Assignor and Assignee acknowledge that they have participated jointly in the negotiation and drafting of this Assignment and as such they agree that if an ambiguity or question of intent or interpretation arises hereunder, this Assignment shall not be construed more strictly against one party than another on the grounds of authorship.

Section 3.2 No Third Party Beneficiaries. Nothing in this Assignment shall provide any benefit to any Third Party or entitle any thirty party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties hereto that this Assignment shall otherwise not be construed as a Third Party beneficiary contract.

Section 3.3 Assignment. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 3.4 Governing Law. This Assignment, other documents delivered pursuant hereto and the legal relations between the parties hereto shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction.

Section 3.5 Counterpart Execution. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Assignment are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

Section 3.6 Recording. To facilitate the recording or filing of this Assignment, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Assets located in that county. In addition to filing this Assignment, the parties hereto shall execute and file with the appropriate authorities, whether federal, state or local, all forms or instruments required by applicable law to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set

forth in each such instrument. The interests conveyed by such separate assignments are the same, and not in addition to the Assets conveyed herein.

Section 3.7 Purchase Agreement and Cooperation Agreement. This Assignment is subject to all of the terms and conditions of the Purchase and Sale Agreement dated December ___, 2012] by and between Assignor and Assignee, (the "Agreement") and that certain Cooperation Agreement dated December __, 2012] by and between Assignor and Assignee. Capitalized terms used herein but not defined shall have the meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, this Assignment is executed by the parties on the date of their respective acknowledgments below, but shall be effective for all purposes as of the Effective Time.

ASSIGNOR:
WAPITI OIL & GAS L.L.C.

By:_____
Name: Bart Agee
Title: President & CEO

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____day of December 2012, by Bart Agee, President & CEO of Wapiti Oil & Gas, L.L.C., a Delaware limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public in and for the State of Texas

WAPITI ENERGY, LLC

By:_____
Name: Bart Agee
Title: President & CEO

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____day of December, 2012, by Bart Agee, President & CEO of Wapiti Energy, LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public in and for the State of Texas

ASSIGNEE:

ARGENT ENERGY (US) HOLDINGS INC.

By: _____
Name:
Title:

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____day of December 2012, by _____, the _____ of Argent Energy (US) Holdings Inc., a Delaware corporation, on behalf of said corporation.

(SEAL)

Notary Public in and for the State of Texas

Exhibit A

Leases

See Attached.

Schedule 1.03

Depth Limitations and Excluded Interests in Wells

See Attached.

Exhibit B-1

Wells

See Attached.

Exhibit B-2

Easements

See Attached.

EXHIBIT D-2

FORM OF FEE MINERAL AND SURFACE ACREAGE DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FEE MINERAL AND SURFACE ACREAGE DEED

THIS **FEE MINERAL AND SURFACE ACREAGE DEED** (this "Deed"), effective as of 7:00 a.m. local time where the Properties are located on October 1, 2012 (the "Effective Time"), is made by Wapiti Oil & Gas, L.L.C., a Delaware limited liability company and Wapiti Energy, LLC, a Texas limited liability company (collectively, the "Grantor"), located at 800 Gessner, Suite 1000 Houston, Texas 77024, to Argent Energy (US) Holdings Inc., a Delaware corporation located at 650 N. Sam Houston Parkway East, Suite 500, Houston, Texas 77060 (the "Grantee").

ARTICLE I
Granting and Habendum

Section 1.1 Granting and Habendum. For Ten Dollars ($10.00) and other good and valuable consideration, the receipt, and sufficiency of which are hereby acknowledged, Grantor does hereby grant, bargain, sell, transfer, deed, convey, set over and deliver unto Grantee and its successors and assigns, effective for all purposes as of the Effective Time and subject to the matters set forth herein, all of Grantor's right, title and interest (but excepting to the Excluded Assets) in and to the following (the "Properties"):

1. The Surface Interests of those lands described on Exhibit A.

2. The fee mineral interests in on and under those lands described on Exhibit B, which includes all oil and gas that may be obtained therefrom, all executory rights owned by Grantor, all rights to receive bonus, delay rentals, royalties and shut-in royalties that may be payable under any oil, gas and mineral lease on the lands described in Exhibit B, and to the extent owned by Grantor, all rights of ingress and egress across the lands described in Exhibit B for the purpose of drilling, exploring and drilling for, development and operating the fee mineral interest for oil and gas production.

TO HAVE AND TO HOLD the Properties, together with all and singular the rights, titles, interests, estates, remedies, powers, privileges, contracts and appurtenances, in any way appertaining or belonging thereto, unto Grantee and its respective successors and assigns, forever, subject to the matters set forth herein.

ARTICLE II
A Special Warranty of Title and Disclaimers

Section 2.1 Special Warranty of Title. Grantor hereby agrees to warrant and defend title to the Properties solely unto Grantee against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise; subject, however, to the Permitted Encumbrances (as such term is defined in the Agreement) and the other matters set forth herein. In no event shall the foregoing warranty extend to or be enforceable by any party other than Grantee, specifically excluding successors and assigns of Grantee in all or part of the Properties.

Section 2.2 Reservation. This Deed is subject to any rights of any lessee of an oil, gas and mineral lease or leases on the lands that are the subject of this Deed, to the extent such lease or leases are valid, in full force and effect; it is not the intent of Grantor to revive, renew or extend any lease that has expired by its own terms.

Section 2.3 Disclaimer. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF GRANTOR IN THE AGREEMENT AND GRANTOR'S SPECIAL WARRANTY OF TITLE SET FORTH HEREIN, GRANTEE ACKNOWLEDGES THAT GRANTOR HAS NOT MADE, 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, GAS BALANCING INFORMATION OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE PROPERTIES; (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; AND (c) THE ENVIRONMENTAL CONDITION OF THE PROPERTIES. EXCEPT FOR THE EXPRESS REPRESENTATIONS OF GRANTOR IN THE AGREEMENT AND GRANTOR'S SPECIAL WARRANTY OF TITLE SET FORTH HEREIN, GRANTOR EXPRESSLY DISCLAIMS AND NEGATES, AND GRANTEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE PROPERTIES (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 GRANTEE UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (v) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (vi) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (vii) 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, EXCEPT AS SET FORTH ABOVE, THE PERSONAL

PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES INCLUDED IN THE PROPERTIES 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.

ARTICLE III
Miscellaneous

Section 3.1 Construction. The captions in this Deed are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Deed. Grantor and Grantee acknowledge that they have participated jointly in the negotiation and drafting of this Deed and as such they agree that if an ambiguity or question of intent or interpretation arises hereunder, this Deed shall not be construed more strictly against one party than another on the grounds of authorship.

Section 3.2 No Third Party Beneficiaries. Nothing in this Deed shall provide any benefit to any Third Party or entitle any thirty party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties hereto that this Deed shall otherwise not be construed as a Third Party beneficiary contract.

Section 3.3 Assignment. This Deed shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 3.4 Governing Law. This Deed, other documents delivered pursuant hereto and the legal relations between the parties hereto shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction.

Section 3.5 Counterpart Execution. This Deed may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Deed are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Deed, but each counterpart shall be considered an original.

Section 3.6 Recording. To facilitate the recording or filing of this Deed, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Properties located in that county. In addition to filing this Deed, the parties hereto shall execute and file with the appropriate authorities, whether federal, state or local,

all forms or instruments required by applicable law to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in each such instrument. The interests conveyed by such separate assignments are the same, and not in addition to the Properties conveyed herein.

Section 3.7 Purchase Agreement and Cooperation Agreement. This Deed is subject to all of the terms and conditions of the Purchase and Sale Agreement dated December ____, 2012 by and between Grantor and Grantee, (the "Agreement") and that certain Cooperation Agreement dated December __, 2012] by and between Grantor and Grantee. Capitalized terms used herein but not defined shall have the meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, this Deed is executed by the parties on the date of their respective acknowledgments below, but shall be effective for all purposes as of the Effective Time.

GRANTOR:
WAPITI OIL & GAS L.L.C.

By:_____
Name: Bart Agee
Title: President & CEO

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____day of December 2012, by Bart Agee, President & CEO of Wapiti Oil & Gas, L.L.C., a Delaware limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public in and for the State of Texas

WAPITI ENERGY, LLC

By:_____
Name: Bart Agee
Title: President & CEO

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____day of December 2012, by Bart Agee, President & CEO of Wapiti Energy, LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public in and for the State of Texas

GRANTEE:

ARGENT ENERGY (US) HOLDINGS INC.

By: _____
Name:
Title:

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____day of December 2012, by _____, the _____ of Argent Energy (US) Holdings Inc., a Delaware corporation, on behalf of said corporation.

(SEAL)

Notary Public in and for the State of Texas

Exhibit A

Surface Acreage

See Attached.

Exhibit B

Fee Minerals

See Attached

EXHIBIT D-3

FORM OF BILL OF SALE – ROLLING STOCK

THIS BILL OF SALE (this "Bill of Sale") is made and entered into effective as of this ____ day of December, 2012 (the "Effective Date"), by and between ARGENT ENERGY (US) HOLDINGS, INC., a Delaware corporation, (the "Purchaser"), and WAPITI OPERATING, LLC, a Texas limited liability company ("Seller").

