THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
EXTRACTION OIL & GAS, INC. *et al.*,[1]	)	Case No. 20-11548 (CSS)
Debtors.	)	(Jointly Administered)

REVISED THIRD AMENDED DISCLOSURE STATEMENT FOR THE THIRD AMENDED JOINT PLAN OF REORGANIZATION OF EXTRACTION OIL & GAS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

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Dated: November 6, 2020

[1] 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.

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DISCLOSURE STATEMENT, DATED NOVEMBER 6, 2020

SOLICITATION OF VOTES TO ACCEPT OR REJECT
THE DEBTORS' JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION

YOU ARE RECEIVING THIS DOCUMENT AND THE ACCOMPANYING MATERIALS BECAUSE AS OF THE VOTING RECORD DATE, YOU HELD A CLAIM AGAINST OR INTEREST IN THE DEBTORS IN ONE OF THE FOLLOWING CLASSES AND THEREFORE YOU ARE ENTITLED TO VOTE ON THE PLAN:

VOTING CLASSES	NAME OF CLASS UNDER THE PLAN
3	Revolving Credit Agreement Claims
4	Senior Notes Claims
6	General Unsecured Claims
7	Existing Preferred Interests
8	Existing Common Interests

DELIVERY OF BALLOTS

1. Ballots must be actually received by the Notice and Claims Agent before the Voting Deadline (4:00 p.m., prevailing Eastern Time, on December 11, 2020).

2. Ballots may be returned by the following methods: (a) in the enclosed pre-paid, pre-addressed return envelope; (b) via first class mail, overnight courier, or hand delivery to the address set forth below; or (c) via electronic submission through the Notice and Claims Agent's online voting portal at to https://eballot.kccllc.net/extractionog.

Extraction Oil & Gas Ballots Processing Center
c/o Kurtzman Carson Consultants LLC
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245

If you have any questions on the procedures for voting on the Plan, please contact the Notice and Claims Agent by emailing XOGInfo@kccllc.com and referencing "Extraction Oil & Gas" in the subject line, or by calling (866) 571-1791 (U.S./Canada) or (781) 575-2049 (International).

RECOMMENDATION BY THE DEBTORS

EACH OF THE DEBTORS STRONGLY RECOMMENDS THAT ALL HOLDERS OF CLAIMS OR INTERESTS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE NOTICE AND CLAIMS AGENT NO LATER THAN DECEMBER 11, 2020 AT 4:00 P.M. (PREVAILING EASTERN TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND ON THE BALLOTS. THE BOARD OF DIRECTORS, SOLE STOCKHOLDER, MEMBER, OR MANAGER, AS APPLICABLE FOR EACH OF THE DEBTORS HAS APPROVED THE TRANSACTIONS CONTEMPLATED BY THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT, AND EACH DEBTOR BELIEVES THAT THE COMPROMISES CONTEMPLATED UNDER THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF EACH OF THE DEBTORS' ESTATES, AND PROVIDE THE BEST RECOVERIES TO CLAIM AND INTEREST HOLDERS. AT THIS TIME, EACH DEBTOR BELIEVES THAT THE PLAN AND RELATED TRANSACTIONS REPRESENT THE BEST ALTERNATIVE FOR ACCOMPLISHING THE DEBTORS' OVERALL RESTRUCTURING OBJECTIVES.

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS AND INTERESTS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF EXTRACTION OIL & GAS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE IX HEREIN. IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE PLAN SHALL GOVERN.

THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN ANTICIPATED EVENTS IN THE DEBTORS' CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

Neither this Disclosure Statement nor the Plan has been filed with the United States Securities and Exchange Commission (the "SEC") or any state authority. The Plan has not been approved or disapproved by the SEC or any state securities commission, and neither the SEC nor any state securities commission has passed upon the accuracy or adequacy of this Disclosure Statement or the merits of the Plan. Any representation to the contrary is a criminal offense.

This Disclosure Statement has been prepared pursuant to sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rule 3016(b). The Securities to be issued on or after the Effective Date will not have been the subject of a registration statement filed with the SEC under the Securities Act of 1933, as amended (the "Securities Act"), or any securities regulatory authority of any state under applicable state securities law (collectively, the "Blue Sky Laws"). The solicitation of votes on the Plan is being made in reliance on the exemption from the registration requirements of the Securities Act provided by section 4(a)(2) of the Securities Act (the "Solicitation"). The Debtors intend to rely on section 1145 of the Bankruptcy Code and section 4(a)(2) of the Securities Act to exempt the offer, issuance, and distribution of Securities of the Reorganized Debtors in connection with the Solicitation and the Plan from registration under the Securities Act and the Blue Sky Laws. Neither the Solicitation nor this Disclosure Statement constitutes an offer to sell or the solicitation of an offer to buy securities.

This Disclosure Statement contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that any forward-looking statements in this Disclosure Statement are based on assumptions that are believed to be reasonable, but are subject to a wide range of risks, including risks associated with the following:

- **The Debtors' Plans, Objectives, and Expectations;**
- **The Debtors' Business Strategy;**
- **The Debtors' Financial Strategy, Budget, Projections, and Operating Results;**
- **The Debtors' Financial Condition, Revenues, Cash Flows, and Expenses;**
- **The Success of the Debtors' Operations;**
- **The Costs of Conducting the Debtors' Operations;**
- **The Debtors' Levels of Indebtedness, Liquidity, and Compliance With Debt Covenants;**
- **The Level of Uncertainty Regarding the Debtors' Future Operating Results;**
- **The Amount, Nature, and Timing of the Debtors' Capital Expenditures;**
- **The Terms of Capital Available to the Debtors;**
- **The Debtors' Ability to Satisfy Future Cash Obligations;**
- **The Integration and Benefits of Asset and Property Acquisitions and/or the Effects of Asset and Property Acquisitions or Dispositions on the Debtors' Cash Position and Levels of Indebtedness;**
- **The Risks Associated with Certain of the Debtors' Acquisitions;**
- **The Effectiveness of the Debtors' Risk Management Activities;**

- **The Debtors' Environmental Liabilities;**
- **The Debtors' Counterparty Credit Risk;**
- **The Outcome of Pending and Future Litigation Claims;**
- **General Economic and Business Conditions;**
- **Oil, Natural Gas, and Natural Gas Liquid Prices and the Overall Health of the Exploration and Production Industry;**
- **Developments in Oil-producing and Natural Gas-Producing Countries;**
- **Governmental Regulations and Taxation of the Oil And Natural Gas Industry; and**
- **The Potential Adoption of New Governmental Regulations.**

You are cautioned that all forward-looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. The liquidation analysis, financial projections, and other projections and forward-looking information contained herein and attached hereto are only estimates, and the timing and amount of actual distributions to Holders of Allowed Claims and Interests, among other things, may be affected by many factors that cannot be predicted. Any analyses, estimates, or recovery projections may or may not turn out to be accurate.

I. INTRODUCTION

The Debtors submit this Disclosure Statement, pursuant to section 1125 of the Bankruptcy Code, to holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the Plan. A copy of the Plan is attached hereto as **Exhibit A** and is incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.[2]

THE DEBTORS AND CERTAIN CONSENTING CREDITORS THAT HAVE EXECUTED THE RESTRUCTURING SUPPORT AGREEMENT, INCLUDING HOLDERS OF APPROXIMATELY 80% OF SENIOR NOTES CLAIMS, BELIEVE THAT THE COMPROMISES AND SETTLEMENTS CONTEMPLATED BY THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF THE DEBTORS' ESTATES, AND MAXIMIZE RECOVERIES TO HOLDERS OF CLAIMS AND INTERESTS. THE DEBTORS BELIEVE THE PLAN IS THE BEST AVAILABLE OPTION FOR COMPLETING THE CHAPTER 11 CASES. THE DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The Creditors' Committee, in its capacity as a fiduciary on behalf of all general unsecured creditors, does **NOT** support the Plan, and recommends that general unsecured creditors vote to **REJECT** the Plan. The Court's approval of this Disclosure Statement does not constitute an endorsement by the Creditors' Committee of the Plan or certain information included for informational purposes within this Disclosure Statement, including, without limitation, estimates of General Unsecured Claims, recovery analyses, valuation and/or liquidation analyses, assessments of the Debtors and certain other information, and all rights of the Creditors' Committee are expressly preserved.

II. PRELIMINARY STATEMENT

The Debtors operate an independent exploration and production ("E&P") company that is focused on the acquisition, development and production of oil, natural gas and natural gas liquids reserves in the Rocky Mountain region—primarily in the Wattenberg Field in the Denver-Julesburg Basin of Colorado. Headquartered in Denver, Colorado, the Debtors have approximately 130 employees. As of the Petition Date, the Debtors had approximately $1.7 billion in total funded debt obligations.

The Debtors, like many of their industry peers, experienced significant challenges over the past several years due to sustained downturns and volatility in commodities markets. In March 2020, such challenges were exacerbated by an unprecedented drop in global energy prices and market uncertainty due to the combined effects of the COVID-19 pandemic and tensions between OPEC and Russia. XOG and its Board of Directors immediately snapped into action to address the unprecedented situation.

In April 2020, the Debtors initiated discussions to consider potential paths forward to address their liquidity constraints and various debt obligations with their stakeholders, primarily including the Ad Hoc Noteholder Group, a group of holders of the Debtors' Existing Preferred Stock (the "Preferred Holdings Group"), and the Revolving Credit Agreement Lenders via the Revolving Credit Agreement Agent.

In light of their significantly constrained liquidity, on May 13, 2020, XOG's Board of Directors determined, in a sound exercise of their fiduciary duties, to forego the semiannual interest payment due in respect of the 2024 Senior Notes to preserve liquidity and permit additional time to (a) fully investigate an out of-court financing effort, (b) effectuate an out-of-court restructuring transaction, or (c) reach agreement with their existing stakeholders regarding a comprehensive deleveraging through a chapter 11 process. The Debtors' failure to make the 2024 Senior Notes interest payment triggered a 30-calendar-day cure period before such non-payment would constitute an "Event

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[2] Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Plan. Additionally, this Disclosure Statement incorporates the rules of interpretation located in Article I of the Plan. **The summary provided in this Disclosure Statement of any documents attached to this Disclosure Statement, including the Plan, are qualified in their entirety by reference to the Plan, the exhibits, and other materials referenced in the Plan, the Plan Supplement, and the documents being summarized. In the event of any inconsistencies between the terms of this Disclosure Statement and the Plan, the Plan shall govern.**

of Default" under the 2024 Senior Notes Indenture. Non-payment would also cause a cross-default under the RBL Facility. Over the following weeks, while operating within the grace period afforded under the 2024 Senior Notes Indenture, the Debtors continued to engage in arms'-length negotiations, exchanging numerous term sheets and participating in dozens of telephonic conferences, with the Ad Hoc Noteholder Group and the Preferred Holdings Group regarding a comprehensive deleveraging of their balance sheet.

To facilitate these discussions, several members of the Ad Hoc Committee of Noteholders became restricted under confidentiality agreements and the Debtors provided certain requested diligence to the Ad Hoc Noteholder Group and its advisors. The Debtors and the Ad Hoc Noteholder Group ultimately exchanged numerous term sheets regarding a consensual restructuring to be implemented pursuant to a prearranged chapter 11 plan of reorganization.

In connection therewith, the Debtors entered into the Restructuring Support Agreement, attached hereto as **Exhibit B**, with over 80% of the Senior Noteholders on the Petition Date. After careful evaluation, the Revolving Credit Agreement Lenders declined to join the Restructuring Support Agreement; however, a subset of the Revolving Credit Agreement Lenders continued to work to provide the DIP financing (as described below) and all Revolving Credit Agreement Lenders worked to provide consensual use of cash collateral upon filing. The Restructuring Support Agreement and subsequent restructuring term sheet outline the terms of a consensual restructuring of the Debtors' funded debt obligations through the Plan. The Debtors will continue their efforts to garner additional support for the Plan and anticipate that additional Senior Noteholders and other stakeholders will execute the Restructuring Support Agreement or formally support the Plan in advance of Confirmation.

