

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	)	
In re:	)	Chapter 11
	)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (CSS)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	Hearing Date: July 7, 2020 at 1:00 p.m. (ET)
	)	Objection Deadline: June 30, 2020 at 4:00 p.m. (ET)
	)	Related Docket Nos. 16 and 92
	)	

**NOTICE OF (A) ENTRY OF INTERIM ORDER (I) APPROVING  
THE DEBTORS’ PROPOSED ADEQUATE ASSURANCE OF PAYMENT  
FOR FUTURE UTILITY SERVICES (II) PROHIBITING UTILITY  
COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING  
SERVICES, (III) APPROVING THE DEBTORS’ PROPOSED PROCEDURES  
FOR RESOLVING ADDITIONAL ADEQUATE ASSURANCE REQUESTS,  
AND (IV) GRANTING RELATED RELIEF; AND (B) FINAL HEARING THEREON**

PLEASE TAKE NOTICE that, on June 15, 2020, the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned cases filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Approving the Debtors’ Proposed Adequate Assurance of Payment for Future Utility Services (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors’ Proposed Procedures for Resolving Additional Adequate Assurance Requests, and (IV) Granting Related Relief* [Docket No. 16] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). A copy of the Motion is attached hereto as Exhibit A.

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corporation (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.



**PLEASE TAKE FURTHER NOTICE** that, following an initial hearing to consider the Motion on June 16, 2020, the Court entered the *Interim Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, Or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Additional Adequate Assurance Requests, and (IV) Granting Related Relief* [Docket No. 92] (the "Interim Order"). A copy of the Interim order is attached hereto as **Exhibit B**.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Interim Order, objections or responses to the final relief requested in the Motion, if any, must be made in writing and filed with the Court on or before **June 30, 2020 at 4:00 p.m. (Eastern Time)** and shall be served on: (a) the Debtors, Extraction Oil & Gas, Inc., 370 17<sup>th</sup> Street, Suite 5300, Denver, CO 80202, Attn: Eric Christ; (b) the undersigned proposed counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attn: Christopher Marcus, P.C., Allyson Smith Weinhouse, Esq. and Ciara Foster, Esq., and (ii) Whiteford, Taylor & Preston LLC, The Renaissance Centre, Suite 500, 405 North King Street, Wilmington, DE 19801, Attn: Marc R. Abrams, Esq., Richard W. Riley, Esq., and Stephen B. Gerald, Esq.; (c) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Richard L. Schepacarter, Esq.); (d) counsel to the administrative agent under the Debtors' prepetition senior credit facility, Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, TX 77002, Attn: Dewey J. Gonsoulin Jr., Esq., William A. (Trey) Wood III, Esq. and Heather Brown, Esq., (e) counsel to the ad hoc group of lenders under the Debtors' prepetition senior notes, (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019, Attn: Andrew Rosenberg, Esq., Alice Belisle Eaton, Esq., Christopher Hopkins, Esq., Douglas Keeton, Esq., and Omid Rahnama, Esq., and (ii) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, DE 19801, Attn: Pauline

K. Morgan, Esq., and Sean T. Greecher, Esq.; (f) counsel to the ad hoc group of holders of the Debtors' preferred equity, Quinn Emanuel Urquhart & Sullivan, LLP, 51 Madison Avenue, 22<sup>nd</sup> Floor, New York, NY 10010, Attn: Benjamin Finestone, Esq.; and (g) counsel to any official statutory committee appointed in these chapter 11 cases.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Interim Order, the final hearing with respect to the Motion, if required, will be held before The Honorable Christopher S. Sontchi, Chief United States Bankruptcy Judge for the District of Delaware, 824 North Market Street, 5<sup>th</sup> Floor, Courtroom No. 6, Wilmington, Delaware 19801, on **July 7, 2020 at 1:00 p.m. (Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE FINAL RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

*[Remainder of page intentionally left blank.]*

Dated: June 17, 2020  
Wilmington, Delaware

WHITEFORD, TAYLOR & PRESTON LLC

/s/ Richard W. Riley

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- and -

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*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT A**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

	)	
In re:	)	Chapter 11
	)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (___)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

**DEBTORS’ MOTION  
FOR ENTRY OF INTERIM AND  
FINAL ORDERS (I) APPROVING THE  
DEBTORS’ PROPOSED ADEQUATE ASSURANCE  
OF PAYMENT FOR FUTURE UTILITY SERVICES,  
(II) PROHIBITING UTILITY COMPANIES FROM ALTERING,  
REFUSING, OR DISCONTINUING SERVICES, (III) APPROVING  
THE DEBTORS’ PROPOSED PROCEDURES FOR RESOLVING ADDITIONAL  
ADEQUATE ASSURANCE REQUESTS, AND (IV) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state the following in support of this motion (this “Motion”):

**Relief Requested**

1. The Debtors seek entry of an interim order (the “Interim Order”) and a final order (the “Final Order”), substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively: (a) approving the Debtors’ proposed adequate assurance of payment for future utility service providers with adequate assurance of payment under section 366 of the Bankruptcy Code; (b) prohibiting utility service providers from altering, refusing, or discontinuing services;

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.



(c) approving the Debtors' proposed procedures for resolving additional adequate assurance requests; and (d) granting related relief.

2. In addition, the Debtors request that the Court schedule a final hearing within approximately 25 days of the commencement of these chapter 11 cases to consider approval of this Motion on a final basis.

### **Jurisdiction and Venue**

3. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (the "Amended Standing Order"). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Local Rules"), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are sections 105(a), and 366 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), Bankruptcy Rules 6003 and 6004, and Bankruptcy Local Rule 9013-1(m).

6. On June 14, 2020 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description surrounding the facts and circumstances of these chapter 11 cases is set forth in the *Declaration of Matthew R. Owens, Co-Founder, President and Chief Executive Officer of the Debtors, in Support of Chapter 11 Petitions*

and *First Day Motions* (the “First Day Declaration”), filed contemporaneously with this Motion and incorporated by reference herein.

7. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors have requested procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

### **Utility Services and Proposed Adequate Assurance**

#### **I. The Utility Services and Utility Companies.**

8. In connection with the operation of their business and management of their properties, the Debtors obtain electricity, internet and other telecommunications, waste management, and other similar services (collectively, the “Utility Services”) from a number of utility companies or brokers (each, a “Utility Company” and, collectively, the “Utility Companies”). A list of the Utility Companies and their affiliates that provide Utility Services to the Debtors as of the Petition Date (the “Utility Services List”) is attached hereto as **Exhibit C**.<sup>2</sup> The relief requested herein is requested with respect to all Utility Companies providing Utility Services to the Debtors.