RECITALS

WHEREAS, Wapiti Energy, LLC, as the parent entity of the Seller and the Purchaser have executed a Purchase and Sale Agreement, dated as of December ___, 2012 (the "PSA"), and all capitalized terms defined in the PSA shall have the same meaning when used herein; and

WHERAS, Wapiti Energy, LLC agreed to cause the Seller to sell to the Purchaser, and the Purchaser desires to purchase from the Seller, the Rolling Stock, in accordance with the terms of the PSA.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller hereby sells, transfers, conveys, assigns and deliver unto the Purchaser and its successors and assigns, as of the Closing Date, all of the Seller's right, title and interest in and to all of the Rolling Stock, free and clear of all liens, claims and encumbrances.

TO HAVE AND TO HOLD, unto the Purchaser and its successors and assigns forever the Rolling Stock, together with, all and singular, the rights and appurtenances thereto in any way belonging to the Seller and the Seller does hereby bind itself to warrant and defend, all and singular, the Rolling Stock against any person whomsoever lawfully claiming or to claim the same or any part thereof.

The Seller hereby agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered, any and all such further acts, assurances and instruments as the Purchaser may reasonably require to complete or perfect the conveyance and transfer to the Purchaser of all of the Seller' right, title and interest in and to the Rolling Stock hereby assigned, and to do all such further acts and things as may be reasonably necessary or useful to effect completely the intent of this Bill of Sale, including, but not limited to, the execution and delivery of the certificate of title for each vehicle in the Rolling Stock.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of law principles.

This Bill of Sale is executed and delivered in connection with the PSA; provided that this Bill of Sale is subject and subordinate to all of the terms and provisions of the PSA, and in the event of any conflict between any term or provision hereof and any term or provision of the PSA, the latter shall control.

This Bill of Sale may be executed in several original counterparts, each of which shall be deemed to be an original, and all such counterparts shall together constitute one and the same document.

EXECUTED AND DELIVERED as of the Effective Date.

PURCHASER:

ARGENT ENERGY (US) HOLDINGS, INC.

By: _____

Name: Bryan Prokop

Title: Chief Executive Officer

SELLER:

WAPITI ENERGY, LLC

By: _____

Name: Bart Agee

Title: President & CEO

EXHIBIT E

FORM OF TRANSITION SERVICES AGREEMENT

This Transition Services Agreement ("Agreement") is made and entered into this ___ day of December, 2012 to be effective as of the ___ day of December 2012 (the "Effective Date"), by and between **Argent Energy (US) Holdings Inc.**, a Delaware corporation ("Company"), with offices at 650 N. Sam Houston Parkway E., Suite 500, Houston, Texas 77060, and **Wapiti Operating LLC**, a Texas limited liability company ("Contractor"), with offices at 800 Gessner, Suite 1000, Houston, Texas 77024.

W I T N E S S E T H:

WHEREAS, the Company desires to secure the Services as more particularly described below; and

WHEREAS, Contractor has agreed that it will provide such Services, or cause such Services to be provided to Company;

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, the parties hereby agree with each other as follows:

1. **CONTRACTOR SERVICES**. Contractor shall perform the services or cause such services to be performed (the "Services"), as more particularly described in the attached Exhibit "A" which is herein incorporated by reference. Contractor agrees that such Services shall be performed in a workmanlike manner with due diligence and without undue delays or interruptions. Contractor further agrees that the Services shall be performed as economically as possible with the minimum number of employees necessary to perform such Services. In Company's sole discretion, and upon written notice to the Contractor, if any of the Services may, from time to time, be performed by Company or others, and for such work, Company shall not be liable to Contractor hereunder.

2. **TERM**. The term of this Agreement shall begin on the Effective Date, and shall continue until February 1, 2013, 7:00 am, CST (the "Initial Term"), and for month to month thereafter, provided however, that Company and Contractor may adjust the compensation specified in Section 4 for any extended term. Notwithstanding the foregoing, the term of this Agreement shall not extend past March 1, 2013. Following the Initial Term, either party may terminate this Agreement by providing the other party written notice.

3. **COMPANY'S REPRESENTATIVES**. Company's representatives who may authorize Services to be performed hereunder or who may terminate this Agreement are any authorized Company officer or employee.

4. **AGREEMENT PRICE AND TERMS OF PAYMENT**. **AGREEMENT PRICE AND TERMS OF PAYMENT**.

a. Overhead Fees. In exchange for the performance of the Services by Contractor hereunder, the Company shall pay a fee equal to the amount of COPAS monthly overhead charged on a well by well basis according the applicable operating agreement, or $1,282.70 per well (the "Overhead Fee") and Contractor shall not be entitled to any other overhead or general and administrative fees, including any amounts chargeable as overhead under any COPAS form accounting procedures.

b. Direct Charges.

Company shall reimburse Contractor for salaries and wages, including incentive compensation programs as set forth in COPAS MFI-37 ("Chargeability of Incentive Compensation Programs"), for:

1. Contractor's field employees directly employed On-site in the conduct of Joint Operations,

2. Contractors' employees directly employed the facilities serving the Properties,

3. Contractor's employees providing First Level Supervision,

4. Contractor's employees providing On-site Technical Services for the Properties,

5. Contractor's employees providing Off-site Technical Services for the Properties.

c. Invoices. Contractor shall invoice Company monthly for all Overhead Fees and Direct Charges, and each such invoice shall include reasonable supporting documentation for any Direct Charges. The amount stated each such invoice shall be paid by Company in full within thirty days of receipt of the applicable invoice; provided that if Company disputes in good faith any invoiced amount for Direct Charges, Company shall not be obligated to pay the disputed amount within such time frame.

5. **AGENCY**. Company appoints Contractor its agent solely for the purpose of performing the Services.

6. **LIABILITY AND INDEMNITY**. Company shall indemnify and hold harmless Contractor from and against any and all expenses, claims, liens, demands or causes of actions arising out of, or incidental to, the operations under this Agreement, excluding any such expenses, claims, liens, demands and causes of actions arising out of the gross negligence or willful misconduct of Contractor. Company shall defend each claim asserted and suit brought involving any matter as to which Contractor is to be indemnified hereunder and shall pay all costs, expenses and reasonable attorney's fees

incidental thereto and all judgments resulting therefrom. Contractor shall have the right, at its option and expense, to participate in the defense of each such claim or suit without relieving Company of any obligations hereunder.

7. **GOVERNING LAW**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other State's law).

8. **AMENDMENTS**. No amendment or modification of this Agreement shall be valid unless evidenced in writing, signed by an officer of Company and by an officer of Contractor.

9. **AGREEMENT IN ITS ENTIRETY**. This Agreement sets forth the full and complete agreement of the parties hereto. This Agreement supersedes any and all proposals, negotiations and representations of the parties made or had prior to the execution hereof relative to the subject matter of this Agreement. In the event of any conflict between the provisions of this instrument, the provisions of its attached exhibits and the provisions of any other attachments hereto, the provisions of this instrument shall prevail and control the operation of this Agreement.

10. **SUCCESSORS AND ASSIGNS**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COMPANY:

Argent Energy (US) Holdings Inc.

By:_____
Name:
Title:

CONTRACTOR:

Wapiti Operating LLC

By:_____
Name: Bart Agee
Title: President & CEO

EXHIBIT "A"

CONTRACTOR'S SERVICES

Contractor shall provide for Company the following services: Drilling, producing and operating Company's wells and fields, general management, administration, accounting, engineering, and land and land administration activities.

Contractor and Company shall cooperate with each other and assist each other to facilitate Contractor's performance of the above described Services. To this end, Company agrees to timely furnish Contractor with any information Company may have pertinent to the Services but which Contractor does not possess. Contractor agrees to use its commercially reasonable efforts in the performance of the Services.

EXHIBIT F

SELLER'S COUNSEL OPINION

December __, 2012

Argent Energy (US) Holdings Inc.
650 N. Sam Houston Parkway East
Suite 500
Houston, Texas 77060

And

To the Underwriters Listed on Exhibit A hereto

Re: Wapiti Oil & Gas, L.L.C., a Delaware limited liability company

Ladies and Gentlemen:

Reference is made to the Purchase and Sale Agreement dated as of December 5, 2012 (the "PSA") by and among Wapiti Oil & Gas, L.L.C., a Delaware limited liability company ("WOG"), and Wapiti Energy, LLC, a Texas limited liability company ("WE"), on one hand, and Argent Energy (US) Holdings Inc., a Delaware corporation ("Argent"), on the other hand. We have acted as counsel for WOG, and Wapiti Operating, LLC, a Texas limited liability company and wholly owned subsidiary of WE ("WO") (the "Opinion Entities"). Capitalized terms not otherwise defined herein are used herein as defined in the PSA. This opinion is being delivered pursuant to Section 10.04(l) of the PSA.

In connection with the preparation of this opinion, we also have examined such other agreements, instruments and documents, and such questions of law, as we have deemed necessary or appropriate to enable us to render the opinions expressed below. In addition, we have examined originals or copies, certified to our satisfaction, of such certificates of public officials and officers and representatives of the Opinion Entities and we have made such inquiries of officers and representatives of the Opinion Entities as we have deemed relevant or necessary, as the basis for the opinions set forth herein.

In rendering the opinions expressed below, we have assumed, with your permission and without independent verification, the following:

(a) That: (i) all natural persons executing the Relevant Documents have legal capacity, (ii) the Relevant Documents have been duly authorized, executed and delivered by each of the other Persons parties to those Relevant Documents, other than the Opinion Entities, (iii) that the Relevant Documents are valid, binding and enforceable against each other party, (iv) the signatures of all parties, other than those of the representatives of the Opinion Entities, are genuine, (v) all documents submitted as to us as certified or photostatic copies and as originals are authentic, (vi) the copies submitted conform to the original documents, (vii) the parties to the Relevant Documents, other than the Opinion Entities, will act in accordance with applicable standards of commercial reasonableness and good faith and fair dealing, (viii) all public records reviewed were accurate, complete and authentic, and all the official public records (including their proper indexing and filing) are accurate and complete, and (ix) there has not been any mutual mistake of fact, fraud, duress or undue influence.