Further, upon the Debtors' decision to forego the 2024 Senior Notes interest payment, the Debtors began discussions with their Revolving Credit Agreement Lenders via the Revolving Credit Agreement Agent regarding a potential DIP financing. On or about June 14, 2020, the Debtors executed a commitment letter for a $125 million postpetition financing facility (comprised of $50 million in new money), substantially on the same terms as set forth in the DIP Motion and DIP Credit Agreement. On July 20, 2020, the Bankruptcy Court approved the DIP Facility on a final basis through the *Final Order (I) Authorizing the Debtors to Obtain Postpetition Financing and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 303]. The DIP Facility represents the culmination of a hard-fought process, provides the Debtors and their creditor constituencies with postpetition financing on the best available terms, allows the Debtors to continue operating their businesses and operations on a postpetition basis, halts the further accrual of interest under the Debtors' various prepetition unsecured or under secured debt instruments, and gives the Debtors (and their stakeholders) an opportunity to negotiate and consummate an orderly and efficient deleveraging.

III. OVERVIEW OF THE PLAN

The Plan provides for the restructuring of the Debtors through a Stand-Alone Restructuring. The Debtors contemplated a dual-track process that included a Combination Transaction,[3] but ultimately determined the Stand-Alone Restructuring was the superior path forward. The key terms of the Plan are as follows:

A. The Stand-Alone Restructuring.

On the Effective Date, (i) Reorganized XOG shall issue the New Common Shares and the New Warrants to fund distributions to certain Holders of Allowed Claims and Allowed Interests in accordance with Article III of the Plan, (ii) Reorganized XOG shall enter into the Exit Facility, which shall be a new credit facility and/or term loan in an amount sufficient to pay on the Effective Date certain Holders of Claims as set forth in Article III of the Plan, and

[3] "*Combination Transaction*" means any sale to, or combination merger with, a third party involving all or substantially all of the Debtors' restructured equity or assets pursuant to a successful proposal and a Combination Transaction agreement or as otherwise authorized by order of the Bankruptcy Court or the Bankruptcy Code.

to provide incremental liquidity, and (iii) the New Board shall be authorized to implement the Management Incentive Plan.[4]

The Reorganized Debtors will fund distributions under the Plan with Cash on hand on the Effective Date, the revenues and proceeds of all assets of the Debtors, including proceeds from all Causes of Action not settled, released, discharged, enjoined, or exculpated under the Plan or otherwise on or prior to the Effective Date, the Exit Facility, the Equity Rights Offering, the New Common Shares, and the New Warrants.

Except as otherwise provided in the Plan or otherwise agreed to by the Debtors and the counterparty to an Executory Contract or Unexpired Lease, all Executory Contracts or Unexpired Leases not previously assumed, assumed and assigned, or rejected in the Chapter 11 Cases, shall be deemed assumed by the Reorganized Debtors, effective as of the Effective Date, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, and regardless of whether such Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, other than: (1) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (2) those that have been previously rejected by a Final Order; (3) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; or (4) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date; *provided* that notwithstanding anything to the contrary herein, no Executory Contract or Unexpired Lease shall be assumed, assumed and assigned, or rejected without the reasonable consent of the Required Consenting Senior Noteholders; *provided, further*, that the Debtors shall consult with the DIP Agent regarding the assumption, assumption and assignment, or rejection (or related settlement) of any Executory Contract or Unexpired Lease.

1. *The Equity Rights Offering.*

In accordance with the Stand-Alone Restructuring, the Equity Rights Offering will allow the Debtors to raise necessary capital pursuant to the terms of the Plan. The Debtors and Reorganized Debtors, as applicable, will implement the Equity Rights Offering in accordance with the Equity Rights Offering Procedures. The Backstopped Equity Rights Offering Amount is $200 million and shall be fully backstopped by the Backstop Parties pursuant to the terms and conditions in the Backstop Commitment Agreement and the Backstop Order. The GUC Equity Rights Offering Amount is $50 million and is currently not backstopped. The GUC Equity Rights Offering Procedures will not provide for any oversubscription rights.

The Debtors shall distribute the Subscription Rights for the Equity Rights Offering to the Equity Rights Offering Offerees as set forth in the Plan and the Equity Rights Offering Documents. Pursuant to the Backstop Commitment Agreement, the Equity Rights Offering Procedures, the Plan, and the other Equity Rights Offering Documents, the Equity Rights Offering shall be open to all Equity Rights Offering Participants.

In advance of Confirmation, the Debtors shall file a motion seeking the Court's determination with respect to the amount of certain General Unsecured Claims, including certain asserted rejection damages as a result of the Court's November 2, 2020 bench ruling. Prior to or simultaneous with Confirmation, the Court shall have entered the GUC Estimation Order, which form order shall be reasonably acceptable to the Required Consenting Senior Noteholders and the Creditors' Committee, determining the aggregate amount of Allowed General Unsecured Claims, which amount shall constitute a maximum limitation on such Allowed General Unsecured Claims for all purposes under the Plan, including for purposes of distributions, discharge, and GUC Subscription Rights.

The Backstopped Equity Rights Offering Shares will be solicited simultaneously with Solicitation. Solicitation of the GUC Equity Rights Offering Shares will commence immediately following entry of the GUC Estimation Order. Holders of General Unsecured Claims shall have three (3) Business Days between commencement of the GUC Equity Rights Offering and the GUC Equity Rights Offering Subscription Deadline to exercise the GUC Subscription Rights; *provided* that no Holder of a General Unsecured Claim shall be permitted to exercise more than

[4] Management Incentive Plan and executive compensation are subject to ongoing negotiations among the Debtors and the Consenting Senior Noteholders.

it Pro Rata share of the GUC Subscription Rights. The GUC Subscription Rights are not transferrable. The value ascribed to the GUC Subscription Rights is $26.9 million.

Upon exercise of the Subscription Rights by the Equity Rights Offering Participants pursuant to the terms of the Backstop Commitment Agreement, the Equity Rights Offering Procedures, the Plan, and the other Equity Rights Offering Documents, the Reorganized Debtors shall be authorized to issue the Equity Rights Offering Shares in accordance with the Plan, the Backstop Commitment Agreement, the Equity Rights Offering Procedures, and the other Equity Rights Offering Documents. **If a Holder of a General Unsecured Claim elects to exercise its GUC Subscription Rights on account of a General Unsecured Claim that is subject to a pending appeal or other litigation as of the GUC Subscription Expiration Deadline, such Holder's election to exercise its GUC Subscription Rights shall constitute a waiver and release of any and all other rights, remedies, or legal entitlements on account of such General Unsecured Claim, including any such rights, remedies, or legal entitlements otherwise resulting from such appeal or litigation**.

On the Effective Date, Reorganized XOG, subject to the terms of Article IV.E.4 and Article VII.C.1 of the Plan, shall issue (a) the Equity Rights Offering Shares pursuant to the Equity Rights Offering and (b) the New Common Shares to the Backstop Parties on account of the Backstop Obligations and the Backstop Commitment Premium pursuant to the terms of the Backstop Commitment Agreement.

On the Effective Date, the rights and obligations of the Debtors under the Backstop Commitment Agreement shall vest in the Reorganized Debtors. Notwithstanding anything to the contrary in the Plan or the Confirmation Order, (a) the Debtors' obligations under the Backstop Commitment Agreement shall remain unaffected and shall survive following the Effective Date in accordance with the terms thereof, (b) any such obligations shall not be discharged under the Plan, and (c) none of the Reorganized Debtors shall terminate any such obligations.

(a) The GUC Cash Out Election.

In lieu of receiving its Pro Rata share of GUC Subscription Rights, Holders of Allowed General Unsecured Claims may make the GUC Cash Out Election and receive Cash in an amount equal to 40% of the value of such Holder's GUC Subscription Rights based on the Allowed amount of such Holder's General Unsecured Claim after giving effect to the GUC Cash Out Election. Holders of General Unsecured Claims that make the GUC Cash Out Election are still eligible to receive their Pro Rata share of the Claims Equity Allocation pursuant to Art. III.B.6 of the Plan based on the Allowed amount of such Holders' General Unsecured Claims. If all Holders of General Unsecured Claims made the GUC Cash Out Election, the maximum amount of Cash payable to such electing Holders would be approximately $1.9 million and no new capital would be raised pursuant to the GUC Equity Rights Offering.

2. ***The Exit Facility.***

(a) The Exit RBL Facility.

On the Effective Date, Reorganized XOG shall enter into the Exit RBL Facility, which shall be in an amount sufficient to pay on the Effective Date certain Holders of Claims as set forth in Article III of the Plan, and to provide incremental liquidity.

The Exit RBL Facility shall be substantially consistent with the terms set forth in the Exit RBL Facility Term Sheet attached hereto as **Exhibit G**. The Confirmation Order shall be deemed approval of the Exit RBL Facility and the Exit Facility Documents and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, and authorization of the Reorganized Debtors to enter into and execute the Exit RBL Facility Documents and such other documents as may be required to effectuate the Exit Facility.

(b) The Exit Term Facility.

On the Effective Date, to the extent 100% of the Revolving Credit Agreement Lenders do not consent to becoming Exit RBL Facility Lenders, Reorganized XOG and such non-consenting Revolving Credit Agreement Lenders (the "Exit Term Facility Lenders") shall enter into the Exit Term Loan Facility, which shall be in an amount

sufficient to pay on the Effective Date certain Holders of Claims that are Exit Term Facility Lenders as set forth in Article III of the Plan.

The Confirmation Order shall be deemed approval of the Exit Term Facility and the Exit Term Facility Documents and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, and authorization of the Reorganized Debtors to enter into and execute the Exit Term Facility Documents and such other documents as may be required to effectuate the Exit Term Facility.

The Exit Term Facility will consist of a second-lien term loan by and among Reorganized XOG, the guarantors from time to time party thereto, the Exit Term Facility Lenders, and the Exit Term Facility Agent in an aggregate principal amount to be agreed. The maturity date of the Exit Term Facility will be the date that is 4 years after the closing date.

B. The Combination Transaction Restructuring.

In pursuing the Combination Transaction, the Bankruptcy Court granted approval of the Proposal Submission Guidelines[5] through the *Order (I) Approving Initial Submission Proposal Guidelines in connection with a Combination Transaction, and (II) Granting Related Relief* [Docket No. 299]. Subsequently, the Bankruptcy Court granted approval of the the stage 2 guidelines through the *Order Approving Stage 2 Process Procedures in Connection with a Combination Transaction* [Docket No. 455]. The Bankruptcy Court approved the following timeline, which set forth certain key dates and deadlines with respect to the Combination Transaction process:

Event or Deadline	Date and Time
Initial Proposal Date	July 29, 2020, at 11:00 a.m. Mountain Daylight Time
Notification of Stage 2 Participants	Within five (5) business days after the Initial Proposal Date
Stage 2 Guidelines Filed with the Bankruptcy Court	No later than fourteen (14) calendar days prior to the hearing to consider the Bankruptcy Court's approval of the Stage 2 Guidelines
Hearing to Approve the Stage 2 Guidelines	August 14, 2020, at 9:00 a.m. Mountain Daylight Time
Firm Proposal Deadline	August 28, 2020, at 11:00 a.m. Mountain Daylight Time
Definitive Transaction Document Executed and Delivered, if a Combination Transaction is to be Pursued	September 17, 2020

The Bankruptcy Court-sanctioned Proposal Submission Guidelines allowed the Debtors to optimally and expeditiously solicit, receive, and evaluate any proposals in a fair, accessible, and timely manner. Pursuant to the Proposal Submission Guidelines, on July 29, 2020, the Debtors received five initial indications of interest and subsequently, on August 28, 2020, the Debtors received four firm proposals. Although the Debtors continue to discuss and evaluate the possibility of post-emergence strategic transactions with potential counterparties, ultimately, when considering the Combination Transaction and the Stand-Alone Restructuring, the Debtors concluded that the Combination Transaction did not provide the Debtors with the best means of efficiently and successfully emerging from chapter 11, and thus determined that the Stand-Alone Restructuring provides the Debtors the best and most value-maximizing path forward. The Debtors filed the *Notice of Termination of Discussions with Potential Merger Counterparty Regarding Combination Transaction Restructuring* [Docket No. 813] informing the Bankruptcy Court and parties in interest of the Debtors' decision.

[5] "*Proposal Submission Guidelines*" means the guidelines governing the submission of firm proposals pursuant to the M&A Process (as defined in the Restructuring Support Agreement) and the marketing process for the Combination Transaction, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.

C. Releases.

The Plan contains certain releases (as described more fully in Article IV.L of the Plan), including mutual releases between the Debtors and the Reorganized Debtors on the one hand, and: (i) the Consenting Senior Noteholders; (ii) the Ad Hoc Noteholder Group and each of its members; (iii) each Trustee; (iv) the Backstop Parties; (v) the DIP Agent and the DIP Lenders; (vi) the Revolving Credit Agreement Agent and the Revolving Credit Agreement Lenders; (vii) the Exit Facility Agent and Exit Facility Lenders; (viii) any Releasing Party; (ix) with respect to each of the foregoing Persons, in clauses (i) through (viii), such Person's Related Parties, in each case in their capacity as such; ***provided, however*, that any Holder of a Claim or Interest that opts out of the releases in the Plan shall not be a "Released Party**."