9. Uninterrupted Utility Services are essential to the Debtors’ ongoing business operations and, hence, the overall success of these chapter 11 cases. The Debtors’ business

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<sup>2</sup> Although the Debtors believe that the Utility Services List includes all of their Utility Companies, the Debtors reserve the right to supplement the list if they inadvertently omitted any Utility Company. In addition, the inclusion of any entity on the Utility Services List is not an admission by the Debtors that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights with respect to any such determination.



involves developing, producing, and marketing oil and natural gas and the Debtors must maintain the ability to run their production equipment in a near-constant state. Moreover, the Debtors' operations require electricity and gas for lighting, heating, and air conditioning. In addition to the production processes conducted in the field, the Debtors operate corporate offices, as well as several regional field offices responsible for ensuring the smooth operation of the Debtors' business. These offices require electricity, telecommunications, internet, water, and waste management services to operate in each of their respective locations. Should any Utility Company refuse or discontinue service, even for a brief period, the Debtors' business operations would be severely disrupted, and such disruption would jeopardize the Debtors' ability to manage their efforts in reaching a value-preserving resolution. Accordingly, it is essential that the Utility Services continue uninterrupted during these chapter 11 cases.

10. To the best of the Debtors' knowledge, there are no defaults or arrearages with respect to the Debtors' undisputed invoices for prepetition Utility Services. On average, the Debtors pay approximately \$912,832 each month for third-party Utility Services, calculated as a historical average payment for the twelve-month period ended April 20, 2020. Accordingly, the Debtors estimate that their cost for Utility Services during the next 30 days (not including any deposits to be paid) will be approximately \$912,832 in the ordinary course of business.

## **II. Proposed Adequate Assurance of Payment.**

11. The Debtors intend to timely pay postpetition obligations owed to the Utility Companies in the ordinary course of business. The Debtors believe that cash held on hand, cash generated in the ordinary course of business, and cash otherwise available to the Debtors under the proposed debtor-in-possession financing, will provide sufficient liquidity to pay the Debtors' Utility Service obligations in accordance with prepetition practice.

12. To provide additional assurance of payment, the Debtors propose to deposit approximately \$460,000 into a segregated account (the “Adequate Assurance Deposit”). The Adequate Assurance Deposit represents an amount equal to approximately one half of the Debtors’ average monthly cost of Utility Services, calculated as a historical average payment for the twelve-month period ended April 20, 2020 excluding any prepaid amounts or Prepetition Deposits provided to the Utility Companies in the ordinary course, as detailed in **Exhibit C**. The Adequate Assurance Deposit will be held in a segregated account at Wells Fargo Bank, N.A. for the benefit of the Utility Companies (the “Adequate Assurance Account”) for the duration of these chapter 11 cases and may be applied to any postpetition defaults in payment to the Utility Companies. The Adequate Assurance Deposit will be held by the Debtors.

13. The Debtors submit that the Adequate Assurance Deposit, in conjunction with the Debtors’ cash flow from operations and cash on hand, demonstrates their ability to pay for future Utility Services in accordance with their prepetition practices (collectively, the “Proposed Adequate Assurance”), and constitutes sufficient adequate assurance to the Utility Companies in full satisfaction of section 366 of the Bankruptcy Code.

### **III. The Adequate Assurance Procedures.**

14. A Utility Company that believes additional adequate assurance is required may request such assurance pursuant to the following procedures (the “Adequate Assurance Procedures”):

15. Any Utility Company that is not satisfied with the Proposed Adequate Assurance may make a request for additional or different adequate assurance of future payment (each, an “Adequate Assurance Request”) pursuant to the Adequate Assurance Procedures set forth below. The Adequate Assurance Procedures set forth a streamlined process for Utility Companies to address potential concerns with respect to the Proposed Adequate Assurance, while

at the same time allowing the Debtors to continue their business operations uninterrupted. More specifically, the Adequate Assurance Procedures permit a Utility Company to object to the Proposed Adequate Assurance by filing and serving an Adequate Assurance Request upon certain notice parties.

16. The Debtors, in their discretion, may then resolve any Adequate Assurance Request by mutual agreement with the Utility Company and without further order of the Court. If Debtors determine that the Adequate Assurance Request cannot be resolved by mutual agreement, the Debtors may seek Court resolution of the Adequate Assurance Request. Unless and until a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (a) deemed to have received adequate assurance of payment “satisfactory” to such Utility Company in compliance with section 366 of the Bankruptcy Code; and (b) forbidden to discontinue, alter, or refuse services to, or discriminate against, the Debtors on account of any unpaid prepetition charges, or require additional assurance of payment other than the Proposed Adequate Assurance.

17. If any entity believes that it is a Utility Company and seeks to make an Adequate Assurance Request, the Debtors request they be required to do so pursuant to the following Adequate Assurance Procedures:

- a. The Debtors will serve a copy of this Motion and the order granting the relief requested herein to each Utility Company in accordance with Bankruptcy Local Rule 9013-1(m)(iv).
- b. Subject to paragraphs (f)–(i) herein, the Debtors will deposit the Adequate Assurance Deposit, in the aggregate amount of approximately \$460,000, in the Adequate Assurance Account as soon as practicable after entry of the order granting this Motion.
- c. Each Utility Company shall be entitled to the funds in the Adequate Assurance Account in the amount set forth for such Utility Company in the column labeled “Proposed Adequate Assurance” on the Utility Services List, attached hereto as **Exhibit C**.

- d. If an amount relating to Utility Services provided postpetition by a Utility Company is unpaid, and remains unpaid beyond any applicable grace period, such Utility Company may request a disbursement from the Adequate Assurance Account by giving notice by electronic mail to Notice Parties (as defined in the Order). The Debtors shall honor such request within five business days after the date the request is received by the Debtors, subject to the ability of the Debtors and any such requesting Utility Company to resolve any dispute regarding such request without further order of the Court. To the extent a Utility Company receives a disbursement from the Adequate Assurance Account, the Debtors shall replenish the Adequate Assurance Account in the amount disbursed.
- e. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (i) reconciliation and payment by the Debtors of the Utility Company's final invoice in accordance with applicable nonbankruptcy law following the Debtors' termination of Utility Services from such Utility Company or (ii) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.
- f. Any Utility Company desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve an additional Adequate Assurance Request on the Notice Parties.
- g. Any additional Adequate Assurance Request must (i) be in writing, (ii) identify the location for which the Utility Services are provided, (iii) summarize the Debtors' payment history relevant to the affected account(s), (iv) certify the amount that is equal to two weeks of the Utility Services the Utility Company provides to the Debtors, calculated as a historical average over the twelve month period ended April 20, 2020, and (v) certify that the Utility Company does not already hold a Prepetition Deposit equal to or greater than two weeks of Utility Services.
- h. Unless a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (i) deemed to have received "satisfactory" adequate assurance of payment in compliance with section 366 of the Bankruptcy Code; and (ii) forbidden from discontinuing, altering, or refusing Utility Services to, or discriminating against, the Debtors on account of any unpaid prepetition charges, or requiring additional assurance of payment other than the Proposed Adequate Assurance.
- i. Upon the Debtors' receipt of any additional Adequate Assurance Request, the Debtors shall promptly negotiate with such Utility Company to resolve such Utility Company's additional Adequate Assurance Request.