(b) With respect to matters indicated herein to be limited "*to our knowledge*" or "*known to us*" (and words of like effect), the opinions set forth herein with respect to such matters are specifically limited to our actual knowledge, without having made any investigation, other than our examination of the certificates or officers of the Opinion Entities and the certificates of public officials referred to above. Nothing has come to our attention as the result of our examination of the certificates of officers of the Opinion Entities, and the certificates of public officials referred to above, to cause us to believe that the statements made herein "*to our knowledge*" or "*known to us*" are false.

Based on the foregoing, and subject to the qualifications and assumptions stated herein, we are of the opinion that:

(b). WOG is a validly existing Delaware limited liability company; each of WE and WO is a validly existing Texas limited liability company;

(c). (i) each of WOG, WE and WO has the limited liability company power to execute, deliver and perform the Relevant Documents to which it is a party; (ii) the execution, delivery and performance by WOG, WE and WO of Relevant Documents to which it is a party has been duly authorized by all necessary partnership or limited liability company action, respectively, of WOG, WE and WO; and (iii) the Relevant Documents to which WOG, WE and WO is a party have been duly executed and delivered by WOG, WE and WO, as applicable;

(d). Each of the Relevant Documents to which it is a party constitutes a valid and binding obligation of WOG, WE or WO, as applicable, enforceable against it in accordance with its terms, except as limited by any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, arrangement, moratorium and other similar laws now or hereafter in effect relating to or affecting generally the enforcement of creditors' or secured creditors' rights;

(e). the execution and delivery by WOG, WE and WO of each of the Relevant Documents to which it is a party, the fulfillment of the terms thereof by them, as applicable, and the completion of the transactions contemplated therein do not and will not:

(i). require the consent, approval, authorization, order, filing, registration or qualification of or with any Texas court, governmental authority or other regulatory commission or agency, except those that have been obtained, except for those customarily obtained after the closing; or

(ii). result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:

A. any of the provisions of the limited liability company agreement and Certificate of Organization of WOG, WE or WO;

B. any other Relevant Document to which WOG, WE or WO is a party and the related contracts identified in Schedule 5.11(a) to the Agreement, except as expressly disclosed in the PSA with respect to the Required Consents; or

C. any statute, published rule, regulation or other law of the State of Texas applicable to WOG, WE or WO;

which individually or in the aggregate would (1) materially impair WOG's, WE's or WO's ability to perform the obligations contemplated in such Relevant Documents or (2) materially impair or affect the consummation of the transactions contemplated in such Relevant Documents.

OUR OPINIONS SET FORTH ABOVE ARE SUBJECT TO THE FOLLOWING QUALIFICATIONS:

A. This opinion is specifically limited to the presently effective laws of the State of Texas and the United States of America.

B. Our opinions as to the enforceability of any of the Relevant Documents are subject to the effect of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law.

C. We express no opinion as to the enforceability of cumulative remedies to the extent such cumulative remedies purport to or would have the effect of compensating the party entitled to the benefits thereof in amounts in excess of the actual loss suffered by such party.

D. We note that we have made no investigation or verification of the title to or the condition of any of the personal property or the real property interests of the Opinion Entities. In

this opinion letter, we express no opinion as to the existence, ownership of or title to, or physical condition of any item of personal or real property of the Collateral of the Opinion Entities.

The opinions set forth herein are furnished to you at the request of the Opinion Entities solely for the benefit of the addressees, and are not to be used, circulated, quoted or otherwise referred to for any other purpose, without our express written permission. The opinions contained herein are as of the date hereof, and we have no duty to update these opinions. We are licensed to practice law only in the States of Texas and Colorado and this opinion is limited to the laws of the State of Texas and of the United States of America and the construction of acts, events or instruments under the laws of that State and the federal laws of the United States of America, and we render no opinion as to the law of any other jurisdiction. This opinion is provided solely for the benefit of the addressees hereof and shall not inure to the benefit of or be relied upon or be used for any purpose by any other person, corporation or entity. This opinion only speaks as of today's date, and we undertake no responsibility for actions taken by or on behalf of the Opinion Entities after today's date. This opinion may not be quoted in whole or in part or otherwise referred to in any report or document or furnished to any person or entity without our written consent.

Sincerely,

Fortitude Management Group, LLC

By:_____
Adrienne Randle Bond
General Counsel

EXHIBIT A

List of Underwriters

EXHIBIT G

FORM OF COOPERATION AGREEMENT

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (this "Agreement"), is entered into and made effective as of December __, , 2012 (the "Effective Date"), by and between [Wapiti Oil & Gas, L.L.C., a Delaware limited liability company] ("WOG"), [Wapiti Energy, LLC, a Texas limited liability company][1] ("Seller"), with an address of 800 Gessner, Suite 1000, Houston, Texas 77024, and Argent Energy (US) Holdings Inc., a Delaware corporation, ("Buyer"), with an address of 650 N. Sam Houston Parkway East, Suite 500, Houston, Texas 77060. Buyer and Seller may be referred to herein, collectively, as the "Parties, "or individually, as a "Party."

In connection with the consummation of the transactions contemplated under that certain Purchase and Sale Agreement dated December 5, 2012 ("PSA") amongst the Parties, Seller assigned all of its right, title and interest in and to the Shallow Rights in certain leases therein described on Exhibit A attached hereto (each a "Lease" and collectively the "Leases") and all other right, title and interest of Seller in and to the lands described on Exhibit A attached hereto or described in any of the Leases or other instruments described on Exhibit A (the "Lands") to Buyer, and Seller retained the Deep Rights in the same Leases. "Shallow Rights" being rights from the surface to the top of the Deep Rights, and "Deep Rights" being rights below the Shallow Rights, all as further described on Exhibit B attached hereto.

The Parties intend to investigate, explore, drill for and produce oil and gas (including any other liquid and gaseous hydrocarbons) in the Leases and desire to conduct such operations in a manner that will not adversely affect the rights of the other Party under the Leases and pursuant to applicable law.

AGREEMENT

For consideration of the execution and performance of the respective obligations of the Parties under the PSA and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

GRANT OF ACCESS.

Section 1.01. Grant of Access. *To the extent within such Party's rights or control and not restricted by law, any Lease or any agreement or contract existing as of the Effective Date, each Party hereby grants, conveys, deeds, assigns and permits the other Party reasonable access to the surface of the Lands for the purpose of oil and gas exploration, production and development of such Party's interest in the Leases in accordance with the terms and conditions hereof. Such access shall include, without limitation, the right to construct, maintain and operate surface assets used in connection with the ownership and operation of the Shallow*

[1] NTD: Separate Cooperation Agreements, each covering a separate field or prospect area, will be executed at Closing and each of WEL and WOG shall be deemed to be a party to each Cooperation Agreement only as to the applicable field or prospect area such Party holds interests.

Rights and Deep Rights, respectively and rights of ingress and egress across the lands comprising the Lands for the purpose of drilling, exploring, completing, testing, constructing, maintaining and operating the Shallow Rights and Deep Rights, respectively. Each Party shall use reasonable efforts in good faith to accommodate the other Party's operations upon the Lands, and to conduct operations with due regard for the other Party's operations.

Section 1.02. Coordination of Activities. *Buyer and Seller shall meet in person or via conference call annually or more frequently as may be agreed to by the Parties and use good faith efforts to discuss each of their current and anticipated plans and expenditures regarding the operation, maintenance and development of the surface assets in connection with the exploration, development and operation of the Shallow Rights, the Deep Rights or both, the anticipated dates, times and duration of such activities, and any actual or estimated surface damage payments related thereto. The Parties shall use commercially reasonable efforts to coordinate such activities in order maximize the efficient development, use and maintenance of the surface assets, and to minimize (i) Buyer's interference with the Seller's ownership or operation of the Deep Rights and (ii) Seller's interference with Buyer's ownership or operation of the Shallow Rights. At each meeting, each Party shall have the right to have non-party advisors present and to consult with and receive advice from such non-party advisors during each such meeting.*

Section 1.03. Standard of Care. *Each Party shall conduct its ownership and operation of the Leases, Lands and the surface assets in a reasonable, prudent manner, and in a good and workmanlike manner, in accordance with all applicable laws and good and prudent oilfield practice.*

PASS-THRU RIGHTS.

Buyer's Operations. Buyer shall have the right to conduct operations for wells to produce from the Shallow Rights in and under the Lands in accordance with the terms and conditions hereof. To facilitate well logging and activities related to the Shallow Rights and in accordance with the terms and conditions hereof, Buyer shall have the right to conduct operations through the Deep Rights including, without limitation, surface access, drilling, casing, cementing, producing and operating through the Shallow Rights; provided, however, Buyer is prohibited from producing oil, gas or other hydrocarbons from the Deep Rights that are not owned by Buyer. To the extent Seller conducts logging operations of the Deep Rights, Buyer shall promptly deliver to Seller copies of all logs from wells that penetrate the Deep Rights, as well as casing, cementing, perforating, stimulating and testing records, and a final completion report for such wells; provided, however, in no event shall the obligations of Buyer hereunder require or obligate Buyer to conduct any operations or run any log, or prepare any reports. Buyer shall conduct such operations in a manner reasonably calculated: (i) to isolate all zones within the Shallow Rights from migration or communication with any Deep Rights within the well; (ii) to prevent damage to, or drainage or migration from, the Deep Rights; and (iii) to prevent damage to Seller's surface facilities or other facilities, equipment and improvements.