The Plan includes releases of claims held by the Debtors against the Debtors' current and former directors and officers, subject to certain exceptions. The Plan does not preserve any Claims or Causes of Action held by the Debtors against the Debtors' directors and officers except those specifically retained. The Debtors have analyzed and are not aware of any colorable Claims or Causes of Action against the Debtors' directors and officers; provided, however, that the Debtors' Investigation Special Committee has not concluded its investigation into potential claims arising from the buyback of certain shares in 2018 and 2019, which claims to the extent they exist are referred to herein as the "Buyback Claims."

The Plan also provides that all Holders of Claims and Interests that (i) vote to accept or are deemed to accept the Plan or (ii) are in voting Classes who abstain from voting on the Plan or vote to reject the Plan and do not opt out of the release provisions contained in Article VIII of the Plan will be deemed to have expressly, unconditionally, generally, individually, and collectively released and discharged all Claims and Causes of Action against the Debtors and the Released Parties.

Importantly, all Holders of Claims and Interests that are not in voting Classes that do not opt out of the release provisions contained in Article VIII of the Plan will be deemed to have expressly, unconditionally, generally, individually, and collectively consented to the release and discharge of all Claims and Causes of Action against the Debtors and the Released Parties. The releases are an integral element of the Plan.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate because, among other things: (i) the releases, exculpations, and injunctions are specific; (ii) the releases provide closure with respect to prepetition Claims and Causes of Action, which the Debtors determined is a valuable component of the overall restructuring under the circumstances and is integral to the Plan; (iii) the releases are a necessary part of the Plan; and (iv) each of the Released Parties and Exculpated Parties has afforded value to the Debtors and aided in the reorganization process, which facilitated the Debtors' ability to propose and pursue confirmation of a value-maximizing restructuring. Further, the releases, exculpations, and injunctions have the support of the vast majority of the Debtors' creditors. The Debtors believe that each of the Released Parties and Exculpated Parties has played an integral role in formulating or enabling the Plan and has expended significant time and resources analyzing and negotiating the issues presented by the Debtors' prepetition capital structure. The Debtors will be prepared to meet their burden to establish the basis for the releases, exculpations, and injunctions for each Released Party and Exculpated Party as part of Confirmation of the Plan.

IV. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND PLAN

A. What is chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a plan of reorganization is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest

Holder of the debtor (whether or not such creditor or equity interest Holder voted to accept the plan), and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor's liabilities in accordance with the terms of the confirmed plan.

B. Why are the Debtors sending me this Disclosure Statement?

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all holders of Claims and Interests whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

C. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim or Interest you hold. Each category of Holders of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth below.

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to Accept
2	Other Priority Claims	Unimpaired	Deemed to Accept
3	Revolving Credit Agreement Claims	Impaired	Entitled to Vote
4	Senior Notes Claims	Impaired	Entitled to Vote
5	Trade Claims	Unimpaired	Deemed to Accept
6	General Unsecured Claims	Impaired	Entitled to Vote
7	Existing Preferred Interests	Impaired	Entitled to Vote
8	Existing Common Interests	Impaired	Entitled to Vote
9	Other Equity Interests	Impaired	Deemed to Reject
10	Intercompany Claims	Unimpaired / Impaired	Deemed to Accept / Deemed to Reject
11	Intercompany Interests	Unimpaired / Impaired	Deemed to Accept / Deemed to Reject
12	Section 510(b) Claims	Impaired	Deemed to Reject

D. What will I receive from the Debtors if the Plan is consummated?

The following chart provides a summary of the anticipated recovery to Holders of Claims and Interests under the Plan. Any estimates of Claims and Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

Amounts in the far right column under the heading "Liquidation Recovery" are estimates only and are based on certain assumptions described herein and set forth in greater detail in the Liquidation Analysis (as defined below) attached hereto as **Exhibit C**. Accordingly, recoveries actually received by holders of Claims and Interests in a liquidation scenario may differ materially from the projected liquidation recoveries listed in the table below.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE BASED ON, AMONG OTHER THINGS, ALLOWED CLAIMS ARISING FROM THE REJECTION OF EXECUTORY CONTRACTS OR UNEXPIRED LEASES AND THE RESOLUTION OF DISPUTED CLAIMS. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.[6]

CERTAIN HOLDERS OF GENERAL UNSECURED CLAIMS DISAGREE WITH THE DEBTORS' ESTIMATIONS OF THE PROJECTED AMOUNT OF ALLOWED GENERAL UNSECURED CLAIMS AND INSTEAD ASSERT THAT SUCH ALLOWED CLAIMS AMOUNT TO BE MATERIALLY LARGER. TO THE EXTENT THOSE PARTIES ARE CORRECT AND THE ALLOWED GENERAL UNSECURED CLAIMS ARE UNDERESTIMATED HEREIN, THEN THE PROJECTED RECOVERIES FOR THE HOLDERS OF GENERAL UNSECURED CLAIMS MAY BE MATERIALLY LOWER. THE DEBTORS STRONGLY REFUTE THIS ASSERTION AND ARE PREPARED TO MEET THEIR EVIDENTIARY BURDEN (IF ANY) AT THE CONFIRMATION HEARING. THE RIGHTS OF ALL PARTIES ARE FULLY PRESERVED WITH RESPECT TO SUCH MATTERS.

Class	Claim or Interest	Treatment	Projected Amount of Allowed Claims[7] (in 000s)	Projected Plan Recovery (with GUC Equity Rights Offering / without GUC Equity Rights Offering)	Liquidation Recovery
1	Other Secured Claims	Each Holder of an Allowed Other Secured Claim will receive in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Other Secured Claim, at the Debtors' election (subject to the reasonable consent of the Required Consenting Senior Noteholders and the Majority Lenders) either: (i) payment in full in Cash, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter; (ii) Reinstatement of such Allowed Other Secured Claim; or (iii) other treatment rendering such Allowed Other Secured Claim Unimpaired.	$31,577	100% / 100%	100%
2	Other Priority Claims	Each Holder of an Allowed Other Priority Claim will receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Other Priority Claim, at the Debtors' election (subject to the reasonable consent of the Required Consenting Senior Noteholders and Majority Lenders), either: (i) payment in full in Cash, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, in each case, or as soon as reasonably practicable thereafter; or (ii) such other treatment rendering such Allowed Other Priority Claim Unimpaired.	N/A	100% / 100%	N/A

[6] The recoveries set forth below may change based upon changes in the amount of Claims that are Allowed as well as other factors related to the Debtors' business operations and general economic conditions.

[7] The projected amount of claims is estimated on a net basis, while certain of Class 6 is estimated on a net/risk-adjusted basis.

Class	Claim or Interest	Treatment	Projected Amount of Allowed Claims[7] (in 000s)	Projected Plan Recovery (with GUC Equity Rights Offering / without GUC Equity Rights Offering)	Liquidation Recovery
3	Revolving Credit Agreement Claims	Except to the extent that a Holder of an Allowed Revolving Credit Agreement Claim and the Debtors against which such Allowed Revolving Credit Agreement Claim is asserted agree to a less favorable treatment for such Holder, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Revolving Credit Agreement Claim, each Holder of such Allowed Revolving Credit Agreement Claim shall receive, either: (i) if such Holder elects to participate in the Exit RBL Facility on a pro rata basis, determined on a ratable basis with respect to its percentage of the Obligations (as defined in the Revolving Credit Agreement) under the Revolving Credit Agreement, such Holder of an Allowed Revolving Credit Agreement Claim shall become an Exit RBL Facility Lender in accordance with the terms of the Exit RBL Facility Documents; or (ii) if such Holder does not elect to participate in the Exit RBL Facility as provided above (including by not making any election with respect to the Exit RBL Facility on the ballot), its Pro Rata Share of the Exit Term Loans.[8]	$465,143	100% / 100%	72.4%
4	Senior Notes Claims	Each Holder of an Allowed Senior Notes Claim shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Senior Notes Claim, its Pro Rata share of (A) the Claims Equity Allocation and (B) the Senior Noteholder Subscription Rights.	$1,131,866	24.5%[9] / 26.0%	0.00%
5	Trade Claims	Each Holder of an Allowed Trade Claim shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Trade Claim, payment in full of such Allowed Trade Claim on the Effective Date or otherwise in the ordinary course of the Debtors' business.	$8,423	100% / 100%	0.00%
6	General Unsecured Claims	Each Holder of an Allowed General Unsecured Claim will receive in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed General Unsecured Claim, its Pro Rata share of of: (i) the Claims Equity Allocation; and (ii) the GUC Subscription Rights, subject to Article IV.E.4 of the Plan; *provided* that each GUC Cash Out Holder will receive, in lieu of the GUC Subscription Rights, Cash in an amount equal to 40% of the value of such Holder's GUC Subscription Rights, or such higher amount as agreed upon by the Debtors, the Required	$626,702	19.6%[10] / 16.7%	0.00%

[8] The Revolving Credit Agreement Agent is supportive of the Exit Facility Revolving Term Loans Term Sheet attached as **Exhibit G** to this Disclosure Statement. The Debtors will seek to enter into a "best efforts" commitment letter with respect to the syndication of the proposed Exit Facility as contemplated by Article III.B of the Plan regarding treatment of the Revolving Credit Agreement Claims, which letter shall be included in the Plan Supplement.

[9] The projected recovery for Holders of Senior Notes Claims does not take into account any consideration received on account of the Backstop Commitment Agreement.

[10] The dilutive effect of the Backstop Commitment Premium to GUC recovery is approximately 1.5%.

Class	Claim or Interest	Treatment	Projected Amount of Allowed Claims[7] (in 000s)	Projected Plan Recovery (with GUC Equity Rights Offering / without GUC Equity Rights Offering)	Liquidation Recovery
		Consenting Senior Noteholders, the Required Backstop Parties and the Creditors' Committee, each in their sole discretion and as set forth in the Plan Supplement.			
7	Existing Preferred Interests	Each Existing Preferred Interest shall be canceled, released, and extinguished, and will be of no further force or effect. Each Holder of an Allowed Existing Preferred Interest shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Existing Preferred Interest, its Pro Rata share of (A) 50% of the Existing Interests Equity Allocation, (B) the Existing Preferred Interest Subscription Rights, (C) 50% of the Tranche A Warrants, and (D) 50% of the Tranche B Warrants; *provided* that if Class 3, 4, 6, or 8 votes to reject the Plan, Holders of Allowed Existing Preferred Interests shall receive no distribution and any Existing Preferred Interest Subscription Right shall be canceled.	$198,660	3.3% / 3.6[11]	0.00%
8	Existing Common Interests	Each Existing Common Interest shall be canceled, released, and extinguished, and will be of no further force or effect. Each Holder of an Allowed Existing Common Interest shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Existing Common Interest, its Pro Rata share of (A) 50% of the Existing Interests Equity Allocation, (B) the Existing Common Interest Subscription Rights, (C) 50% of the Tranche A Warrants, and (D) 50% of the Tranche B Warrants; *provided* that if Class 3, 4, 6, or 7 votes to reject the Plan, Holders of Allowed Existing Common Interests shall receive no distribution and any Existing Common Interest Subscription Right shall be canceled.	N/A	N/A[12]	N/A
9	Other Equity Interests	On the Effective Date, all Other Equity Interests will be cancelled, released, and extinguished and will be of no further force and effect, and Holders of Other Equity Interests will not receive any distribution on account thereof.	N/A	0.00% / 0.00%	0.00%
10	Intercompany Claims	On the Effective Date, each Allowed Intercompany Claim, unless otherwise provided for under the Plan, shall be adjusted, Reinstated, modified, or cancelled at the Debtors' election, subject to the reasonable consent of the Required Consenting Senior Noteholders and the Majority Lenders.	N/A	(0% / 100%) / (0% / 100%)	0.00%
11	Intercompany Interests	On the Effective Date, each Allowed Intercompany Interest shall, at the option of the Debtors, unless otherwise provided for under the Plan, and subject to the reasonable consent of the Required Consenting Senior Noteholders and the Majority Lenders, be (A) Reinstated or modified or recharacterized as Intercompany Claims or (B) canceled or otherwise eliminated without any distribution on account of such interests.	N/A	(0% / 100%) / (0% / 100%)	0.00%

[11] Exiting Preferred Interests receive no recovery if Classes 3, 4, 6, or 8 do not vote to accept the Plan.