- j. The Debtors may, without further order from the Court, resolve any additional Adequate Assurance Request by mutual agreement with the relevant Utility Company and, the Debtors may, in connection to any such agreement, provide such Utility Company with additional adequate assurance of payment, including, but not limited to, cash deposits, prepayments, or other forms of security if the Debtors believe that such additional assurance is reasonable.
- k. If the Debtors and the Utility Company are not able to reach an alternative resolution within 14 days of receipt of the additional Adequate Assurance Request, the Debtors will request a hearing before the Court at the next regularly scheduled omnibus hearing to determine the adequacy of assurances of payment with respect to a particular Utility Company (the “Determination Hearing”) pursuant to section 366(c)(3) of the Bankruptcy Code.
- l. Pending resolution at any such Determination Hearing, the Utility Company filing such additional Adequate Assurance Request shall be prohibited from altering, refusing, or discontinuing Utility Services to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

#### **IV. Modifications to the Utility Services List.**

18. To the extent the Debtors identify new or additional Utility Companies or discontinue services from existing Utility Companies, the Debtors seek authority to add or remove parties from the Utility Services List. For any Utility Company that is subsequently added to the Utility Services List, the Debtors will serve such Utility Company with a copy of the Court’s order regarding Utility Services, including the Adequate Assurance Procedures. The Debtors request that the terms of such Utility Services order and the Adequate Assurance Procedures apply to any subsequently identified Utility Company.

#### **Basis for Relief**

19. As discussed above, section 366 of the Bankruptcy Code protects a debtor against the immediate termination or alteration of utility services after the Petition Date. *See* 11 U.S.C. § 366. Section 366(c) of the Bankruptcy Code requires the debtor to provide “adequate assurance” of payment for postpetition services in a form “satisfactory” to the utility

company within thirty days of the petition, or the utility company may alter, refuse, or discontinue service. 11 U.S.C. § 366(c)(2). Section 366(c)(1) of the Bankruptcy Code provides a non-exhaustive list of examples for what constitutes “assurance of payment.” Although assurance of payment must be “adequate,” it need not constitute an absolute guarantee of the debtors’ ability to pay. *See In re Caldor, Inc.—NY*, 199 B.R. 1, 3 (S.D.N.Y. 1996) (“Section 366(b) requires . . . ‘adequate assurance’ of payment. The statute does not require an ‘absolute guarantee of payment’”), *aff’d sub nom. Va. Elec. & Power Co. v. Caldor, Inc.—NY*, 117 F.3d 646 (2d Cir. 1997); *In re Great Atl. & Pac. Tea Co.*, No. 11-CV-1338, 2011 WL 5546954, at \*5 (S.D.N.Y. Nov. 14, 2011) (finding that “[c]ourts will approve an amount that is adequate enough to insure against unreasonable risk of nonpayment, but are not required to give the equivalent of a guaranty of payment in full”).

20. When considering whether a given assurance of payment is “adequate,” the Court should examine the totality of the circumstances to make an informed decision as to whether the Utility Company will be subject to an unreasonable risk of nonpayment. *See Mass. Elec. Co. v. Keydata Corp. (In re Keydata Corp.)*, 12 B.R. 156, 158 (B.A.P. 1st Cir. 1981); *In re Adelpia Bus. Solutions, Inc.*, 280 B.R. 63, 82–83 (Bankr. S.D.N.Y. 2002). In determining the level of adequate assurance, however, “a bankruptcy court must focus upon the need of the utility for assurance, and . . . require that the debtor supply no more than that, since the debtor almost perforce has a conflicting need to conserve scarce financial resources.” *Va. Elec. & Power Co.*, 117 F.3d at 650 (internal quotation marks omitted) (quoting *In re Penn Jersey Corp.*, 72 B.R. 981, 985 (Bankr. E.D. Pa. 1987)); *see also In re Penn. Cent. Transp. Co.*, 467 F.2d 100, 103–04 (3d Cir. 1972) (affirming bankruptcy court’s ruling that no utility deposits were necessary where such deposits likely would “jeopardize the continuing operation of the [debtor] merely to give further security

to suppliers who already are reasonably protected”). Accordingly, demands by a Utility Company for a guarantee of payment should be refused when the Debtors’ specific circumstances already afford adequate assurance of payment.

21. Here, the Utility Companies are adequately assured against any risk of nonpayment for future services, especially in light of the Debtors’ history of paying all utility bills on time and in the ordinary course. The Adequate Assurance Deposit and the Debtors’ ongoing ability to meet obligations as they come due in the ordinary course provide assurance of the Debtors’ payment of their future obligations. Moreover, termination of Utility Services could result in the Debtors’ inability to operate its business to the detriment of all stakeholders. *In re Monroe Well Serv., Inc.*, 83 B.R. 317, 321–22 (Bankr. E.D. Pa. 1988) (noting that without utility service the debtors “would have to cease operations” and that section 366 of the Bankruptcy Code “was intended to limit the leverage held by utility companies, not increase it”).

22. Courts are permitted to fashion reasonable procedures, such as the Adequate Assurance Procedures proposed herein, to implement the protections afforded under section 366 of the Bankruptcy Code. *See, e.g., In re Circuit City Stores, Inc.*, No. 08-35653, 2009 WL 484553, at \*5 (Bankr. E.D. Va. Jan. 14, 2009) (stating that “[t]he plain language of § 366 of the Bankruptcy Code allows the Court to adopt the [p]rocedures set forth in the [u]tility [o]rder”). Such procedures are important because, without them, the Debtors “could be forced to address numerous requests by utility companies in an unorganized manner at a critical period in their efforts to reorganize.” *Id.* Here, notwithstanding a determination that the Proposed Adequate Assurance constitutes sufficient adequate assurance, any rights the Utility Companies believe they have under sections 366(b) and 366(c)(2) of the Bankruptcy Code are wholly preserved under the Adequate Assurance Procedures. *See, e.g., id.* at \*5–6. The Utility Companies still may choose,

in accordance with the Adequate Assurance Procedures, to request modification of the Proposed Adequate Assurance. *See, e.g., id.* at \*6. The Adequate Assurance Procedures, however, avoid a haphazard and chaotic process whereby each Utility Company could make an extortionate, last-minute demand for adequate assurance that would force the Debtors to pay under the threat of losing critical Utility Services. *See, e.g., id.* at \*5.