Seller's Operations. Seller shall have the right to conduct operations for wells to produce from the Deep Rights in and under the Lands in accordance with the terms and conditions hereof. In accordance with the terms and conditions hereof, Seller shall have the right

to conduct operations through the Shallow Rights including, without limitation, surface access, drilling, casing, cementing, producing and operating through the Shallow Rights; provided, however, Seller is prohibited from producing oil, gas and other hydrocarbons from the Shallow Rights that are not owned by Seller. To the extent Seller conducts logging operations of the Shallow Rights, Seller shall promptly deliver to Buyer copies of all logs limited to the Shallow Rights from wells that penetrate the Shallow Rights, as well as casing, cementing, perforating, stimulating and testing records, and a final completion report for such wells; provided, however, in no event shall the obligations of Seller hereunder require or obligate Seller to conduct any operations or run any log, or prepare any reports. Seller shall conduct such operations in a manner reasonably calculated: (i) to isolate all zones within the Deep Rights from migration or communication with any Shallow Rights zones within the well; (ii) to prevent damage to or drainage or migration from the Shallow Rights; and (iii) to prevent damage to Buyer's surface facilities or other facilities, equipment and improvements.

INFORMATION. With regard to all wells drilled by a Party within the Lands or the Leases, promptly upon completion of a well, such Party shall deliver, but only as the data pertains to the Shallow Rights if Seller is the Party drilling the well or as to the Deep Rights if Buyer is the Party drilling the well, the following information (subject to any third party restrictions on disclosure and confidentiality requirements existing as of the date hereof): daily drilling reports; core analysis reports and directional well survey reports for wells deviated in the depths that pertain to Shallow Rights or the deep rights, as applicable. The information described in this paragraph may be delivered to the other Party by email at the address set forth in paragraph 18.

POOLING AND SEGREGATION.

Section 1.04. *Seller hereby agrees that as between the Parties Buyer shall have the sole and exclusive right, power and authority, from time to time, at any time, to space, pool, integrate, communitize and unitize the Shallow Rights with any other lands, and one or more other leases, in Buyer's sole and absolute discretion. Buyer hereby agrees that as between the Parties Seller shall have the sole and exclusive right, power and authority, from time to time, at any time, to space, pool, integrate, communitize and unitize the Deep Rights with other lands, and one or more other leases, in Seller's sole and absolute discretion. Notwithstanding any existing spacing, pooling, integration, communitization, operating and unit agreements, declarations or orders to the contrary, the Parties hereby agree (i) that Seller shall not be entitled to participate in any production of oil, gas or other hydrocarbons from the Shallow Rights to the extent conveyed to Buyer under the transaction contemplated under the PSA, and (ii) Buyer shall not be entitled to participate in any production of oil, gas or other hydrocarbons from the Deep Rights to the extent retained by Seller under the PSA.*

Section 1.05. *Upon receipt of a written request from Buyer, Seller shall amend any unitization, pooling and communitization agreements, declarations and orders, as may be necessary to allow for Buyer to pool its interests in the Shallow Rights. Seller shall execute, deliver, and record such amendment no later than thirty (30) days after receiving Buyer's request for such amendment.*

DELAY RENTALS.

Seller shall administer the payment of delay rentals required to perpetuate the Leases. Buyer shall pay Seller fifty percent (50%) of such delay rentals (proportionately reduced to Seller's ownership in the applicable Leases), on or before thirty (30) days after receipt of an invoice from Seller for such delay rentals. If Buyer fails to pay Seller such delay rentals within such time period, Seller shall deliver to Buyer written notice of default. If Buyer fails to cure such default on or before ten (10) days after receipt of such notice of default, Buyer shall be deemed conclusively to have assigned and relinquished to Seller all of Buyer's right, title and interest in and to the applicable Leases, and Buyer shall promptly execute, acknowledge and deliver to Seller recordable assignments of Buyer's interest in and to such Leases with a special warranty of title against liens, claims and encumbrances arising by, through or under Buyer, but not otherwise. If any Party (the "Releasing Party") elects to release, surrender or let expire any of the Leases, the Releasing Party shall deliver to the other Party written notice thereof on or before ninety (90) days prior to such release, surrender or expiration of the applicable Lease. The other Party shall have the right, but not the obligation, to elect by written notice delivered to the Releasing Party to acquire the Releasing Party's right, title and interest in and to the applicable Leases by written notice delivered to the Releasing Party on or before thirty (30) days after receipt of the Releasing Party's notice of the release of the applicable Leases. Upon receipt of such written notice, the Releasing Party shall promptly execute, acknowledge and deliver to the assuming Party recordable assignments of the Releasing Party's interest in and to the applicable Leases with a special warranty of title against liens, claims and encumbrances arising by, through or under the Releasing Party after the date such delay rentals are due and payable under the terms of the applicable Leases, but not otherwise.

If Seller (as the "Rental Administrator") intends not to pay any delay rental due that would cause the expiration of any of the Leases, the Rental Administrator shall deliver to Buyer written notice thereof on or before the ninety (90) days prior to the rental paying date of the applicable Lease. Buyer shall have the right, but not the obligation, to elect by written notice delivered to the Rental Administrator to acquire the Rental Administrator's right, title and interest in and to the applicable Leases by written notice delivered to the Rental Administrator on or before thirty (30) days after receipt of the Rental Administrator's notice of intent not to pay a delay rental on the applicable Lease.

Notwithstanding anything to the contrary herein, Seller shall not be liable to Buyer for any non-payment of delay rentals hereunder, except for any actual losses of Buyer due solely to Seller's gross negligence or willful misconduct.

Lease Options. The Parties recognize that a portion of the Leases may contain express options allowing for the extension or renewal of said Leases. The payment of options to extend or renew any of the Leases (an "Option Payment") shall be handled as follows: If any Party (the "Extending Party") elects to exercise the option, no earlier than ninety (90) days prior to the date any Option Payment is due and payable under the terms of a Lease such Extending Party shall provide the other Party notice of said election accompanied by a statement of such other Party's fifty percent (50%) share of the Option Payment (the "Option Notice"). If the other Party either (i) fails to give its election to participate in the Option Payment within fifteen (15) business days of receipt of the Option Notice; or (ii) does not deliver payment of its fifty percent (50%) share of the Option Payment in full within (30) thirty days of the receipt of the Option Notice then that Party shall (without any further notice or cure period as described in Section 16)

be deemed conclusively to have assigned and relinquished to the Extending Party all of the other Party's right, title and interest in and to the applicable Leases (or portion thereof) that require such Option Payment in order to maintain the such Leases (or portions thereof) to the extent, and only to the extent, any such Leases will be maintained solely by the payment of such Option Payments, but not otherwise,, and the other Party shall promptly (being no longer than three (3) months after such election or deemed election not to pay its proportionate share of the Option Payment) execute, acknowledge and deliver to the Extending Party recordable assignments of the other Party's interest in and to such Leases (or portion thereof) maintained solely by the payment of such Option Payment, but not otherwise) with a special warranty of title against liens, claims and encumbrances arising by, through or under such Party after the date such Option Payments are due and payable under the terms of the applicable Leases, but not otherwise.

SHUT-IN PAYMENTS.

Seller shall use its reasonable efforts in good faith to pay all shut-in payments due to lessor(s) for the extension of the term of any of the Leases or the Lands for any and all wells owned or operated by Seller on or producing from the Leases or the Lands. Buyer shall use its reasonable efforts in good faith to pay all shut-in payments due to lessor(s) for the extension of the term of any of the Leases or the Lands for wells owned or operated by Buyer on or producing from the Leases or the Lands. Notwithstanding anything to the contrary herein, no Party shall be liable to the other Party for any non-payment of shut-in payments hereunder, except to such Party's gross negligence or willful misconduct. If Seller and Buyer both own and operate shut-in wells on the Lands covered by a Lease, the Parties shall use their reasonable efforts in good faith to agree upon which Party (the "Payor") shall be responsible for the payment of the shut-in payments hereunder, and the other Party shall reimburse the Payor fifty percent (50%) of such shut-in payments (proportionately reduced to the Payor's ownership in the applicable leases), on or before thirty (30) days after receipt of an invoice from the Payor for such shut-in payments. If a Party fails to reimburse the Payor for such shut-in payments within such time period, the Payor shall deliver to such defaulting Party written notice of default. If the defaulting Party fails to cure such default on or before fifteen (15) days after receipt of such notice of default, such defaulting Party shall be deemed conclusively to have assigned and relinquished to the Payor all of such defaulting Party's right, title and interest in and to each applicable proration unit and Lease (or portions thereof) that will be maintained solely by payment of such shut-in royalties, and such defaulting Party shall promptly execute, acknowledge and deliver to the Payor recordable assignments of such defaulting Party's interest in and to such applicable proration units and Leases (or portions thereof) that will be maintained solely by payment of such shut-in royalties with a special warranty of title against liens, claims and encumbrances arising by, through or under such defaulting Party after the date such shut-in royalties are due and payable, but not otherwise. The Payor shall take all action necessary for the take-over of the well and the release of the other Party's existing bond for such well including, without limitation, posting all necessary bonds and security with the appropriate governmental agencies for the operation of such well. The Payor shall assume and bear all duties, obligations and liabilities arising in connection with or related to the plugging and abandonment of such well, and remediation of the surface in accordance with the applicable Leases, and all applicable laws, rules, regulations and orders.