[12] Exiting Common Interests receive no recovery if Classes 3, 4, 6, or 7 do not vote to accept the Plan.

Class	Claim or Interest	Treatment	Projected Amount of Allowed Claims[7] (in 000s)	Projected Plan Recovery (with GUC Equity Rights Offering / without GUC Equity Rights Offering)	Liquidation Recovery
12	Section 510(b) Claims	Section 510(b) Claims will be canceled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and each Holder of a Section 510(b) Claim will not receive any distribution on account of such Section 510(b) Claim. The Debtors are not aware of any valid Section 510(b) Claims and believe that no such Section 510(b) Claims exist.	N/A	N/A	N/A

The following table reflects the Debtors' estimation of claims at this time. The claims amounts listed below are subject to ongoing review and material change and are not final.

Claims Estimation				
	Case 1	**Case 2**	**Case 3**	**Case 4**
Equity Rights Offering Participation	**Backstop Parties Only**		**All Holders of Class 4, 7, and 8 Participate**	
GUC Rights Offering Participation	**None**	**All general unsecured creditors**	**None**	**All general unsecured creditors**
Holders of Ad Hoc of Senior Noteholders	**79.5%**	**71.5%**	**73.8%**	**66.2**
Other Senior Noteholders	**2.7%**	**2.3%**	**7.0%**	**6.3%**
Holders of General Unsecured Claims	**16.3%**	**25.0%**	**16.3%**	**25.0**
Holder of Existing Preferred Interests	**1.4%**	**1.2%**	**2.9%**	**2.5%**

E. What will I receive from the Debtors if I hold an Allowed Administrative Claim or a Priority Tax Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of

Claims and Interests set forth in Article III of the Plan. The chart below summarizes the various unclassified claims and provides the relevant section of the Plan that addresses their treatment:

Claim	Description of Claim	Plan Section
Administrative Expense Claims	A Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including the actual and necessary costs and expenses incurred on or after the Petition Date until and including the Effective Date of preserving the Estates and operating the Debtors' businesses.	Article II, Section A
Professional Fee Claims	All Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Confirmation Date to the extent such fees and expenses have not been previously paid.	Article II, Section B
DIP Claims	Any and all Claims against a Debtor arising under, derived from, based upon, or related to the DIP Facility Documents.	Article II, Section C
Priority Tax Claims	Any Claim of a Governmental Unit against a Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code.	Article II, Section D

F. Are any regulatory approvals required to consummate the Plan?

There are no known U.S. regulatory approvals that are required to consummate the Plan. However, to the extent any such regulatory approvals or other authorizations, consents, rulings, or documents are necessary to implement and effectuate the Plan, it is a condition precedent to the Effective Date that they be obtained.

G. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed or does not go effective, there is no assurance that the Debtors will be able to reorganize their businesses. It is possible that any alternative transaction may provide Holders of Claims and Interests with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of an extended chapter 11 case, or of a liquidation scenario, *see* Art. VIII.D.3 of this Disclosure Statement, and the Liquidation Analysis attached hereto as **Exhibit C**.

H. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date," and "Consummation?"

"Confirmation" of the Plan refers to approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. Initial distributions to Holders of Allowed Claims will only be made on the date the Plan becomes effective—the "Effective Date"—or as soon as practicable thereafter, as specified in the Plan. *See* Article IX of the Plan for a description of the conditions precedent to consummation of the Plan.

I. Will royalty and working interests be affected by the Plan?

All royalty and working interests shall be preserved and remain in full force and effect in accordance with the terms of the granting instruments or other governing documents applicable to such royalty and working Interest, and no royalty and working interests shall be compromised or discharged by the Plan. The Plan shall not impair the related legal and equitable rights, interests, defenses, or obligations of the Debtors or the Reorganized Debtors. To the extent applicable, such Interests shall be Reinstated pursuant to the Plan; *provided* that nothing in the Plan shall limit the Debtors' rights to reject any Executory Contract or Unexpired Lease in accordance with the Bankruptcy Code or pursuant to Article V of the Plan; *provided, further*, that overriding royalty interests and joint-interest billings shall

not constitute Executory Contracts or Unexpired Leases. Accordingly, for the avoidance of doubt, overriding royalty interests and joint-interest billings are not eligible to be assumed or rejected pursuant to the Plan.

J. How do I know if my Claim is a Trade Claim or a General Unsecured Claim?

Trade Claim means any Claim held by an ordinary course trade vendor of the Debtors against any of the Debtors on account of ordinary course goods and/or services provided to any of the Debtors and that is otherwise eligible to assert a lien on account of such goods and/or services under applicable state law. For the avoidance of doubt, Trade Claims shall not include any Claim arising from or based upon rejection of any Executory Contract or Unexpired Lease, nor any Claim that is not Secured resulting from litigation against one or more of the Debtors.

Under Colorado state law, Holders of Trade Claims in Class 5 have six (6) months to file liens on account of prepetition goods and/or services provided (*i.e.*, potentially up to December 14, 2020). *See* Colo. Rev. Stat. Ann. § 38-22-110; Colo. Rev. Stat. Ann. § 38-24-104; *see also* 11 U.S.C. § 362(b). The Debtors anticipate that, to the extent they have not done so already, Trade Claimants will file liens on account of prepetition goods and/or services. Moreover, the Trade Claimants have ongoing relationships with the Debtors for the foreseeable future and are critical to achieve the Debtors' post-emergence business operations.

General Unsecured Claim means any Claim against any of the Debtors that is not Secured and is not: (a) an Administrative Claim; (b) a Secured Tax Claim; (c) an Other Secured Claim; (d) a Priority Tax Claim; (e) an Other Priority Claim; (f) a DIP Claim; (g) a Professional Fee Claim; (h) a Revolving Credit Agreement Claim; (i) a Senior Notes Claim; (j) a Trade Claim; (k) an Intercompany Claim; or (l) a Section 510(b) Claim. For the avoidance of doubt, all (i) Claims resulting from the rejection of Executory Contracts and Unexpired Leases, (ii) Claims that are not Secured resulting from litigation against one or more of the Debtors, and (iii) Claims held by an ordinary course trade vendor of the Debtors against any of the Debtors on account of ordinary course goods and/or services provided to any of the Debtors, but on account of which such vendor is not entitled to assert a lien under applicable state law, are General Unsecured Claims.

K. What are the sources of Cash and other consideration required to fund the Plan?

The Reorganized Debtors will fund distributions under the Plan with Cash on hand on the Effective Date, the revenues and proceeds of all assets of the Debtors, including proceeds from all Causes of Action not settled, released, discharged, enjoined, or exculpated under the Plan or otherwise on or prior to the Effective Date, the Exit Facility, the Equity Rights Offering, the New Common Shares, and the New Warrants.

L. Are there risks to owning the New Common Stock upon emergence from Chapter 11?

Yes. See "Risk Factors," which begins on page 32 of this Disclosure Statement. The Debtors intend to seek a listing of the New Common Stock on the New York Stock Exchange (the "NYSE"), the Nasdaq Stock Market (the "Nasdaq"), or another comparable national securities exchange on or as soon as reasonably practicable after the Effective Date.

M. Will the final amount of Allowed General Unsecured Claims affect my recovery under the Plan?

Although the Debtors' estimate of Allowed General Unsecured Claims is generally the result of the Debtors' and their advisors' analysis of reasonably available information as of the date hereof, the amount of potential Allowed General Unsecured Claims actually asserted against the Debtors may be higher or lower than the Debtors' estimate provided herein, which difference could be material and could materially affect Class 6 recoveries. The projected amount of General Unsecured Claims set forth herein is subject to change.

As of the Petition Date, the Debtors were parties to certain litigation matters that arose in the ordinary course of operating their businesses and could become parties to additional litigation in the future. Since the commencement of these Chapter 11 Cases, the Debtors are also parties to litigation in connection with the rejection of certain Executory Contracts and Unexpired Leases. Although the Debtors have disputed, are disputing, or will dispute in the future the amounts asserted by such litigants, to the extent these parties are ultimately entitled to a higher amount than is reflected

in the amounts estimated by the Debtors herein, the total amount of Allowed General Unsecured Claims could change and materially affect Class 6 recoveries.

The Debtors may also reject additional Executory Contracts and Unexpired Leases, which may result in parties asserting General Unsecured Claims for rejection damages. Finally, the Debtors may object to certain proofs of claim, and any such objections ultimately could cause the total amount of Allowed General Unsecured Claims to change, and could materially affect Class 6 recoveries.

Prior to or simultaneous with Confirmation, the Court shall have entered the GUC Estimation Order determining the aggregate amount of Allowed General Unsecured Claims, which amount shall constitute a maximum limitation on such Allowed General Unsecured Claims for all purposes under the Plan, including for purposes of distributions, discharge, and participation in the GUC Equity Rights Offering.

N. Will there be releases and exculpation granted to parties in interest as part of the Plan?

Yes, Article VIII of the Plan proposes to provide releases to the Released Parties and to exculpate the Exculpated Parties. The Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Debtors' overall restructuring efforts and were an essential element of the negotiations between the Debtors and the stakeholders.

All of the Released Parties and the Exculpated Parties have made substantial and valuable contributions to the Debtors' restructuring through efforts to negotiate and implement the Plan, which will maximize and preserve the going-concern value of the Debtors for the benefit of all parties in interest. Accordingly, each of the Released Parties and the Exculpated Parties warrants the benefit of the release and exculpation provisions.

ALL HOLDERS OF CLAIMS OR INTERESTS THAT (I) VOTE TO ACCEPT OR ARE DEEMED TO ACCEPT THE PLAN OR (II) ARE IN VOTING CLASSES WHO ABSTAIN FROM VOTING ON THE PLAN OR VOTE TO REJECT THE PLAN AND DO NOT OPT OUT OF THE RELEASE PROVISIONS CONTAINED IN ARTICLE VIII OF THE PLAN WILL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY, INDIVIDUALLY, AND COLLECTIVELY RELEASED AND DISCHARGED ALL CLAIMS AND CAUSES OF ACTION AGAINST THE DEBTORS AND THE RELEASED PARTIES.

ALL HOLDERS OF CLAIMS AND INTERESTS THAT ARE NOT IN VOTING CLASSES THAT DO NOT OPT OUT OF THE RELEASE PROVISIONS CONTAINED IN ARTICLE VIII OF THE PLAN WILL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY, INDIVIDUALLY, AND COLLECTIVELY CONSENTED TO THE RELEASE AND DISCHARGE OF ALL CLAIMS AND CAUSES OF ACTION AGAINST THE DEBTORS AND THE RELEASED PARTIES. THE RELEASES ARE AN INTEGRAL ELEMENT OF THE PLAN.

Based on the foregoing, the Debtors believe that the releases and exculpations in the Plan are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Third Circuit. Moreover, to the extent requested by the Bankruptcy Court, the Debtors will present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions. The release, exculpation, and injunction provisions that are contained in the Plan are copied in pertinent part below.

1. ***Release of Liens***

Except as otherwise specifically provided in the Plan, the Confirmation Order, the Exit Facility Documents, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors or the Reorganized Debtors, as applicable. The DIP

Agent and the Revolving Credit Agreement Agent shall execute and deliver all documents reasonably requested by the Reorganized Debtors to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests on such assets of the Debtors that are subject to the Stand-Alone Restructuring.

To the extent that any Holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such Holder has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, then such Holder (or the agent for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder) and take any and all steps requested by the Debtors, the Reorganized Debtors, or Exit Facility Agent that are necessary or desirable to record or effectuate the cancellation and/or extinguishment of such Liens and/or security interests, including the execution and delivery of such releases and the making of any applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency, records office, or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens. Notwithstanding the foregoing paragraph, Article VIII.D of the Plan shall not apply to any Secured Claims that are Reinstated pursuant to the terms of this Plan.

2. ***Debtor Release***

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Causes of Action, including any derivative claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof, including any draws under the Revolving Credit Facility, or any claims or causes of action related to the Revolving Credit Facility Documents) the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any avoidance actions, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Plan (including, for the avoidance of doubt, the Plan Supplement), the Definitive Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the Disclosure Statement, and the Backstop Commitment Agreement), or any aspect of the Restructuring, including any contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Backstop Commitment Agreement, the Plan, or the Definitive Documents, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing. Notwithstanding anything contained herein to the contrary, the foregoing release does not release any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan.

Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) any Buyback Claims, (iii) claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, (iv) the rights of any current employee of the Debtors under any employment agreement or plan, (v) the rights of the Debtors with respect to any confidentiality provisions or other covenants restricting competition in favor of the Debtors under any

employment or other agreement with a current or former employee of the Debtors, or (vi) the rights of holders of Allowed Claims or Interests to receive distributions under the Plan.

3. ***Release by Holders of Claims or Interests***

Except as otherwise expressly set forth in the Plan or the Confirmation Order, on and after the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged by each Releasing Party from any and all Causes of Action, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, or otherwise, including any derivative claims asserted on behalf of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof, including any draws under the Revolving Credit Facility or any claims or causes of action related to the Revolving Credit Facility Documents), the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Plan (including, for the avoidance of doubt, the Plan Supplement), the Definitive Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the Disclosure Statement, and the Backstop Commitment Agreement), or any aspect of the Restructuring, including any contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Backstop Commitment Agreement, the Plan, or the Definitive Documents, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing.

Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) any Buyback Claims or claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, (iii) the rights of any current employee of the Debtors under any employment agreement or plan, (iv) the rights of the Debtors with respect to any confidentiality provisions or other covenants restricting competition in favor of the Debtors under any employment or other agreement with a current or former employee of the Debtors, or (v) the rights of holders of Allowed Claims or Interests to receive distributions under the Plan.

4. ***Exculpation***

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement and related prepetition transactions (including any draws under the Revolving Credit Facility or any claims or causes of action related to the Revolving Credit Facility Documents), the Plan, the Plan Supplement, the Definitive Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the Disclosure Statement, and the Backstop Commitment Agreement), or any transaction related to the Restructuring, any contract, instrument, release or other agreement or document created or entered into before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for claims related to any act or omission that is determined in a Final Order to have constituted actual fraud, gross negligence or willful

misconduct, but in all respects such Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

5. *Injunction*

Except with respect to the obligations arising under the Plan or the Confirmation Order, and except as otherwise expressly provided in the Plan or the Confirmation Order, all Entities that held, hold, or may hold Claims or Interests that have been released, discharged, or exculpated pursuant to the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors or Reorganized Debtors, or the other Released Parties or the Exculpated Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Entity has timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a claim or interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

O. What is the deadline to vote on the Plan?

The Voting Deadline is twenty-eight (28) days after Solicitation Launch, but in no event later than December 11, 2020, at 4:00 p.m. (prevailing Eastern Time).

P. How do I vote for or against the Plan?

Detailed instructions regarding how to vote on the Plan are contained on the ballots distributed to Holders of Claims that are entitled to vote on the Plan. To be counted as votes to accept or reject the Plan, each ballot (a "Ballot") must be properly executed, completed, and delivered in accordance with the instructions provided such that a vote cast is **actually received** before the Voting Deadline by Kurtzman Carson Consultants LLC ("KCC" or the "Notice and Claims Agent"). *See* Article X of this Disclosure Statement, entitled "Solicitation and Voting Procedures."

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE NOTICE AND CLAIMS AGENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WITH THE VOTING INSTRUCTIONS WILL NOT BE COUNTED EXCEPT AS DETERMINED BY THE DEBTORS.

Q. Why is the Bankruptcy Court holding a Confirmation Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan.

R. When is the Confirmation Hearing set to occur?

The Debtors will request that the Bankruptcy Court schedule the Confirmation Hearing for December 21, 2020 at 9:30 a.m. (prevailing Eastern Time). The Confirmation Hearing may be adjourned from time to time without further notice. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. Subject to section 1127 of the Bankruptcy Code and the consent of the Required Consenting Senior Noteholders, and the Majority Lenders, or the Majority Exit RBL Facility Lenders, as applicable, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

Objections to Confirmation of the Plan must be filed and served on the Debtors, and certain other parties, by no later than twenty-eight (28) days after solicitation on the Plan launches, but in no event later than December 11, 2020, at 4:00 p.m. (prevailing Eastern Time) in accordance with the notice of the Confirmation Hearing that accompanies this Disclosure Statement.

The Debtors will publish the notice of the Confirmation Hearing, which will contain the deadline for objections to the Plan and the date and time of the Confirmation Hearing, in *The New York Times* (national edition) and *Denver Post* to provide notification to those persons who may not receive notice by mail. The Debtors may also publish the notice of the Confirmation Hearing in such trade or other publications as the Debtors may choose.

The Debtors believe the proposed Solicitation and Confirmation timeline provides sufficient time and opportunity for parties to—to the extent necessary—pursue discovery requests and litigate matters related to the GUC Estimation Order, matters arising under Bankruptcy Rule 3018, and Confirmation-related matters.

S. What is the purpose of the Confirmation Hearing?

The confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of reorganization, any person acquiring property under a plan of reorganization, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan of reorganization discharges a debtor from any debt that arose before the confirmation of such plan of reorganization and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

T. What is the effect of the Plan on the Debtors' ongoing business?

The Debtors are reorganizing under chapter 11 of the Bankruptcy Code. Following Confirmation, the Plan will be consummated on the Effective Date, which is the first business day after which all conditions to Consummation have been satisfied or waived. *See* Article IX of the Plan. On or after the Effective Date, and unless otherwise provided in the Plan, the Reorganized Debtors may operate their businesses and, except as otherwise provided by the Plan, may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Additionally, upon the Effective Date, all actions contemplated by the Plan will be deemed authorized and approved.

U. Will any party have significant influence over the corporate governance and operations of the Reorganized Debtors?

As of the Effective Date, the terms of the current members of the board of directors of the Debtors shall expire, and the New Board and new officers of each of the Reorganized Debtors shall be appointed, in accordance with the New Organizational Documents and other constituent documents of each Reorganized Debtor, by the Required Consenting Senior Noteholders.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will, to the extent reasonably practicable, disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the New Board, those Persons that will serve as officers of the Reorganized Debtors and those Persons or Parties anticipated to hold more than 50 percent of New Common Shares. To the extent any such director or officer is an "insider" under the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Provisions regarding the removal, appointment, and replacement of members of the New Boards will be disclosed in the New Organizational Documents.

V. What steps did the Debtors take to evaluate alternatives to a chapter 11 filing?

As described in Section V. herein, as well as 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* [Docket No. 18] (the "First Day Declaration"), prior to the Petition Date, the Debtors evaluated numerous potential alternatives, including options relating to mergers and acquisitions, sales, and consensual recapitalizations, to expand the size of

their business enterprise and address their funded indebtedness, particularly their senior note maturities in 2024 and 2026.

W. What is the Equity Rights Offering?

Reorganized XOG will initiate the Backstopped Equity Rights Offering and the GUC Equity Rights Offering of New Common Shares in accordance with the terms and conditions set forth in the Backstop Commitment Agreement, the other Equity Rights Offering Documents and the Plan. Holders of (i) Senior Notes Claims, (ii) Existing Preferred Interests, (iii) Existing Common Interests, and (iv) General Unsecured Claims in each case, as of the Backstopped Subscription Expiration Deadline or the GUC Subscription Expiration Deadline, as applicable, who have duly subscribed for New Common Shares in accordance with the Equity Rights Offering Documents and Article III of the Plan are eligible to participate in the Equity Rights Offering. The procedures for participating in the Backstopped Equity Rights Offering are set forth in the Backstopped Equity Rights Offering Procedures and the procedures for participating in the GUC Equity Rights Offering will be set forth in the GUC Equity Rights Offering Procedures, both of which are described in Article III.A. of this Disclosure Statement. In the event the Court determines a higher Plan Equity Value, the Equity Rights Offering may result in a greater discount than the current 35 percent dicount.

X. What are the terms of the Exit RBL Facility?

The Exit RBL Facility Term Sheet is attached as **Exhibit G** to this Disclosure Statement. The Revolving Credit Agreement Agent is supportive of the Exit RBL Facility Term Sheet. The Debtors will seek to enter into a "best efforts" commitment letter with respect to the syndication of the proposed Exit RBL Facility as contemplated by Article III.B of the Plan regarding treatment of the Revolving Credit Agreement Claims, which letter shall be included in the Plan Supplement.

The Exit Facility, as currently contemplated by the Exit RBL Facility Term Sheet, will consist of a senior secured revolving credit exit facility by and among XOG, the guarantors from time to time party thereto, the Exit RBL Facility Lenders, and the Exit RBL Facility Agent in the aggregate principal amount of up to $1.0 billion and with an initial borrowing base as of the closing date of $500.0 million. The maturity date of the Exit RBL Facility will be the date that is 3.5 years after the closing date. Subject to the terms of the Exit RBL Facility Term Sheet, the Exit RBL Facility Term Sheet also contemplates that the borrower and guarantors under the Exit Facility will grant valid and perfected first priority security interests in and liens on all of the following:

i. owned real property interests and leased real property interests covering at least 95% of the present discounted value of the oil and gas properties evaluated in the reserve reports delivered to the administrative agent now owned or hereafter acquired by the borrower or the guarantors and all products, profits, rents, and proceeds of the foregoing;

ii. substantially all of the tangible and intangible personal property and assets now owned or hereafter acquired by the borrower and the guarantors (including, without limitation, all equipment, inventory and other goods, accounts, licenses, contracts, intellectual property and other general intangibles, deposit accounts, securities accounts and other investment property and cash); and

iii. all present and future capital stock or other membership or partnership equity ownership or profit interests owned or held of record or beneficially by the borrower and guarantors.

Additionally, the Exit RBL Lenders may be entitled to certain compensation in consideration for the commitment of capital as contemplated under the Exit RBL Facility Term Sheet.

Finally, the Exit RBL Facility Term Sheet contains a number of conditions precedent to closing including, without limitation:

i. Leverage ratio of no more than 1.50x;

ii. Minimum availability of 20% of initial borrowing base;

iii. Minimum equity contribution in an amount equal to $200 million, which is the amount sufficient to comply with minimum availability requirement; and

iv. Because XOG has been in the process of rejecting and renegotiation a number of its gathering, transportation and processing contracts, the Exit RBL Facility also has a condition precedent that requires that certain gathering, transportation and processing contracts be renegotiated and in place before closing so that they reach certain assumptions contained in a reserve report that has been previously delivered to the Exit RBL Agent (note, the Exit RBL Agent, in its sole discretion, determines whether these contracts have been so modified so that all these contracts taken as a whole will reach the targeted assumptions in the reserve report).

Y. What election is available to Holders of Revolving Credit Agreement Claims pursuant to the Plan?

The Ballot for Holders of Revolving Credit Agreement Claims includes an election to participate in the Exit Facility. Only Holders of Revolving Credit Agreement Claims that elect to participate ratably in the Exit RBL Facility shall receive Exit Facility Revolving Commitments. Any Holder of a Revolving Credit Agreement Claim that does not elect to participate ratably in the Exit RBL Facility (including by not making any election with respect to the Exit RBL Facility on the Ballot) will receive only its pro rata share of the Exit Facility Term Loans.

Z. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Notice and Claims Agent:

By electronic mail at:
Email: XOGInfo@kccllc.com with a reference to "XOG" or "Extraction" in the subject line.

By telephone at:
(866) 571-1791 (U.S./Canada) or (781) 575-2049 (International)

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Debtors' Claims, Noticing and Solicitation Agent at the address above or by downloading the exhibits and documents from the website of the Debtors' Claims, Noticing and Solicitation Agent at https://www.kccllc.net/extractionog (free of charge) or the Bankruptcy Court's website at http://www.deb.uscourts.gov (for a fee).

AA. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe the Plan, which has the overwhelming support of the Debtors' funded debt creditors, provides for a larger distribution to the Debtors' creditors than would otherwise result from any other available alternative. The Debtors believe the Plan is in the best interest of all Holders of Claims, represents the best available path to restructure their operations, ensures the Debtors will continue as a going-concern, and significantly deleverages the Debtors' consolidated balance sheet at a critical time. The Debtors believe that other alternatives (if any) fail to realize or recognize the value inherent under the Plan. Confirmation of the Plan is supported by over 90% of Holders of Senior Notes Claims.

As of the date hereof, certain parties—including the Creditors' Committee—do not support the Plan and recommend that general unsecured creditors vote to reject the Plan.