23. Because the Adequate Assurance Procedures are reasonable and in accord with the purposes of section 366 of the Bankruptcy Code, the Court should grant the relief requested herein. Indeed, similar procedures have been approved by courts in this district. *See, e.g., In re Bluestem Brands, Inc.*, No. 20-10566 (MFW) (Bankr. D. Del Apr. 13, 2020) (approving adequate assurance deposit equal to one-half of debtor's monthly utility expenses on a final basis); *In re Clover Techs. Grp., LLC*, No. 19-12680 (KBO) (Bankr. D. Del. Jan. 21, 2020); *In re Dura Auto. Sys., LLC*, No. 19-12378 (KBO) (Bankr. D. Del. Nov. 19, 2019) (same); *In re Destination Maternity Corp.*, No. 19-12256 (BLS) (Bankr. D. Del. Nov. 12, 2019) (same); *In re Forever 21, Inc.*, No. 19-12122 (KG) (Bankr. D. Del. Oct. 28, 2019) (same).<sup>3</sup>

24. Further, the Court possesses the power, under section 105(a) of the Bankruptcy Code, to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” The Adequate Assurance Procedures and the Proposed Adequate Assurance are necessary and appropriate to carry out the provisions on the Bankruptcy Code, particularly section 366 thereof. Accordingly, the Court should exercise its powers under sections 366 and 105(a) of the Bankruptcy Code and approve both the Adequate Assurance Procedures and the Proposed Adequate Assurance.

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<sup>3</sup> Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.



**Processing of Checks and Electronic Fund Transfers Should Be Authorized**

25. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. Under the Debtors' existing cash management system, the Debtors have made arrangements to readily identify checks or wire transfer requests relating to the Utility Services, as applicable. Accordingly, the Debtors believe that checks or wire transfer requests that are not related to authorized payments will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

**The Requirements of Bankruptcy Rule 6003 Are Satisfied**

26. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003. For the reasons discussed above, authorizing the Debtors to pay for the Utility Services that accrued prior to the Petition Date and granting the other relief requested herein is integral to the Debtors' ability to transition their operations into these chapter 11 cases smoothly. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

27. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and

that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

### **Reservation of Rights**

28. Nothing contained in this Motion or any actions taken by the Debtors pursuant to any order granting the relief requested by this Motion is intended or should be construed as: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors or any other party-in-interest that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid and the Debtors and all other parties-in-interest expressly reserve their rights to contest the extent, validity, or perfection, or to seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party-in-interest's rights to subsequently dispute such claim.

### **Notice**

29. Notice of the hearing on the relief requested in this Motion will be provided by the Debtors in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as the Bankruptcy Local Rules, and is sufficient under the circumstances. Without limiting the foregoing, due notice will be afforded, whether by facsimile, electronic mail, overnight courier or

hand delivery, to parties-in-interest, including: (a) the U.S. Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition senior credit facility or, in lieu thereof, counsel thereto; (d) the lenders under the Debtors' prepetition senior credit facility or, in lieu thereof, counsel thereto; (e) the lenders under the Debtors' debtor-in-possession financing facilities or, in lieu thereof, counsel thereto; (f) the administrative agent under the Debtors' debtor-in-possession financing facilities or, in lieu thereof, counsel thereto; (g) the indenture trustee for the Debtors' prepetition senior notes or, in lieu thereof, counsel thereto; (h) the holders of the Debtors' prepetition senior notes or, in lieu thereof, counsel thereto; (i) the ad hoc group of holders of the Debtors' preferred equity or, in lieu thereof, counsel thereto; (j) the United States Attorney's Office for the District of Delaware; (k) the Internal Revenue Service; (l) the United States Securities and Exchange Commission; (m) the state attorneys general for states in which the Debtors conduct business; (n) the Utility Companies; and (o) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

30. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, granting the relief requested in this Motion and granting such other and further relief as is appropriate under the circumstances.

Dated: June 15, 2020  
Wilmington, Delaware

*/s/ Richard W. Riley*

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**WHITEFORD, TAYLOR & PRESTON LLC<sup>1</sup>**

Marc R. Abrams (DE No. 955)  
Richard W. Riley (DE No. 4052)  
Stephen B. Gerald (DE No. 5857)  
The Renaissance Centre  
405 North King Street, Suite 500  
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sgerald@wtplaw.com

- and -

**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**

Christopher Marcus, P.C. (*pro hac vice* pending)  
Allyson Smith Weinhouse (*pro hac vice* pending)  
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allyson.smith@kirkland.com  
ciara.foster@kirkland.com

*Proposed Co-Counsel to the Debtors and Debtors in Possession*

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<sup>1</sup> Whiteford, Taylor & Preston LLC operates as Whiteford Taylor & Preston L.L.P. in jurisdictions outside of Delaware.

**Exhibit A**

**Proposed Interim Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	)	
In re:	)	Chapter 11
	)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (___)
	)	
Debtors.	)	(Joint Administration Requested)
	)	
	)	Re: Docket No. ___

**INTERIM ORDER (I)  
APPROVING THE DEBTORS’  
PROPOSED ADEQUATE ASSURANCE  
OF PAYMENT FOR FUTURE UTILITY SERVICES, |  
(II) PROHIBITING UTILITY COMPANIES FROM ALTERING,  
REFUSING, OR DISCONTINUING SERVICES,(III) APPROVING  
THE DEBTORS’ PROPOSED PROCEDURES FOR RESOLVING ADDITIONAL  
ADEQUATE ASSURANCE REQUESTS, AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (a) approving the Debtors’ Proposed Adequate Assurance of payment for future Utility Services with adequate assurance of payment under section 366 of the Bankruptcy Code; (b) prohibiting Utility Companies from altering, refusing, or discontinuing services; (c) approving the Debtors’ proposed procedures for resolving additional Adequate Assurance Requests; and (d) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Order; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Subject to the Adequate Assurance Procedures for resolving additional Adequate Assurance Requests, the Motion is granted on an interim basis as set forth herein.