If a Party intends not to pay any shut-in payments due that would cause the expiration of any of the Leases, then such Party shall deliver to the other Party written notice thereof on or before ninety (90) days prior to the rental paying date of the applicable Lease. The other Party shall have the right, but not the obligation, to elect by written notice delivered to the relinquishing party to acquire the relinquishing party's right, title and interest in and to each applicable proration unit and Lease (or portions thereof) that will be maintained solely by payment of such shut-in royalties by written notice delivered to the relinquishing party on or before thirty (30) days after receipt of the relinquishing party's notice of intent not to pay shut-in payments on the applicable proration unit and Lease (or portions thereof) that will be maintained solely by payment of such shut-in royalties. Failure by a Party to validly elect to acquire such interests shall be deemed an election not to acquire such interests.

ROYALTIES. Each Party shall use its reasonable efforts in good faith to promptly pay to the appropriate royalty owners all royalties on production attributable to their respective interests in the Leases, Lands and the wells located thereon or pooled therewith. If a Party fails to pay such royalties, the other Party shall have the right, but not the obligation, to pay such royalties and shall be subrogated to the rights of such royalty owners against such defaulting Party and/or such defaulting Party's interests in and to such Leases, Lands and wells. Upon the written request by a Party, the other Party shall promptly deliver to such requesting Party: (a) the method by which it calculates any royalty payments being made pursuant to the terms of the Leases; (b) any material change in such method of calculation; (c) any material change in the status of the production from the wells located on such Leases or Lands operated by such Party or any contract operator therefor; and (d) any material change in the status of the Leases or Lands held by production.

TAXES. Each of the Parties shall use their reasonable efforts in good faith to obtain separate assessments for their respective interests in and to the Leases and the Lands. Each of the Parties agrees to promptly and fully pay when due all taxes assessed against the Leases, the Lands, the facilities thereon, and the production therefrom. In the event the Parties' respective interests in the Leases and Lands are not separately assessed, the Parties shall use their reasonable efforts in good faith to agree upon a reasonable allocation of any assessment between the Parties' respective interests in the Leases and the Lands. If any Party fails to timely and fully pay when due all taxes assessed against its interest in the Leases and the Lands, the other Party shall have the right, but not the obligation, to pay such taxes and shall be subrogated to the rights of such taxing authority against the defaulting Party and/or such defaulting Party's interests in and to the Leases and the Lands.

CESSATION OF PRODUCTION. With respect to each oil and gas well that holds, by production from the Shallow Rights or Deep Rights, as applicable, any portion of the Leases or the Lands ("Holding Well"), the Party owning such Holding Well shall, on or before thirty (30) days after the cessation of production from such Holding Well (but in any event immediately as soon as it affirmatively decides to cease such production or, to the extent such Holding Well is operated by a third party, such Party learns that such well has or will cease production), deliver to the other Party written notice of such planned cessation or cessation. Such operator shall not be liable to the other Party for any failure to deliver any notice under this paragraph, except to the extent of such operator's gross negligence or willful misconduct. In addition, neither Party

will have any liability to the other Party for failure to maintain commercial production from any Holding Well.

WELL TAKE-OVER. On or before ninety (90) days prior to the plugging and abandonment of a well located on the Leases or the Lands, the Party, if applicable, owning such well shall deliver to the other Party written notice thereof; provided, however, that such Party shall not be liable to the other Party for any failure to deliver such notice hereunder, except to the extent of such Party's gross negligence or willful misconduct. The other Party shall have the right, but not the obligation to elect to take-over such well by written notice delivered to the operator on or before thirty (30) days after receipt of such notice of plugging and abandonment. If a Party fails to deliver written notice of an election to take-over a well hereunder, such Party shall be deemed conclusively to have elected not to take-over the well hereunder. If a Party elects to take-over the well hereunder (the "Take-over Party"), the other Party shall promptly assign to the Take-over Party all of such Party's right, title and interest in and to such well and the Leases and Lands included in the proration unit ascribed thereto by promptly executing, acknowledging and delivering to the Take-over Party recordable assignments of such Party's interest in and to such applicable well and the proration unit, Leases and Lands (or portions thereof) ascribed thereto with a special warranty of title against liens, claims and encumbrances arising by, through or under such defaulting Party after the date of such election to plug and abandon such well, but not otherwise. The Take-over Party shall take all action necessary for the take-over of the well and the release of the operator's existing bond for such well including, without limitation, posting all necessary bonds and security with the appropriate governmental agencies for the operation of such well. The Take-over Party shall assume and bear all duties, obligations and liabilities arising in connection with or related to the plugging and abandonment of such well, and remediation of the surface in accordance with the applicable Leases, and all applicable laws, rules, regulations and orders. Failure by a Party to validly elect to acquire such interests shall be deemed an election not to acquire such interests.

EXISTING FACILITIES. Each Party agrees to use its reasonable efforts in good faith to make reasonable accommodation for the other Party's use of the surface of the Lands and use of related compression, production, gathering and processing facilities for oil and gas operations hereunder. The Parties agree to discuss and use good faith efforts as to the joint use, maintenance, repair, improvement, and removal of all existing well sites, roads, field office, pipe yard, power lines, easements and rights-of-way located upon the Lands, and of the production facilities, including, but not limited to any high pressure gas systems, low pressure gas systems, gas compression, gas dehydration, JT/skid propane sales, produced water gathering systems, salt water disposal wells, and related equipment and facilities, fuel gas system and gas sales taps, for the benefit of oil and gas operations hereunder (collectively, the "Existing Facilities"), with the express agreement that Seller is hereby issued a personal license such that upon thirty (30) days prior written notice to Buyer, the Seller shall have the right to use the Existing Facilities solely with respect to the production from the Deep Rights to the extent, and only to the extent, that the Buyer, any other joint owners of the Existing Facilities and the other joint owners, partners, co-tenants, lessors, royalty owners and similar interest owners of the Shallow Rights (collectively, the "Shallow Group") are not using the capacity of the Existing Facilities or are reasonably likely to use the capacity of the Existing Facilities in the one hundred and twenty (120) day period after receipt of Buyer's written notice to use such capacity. Seller's rights to use any of the Existing Facilities shall automatically expire and terminate be suspended upon ninety (90) days prior

written notice to Seller from any member of the Shallow Group; provided, however, any such expiration, termination and suspension shall be effective only to the extent, and only as long as, any member of the Shallow Group requires the use of the capacity of such Existing Facilities. Notwithstanding anything herein to the contrary but subject to the limitations set forth in the immediately preceding sentence the members of the Shallow Group shall have dedicated uninterruptible first priority rights to the use of the Existing Facilities. With respect to Seller's exercise of its license to use of any of the Existing Facilities, prior to any actual joint use, the Parties shall also agree in good faith as to the apportionment of the cost and expense (including reasonable overhead reimbursement) for the use, maintenance, insurance, repair, improvement and removal of Existing Facilities in accordance with a mutually acceptable allocation based upon their respective use of such jointly-used Existing Facilities as measured by each Party's relative throughput volume of production of hydrocarbons, or with respect to water disposal, volumes of water. Each Party agrees that to prevent waste, and to promote conservation and efficient operations for the production of oil and gas from the Leases, such Party shall consider the economics and efficiency that might be gained in the sharing of such facilities when making a decision regarding the joint use of Existing Facilities and any reimbursement to the other Party therefor. Notwithstanding anything herein to the contrary, it is understood and agreed that pursuant to the PSA Buyer has acquired all right, title and interest of Seller in and to all compression, production, gathering and processing facilities located on the surface of the Lands and Leases and as of the date hereof Seller holds no interest in any Existing Facilities located on or used in connection with the Leases or the Lands. The rights and obligations of the Parties under this Section 11 shall automatically terminate and expire on the date ten (10) years after the date hereof.

NEW FACILITIES. Any Party may propose, by written notice delivered to the other Party, the construction of new facilities for oil and gas operations upon the Lands including, without limitation, well sites, roads, fences, gates, power lines, processing or compression facilities or equipment, pipelines, buildings, and other facilities, structures and improvements. The Parties shall discuss the allocation of the cost and expense for the construction, use and maintenance of such facilities. If the Parties are unable to reach a definitive written agreement upon such allocation on or before thirty (30) days after receipt of such notice by the non-proposing Party, the proposing Party may construct such facilities, at the proposing Party’s sole cost and expense, and the other Party shall not be entitled to use such facilities without the prior written agreement of the proposing Party, which agreement may be withheld in the sole and absolute discretion of the proposing Party. Each Party agrees that to prevent waste, and to promote conservation and efficient operations for the production of oil and gas from the Leases, it shall consider the economics and efficiency that might be gained in the sharing of such facilities when making a decision regarding the joint construction of New Facilities. The rights and obligations of the Parties under this Section 12 shall automatically terminate and expire on the date ten (10) years after the date hereof.