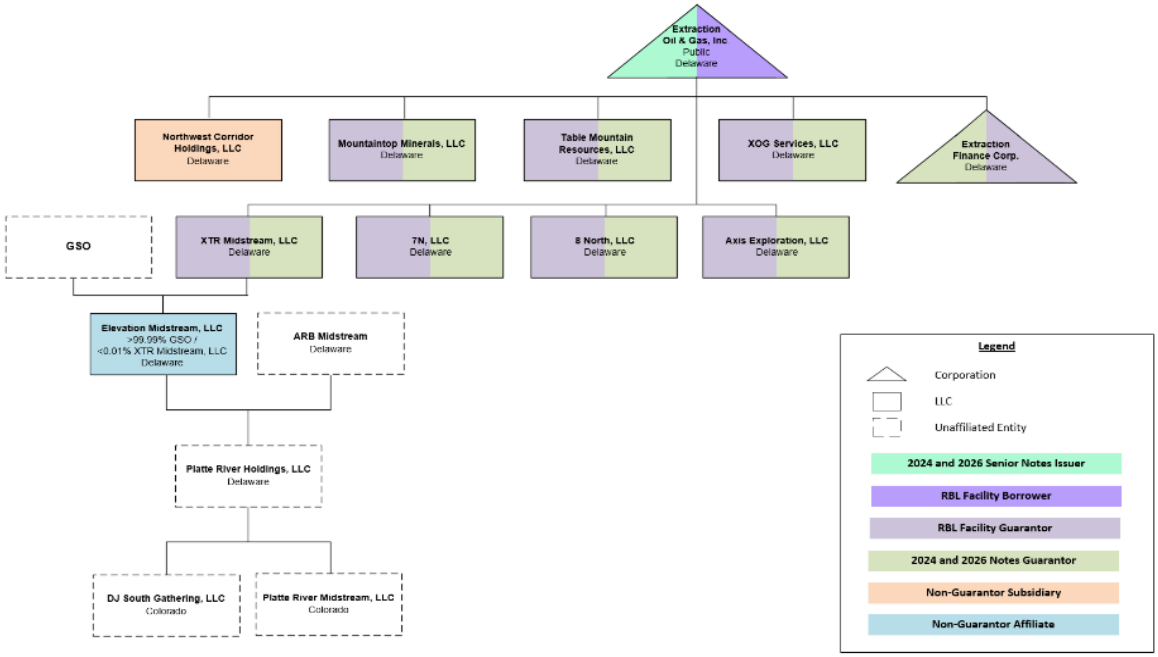
V. THE DEBTORS' BUSINESS OPERATIONS AND CAPITAL STRUCTURE

A. The Debtors' Corporate Structure and History.

Headquartered in Denver, Colorado, XOG and its Debtor affiliates are an independent oil and gas company focused on the acquisition, development and production of oil, natural gas and natural gas liquids reserves in the Rocky Mountain region—primarily in the Wattenberg Field in the Denver-Julesburg Basin (the "DJ Basin") of

Colorado. The Debtors operate primarily in the "upstream" oil and gas sector and conduct their exploration and production activities across approximately 295,000 net acres, approximately 169,000 net acres of which are in some of the most productive areas of the DJ Basin.

In the eight years since its founding in November 2012, XOG has grown to become one of the largest oil producers in Colorado, with substantial upstream operations. Through strategic leasing and acquisition programs, the Debtors' management team has built a large, contiguous acreage position while enhancing drilling economics by allowing the drilling of longer horizontal wellbores. In 2016, after a roughly two-year hiatus of United States E&P company initial public offerings, XOG successfully launched an initial public offering and began trading on the NASDAQ Global Select Market under the ticker symbol XOG. A simplified version of the Debtors' current corporate structure is as follows:



B. The Debtors' Assets and Operations.

The Debtors have built a strong asset base through a combination of property acquisitions, development of reserves, and exploration activities. The Debtors have consistently maintained a high degree of operational control over their lease development and producing wells under the belief that retaining control of production enables increased recovery rates, lower well costs, improved drilling performance and increased ultimate hydrocarbon recovery through optimization of drilling and completion techniques. Additionally, operating their production allows the Debtors to manage the pace of their horizontal development program and the gathering and marketing of their production more efficiently. The Debtors have sought to continuously monitor and adjust their drilling program with the objective of achieving the highest total returns on their portfolio of drilling opportunities. As the Debtors' acreage and production expanded, they proactively sought to secure the necessary midstream and associated operational infrastructure to support their drilling schedule and keep pace with their expected production growth.

- **February 2020 Divestiture**: In February 2020, the Debtors completed the sale of certain non-operated producing properties for aggregate sales proceeds of approximately $12.2 million, subject to customary purchase price adjustments.

- **December 2019 Divestiture**: In December 2019, the Debtors completed the sale of certain non-operated producing properties for aggregate sales proceeds of approximately $10.0 million, subject to customary purchase price adjustments.

- **August 2019 Divestiture**: In August 2019, the Debtors completed the sale of certain non-operated producing properties for aggregate sales proceeds of approximately $22.0 million, subject to customary purchase price adjustments.

- **March 2019 Divestiture**: In March 2019, the Debtors completed the sale of its interests in approximately 5,000 net acres of leasehold and producing properties for aggregate sales proceeds of approximately $22.4 million. The effective date for the March 2019 Divestiture was July 1, 2018 with purchase price adjustments calculated as of the closing date of $5.9 million, resulting in net proceeds of $16.5 million.

- **December 2018 Divestitures**: In December 2018, the Debtors completed various sales of its interests in approximately 31,200 net acres of leasehold and primarily non-producing properties, for aggregate sales proceeds of approximately $8.5 million, subject to customary purchase price adjustments.

- **August 2018 Divestitures**: In August 2018, Elevation received proceeds of $83.6 million, upon the sale of assets held by DJ Holdings, LLC, a subsidiary of Discovery Midstream Partners, LP, of which Elevation held a 10% membership interest. Elevation acquired this membership interest in exchange for the contribution of an acreage dedication from certain of the Debtors, which is considered a nonfinancial asset.

- **April 2018 Divestitures**: In April 2018, the Debtors completed various sales of its interests in approximately 15,100 net acres of leasehold and primarily nonproducing properties for aggregate sales proceeds of approximately $72.3 million.

- **April 2018 Acquisition**: In April 2018, the Debtors acquired an unaffiliated oil and gas company's interest in approximately 1,000 net acres of non-producing leasehold primarily located in Arapahoe County, Colorado for approximately $9.4 million in cash, providing the Debtors with new asset development opportunities in certain "core" areas of the DJ Basin.

- **January 2018 Acquisition**: On January 8, 2018, the Debtors acquired an unaffiliated oil and gas company's interest in approximately 1,200 net acres of non-producing leasehold located in Arapahoe County, Colorado for approximately $11.6 million in cash.

- **November 2017 Acquisition**: On November 15, 2017, the Debtors acquired an unaffiliated oil and gas company's interest in approximately 36,600 net acres of leasehold and primarily non-producing properties located in Arapahoe County, Colorado for approximately $214.3 million in cash, subject to customary purchase price adjustments.

- **July 2017 Acquisition**: On July 7, 2017, the Debtors acquired an unaffiliated oil and gas company's interests in approximately 12,500 net acres of leasehold and primarily non-producing properties located primarily in Adams County, Colorado for total consideration of approximately $84.0 million in cash.

- **June 2017 Acquisition**: On June 8, 2017, the Debtors acquired an unaffiliated oil and gas company's interests in approximately 160 net acres of leasehold and related producing properties located in Weld County, Colorado for approximately $13.4 million in cash consideration.

C. The Debtors' Operations.

1. *The Upstream Industry.*

The oil and gas industry is typically divided into three major sectors: "upstream," "midstream," and "downstream." The upstream sector is comprised of "exploration and production," or E&P, activities that focus on locating and extracting crude oil, raw natural gas, and other hydrocarbons from beneath the surface. Common upstream assets include mineral leases, producing wells, and associated production equipment. The midstream sector includes the activities involved in gathering, transporting, processing, and storing hydrocarbons. Common midstream assets include gathering pipelines, separation facilities, and tankage. The downstream sector is focused on the marketing and distribution of the products derived from the extracted hydrocarbons to the ultimate end users.

Common downstream assets include refineries and retail sites. Many industry companies operate in two or more of these sectors. The majority of the Debtors' assets are considered to be in the upstream sector, but the Debtors also have limited ownership[13] in midstream assets, primarily via their non-Debtor affiliate, Elevation Midstream, LLC.

2. *Upstream Activities.*

As noted, the Debtors conduct their business operations primarily in the "upstream" sector, meaning their E&P operations involve the capture and sale of oil and natural gas, operations they conduct in domestic, onshore hydrocarbon-bearing basins. Through oil and natural gas leases entered into with mineral rights owners throughout the regions in which the Debtors conduct business, the Debtors hold working interests and revenue interests in oil and gas properties that give them the right to drill, produce, and maintain wells in the applicable geographic areas.

As an "operator," the Debtors are the parties engaged in the production of oil and natural gas for certain geographic units, often established pursuant to state law, for the benefit of themselves and other parties with mineral interests or leasehold interests in the same unit. Acting as operator, the Debtors conduct the day-to-day business operations of producing oil and natural gas at well sites and initially cover their own expenses as well as the expenses incurred on behalf of the owners of working interests in a designated unit covered by a joint operating agreement, pooling order, or similar agreement. The Debtors transport the majority of their hydrocarbon production by pipeline or tanker truck for sale to their customers. After receipt of gross proceeds, the Debtors—when acting as operator—distribute funds to various working interest holders, royalty interest holders, governmental entities, and other parties with an interest in production. The remaining proceeds are retained by the Debtors as operating revenues. As of December 31, 2019, the Debtors' revenue interest in their properties after lessor royalties and other leasehold burdens was approximately 80 percent, and the Debtors' working interest for all producing wells averaged approximately 72 percent with a proportionally reduced net revenue interest of approximately 60 percent.

In areas where the Debtors own interests in oil and natural gas leases but do not act as operator, a third party typically will serve as the operator for the wells relating to the Debtors' oil and natural gas leasehold interests and will distribute an allocable share of any productive sale proceeds to the Debtors and will invoice to the Debtors the Debtors' share of operating expenses and capital investments.

3. *Midstream Activities.*

Primarily for the benefit of their production activities, the Debtors, through Elevation Midstream, LLC ("Elevation"), a non-Debtor affiliate of XOG, also provide "midstream" services, which involve the gathering, transportation, and processing of produced water and hydrocarbons, to serve the development of the Debtors' acreage in the Hawkeye and Southwest Wattenberg areas. Historically, Elevation had been a consolidated subsidiary of XOG for accounting purposes.

In October 2019, Elevation commenced moving crude oil, natural gas and water through its newly constructed Badger central gathering facility servicing the Debtors' production from the Southwest Wattenberg area. This facility enabled the Debtors and others to efficiently transport crude oil, natural gas, and water production, as well as supplying a portion of water used during the completion process. Revenues and operating expenses associated with the gathering systems and facilities operations were derived primarily from intersegment transactions for services provided to the Debtors' exploration, development and production operations as well as to third parties. However, effective March 16, 2020, Elevation became a separate, deconsolidated entity.

(a) Elevation Gathering Agreements.

In July 2018, XOG entered into three long-term gathering agreements with Elevation (the "Elevation Gathering Agreements") for gas, crude oil and produced water. In April 2019, the Elevation Gathering Agreements were amended to provide for, among other changes, the inclusion of additional gathering facilities. Pursuant to this amendment, Elevation has recently asserted that the additional gathering facilities were required to be completed by

[13] Following deconsolidation in March 2020, and as discussed further herein, as of the Petition Date, XOG has less than a 0.01% interest in Elevation Midstream, LLC.

April 1, 2020, subject to a right by Elevation, within 30 days of such date, to demand a payment from XOG in the amount of 135 percent of all costs incurred by Elevation as of such date for the development and construction of such additional gathering facilities. As of March 31, 2020, the costs incurred by Elevation for these additional gathering facilities totaled approximately $34.8 million.

As of April 1, 2020, the additional gathering facilities had yet to be completed, leading Elevation to allege that XOG is obligated to pay Elevation $46.8 million in purported damages. On May 26, 2020, XOG filed suit against Elevation and certain of its affiliates seeking a declaratory judgment regarding this demand for payment. As of July 30, 2020, XOG voluntarily dismissed the suit without prejudice.