2. The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2020 at \_\_\_:\_\_\_ .m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on \_\_\_\_\_, 2020, and shall be served on: (a) the Debtors, Extraction Oil & Gas, Inc., 370 17th Street, Suite 5300, Denver, Colorado 80202, Attn: Eric Christ; (b) proposed counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Christopher Marcus, P.C., Allyson Smith Weinhouse, and Ciara Foster and (ii) Whiteford, Taylor & Preston LLC, The Renaissance Centre, Suite 500, 405 North King Street, Wilmington, Delaware 19801, Attn: Marc R. Abrams, Richard W. Riley, and Stephen B. Gerald; (c) the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Richard L. Schepacarter;

(d) counsel to the administrative agent under the Debtors' prepetition senior credit facility, Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002, Attn: Dewey J. Gonsoulin Jr., William A. (Trey) Wood III, and Heather Brown; (e) counsel to the ad hoc group of lenders under the Debtors' prepetition senior notes, (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019, Attn: Andrew Rosenberg, Alice Belisle Eaton, Christopher Hopkins, Douglas Keeton and Omid Rahnama and (ii) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801, Attn: Pauline K. Morgan & Sean T. Greecher; (f) counsel to the ad hoc group of holders of the Debtors' preferred equity, Quinn Emanuel Urquhart & Sullivan, LLP, 51 Madison Avenue, 22nd Floor, New York, New York 10010, Attn: Benjamin Finestone; and (g) counsel to any statutory committee appointed in these chapter 11 cases. In the event no objections to entry of the Final Order on the Motion are timely received, this Court may enter such Final Order without need for the Final Hearing.

3. The Adequate Assurance Deposit, together with the Debtors' ability to pay for future Utility Services in the ordinary course of business subject to the Adequate Assurance Procedures, shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

4. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (a) the reconciliation and payment by the Debtors of the Utility Company's final invoice in accordance with applicable nonbankruptcy law following the Debtors' termination of Utility Services from such Utility Company and (b) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.



5. All Utility Companies are prohibited from altering, refusing, or discontinuing services on account of any unpaid prepetition charges, the commencement of these chapter 11 cases, or any perceived inadequacy of the Proposed Adequate Assurance.

6. The following Adequate Assurance Procedures are hereby approved:

- a. The Debtors will serve a copy of this Motion and the order granting the relief requested herein to each Utility Company in accordance with Bankruptcy Local Rule 9013-1(m)(iv).
- b. Subject to paragraphs (f)–(i) herein, the Debtors will deposit the Adequate Assurance Deposit, in the aggregate amount of approximately \$460,000, in the Adequate Assurance Account as soon as practicable after entry of the order granting this Motion.
- c. Each Utility Company shall be entitled to the funds in the Adequate Assurance Account in the amount set forth for such Utility Company in the column labeled “Proposed Adequate Assurance” on the Utility Services List, attached hereto as **Exhibit C**.
- d. If an amount relating to Utility Services provided postpetition by a Utility Company is unpaid, and remains unpaid beyond any applicable grace period, such Utility Company may request a disbursement from the Adequate Assurance Account by giving notice by electronic mail to Notice Parties (as defined in the Order). The Debtors shall honor such request within five business days after the date the request is received by the Debtors, subject to the ability of the Debtors and any such requesting Utility Company to resolve any dispute regarding such request without further order of the Court. To the extent a Utility Company receives a disbursement from the Adequate Assurance Account, the Debtors shall replenish the Adequate Assurance Account in the amount disbursed.
- e. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (i) reconciliation and payment by the Debtors of the Utility Company’s final invoice in accordance with applicable nonbankruptcy law following the Debtors’ termination of Utility Services from such Utility Company or (ii) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.
- f. Any Utility Company desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve an additional Adequate Assurance Request on the Notice Parties.

- g. Any additional Adequate Assurance Request must (i) be in writing, (ii) identify the location for which the Utility Services are provided, (iii) summarize the Debtors' payment history relevant to the affected account(s), (iv) certify the amount that is equal to two weeks of the Utility Services the Utility Company provides to the Debtors, calculated as a historical average over the twelve month period ended April 20, 2020, and (v) certify that the Utility Company does not already hold a Prepetition Deposit equal to or greater than two weeks of Utility Services.
- h. Unless a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (i) deemed to have received "satisfactory" adequate assurance of payment in compliance with section 366 of the Bankruptcy Code; and (ii) forbidden from discontinuing, altering, or refusing Utility Services to, or discriminating against, the Debtors on account of any unpaid prepetition charges, or requiring additional assurance of payment other than the Proposed Adequate Assurance.
- i. Upon the Debtors' receipt of any additional Adequate Assurance Request, the Debtors shall promptly negotiate with such Utility Company to resolve such Utility Company's additional Adequate Assurance Request.
- j. The Debtors may, without further order from the Court, resolve any additional Adequate Assurance Request by mutual agreement with the relevant Utility Company and, the Debtors may, in connection to any such agreement, provide such Utility Company with additional adequate assurance of payment, including, but not limited to, cash deposits, prepayments, or other forms of security if the Debtors believe that such additional assurance is reasonable.
- k. If the Debtors and the Utility Company are not able to reach an alternative resolution within 14 days of receipt of the additional Adequate Assurance Request, the Debtors will request a hearing before the Court at the next regularly scheduled omnibus hearing to determine the adequacy of assurances of payment with respect to a particular Utility Company (the "Determination Hearing") pursuant to section 366(c)(3) of the Bankruptcy Code.
- l. Pending resolution at any such Determination Hearing, the Utility Company filing such additional Adequate Assurance Request shall be prohibited from altering, refusing, or discontinuing Utility Services to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

7. The Utility Companies are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

8. Unless a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (a) deemed to have received adequate assurance of payment “satisfactory” to such Utility Company in compliance with section 366 of the Bankruptcy Code; and (b) forbidden to discontinue, alter, or refuse services to, or discriminate against, the Debtors on account of any unpaid prepetition charges, or require additional assurance of payment other than the Proposed Adequate Assurance.

9. The relief granted herein is for all Utility Companies providing Utility Services to the Debtors and is not limited to those parties or entities listed on the Utility Services List.

10. The Debtors’ service of the Motion upon the Utility Services List shall not constitute an admission or concession that any such entity is a “utility” within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

11. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing contained in the Motion or this Interim Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtors’ right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors’ rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors or any other party-in-interest that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Interim Order are valid and the Debtors and all other parties-in-interest expressly reserve their rights to contest

the extent, validity, or perfection, or to seek avoidance of all such liens. Any payment made pursuant to this Interim Order should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party-in-interest's rights to subsequently dispute such claim.

12. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order without any duty of further inquiry and without liability for following the Debtors' instructions.

13. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any payment to the Utility Companies.

14. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

18. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

**Exhibit B**

**Proposed Final Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

_____	)	
In re:	)	Chapter 11
	)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (___)
	)	
Debtors.	)	(Joint Administration Requested)
	)	
_____	)	Re: Docket No. ___

**FINAL ORDER (I)  
APPROVING THE DEBTORS’  
PROPOSED ADEQUATE ASSURANCE  
OF PAYMENT FOR FUTURE UTILITY SERVICES,  
(II) PROHIBITING UTILITY COMPANIES FROM ALTERING,  
REFUSING, OR DISCONTINUING SERVICES,(III) APPROVING  
THE DEBTORS’ PROPOSED PROCEDURES FOR RESOLVING ADDITIONAL  
ADEQUATE ASSURANCE REQUESTS, AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Final Order”): (a) approving the Debtors’ Proposed Adequate Assurance of payment for future Utility Services with adequate assurance of payment under section 366 of the Bankruptcy Code; (b) prohibiting Utility Companies from altering, refusing, or discontinuing services; (c) approving the Debtors’ proposed procedures for resolving additional Adequate Assurance Requests; and (d) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and that this

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Subject to the Adequate Assurance Procedures for resolving additional Adequate Assurance Requests, the Motion is granted on a final basis as set forth herein.

2. The Adequate Assurance Deposit, together with the Debtors' ability to pay for future Utility Services in the ordinary course of business subject to the Adequate Assurance Procedures, shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

3. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (a) the reconciliation and payment by the Debtors of the Utility Company's final invoice in accordance with applicable nonbankruptcy law following the Debtors' termination of Utility Services from such Utility Company and (b) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.



4. All Utility Companies are prohibited from altering, refusing, or discontinuing services on account of any unpaid prepetition charges, the commencement of these chapter 11 cases, or any perceived inadequacy of the Proposed Adequate Assurance.

5. The following Adequate Assurance Procedures are hereby approved:

- a. The Debtors will serve a copy of this Motion and the order granting the relief requested herein to each Utility Company in accordance with Bankruptcy Local Rule 9013-1(m)(iv).
- b. Subject to paragraphs (f)–(i) herein, the Debtors will deposit the Adequate Assurance Deposit, in the aggregate amount of approximately \$460,000, in the Adequate Assurance Account as soon as practicable after entry of the order granting this Motion.
- c. Each Utility Company shall be entitled to the funds in the Adequate Assurance Account in the amount set forth for such Utility Company in the column labeled “Proposed Adequate Assurance” on the Utility Services List, attached hereto as **Exhibit C**.
- d. If an amount relating to Utility Services provided postpetition by a Utility Company is unpaid, and remains unpaid beyond any applicable grace period, such Utility Company may request a disbursement from the Adequate Assurance Account by giving notice by electronic mail to Notice Parties (as defined in the Order). The Debtors shall honor such request within five business days after the date the request is received by the Debtors, subject to the ability of the Debtors and any such requesting Utility Company to resolve any dispute regarding such request without further order of the Court. To the extent a Utility Company receives a disbursement from the Adequate Assurance Account, the Debtors shall replenish the Adequate Assurance Account in the amount disbursed.
- e. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (i) reconciliation and payment by the Debtors of the Utility Company’s final invoice in accordance with applicable nonbankruptcy law following the Debtors’ termination of Utility Services from such Utility Company or (ii) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.
- f. Any Utility Company desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve an additional Adequate Assurance Request on the Notice Parties.

- g. Any additional Adequate Assurance Request must (i) be in writing, (ii) identify the location for which the Utility Services are provided, (iii) summarize the Debtors' payment history relevant to the affected account(s), (iv) certify the amount that is equal to two weeks of the Utility Services the Utility Company provides to the Debtors, calculated as a historical average over the twelve month period ended April 20, 2020, and (v) certify that the Utility Company does not already hold a Prepetition Deposit equal to or greater than two weeks of Utility Services.
- h. Unless a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (i) deemed to have received "satisfactory" adequate assurance of payment in compliance with section 366 of the Bankruptcy Code; and (ii) forbidden from discontinuing, altering, or refusing Utility Services to, or discriminating against, the Debtors on account of any unpaid prepetition charges, or requiring additional assurance of payment other than the Proposed Adequate Assurance.
- i. Upon the Debtors' receipt of any additional Adequate Assurance Request, the Debtors shall promptly negotiate with such Utility Company to resolve such Utility Company's additional Adequate Assurance Request.
- j. The Debtors may, without further order from the Court, resolve any additional Adequate Assurance Request by mutual agreement with the relevant Utility Company and, the Debtors may, in connection to any such agreement, provide such Utility Company with additional adequate assurance of payment, including, but not limited to, cash deposits, prepayments, or other forms of security if the Debtors believe that such additional assurance is reasonable.
- k. If the Debtors and the Utility Company are not able to reach an alternative resolution within 14 days of receipt of the additional Adequate Assurance Request, the Debtors will request a hearing before the Court at the next regularly scheduled omnibus hearing to determine the adequacy of assurances of payment with respect to a particular Utility Company (the "Determination Hearing") pursuant to section 366(c)(3) of the Bankruptcy Code.
- l. Pending resolution at any such Determination Hearing, the Utility Company filing such additional Adequate Assurance Request shall be prohibited from altering, refusing, or discontinuing Utility Services to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

6. The Utility Companies are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

7. Unless a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (a) deemed to have received adequate assurance of payment “satisfactory” to such Utility Company in compliance with section 366 of the Bankruptcy Code; and (b) forbidden to discontinue, alter, or refuse services to, or discriminate against, the Debtors on account of any unpaid prepetition charges, or require additional assurance of payment other than the Proposed Adequate Assurance.

8. The relief granted herein is for all Utility Companies providing Utility Services to the Debtors and is not limited to those parties or entities listed on the Utility Services List.

9. The Debtors’ service of the Motion upon the Utility Services List shall not constitute an admission or concession that any such entity is a “utility” within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

10. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing contained in the Motion or this Final Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtors’ right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors’ rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors or any other party-in-interest that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Final Order are valid and the Debtors and all other parties-in-interest expressly reserve their rights to contest the

extent, validity, or perfection, or to seek avoidance of all such liens. Any payment made pursuant to this Final Order should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party-in-interest's rights to subsequently dispute such claim.

11. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

12. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any payment to the Utility Companies.

13. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

**Exhibit C**

**Utility Services List**

**Utility Services List**

<b>Legal Entity</b>	<b>Utility Provider Name</b>	<b>Address</b>	<b>Account Number(s) (if known)</b>	<b>Service(s)</b>	<b>Adequate Assurance Deposit (in \$)</b>
Extraction Oil & Gas, Inc.	ALLSTREAM	18110 SE 34TH STREET BLDG 1, SUITE 100 VANCOUVER WA 98683-9497	920783	TELECOMMUNICATIONS	\$692
Extraction Oil & Gas, Inc.	ALLSTREAM	18110 SE 34TH STREET BLDG 1, SUITE 100 VANCOUVER WA 98683-9497	1237754	TELECOMMUNICATIONS	\$426
Extraction Oil & Gas, Inc.	ALLSTREAM	18110 SE 34TH STREET BLDG 1, SUITE 100 VANCOUVER WA 98683-9497	925080	TELECOMMUNICATIONS	\$0
Extraction Oil & Gas, Inc.	ALLSTREAM	18110 SE 34TH STREET BLDG 1, SUITE 100 VANCOUVER WA 98683-9497	1237759	TELECOMMUNICATIONS	\$0
Extraction Oil & Gas, Inc.	AT&T	1675 BROADWAY DENVER, CO 80202	N/A	TELECOMMUNICATIONS	\$110
Extraction Oil & Gas, Inc.	BROADVOICE	9221 CORBIN AVENUE SUITE 260 NORTHRIDGE, CA 91324	N/A	TELECOMMUNICATIONS	\$1,490
Extraction Oil & Gas, Inc.	BROADVOICE	9221 CORBIN AVENUE SUITE 260 NORTHRIDGE, CA 91324	N/A	TELECOMMUNICATIONS	\$1,490
Extraction Oil & Gas, Inc.	COGENT COMMUNICATIONS INC.	2450 N STREET NW WASHINGTON, DC 20037	EXTRACTI00002	INTERNET	\$3,125
Extraction Oil & Gas, Inc.	COGENT COMMUNICATIONS INC.	2450 N STREET NW WASHINGTON, DC 20037	N/A	TELECOMMUNICATIONS	\$3,125
Extraction Oil & Gas, Inc.	GALLEGOS SANITATION	1941 HEATH PARKWAY UNIT 2 FORT COLLINS, CO 80524	3128240	WASTE REMOVAL	\$104
Extraction Oil & Gas, Inc.	GALLEGOS SANITATION	1941 HEATH PARKWAY UNIT 2 FORT COLLINS, CO 80524	3128250	WASTE REMOVAL	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217600	ELECTRIC	\$3,874
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217601	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217602	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217603	ELECTRIC	\$0

8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217604	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217605	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217608	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217609	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217610	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217611	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217612	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217614	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217615	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217616	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217621	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217622	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217623	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217624	ELECTRIC	\$0
7N, LLC	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	36676003	ELECTRIC	\$114
7N, LLC	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	36837003	ELECTRIC	\$0
7N, LLC	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	12081006	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	31958002	ELECTRIC	\$144,010
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	32022004	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	32023004	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	32024003	ELECTRIC	\$0



Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	62924001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	64122001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	64232001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	64313002	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	65156003	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	65525002	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	66410001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	66918001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	67028001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	67463001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	70741001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	71969001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	SESSIONS GROUP LLC	2165 S. PLATTE RIVER DRIVE DENVER, CO 80223	N/A	ELECTRIC/WATER/GAS	\$1,250
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	17716602	ELECTRIC	\$114,376
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	N/A	ELECTRIC	\$13,965
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	18179700	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	18463200	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	18526200	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	18680900	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	18880100	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19147300	ELECTRIC	\$0

Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19148700	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19388900	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19431200	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19553100	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19553300	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19553400	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19784100	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	19808400	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	UNITED POWER	500 COOPERATIVE WAY BRIGHTON, CO 80603	641404	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	VERIZON	500 TECHNOLOGY DRIVE, SUITE 550 WELDON SPRING, MO 63304	242006062- 00002	TELECOMMUNICATIONS	\$7,697
Extraction Oil & Gas, Inc.	VERIZON	500 TECHNOLOGY DRIVE, SUITE 550 WELDON SPRING, MO 63304	442068149- 00001	TELECOMMUNICATIONS	\$693
7N, LLC	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011322523-8	ELECTRIC	\$17
Axis Exploration, LLC	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011910920-6	ELECTRIC	\$6,870
Axis Exploration, LLC	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012064577-5	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010401217-4	ELECTRIC	\$152,944
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010419079-3	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010593806-2	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010593818-6	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010593831-3	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010593860-8	ELECTRIC	\$0

Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010606945-9	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010816142-3	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010838196-3	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0010927259-8	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011055029-2	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011092628-5	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011187241-9	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011417614-9	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011531632-3	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011545172-5	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011545190-7	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011545324-9	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011614360-0	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0011853526-6	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012167192-8	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012351211-3	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012544071-2	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012568489-6	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012636217-3	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012660253-8	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012943367-5	ELECTRIC	\$0

Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012955957-4	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0013011846-1	ELECTRIC	\$0
Northwest Corridor Holdings, LLC	XCEL ENERGY	414 NICOLLET MALL MINNEAPOLIS, MN 55401	53-0012534173-4	ELECTRIC	\$43
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217604	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217605	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217608	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217609	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217610	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217611	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217612	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217614	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217615	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217616	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217621	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217622	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217623	ELECTRIC	\$0
8 North, LLC	HIGH WEST ENERGY	6270 COUNTY ROAD 212 PINE BLUFFS, WY 82082	10217624	ELECTRIC	\$0
7N, LLC	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	36676003	ELECTRIC	\$114
7N, LLC	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	36837003	ELECTRIC	\$0
7N, LLC	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	12081006	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	31958002	ELECTRIC	\$144,010

Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	32022004	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	32023004	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	32024003	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	62924001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	64122001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	64232001	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	64313002	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	65156003	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	65525002	ELECTRIC	\$0
Extraction Oil & Gas, Inc.	POUDRE VALLEY REA	7649 REA PARKWAY FORT COLLINS, CO 80528	66410001	ELECTRIC	\$0

**EXHIBIT B**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	)	
In re:	)	Chapter 11
	)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (CSS)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket No. 16</b>

**INTERIM ORDER (I)  
APPROVING THE DEBTORS’  
PROPOSED ADEQUATE ASSURANCE  
OF PAYMENT FOR FUTURE UTILITY SERVICES, |  
(II) PROHIBITING UTILITY COMPANIES FROM ALTERING,  
REFUSING, OR DISCONTINUING SERVICES,(III) APPROVING  
THE DEBTORS’ PROPOSED PROCEDURES FOR RESOLVING ADDITIONAL  
ADEQUATE ASSURANCE REQUESTS, AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (a) approving the Debtors’ Proposed Adequate Assurance of payment for future Utility Services with adequate assurance of payment under section 366 of the Bankruptcy Code; (b) prohibiting Utility Companies from altering, refusing, or discontinuing services; (c) approving the Debtors’ proposed procedures for resolving additional Adequate Assurance Requests; and (d) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Order; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Subject to the Adequate Assurance Procedures for resolving additional Adequate Assurance Requests, the Motion is granted on an interim basis as set forth herein.