COMPLIANCE. Each Party shall be authorized to do business in the State of Texas and shall comply, and shall cause each of its partners, joint owners and each of their respective Affiliates, employees, contract operators, contractors, subcontractors, agents, agents, invitees and representatives to comply, with the terms of this Agreement, the Leases, the Lands (including all surface rights or other agreements comprising the Leases and the Lands) and all applicable laws, rules, regulations and orders related to oil and gas operations upon the Leases and Lands

including, without limitation, all oil and gas, and environmental laws. For purposes of this Agreement, "Affiliate" means with respect to any individual corporation, partnership, limited liability company, trust, estate or any other entity ("Person"), any Person that directly or indirectly controls, is controlled by or is under common control with such Person, with control in such context meaning the ability to direct the management or policies of a Person through ownership of voting shares or other securities, pursuant to a written agreement, or otherwise. Each Party, or its designated contract operator or Affiliate operator that is operator of record with the Texas Railroad Commission, shall be properly licensed and bonded, and shall obtain and maintain all applicable permits required by applicable laws to own and operate the Shallow Rights and Deep Rights, as applicable.

INDEMNIFICATION.

Buyer's Indemnity. Buyer hereby agrees to indemnify, defend and hold harmless Seller, and Seller's partners, joint owners and each of their respective Affiliates, employees, contract operators, contractors, subcontractors, agents, agents, invitees and representatives ("Seller Parties"), from and against any and all claims, causes of action, demands, judgments, awards, damages, penalties, settlements, liabilities, costs and expenses, including, without limitation, court costs and reasonable attorneys' fees (collectively "Losses") incurred by Seller arising in connection with or related to (i) Buyer's breach of this Agreement and (ii) Buyer's, Buyer's partners, joint owners and each of their respective Affiliates, employees, contract operators, contractors, subcontractors, agents, agents, invitees and representatives ("Buyer Parties") ownership and operations of the Shallow Rights upon the Lands and the Leases ("Buyer's Operations") (including, without limitation, death, personal injury, property damage or environmental contamination) but only to the extent caused by Buyer's Operations.

Seller's Indemnity. Seller hereby agrees to indemnify, defend and hold harmless Buyer, and Buyer's officers, directors, shareholder, members, managers, employees and agents, from and against any and all Losses incurred by Buyer Parties arising in connection with or related to (i) Seller's breach of this Agreement and (ii) any Seller Party's ownership and operations of the Deep Rights upon the Lands and the Leases ("Seller's Operations") (including, without limitation, death, personal injury, property damage or environmental contamination) but only to the extent caused by Seller's Operations

Intent It is the intent of the Parties that if more than one Party or person is the cause of any of the losses, the liability for said losses shall be apportioned based on the fault of each Party or person.

Section 1.06. Administration of Claims All claims for indemnification under Section 14 shall be asserted and resolved as follows:

(i) For purposes of this Section 14, the term "Indemnifying Party" when used in connection with particular liabilities shall mean the Person(s) having an obligation to indemnify another Person(s) with respect to such liabilities pursuant to this Section 14, and the term "Indemnified Person" when used in connection with particular Losses shall mean a Person(s) having the right to be indemnified with respect to such Damages pursuant to this Section 14.

(ii) To make claim for indemnification under this Section 14, an Indemnified Person shall notify the Indemnifying Party of its claim, including the specific details of and specific basis under this Agreement for its claim (the "Claim Notice").

(iii) In the event that any claim for indemnification set forth in any Claim Notice is based upon a claim by a Third Party against the Indemnified Person (a "Third Party Claim"), the Indemnified Person shall provide its Claim Notice promptly after the Indemnified Person has actual knowledge of the Third Party Claim and shall enclose a copy of all papers (if any) served with respect to the Third Party Claim; provided that the failure of any Indemnified Person to give notice of an Third Party Claim as provided in this Section 14(d) shall not relieve the Indemnifying Party of its obligations under this Section 14 except to the extent such failure results in insufficient time being available to permit the Indemnifying Party to effectively defend against the Third Party Claim or otherwise prejudices the Indemnifying Party's ability to defend against the Third Party Claim. In the case of a claim for indemnification based upon an Third Party Claim, the Indemnifying Party shall have thirty (30) days from its receipt of the Claim Notice to notify the Indemnified Person whether it admits or denies its obligation to defend the Indemnified Person against such Third Party Claim under this Section 14. The Indemnified Person is authorized, prior to and during such thirty (30) day period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party and that is not prejudicial to the Indemnifying Party. If the Indemnifying Party fails to notify the Indemnified Person within such thirty (30) day period regarding whether the Indemnifying Party admits or denies its obligation to defend the Indemnified Person, then until such date as the Indemnifying Party admits or it is finally determined by an non-appealable judgment that such obligation exists, the Indemnified Person may file any motion, answer or other pleading, settle any Third Party Claim or take any other action that the Indemnified Person deems necessary or appropriate to protect its interest, regardless of whether the Indemnifying Party is prejudiced or adversely impacted by any such actions. If the Indemnifying Party admits its indemnity obligations under this Section 14 with respect to any Third Party Claim, then such Indemnifying Party shall have (1) the right and obligation to diligently prosecute and control the defense, at its sole cost and expense, the Third Party Claim and (2) have full control of such defense and proceedings, including any compromise or settlement thereof unless the compromise or settlement includes the payment of any amount by, the performance of any obligation by, or the limitation of any right or benefit of, the Indemnifying Party, in which event such settlement or compromise shall not be effective without the consent of the Indemnified Person, which shall not be unreasonably withheld or delayed. Indemnifying Party, if requested by the Indemnifying Party, the Indemnified Person agrees at the cost and expense of the Indemnifying Party to cooperate in contesting any Third Party Claim which the Indemnifying Party elects to contest; provided, however, that the Indemnified Person shall not be required to bring any counterclaim or cross-complaint against any Person. The Indemnified Person may participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this Section 14(d) provided that the Indemnified Person may file initial pleadings as described above if required by court or procedural rules to do so within the thirty (30) day period described above. An Indemnifying Party shall not, without the written consent of the Indemnified Person, settle any Third Party Claim or consent to the entry of any judgment with respect thereto that (A) does not result in a final resolution of the Indemnified Person's liability with respect to the Third Party Claim (including, in the case of a settlement, an unconditional written release of the

Indemnified Person from all further liability in respect of such Third Party Claim) or (B) may materially and adversely affect the Indemnified Person (other than as a result of money damages covered by the indemnity). If the Indemnifying Party does not admit its obligation or admits its obligation but fails to diligently defend or settle the Third Party Claim, then the Indemnified Person shall have the right, but not the obligation, to defend and control the defense against the Third Party Claim (at the sole cost and expense of the Indemnifying Party, if the Indemnified Person is entitled to indemnification hereunder), with counsel of the Indemnified Person's choosing, subject to the right of the Indemnifying Party to admit its obligation to indemnify the Indemnified Person and assume the defense of the Third Party Claim at any time prior to settlement or final determination thereof. If the Indemnifying Party has not yet admitted its obligation to indemnify the Indemnified Person, the Indemnified Person shall send written notice to the Indemnifying Party of any proposed settlement and the Indemnifying Party shall have the option for ten (10) days following receipt of such notice to (i) admit in writing its obligation for indemnification with respect to such Third Party Claim and (ii) if its obligation is so admitted, assume the defense of the Third Party Claim, including the power to reject the proposed settlement. If the Indemnified Person settles any Third Party Claim over the objection of the Indemnifying Party after the Indemnifying Party has timely admitted its obligation for indemnification in writing and assumed the defense of the Third Party Claim, the Indemnified Person shall be deemed to have waived any right to indemnity with respect to the Third Party Claim.

(ii) In the case of a claim for indemnification not based upon an Third Party Claim, (a "Direct Claim") will be asserted by giving the Indemnifying Party reasonably prompt Claim Notice thereof, but in any event not later than thirty (30) days after the Indemnified Person becomes aware of the events that gave rise to such Direct Claim. Such Claim Notice by the Indemnified Person will describe the Direct Claim in reasonable detail, will include copies of all available material written evidence thereof and will indicate the estimated amount, if reasonably practicable, of Losses that have been or may be sustained by the Indemnified Person. The Indemnifying Party shall have thirty (60) days from its receipt of the Claim Notice to (A) cure the Losses complained of, (B) admit its obligation to provide indemnification with respect to such Losses or (C) dispute the claim for such Losses. If the Indemnifying Party does not notify the Indemnified Person within such sixty (60) day period that it has cured the Losses or that it disputes the claim for such Losses, the Indemnifying Party shall be conclusively deemed obligated to provide indemnification hereunder with respect to such Direct Claim.

INSURANCE.

Section 1.07. Buyer's Insurance. Buyer shall obtain and maintain insurance for operations conducted on the lands which includes the following: (i) commercial (or comprehensive) general liability and property damage insurance with respect to operations conducted on the Lands, which insurance shall have a limit of not less than $2,000,000 per occurrence for bodily injury and property damage; (ii) worker's compensation insurance as contemplated and required by the laws of the state in which operations will be conducted; (iii) employer's liability insurance with a single limit of not less than $1,000,000; (iv) automobile public liability insurance covering all automotive equipment used under this Agreement with limits of not less than $1,000,000 for bodily injury for each person and $1,000,000 for each

occurrence and $1,000,000 for each occurrence for property damage; (v) operators extra expense policy with limits of not less than $2,000,000 per occurrence covering all loss of well control, explosions, fire and cratering, including expenses of cleanup, containment, seepage, pollution or contamination (such insurance shall also cover redrilling expenses and provide coverage for property in their care, custody and control); (vi) excess umbrella liability insurance in the amount of $10,000,000 in excess of all primary limits listed in (i), (iii) and (iv) above; and (vii) pollution liability insurance in the amount of $2,000,000 (collectively the "Buyer Insurance Policies").