In connection with these chapter 11 cases, the Debtors are seeking to reject the Elevation Gathering Agreements through the *Notice of Rejection of Certain Executory Contracts and/or Unexpired Leases* [Docket No. 377]. On September 4, 2020, the Debtors filed the *Complaint for Declaratory Judgment* [Docket No. 591] to determine that the Elevation Gathering Agreements do not run with the land and for authority to reject the Elevation Gathering Agreements as executory contracts. On September 10, 2020, Elevation filed the *Objection of Elevation Midstream, LLC and GSO EM Holdings LP to the Notice of Rejection of Certain Executory Contracts and/or Unexpired Leases* [Docket No. 612]. On October 14, 2020, the Bankruptcy Court published the *Findings of Fact and Conclusions of Law on Plaintiff's Motion for Summary Judgment against Elevation Midstream, LLC* [Docket No. 832], which determined that the covenant did not run with the land and thus, that the Executory Contracts are eligible for rejection under section 365 of the Bankruptcy Code.

The Debtors and Elevation are in current discussions and have reached an agreement in principle on commercial business terms. Accordingly, the Debtors have requested that the Court delay its ruling on rejection to permit the parties to document the proposed settlement. To the extent final resolution is not reached and/or Elevation's contracts with the Debtors are deemed rejected, the Debtors may be required to shut in their wells until an alternative pipeline provider is in place. Trucking production is not currently an available option in the applicable region.

4. ***Sales and Marketing Arrangements.***

The Debtors generally sell their oil and natural gas production from their operated properties, both for their own account and for the accounts of other working interest owners in these properties, at market prices to credit-worthy purchasers, including independent marketing companies, gas-processing companies, and other purchasers who have the ability to pay the highest price for the oil and natural gas production and move the oil and natural gas under the most efficient and effective transportation agreements. Until June 2020, the Debtors' largest purchaser was an oil marketer who had the ability to sell production into multiple markets. For the fiscal year ended December 31, 2019, approximately 77 percent of the Debtors' production was sold to this purchaser. Beginning in July 2020, the Debtors have been marketing their production directly.

Because the Debtors' oil and natural gas production from their operated properties is sold under market-priced agreements, the Debtors are positioned to take advantage of future increases in oil and natural gas prices, but they are also subject to any future price declines. This potential volatility is partially offset through hedging arrangements, as discussed further herein.

The Debtors' natural gas is transported through their own and third-party gathering systems and pipelines. As such, the Debtors incur processing, gathering and transportation expenses to move their natural gas from the wellheads to specified delivery points. These expenses vary based on the volume and distance shipped, and the fee charged by the third-party gatherer, processor or transporter. Capacity on these gathering systems and pipelines is occasionally limited and at times unavailable because of repairs or improvements, or as a result of priority transportation agreements with other gas shippers. If transportation space is restricted or is unavailable, the Debtors' cash flow from the affected properties could be adversely affected. In certain instances, the Debtors may enter into

firm transportation agreements to provide for pipeline capacity to flow and sell a portion of their gas volumes. These agreements have term delivery commitments of fixed and determinable quantities of natural gas.

5. *Prepetition Hedging Arrangements.*

To achieve more predictable cash flow and reduce their exposure to adverse fluctuations in commodity prices, the Debtors periodically enter into commodity derivative arrangements, or "hedging arrangements," for their oil and natural gas production. By removing a significant portion of price volatility associated with their oil and natural gas production, the Debtors believe they are able to mitigate, but not eliminate, the potential negative effects of reductions in oil and natural gas prices on their cash flow from operations for the periods covered under hedging arrangements. The Debtors realize gains on the derivatives to the extent their hedging contract prices are higher than market prices. In certain circumstances, where the Debtors have unrealized gains in their hedging portfolio, they may choose to restructure existing derivative contracts or enter into new transactions to modify the terms of current contracts in order to realize the current value of their existing positions.

All of the counterparties to the Debtors' hedging agreements are also lenders or affiliates of lenders under the Debtors' RBL Facility (as defined herein). Eight of these counterparties and the non-RBL Facility lender counterparty (each, a "Non-Consenting Prepetition Hedging Provider") informed the Debtors of their intent to exercise their rights under the "safe harbor" protections of the Bankruptcy Code to terminate such hedging agreements upon the Debtors' filing of these chapter 11 cases. As a result, the Debtors negotiated with four of the Non-Consenting Prepetition Hedging Providers to effect an orderly unwinding of those hedges in advance of the Petition Date. The the remaining four Non-Consenting Prepetition Hedging Providers terminated their hedging agreements shortly after the Petition Date, and the proceeds of the hedges were applied to prepay amounts outstanding under the Revolving Credit Agreement.

Additionally, prior to the Petition Date, XOG further negotiated amendments to its hedging arrangement with the secured counterparty with which it had and continues to have the largest outstanding hedge positions (the "Consenting Prepetition Hedging Provider") to reflect terms on which the Consenting Prepetition Hedging Provider was willing to forbear from terminating its hedging arrangement upon the Debtors' commencement of these chapter 11 cases.

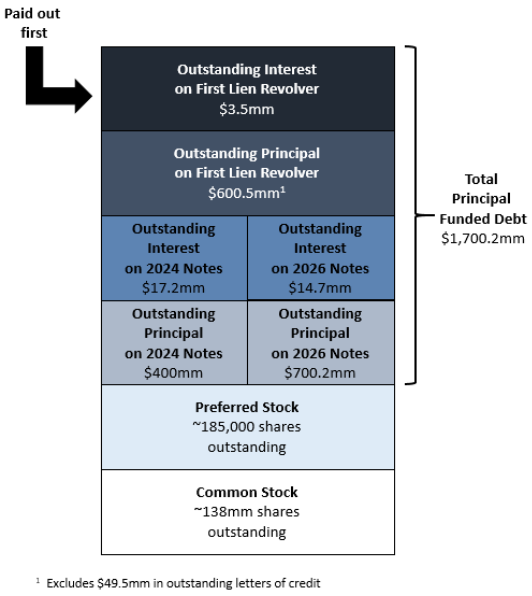
D. Environmental Matters.

The Debtors are subject to complex and stringent environmental laws and regulations at the federal, state, and local levels in connection with the development, ownership, and operation of their facilities, which both governmental units and third parties have sought to enforce. In the course of operating the business, the Debtors have entered into consent orders and agreements involving federal and state environmental governmental units and third parties to resolve disputes regarding compliance with, and liabilities arising under, applicable environmental laws and regulations. Certain of these consent orders and agreements impose ongoing obligations on the Debtors to monitor and address environmental conditions.

E. The Debtors' Prepetition Capital Structure.

6. *The Debtors' Debt Obligations.*

As of the Petition Date, the Debtors had approximately $1.7 billion in total funded debt, consisting of (a) the Revolving Loan Facility, in an aggregate outstanding amount of approximately $600.5 million; (b) the Senior 2024 Notes, in an outstanding principal amount of $400.0 million; and (c) the Senior 2026 Notes, in an outstanding principal amount of $700.2 million. The chart below reflects the Debtors' capital structure as of the Petition Date.



(a) Revolving Loan Facility.

XOG is the borrower under the approximately $600.5 million Revolving Loan Facility by and among XOG, the Revolving Credit Agreement Lenders, and the Administrative Agent. The Revolving Loan Facility is guaranteed by each of XOG's subsidiaries (excluding Northwest Corridor (collectively, the "RBL Guarantors")) and is secured on a first-priority basis by substantially all of XOG's and the RBL Guarantors' assets.

The RBL Facility matures on August 16, 2022, subject to a "springing" maturity of April 15, 2021 if (a) the shares of Preferred Stock (as defined herein) have not been either converted into shares of Common Stock (as defined herein) or redeemed by April 14, 2021 and (b) a sufficient extension has not been granted. The RBL Facility accrues interest at a rate per annum equal to: (y) the adjusted base rate plus an applicable margin of between 0.5% and 1.5% based on the utilization percentage; or (z) adjusted LIBOR plus an applicable margin of between 1.5% and 2.5% based on the utilization percentage.

The RBL Facility is subject to a limitation on borrowing in an amount equal to the least of (a) the commitments thereunder, (b) the borrowing base then in effect, and (c) the maximum cap then in effect. The borrowing base under the RBL Facility is subject to scheduled redeterminations and redeterminations at the election of the Revolving Credit Agreement Lenders and XOG. In November 2019, the RBL Facility's borrowing base was decreased from $1.1 billion to $950.0 million and the maximum cap was decreased from $1.0 billion to $950.0 million in connection with the scheduled borrowing base redetermination. On April 27, 2020, the borrowing base and the maximum cap under the RBL Facility were decreased further to $650.0 million. As of the Petition Date, approximately $600.5 million in principal amount is outstanding under the RBL Facility in addition to approximately $49.5 million in outstanding letters of credit issued under the RBL Facility—together reducing the borrowing base availability to close to $0.

(a) The Senior 2024 Notes.

Pursuant to the 2024 Senior Notes Indenture, XOG issued a series of 7.375% 2024 Senior Notes in an aggregate principal amount of $400.0 million. Interest is payable on the 2024 Senior Notes on May 15 and November 15 of each year beginning on November 15, 2017. The 2024 Senior Notes mature on May 15, 2024. As of the Petition Date, approximately $400 million in principal amount remains outstanding under the 2024 Senior Notes.

(b) The Senior 2026 Notes

Pursuant to the 2026 Senior Notes Indenture, XOG issued a series of 5.625% Senior 2026 Notes in an aggregate principal amount of $750.0 million. Interest is payable on the 2026 Senior Notes on February 1 and August

1 of each year beginning on August 1, 2018. The 2026 Senior Notes mature on February 1, 2026. As of the Petition Date, approximately $700.2 million in principal amount remains outstanding under the 2026 Senior Notes.

7. *The Equity Interests in the Debtors.*

As of the Petition Date, XOG's issued and outstanding share capital consisted of approximately 138 million shares of common stock (the "Common Stock"), the majority of which is publicly traded on NASDAQ, and approximately 185,280 shares of Series A Convertible Preferred Stock (the "Preferred Stock"), which are convertible into shares of Common Stock at the election of the holders. Affiliated funds of Yorktown Partners, LLC hold approximately 36 percent of the Common Stock.

Holders of the Preferred Stock are entitled to a cash dividend of 5.875% per year, payable quarterly in arrears; however, commencing with the fourth fiscal quarter of 2019, XOG elected to begin paying the dividend in-kind, which accrues interest at a rate of 2.5% per quarter. Prior to its maturity date of October 15, 2021, the Preferred Stock is convertible into shares of Common Stock at the holder's election at a conversion ratio of 61.9195 shares of Common Stock per share of Preferred Stock. As of October 15, 2019, pursuant to the terms of the Certificate of Designations governing the Preferred Stock (the "Certificate of Designations"), XOG is no longer able to force conversion of the Preferred Stock into shares of Common Stock. XOG may, however, still redeem the Preferred Stock at any time for the liquidation preference, equal to $1,050.625 per share of Preferred Stock, subject to adjustment in accordance with the terms of the Certificate of Designations. Upon maturity, the Preferred Stock is mandatorily redeemable for cash at the liquidation preference in accordance with the terms of the Certificate of Designations.

VI. EVENTS LEADING TO THESE CHAPTER 11 CASES

A. Initial Stakeholder Outreach and Retention of Restructuring Advisors.

While the oil and gas sector is presently experiencing unprecedented financial pressure, the Debtors entered into 2020 with a relatively secure financial position. Despite debt service payments on their approximately $1.7 billion of funded debt and the potential for a springing maturity under their RBL Facility in April 2021, the Debtors maintained financial flexibility. Most importantly, the Debtors began 2020 with committed financing of up to $950 million under their RBL Facility—sufficient liquidity to service their debt and fund anticipated capital expenditure needs throughout the year. Indeed, the Debtors secured a "clean" audit report as recently as March 12, 2020.

Nonetheless, recognizing that their then-current asset mix was likely insufficient to best position their business for the long term, in late 2019, the Debtors sought to take proactive steps to optimize their balance sheet and capital needs. The Debtors engaged advisors—including Moelis and Petrie as investment bankers and Kirkland as legal advisors—to assist charting a path forward to reduce their funded indebtedness. Through January and February 2020, the Debtors and their advisors evaluated strategic alternatives (including a potential restructuring) to address their leverage position. Beginning in January 2020, the Debtors and their advisors initiated discussions with certain of their key stakeholders, including members of the current Ad Hoc Noteholder Group and Preferred Holdings Group, to explore a potential holistic liability management transaction. Ultimately, these initial efforts did not materialize into a viable out-of-court restructuring alternative and negotiations with the Debtors' various stakeholders regarding a potential out-of-court restructuring ceased in late February 2020. In connection with a review of prior events, the Debtors had executed a program to repurchase stock in 2018 and 2019. This program was authorized in November 2018 and it concluded in the summer of 2019. Given the liquidity issues experienced in 2020, the Board deemed it appropriate to review the repurchase of the stock in prior periods, and to determine whether any potential claims exist arising from the share buyback program. As a result, the Board established a Special Committee to investigate and review the share buyback program, which such process is ongoing.