2. The final hearing (the "Final Hearing") on the Motion shall be held on July 7, 2020 at 1:00 p.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on June 30, 2020, and shall be served on: (a) the Debtors, Extraction Oil & Gas, Inc., 370 17th Street, Suite 5300, Denver, Colorado 80202, Attn: Eric Christ; (b) proposed counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Christopher Marcus, P.C., Allyson Smith Weinhouse, and Ciara Foster and (ii) Whiteford, Taylor & Preston LLC, The Renaissance Centre, Suite 500, 405 North King Street, Wilmington, Delaware 19801, Attn: Marc R. Abrams, Richard W. Riley, and Stephen B. Gerald; (c) the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Richard L. Schepacarter; (d) counsel to



the administrative agent under the Debtors' prepetition senior credit facility, Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002, Attn: Dewey J. Gonsoulin Jr., William A. (Trey) Wood III, and Heather Brown; (e) counsel to the ad hoc group of lenders under the Debtors' prepetition senior notes, (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019, Attn: Andrew Rosenberg, Alice Belisle Eaton, Christopher Hopkins, Douglas Keeton and Omid Rahnama and (ii) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801, Attn: Pauline K. Morgan & Sean T. Greecher; (f) counsel to the ad hoc group of holders of the Debtors' preferred equity, Quinn Emanuel Urquhart & Sullivan, LLP, 51 Madison Avenue, 22nd Floor, New York, New York 10010, Attn: Benjamin Finestone; and (g) counsel to any statutory committee appointed in these chapter 11 cases. In the event no objections to entry of the Final Order on the Motion are timely received, this Court may enter such Final Order without need for the Final Hearing.

3. The Adequate Assurance Deposit, together with the Debtors' ability to pay for future Utility Services in the ordinary course of business subject to the Adequate Assurance Procedures, shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

4. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (a) the reconciliation and payment by the Debtors of the Utility Company's final invoice in accordance with applicable nonbankruptcy law following the Debtors' termination of Utility Services from such Utility Company and (b) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.

5. All Utility Companies are prohibited from altering, refusing, or discontinuing services on account of any unpaid prepetition charges, the commencement of these chapter 11 cases, or any perceived inadequacy of the Proposed Adequate Assurance.

6. The following Adequate Assurance Procedures are hereby approved:

- a. The Debtors will serve a copy of this Motion and the order granting the relief requested herein to each Utility Company in accordance with Bankruptcy Local Rule 9013-1(m)(iv).
- b. Subject to paragraphs (f)–(i) herein, the Debtors will deposit the Adequate Assurance Deposit, in the aggregate amount of approximately \$460,000, in the Adequate Assurance Account as soon as practicable after entry of the order granting this Motion.
- c. Each Utility Company shall be entitled to the funds in the Adequate Assurance Account in the amount set forth for such Utility Company in the column labeled “Proposed Adequate Assurance” on the Utility Services List, attached hereto as **Exhibit C**.
- d. If an amount relating to Utility Services provided postpetition by a Utility Company is unpaid, and remains unpaid beyond any applicable grace period, such Utility Company may request a disbursement from the Adequate Assurance Account by giving notice by electronic mail to Notice Parties (as defined in the Order). The Debtors shall honor such request within five business days after the date the request is received by the Debtors, subject to the ability of the Debtors and any such requesting Utility Company to resolve any dispute regarding such request without further order of the Court. To the extent a Utility Company receives a disbursement from the Adequate Assurance Account, the Debtors shall replenish the Adequate Assurance Account in the amount disbursed.
- e. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (i) reconciliation and payment by the Debtors of the Utility Company’s final invoice in accordance with applicable nonbankruptcy law following the Debtors’ termination of Utility Services from such Utility Company or (ii) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.
- f. Any Utility Company desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve an additional Adequate Assurance Request on the Notice Parties.

- g. Any additional Adequate Assurance Request must (i) be in writing, (ii) identify the location for which the Utility Services are provided, (iii) summarize the Debtors' payment history relevant to the affected account(s), (iv) certify the amount that is equal to two weeks of the Utility Services the Utility Company provides to the Debtors, calculated as a historical average over the twelve month period ended April 20, 2020, and (v) certify that the Utility Company does not already hold a Prepetition Deposit equal to or greater than two weeks of Utility Services.
- h. Unless a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (i) deemed to have received "satisfactory" adequate assurance of payment in compliance with section 366 of the Bankruptcy Code; and (ii) forbidden from discontinuing, altering, or refusing Utility Services to, or discriminating against, the Debtors on account of any unpaid prepetition charges, or requiring additional assurance of payment other than the Proposed Adequate Assurance.
- i. Upon the Debtors' receipt of any additional Adequate Assurance Request, the Debtors shall promptly negotiate with such Utility Company to resolve such Utility Company's additional Adequate Assurance Request.
- j. The Debtors may, without further order from the Court, resolve any additional Adequate Assurance Request by mutual agreement with the relevant Utility Company and, the Debtors may, in connection to any such agreement, provide such Utility Company with additional adequate assurance of payment, including, but not limited to, cash deposits, prepayments, or other forms of security if the Debtors believe that such additional assurance is reasonable.
- k. If the Debtors and the Utility Company are not able to reach an alternative resolution within 14 days of receipt of the additional Adequate Assurance Request, the Debtors will request a hearing before the Court at the next regularly scheduled omnibus hearing to determine the adequacy of assurances of payment with respect to a particular Utility Company (the "Determination Hearing") pursuant to section 366(c)(3) of the Bankruptcy Code.
- l. Pending resolution at any such Determination Hearing, the Utility Company filing such additional Adequate Assurance Request shall be prohibited from altering, refusing, or discontinuing Utility Services to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

7. The Utility Companies are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

8. Unless a Utility Company files an objection or serves an additional Adequate Assurance Request, such Utility Company shall be: (a) deemed to have received adequate assurance of payment “satisfactory” to such Utility Company in compliance with section 366 of the Bankruptcy Code; and (b) forbidden to discontinue, alter, or refuse services to, or discriminate against, the Debtors on account of any unpaid prepetition charges, or require additional assurance of payment other than the Proposed Adequate Assurance.

9. The relief granted herein is for all Utility Companies providing Utility Services to the Debtors and is not limited to those parties or entities listed on the Utility Services List.

10. The Debtors’ service of the Motion upon the Utility Services List shall not constitute an admission or concession that any such entity is a “utility” within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

11. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors’ designation of any particular check or electronic payment request as approved by this Interim Order without any duty of further inquiry and without liability for following the Debtors’ instructions.

12. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any payment to the Utility Companies.

13. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

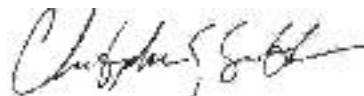
14. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

15. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

17. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: June 16th, 2020  
Wilmington, Delaware



CHRISTOPHER S. SONTCHI  
UNITED STATES BANKRUPTCY JUDGE