In addition, the Buyer Insurance Policies shall: (i) name Seller as additional insured (except with respect to worker's compensation insurance) insofar as they apply to the lands and leases covered by this Agreement; (ii) contain a provision pursuant to which the insurer agrees not to cancel or modify the insurance coverage without thirty (30) days prior written notice to Seller; and (iii) contain waivers of subrogation of any rights or claims which Buyer or it's contractors or subcontractors may have against the Seller, and shall cover all contractual liability assumed by Buyer hereunder. Buyer will require each of its contractors and subcontractors to obtain and maintain coverage equivalent to the Buyer Insurance Policies insofar as the work of the contractors and subcontractors apply to the lands and leases covered in this Agreement. All insurance coverages carried by Buyer and its contractors and subcontractors shall be primary to any insurance of Seller and no "other insurance" provision shall be applicable to Seller by virtue of having been named an additional insured under any policy of insurance. Any "Sue or Labor" provisions in the Buyer Insurance Policies in which Seller is named an additional insured shall not apply to Seller or its parent or any of its Affiliates or subsidiary companies. The minimum insurance requirements above may be met by a combination of primary and excess insurance policies. Prior to any exercise of the rights granted hereby, Buyer shall furnish Seller with certificates of insurance reflecting the Buyer Insurance Policies.

Section 1.08. Seller's Insurance. Seller shall obtain and maintain insurance for operations conducted on the lands which includes the following: (i) commercial (or comprehensive) general liability and property damage insurance with respect to operations conducted on the Lands, which insurance shall have a limit of not less than $2,000,000 per occurrence for bodily injury and property damage; (ii) worker's compensation insurance as contemplated and required by the laws of the state in which operations will be conducted; (iii) employer's liability insurance with a single limit of not less than $1,000,000; (iv) automobile public liability insurance covering all automotive equipment used under this Agreement with limits of not less than $1,000,000 for bodily injury for each person and $1,000,000 for each occurrence and $1,000,000 for each occurrence for property damage; (v) operators extra expense policy with limits of not less than $2,000,000 per occurrence covering all loss of well control, explosions, fire and cratering, including expenses of cleanup, containment, seepage, pollution or contamination (such insurance shall also cover redrilling expenses and provide coverage for property in their care, custody and control); (vi) excess umbrella liability insurance in the amount of $10,000,000 in excess of all primary limits listed in (i), (iii) and (iv) above; and (vii) pollution liability insurance in the amount of $2,000,000 (collectively the "Seller Insurance Policies").

In addition, the Seller Insurance Policies shall: (i) name Buyer as additional insured (except with respect to worker's compensation insurance) insofar as they apply to the lands and leases covered by this Agreement; (ii) contain a provision pursuant to which the insurer agrees not to cancel or modify the insurance coverage without thirty (30) days prior written notice to

Buyer; and (iii) contain waivers of subrogation of any rights or claims which Seller or it's contractors or subcontractors may have against Buyer, and shall cover all contractual liability assumed by Seller hereunder. Seller will require each of its contractors and subcontractors to obtain and maintain coverage equivalent to the Seller Insurance Policies insofar as the work of the contractors and subcontractors apply to the lands and leases covered in this Agreement. All insurance coverages carried by Seller and its contractors and subcontractors shall be primary to any insurance of Buyer and no "other insurance" provision shall be applicable to Buyer by virtue of having been named an additional insured under any policy of insurance. Any "Sue or Labor" provisions in the Seller Insurance Policies in which Buyer is named an additional insured shall not apply to Buyer or its parent or any of its Affiliates or subsidiary companies. The minimum insurance requirements above may be met by a combination of primary and excess insurance policies. Prior to any exercise of the rights granted hereby, Seller shall furnish Buyer with certificates of insurance reflecting the Seller Insurance Policies.

Section 1.09. Other Requirements. All insurers must be licensed to do business in the State of Texas and shall be rated "A-" or higher under the most current edition of A.M. Best's Key Rating Guide, a Lloyds of London underwriter, or otherwise approved by the Party hereto who constitutes the additional insured. Each Party hereto shall provide the other with a copy of the required policies or, at the option of the Party who constitutes the additional insured, a certificate evidencing the required coverage before the date of this Agreement and, thereafter, at least thirty (30) days before the expiration of each policy.

BREACH. In the event of a breach of the terms and conditions of this Agreement by a Party (the "Breaching Party"), the other Party (the "Non-breaching Party") shall notify the Breaching Party of such default and provide the Breaching Party a reasonable opportunity to cure. If the Breaching Party does not cure the default on or before thirty (30) days after receipt of such notice, the Non-breaching Party shall be entitled to all remedies available at law or equity, including specific performance; provided, however, in no event shall this Agreement be terminated. The Parties hereby agree that no Party shall be liable to the other Party for any failure to deliver any notice required hereunder except to the extent that such failure to deliver any notice was a result of gross negligence or willful misconduct of such breaching Party.

FORCE MAJEURE. If any Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than any obligation to make money payments or provide indemnification, such Party shall promptly deliver to the other Party written notice of the Force Majeure with reasonably full particulars concerning the event of Force Majeure, and thereupon, the obligations of such Party, so far as they are affected by the Force Majeure, shall be suspended during the continuance of the Force Majeure. Such Party shall use its reasonable efforts in good faith to promptly remove the Force Majeure; provided, however, such requirement does not require the settlement of litigation or the settlement of strikes, lockouts, or other labor difficulty by the Party involved, contrary to its wishes; how all such difficulties are handled will be entirely within the discretion of the Party concerned. For purposes of this Agreement, "Force Majeure" means an event which is not reasonably within the control of the Party claiming suspension hereunder. Without limiting the foregoing, "Force Majeure" shall include the following: (a) an act of God, strike, lockout or other industrial disturbance, act of public enemy, terrorism, war, blockade, public riot, lightning, fire, storm, flood, explosion, government prohibition; (b) the inability to obtain on commercially reasonable

terms access to surface locations to drill wells; (c) inability to obtain on commercially reasonable terms in a timely manner labor, services, materials and equipment, including rigs and completion crews, in good and operable working condition and suitable for the operations contemplated by this Agreement; (d) inability to secure required permits, approvals, consents, rights of access or easements from a Governmental Authority to the extent such inability is not attributable to any action, inaction, delay, fault or failure to diligently pursue such permits, approvals, consents, rights of access or easements on the part of the Party claiming Force Majeure; and (e) governmental restraint imposed or caused by federal, state, county or municipal law, or by any rule, regulation, ordinance or order of or delay or failure to act by a federal, state, county, municipal or other government agency to the extent such restraint is not attributable to any direct action, inaction, delay, fault or failure on the part of the Party claiming Force Majeure.

CONFIDENTIALITY. Buyer shall keep and shall cause its Affiliates and its and their respective members, managers, officers, employees agents and representatives to keep all information and data not relating to the Shallow Rights and all records reports, information and data related thereto that Buyer may have obtained or will obtain after the date hereof in strict confidence and shall not use or disclose such information to any Person except to its attorneys and to the extent such disclosure is required by applicable law or to the extent that such records or information is otherwise publicly available, except as a result of the breach hereof by Buyer. Seller shall keep, and shall cause its Affiliates and its and their respective members, managers, officers, employees, agents and representatives to keep, confidential the terms of this Agreement and each other agreement, instrument or document executed or to be executed in connection with the transactions contemplated hereby and thereby and all records, reports, information and data relating to the Shallow Rights and shall not use or disclose such information to any Person except to its attorneys, to the extent such disclosure is required by applicable law or to the extent such records and information is otherwise publically available.

NOTICES. All communications required or permitted under this Agreement shall be in writing and shall be deemed made when actually received, or if mailed by registered or certified mail or Federal Express, postage or fees prepaid, addressed as set forth below, shall be deemed made three (3) days after such mailing. Either Party may, by written notice to the other, change the address for mailing such notices or add an address for a contract operator. Faxes and any other electronic notices may be sent for convenience but must be followed up with a physical mailing.

To Seller: Wapiti Oil & Gas, L.L.C. [Energy]

800 Gessner, Suite 1000

Houston, Texas 77024

Attn: Bart Agee

Phone: **[REDACTED: CONFIDENTIAL PERSONAL INFORMATION]**

Fax: **[REDACTED: CONFIDENTIAL PERSONAL INFORMATION]**

Email: **[REDACTED: CONFIDENTIAL PERSONAL INFORMATION]**

To Buyer:

Argent Energy (US) Holdings, Inc.,

650 N. Sam Houston Parkway East

Suite 500

Houston, Texas 77060

Attn: John T. Elzner

Phone: **[REDACTED: CONFIDENTIAL PERSONAL INFORMATION]**

Fax: **[REDACTED: CONFIDENTIAL PERSONAL INFORMATION]**

Email: **[REDACTED: CONFIDENTIAL PERSONAL INFORMATION]**

RELATIONSHIP. It is not the intention of the Parties to create a partnership, joint venture, mining partnership or association; and neither this Agreement nor the operations hereunder shall be construed as creating such a relationship. The liability of the Parties shall be several and separate, and not joint or collective, and each Party shall be responsible for its obligations only. Nothing contained herein shall be construed to constitute any Party to be the partner, representative or agent of the other Party. The Parties expressly disclaim and waive any and all fiduciary duties as to the relationships of the Parties hereunder. The Parties may perform in whole or in part their obligations and duties under this Agreement through the use of a contract operator. The Parties hereby elect not to be treated as partners for federal income tax purposes and agree to make such election and take such actions as are necessary or appropriate to effectuate such election, including elections to be excluded from the application of Subchapter K, Chapter 1, Subtitle A of the Internal Revenue Code of 1986 (as amended, the "Code") as permitted and authorized by the Code and the regulations promulgated thereunder, and similar provisions of applicable state laws.

EXHIBITS. All exhibits attached to this Agreement are hereby incorporated by reference herein and made a part hereof for all purposes as if set forth in their entirety herein.

ENTIRE AGREEMENT. This Agreement, the exhibits hereto shall constitute the entire agreement among 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 Leases and the Lands. In the event of a conflict between this Agreement and the PSA, the terms and conditions of this Agreement shall govern and prevail; provided, however, notwithstanding anything herein to the contrary, the rights granted in this Agreement shall be subject to any and all agreements, contracts, limitations, obligations, burdens, encumbrances, restrictions binding on Buyer the Leases, the Lands or the Existing Facilities in existence on or prior to the date hereof ("Existing Burdens") and to the extent of any conflict between any the terms of this Agreement and any such Existing Burdens, the terms of such Existing Burdens shall govern and prevail.

AMENDMENT AND WAIVER. This Agreement may not be altered or amended, nor may any rights hereunder be waived, except by an instrument in writing executed by the Party or Parties to be charged with such amendment or waiver.

SEVERABILITY. If one or more of the provisions of this Agreement are deemed by a court of competent jurisdiction to be unenforceable, in whole or in part, the scope of such provisions shall be reduced to the extent necessary to make them enforceable (or, if such reduction is not possible for any reason, such provisions shall be severed from this Agreement entirely) without effect upon the balance of this Agreement.

ASSIGNMENT. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns as provided in this paragraph. Each Party shall give notice to the other of any assignment or delegation, or contract to assign or delegate, any of its rights, interests, duties or obligations under this Agreement; provided, however, that from and after the execution of such assignment, the assignor shall not remain liable to the other Party for all future duties, obligations, indemnities and liabilities hereunder. In addition, the Parties acknowledge and agree that a Party may transfer its interest in a portion, but less than all, of the Leases and Lands and in such event, (a) such assigning Party's obligations and rights under this Agreement shall cease as to the Leases and Lands so assigned but shall remain in full force and effect with respect to the assigning Party's interest in the Leases and Lands retained (b) and the assignee of such portion of the Leases and Lands shall be deemed to have received an assignment of the assignor's rights and obligations hereunder to the extent related to such assigned portion of the Leases and Lands. Notwithstanding anything herein to the contrary, (i) Seller shall not assign any of its rights or obligations under Section 11 without the prior written consent of Buyer and (ii) no Party shall assign any of its rights or obligations under Section 12 without the prior written consent of the other Party.

COVENANTS. Except for the terms, conditions and covenants set forth in Section 11 and Section 12, this Agreement and the terms, conditions and covenants herein shall be deemed to be covenants running with the Leases and Lands, and a burden upon each Party's and its respective successors' and assigns' interest in the Leases and Lands, for the benefit of the other Party's and its respective successors' and assigns' interests in the Leases and Lands. Notwithstanding anything herein to the contrary, Section 11 and Section 12 shall be personal contractual rights and obligations of Seller and Buyer and shall not constitute covenants running with the Leases and the Lands.

RULE AGAINST PERPETUITIES. It is not the intent of the Parties that any provision herein violate any applicable law regarding the rule against perpetuities, the suspension of the absolute power of alienation, or other rules regarding the vesting or duration of estates, and this Agreement shall be construed as not violating such rule to the extent the same can be so construed consistent with the intent of the Parties. However, if any provision hereof is determined to violate such rule, then such provision shall nevertheless be effective for the maximum period (but not longer than the maximum period) permitted by such rule that will result in no violation. To the extent such maximum period is permitted to be determined by reference to "lives in being," the Parties agree that "lives in being" shall refer to the lifetime of the last to die of the now living lineal descendants of George W. Bush (the 43rd Presidents of the United States of America).

GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OF THE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

THIRD PARTIES. The Agreement shall not confer any rights, benefits or remedies to any person or entity not a Party hereto.

NO MERGER. None of the terms and conditions of this Agreement shall be deemed to have merged with any assignments or other instruments executed after the Effective Date.

HEADINGS. The headings of the articles and sections of this Agreement are for convenience and shall not limit or otherwise affect any of the other provisions of this Agreement. References in this Agreement to articles, paragraphs, sections, subsections and exhibits shall be deemed to refer to articles, paragraphs, sections and subsections of and exhibits to this Agreement except as provided otherwise in this Agreement.

INTERPRETATION. The Parties acknowledge that they and their respective counsel have negotiated and drafted this Agreement together, and agree that the rule of construction that ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation or construction of this Agreement.

NO CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY SHALL BE ENTITLED TO CLAIM OR RECOVER FROM ANY OTHER PARTY, AND EACH PARTY HEREBY DISCLAIMS, RELEASES AND WAIVES ANY AND ALL CLAIMS AGAINST THE OTHER PARTY FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES

(INCLUDING, WITHOUT LIMITATION, LOST SALES, PROFITS, REVENUES, INCOME, PRODUCTION OR RESERVES), EXCEPT WITH RESPECT TO INDEMNIFICATION OF ACTUAL THIRD PARTY LOSSES IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AND ANY FINAL AND NON-APPEALABLE JUDGMENT OR AWARD. The Parties acknowledge that the waivers and indemnities set forth herein constitute a specifically bargained for allocation of risk among the Parties, which the Parties agree and acknowledge satisfies the express negligence rule and conspicuousness requirement under Texas law.

TIMING. Time is of the essence of each and every one of the terms and conditions of this Agreement.

FURTHER ASSURANCES. The Parties agree to execute, acknowledge and deliver all instruments, agreements or other documents, and take all action which may be necessary or advisable to consummate the transactions contemplated by this Agreement.

COUNTERPARTS. This Agreement may be executed by the Parties in any number of counterparts, each of which shall be deemed an original instrument for all purposes and all of which together shall constitute one agreement. This Agreement may be executed by telefax, pdf or other electronic signatures.

[Remainder of Page Intentionally Left Blank. Signature Pages to Follow]

EXECUTED effective for all purposes as of the Effective Date.

BUYER

ARGENT ENERGY (US) HOLDINGS, INC.

By: _____

Name: Bryan Prokop

Title: Chief Executive Officer

SELLER

WAPITI OIL & GAS, L.L.C.

By: _____

Name: Bart Agee

Title: President & CEO

WAPITI ENERGY, LLC

By:_____

Name: Bart Agee

Title: President & CEO

Exhibit A

Leases and Lands

See attached.

Exhibit B

Deep Rights

See attached.

SCHEDULE 1.03
EXCLUDED ASSETS

[REDACTED: CONFIDENTIAL PERSONAL INFORMATION, INCLUDING THE IDENTITY OF LESSEES, AND COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE LEGAL DESCRIPTION OF EXCLUDED ASSETS]

SCHEDULE 3.01
RESTRICTIONS ON DISCLOSURE

None.

SCHEDULE 3.04
CONSENTS

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE IDENTITY OF COUNTERPARTIES WITH WHOM THE SELLER CONTRACTS]

SCHEDULE 5.07
PENDING LITIGATION

None.

SCHEDULE 5.08
COMPLIANCE WITH LAW

None.

SCHEDULE 5.09
ROYALTIES

None.

SCHEDULE 5.11(A)
CONTRACTS

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE IDENTITY OF CONTRACTUAL COUNTERPARTIES AND THE NATURE OF CONTRACTUAL RELATIONSHIPS]

SCHEDULE 5.11(B)
CONTRACT EXCEPTIONS

None.

SCHEDULE 5.12(A)
HYDROCARBON SALES CONTRACTS

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE IDENTITY OF CONTRACTUAL COUNTERPARTIES AND THE NATURE OF CONTRACTUAL RELATIONSHIPS]

SCHEDULE 5.12(B)
TAKE OR PAY

None.

SCHEDULE 5.12(C)
PAYOUTS

None.

SCHEDULE 5.13
AMIS

None.

SCHEDULE 5.14
IMBALANCE VOLUMES

None.

SCHEDULE 5.17
OUTSTANDING CONTRACTS, AFES AND INVOICES

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE IDENTITY OF CONTRACTUAL COUNTERPARTIES AND ASSOCIATED EXPENDITURES]

SCHEDULE 5.19
SURFACE USE AGREEMENTS

[REDACTED: CONFIDENTIAL PERSONAL INFORMATION, INCLUDING THE IDENTITY OF LESSORS AND LESSEES, AND COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE LEGAL DESCRIPTION OF SURFACE USE AGREEMENTS]

SCHEDULE 5.20
PLUGGING AND ABANDONMENT OBLIGATIONS

None.

SCHEDULE 5.21
POSSIBLY EXPIRED LEASES

None.

SCHEDULE 5.23
PRIOR PLUGGED AND ABANDONED WELLS

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING THE LOCATION OF PREVIOUSLY PLUGGED AND ABANDONED WELLS]

SCHEDULE 5.25
PROSPECTUS DISCLOSURE

[REDACTED: PORTIONS OF THE PROSPECTUS WHICH WERE NEGOTIATED TO BE REPRESENTED AND WARRANTED BY SELLER]

SCHEDULE 5.26
ENVIRONMENTAL MATTERS

[REDACTED: COMMERCIALLY SENSITIVE INFORMATION, INCLUDING A DESCRIPTION OF ENVIRONMENTAL CLAIMS AND MATTERS RELATED TO THE ASSETS]

SCHEDULE 17.13
KNOWLEDGE PARTIES

[REDACTED: LIST OF INDIVIDUALS]