B. Market and Industry-Specific Challenges.

1. *Recent Market Volatility and March 2020 Oil Market Crash.*

The Debtors' near and long-term liquidity projections were completely upended by the sudden crash of oil prices in March followed by a continuing downward spiral through April and May. Historically, markets for oil, natural gas, and natural gas liquid have been volatile. The natural volatility, however, has been greatly exacerbated

by the sudden, combined impact of the COVID-19 pandemic and the oil price war between the Kingdom of Saudi Arabia and Russia.

In early 2020, the initial spread of COVID-19 caused decreased factory output and transportation demand, resulting in a sharp decline in energy prices. In an effort to rectify this strong downward pressure on prices, the Organization of Petroleum Exporting Countries ("OPEC"), led by the Kingdom of Saudi Arabia, called for additional cuts in oil production, subject to agreement by Russia, a non-OPEC member. Yet, those efforts faltered, and the parties failed to reach an agreement as to production levels. In the aftermath, both the Kingdom of Saudi Arabia and Russia announced that they would *increase*, rather than decrease, oil production, resulting in significant excess global supply of crude oil amidst the backdrop of an already severely depressed demand environment.

In addition, the uncertainty regarding the impact of COVID-19 and various governmental actions taken to mitigate its impact resulted in an unprecedented decline in demand for oil and natural gas. At the same time, the decision by Saudi Arabia in March 2020 to drastically reduce export prices and increase oil production followed by curtailment agreements among OPEC and other countries, such as Russia, further increased uncertainty and volatility around global oil supply-demand dynamics. Decreased demand resulting from "shelter-in-place" orders implemented across much of the United States in order to prevent the further spread of COVID-19 caused domestic storage capacity to peak during March and April, prompting further volatility and ultimately leading the price of crude oil to crater into negative territory for the first time in United States history. Independent exploration and production companies, such as the Debtors, were hit especially hard, as their revenues are generated primarily from the sale of unrefined oil, natural gas, and natural gas liquids.

2. *Borrowing Base Redetermination.*

While oil prices have tentatively begun to recover, they remain meaningfully below levels seen in the recent past (e.g., June 12, 2020 WTI oil pricing was approximately 40 percent below levels seen at the beginning of 2020), and the extreme and sudden downturn fundamentally changed the economic landscape surrounding the Debtors' deleveraging options. As a direct effect of the substantial drop in oil and natural gas prices, the borrowing base under the RBL Facility, which is subject to periodic redeterminations, was reduced from $950.0 million to $650.0 million on April 27, 2020. Combined with the other financial and operational challenges described herein, this borrowing base redetermination further strained the Debtors' liquidity.

C. Exploration of Potential Alternatives.

The Debtors instituted measures to preserve capital, including measures to increase operational efficiency and the reduction of employment-related expenses through two separate rounds of headcount reductions and salary reductions. Additionally, over recent months, the Debtors undertook extensive efforts, in consultation with Petrie and A&M, to renegotiate the terms of their existing midstream contracts. These renegotiation efforts, which remain ongoing, include numerous hours of analysis, formulation of proposals and counterproposals, and discussions with their midstream contract counterparties.

Nonetheless, it became increasingly clear that such measures alone would be insufficient to meet future capital requirements and satisfy financial obligations. In April 2020, the Debtors again commenced stakeholder outreach to explore potential alternatives and address their liquidity, as discussed below.

3. *Solicitation of Out-of-Court Financing.*

Beginning in April 2020, the Debtors retained Parkman Whaling LLC ("Parkman") to, together with Petrie, conduct a formal out-of-court financing solicitation process to address the Debtors' tightening liquidity needs. Simultaneously, the Debtors commenced contingency planning efforts in concert with the out-of-court financing process efforts as a backstop should such financing efforts not produce a viable proposal. Shortly thereafter, A&M was retained as restructuring advisor to assist with liquidity management and contingency planning efforts.

Pursuant to the financing solicitation process, Parkman and Petrie, on behalf of the Debtors, contacted over 60 potential investors, including existing equityholders, to explore securing an out-of-court financing. Ultimately, these efforts did not result in an actionable out-of-court restructuring alternative, and the Debtors elected to discontinue the out-of-court solicitation efforts. In connection with doing so, the Debtors terminated Parkman's retention.

4. *Restructuring Negotiations and the DIP Financing Solicitation Process.*

As part of their contingency planning efforts, the Debtors re-engaged with certain of their stakeholders, including the Ad Hoc Noteholder Group and the Preferred Holdings Group, regarding the terms of a potential in-court restructuring. The Debtors' failure to make the 2024 Senior Notes interest payment triggered a 30-calendar-day cure period before such non-payment would constitute an "Event of Default" under the 2024 Senior Notes Indenture. Non-payment would also cause a cross-default under the RBL Facility.

Following the Board's decision to forego the 2024 Senior Notes interest payment and instead enter the grace period, on May 14, 2020, the Debtors, with the assistance of Moelis, contacted 21 parties in total (including 18 third-parties, the current RBL Lenders via the Revolving Credit Agreement Agent, the Ad Hoc Noteholder Group, and the Preferred Holdings Group), to solicit proposals for debtor-in-possession financing. Of the 18 third-parties contacted, only four parties requested and executed non-disclosure agreements and were granted access to due diligence through the Debtors' virtual data room. Ultimately, none of the third-parties submitted a proposal, and the only proposal the Debtors received was from the Revolving Credit Agreement Agent.

In the week leading up to the Petition Date, the Preferred Holdings Group expressed a desire to avoid an in-court proceeding. The Debtors and their advisors, both with the Ad Hoc Noteholder Group and separately, engaged in meaningful discussions with the Preferred Holdings Group in the hopes of ultimately reaching agreement on a value-maximizing path forward on an out-of-court basis. Ultimately, the Debtors determined that their severe liquidity constraints did not allow for the timeline necessary to effect a viable and comprehensive deleveraging out-of-court transaction.

The Debtors and their advisors had numerous discussions with the Ad Hoc Noteholder Group, the RBL Group (including the Revolving Credit Agreement Agent), and the Preferred Holdings Group on a potential plan of reorganization structure. Although the Debtors were not able to achieve consensus across their entire prepetition capital structure prior to filing, the parties made significant progress, and the Debtors ultimately reached an agreement with the Ad Hoc Noteholder Group, representing over 80% in aggregate principal amount of the Senior Notes, and entered into the Restructuring Support Agreement. The Restructuring Support Agreement contemplates the terms of the Restructuring Transactions provided in the Plan.

Additionally, the Debtors, in consultation with their advisors, determined that the financing proposal provided by the RBL Group afforded the Debtors the best (and in fact the only) financing arrangement to enable the Debtors to continue to operate through the chapter 11 process, and was in the best interests of the Debtors and their estates. Although the Debtors were unable to achieve a global consensus prior to filing, the proposed DIP Facility provides the bedrock upon which the Debtors hope to build such accord. At the core, it was the Debtors' tightening liquidity that dictated the timeline on which the Debtors could negotiate and ultimately necessitated a chapter 11 filing without a broader agreement among all parties in place—the Debtors needed to file for chapter 11 in order to access the additional liquidity provided by the DIP Facility to avoid halting operations entirely. Nevertheless, the Debtors continued negotiations with the hope of entering into an agreement as soon as possible following the Petition Date.

On or about June 14, 2020, the Debtors executed a commitment letter for a $125 million postpetition financing facility (comprised of $50 million in new money), substantially on the same terms as set forth in the DIP Motion and DIP Credit Agreement. The proposed DIP Facility represents the culmination of a hard-fought process, provides the Debtors and their creditor constituencies with postpetition financing on the best available terms, allows the Debtors to continue operating their businesses and operations on a postpetition basis, halts the further accrual of interest under the Debtors' various unsecured or under secured prepetition debt instruments, and gives the Debtors (and their stakeholders) an opportunity to negotiate and consummate an orderly and efficient deleveraging, as set forth in the Milestones.

VII. EVENTS OF THE CHAPTER 11 CASES

A. Corporate Structure upon Emergence.

Except as otherwise provided in the Plan, the New Corporate Governance Documents, the New Common Shares Agreement, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement,

on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval

B. Expected Timetable of the Chapter 11 Cases.

The Restructuring Support Agreement, which is attached as **Exhibit B**, and as amended from time to time consistent with the Final DIP Order and any amendments thereto, set forth certain milestones. **No assurances can be made, however, that the Bankruptcy Court will enter various orders on the timetable anticipated by the Debtors.**

C. First Day Relief.

On the Petition Date, the Debtors filed several motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations by, among other things, easing the strain on the Debtors' relationships with employees, vendors, and customers following the commencement of the Chapter 11 Cases. At a hearing on June 16, 2020 (the "First Day Hearing"), the Bankruptcy Court granted all of the relief requested in the First Day Motions. Subsequently, the Bankruptcy Court granted the relief requested in the First Day Motions on a final basis. The First Day Motions, and all orders for relief granted in the Chapter 11 Cases, can be viewed free of charge at https://www.kccllc.net/extractionog.

D. Other Requested First-Day Relief and Retention Applications.

In addition, the Debtors filed motions and/or applications seeking certain customary relief, including an order directing the joint administration of the three Chapter 11 Cases under a single docket and orders approving the retention of the Debtors' bankruptcy advisors, including Kirkland as their legal advisors, WTP as their local counsel, Moelis and Petrie as their investment bankers, A&M as their restructuring advisors, Deloitte Tax LLP as their tax services provider, PricewaterhouseCoopers LLP as their independent auditor and tax compliance provider, KCC as their Notice and Claims Agent, and has engaged Riveron Consulting LLC as their financial reporting and fresh start accounting advisor, and Protiviti Inc. as their internal control servicer.

E. Schedules and Statements.

The Debtors filed their Schedules on July 31, 2020.

F. Appointment of Creditors' Committee.

On June 30, 2020, the Creditors' Committee was appointed pursuant to section 1102(a)(1) of the Bankruptcy Code. *See* Docket No. 155.

G. Midstream Litigation.

The Debtors are party to various adversary proceedings to determine whether certain agreements are subject to section 365 of the Bankruptcy Code. Accordingly, the Debtors filed various adversary proceedings to determine the nature of the agreements. On August 14, 2020, the Debtors filed an adversary proceeding against REP Processing, LLC [Ad. Pr. No. 20-50813]. On August 19, 2020, the Debtors filed an adversary proceeding against Grand Mesa Pipeline, LLC [Ad. Pr. No. 20-50816]. On August 25, 2020, the Debtors filed an adversary proceeding against Platte River Midstream, LLC and DJ South Gathering, LLC [Ad. Pr. No. 20-50833]. On September 4, 2020, the Debtors filed an adversary proceeding against Elevation Midstream, LLC [Ad. Pr. No. 20-50839]. On September 8, 2020, the Debtors filed an adversary proceeding against Rocky Mountain Midstream LLC [Ad. Pr. No. 20-50840] (the foregoing defendants in the adversary proceedings, collectively with DCP Operating Company, LP, the "Midstream Parties"). On October 14, 2020, the Bankruptcy Court published the *Findings of Fact and Conclusions of Law on Plaintiff's*

Motion for Summary Judgment against Platte River Midstream, LLC and DJ South Gathering, LLC [Docket No. 833], which determined that the covenant did not run with the land and thus, that the Executory Contracts are eligible for rejection under section 365 of the Bankruptcy Code. On October 14, 2020, the Bankruptcy Court published the *Findings of Fact and Conclusions of Law on Plaintiff's Motion for Summary Judgment against Defendant, Grand Mesa Pipeline, LLC; and Defendant's Motion for Permissive Abstention* [Docket No. 834], which determined that the covenant did not run with the land and thus, that the Executory Contracts are eligible for rejection under section 365 of the Bankruptcy Code. On October 20, 2020, Grand Mesa Pipeline, LLC filed the *Notice of Appeal* [Docket No. 864], appealing the Bankruptcy Court's decision. On October 20, 2020, the Federal Energy Regulatory Commission filed the *Notice of Appeal and Statement of Election*, appealing the Bankruptcy Court's decision with respect to Grand Mesa Pipeline, LLC. On November 2, 2020, the Bankruptcy Court ruled in favor of the Company rejecting certain contracts with an effective date as of June 14, 2020 and August 11, 2020. *See Bench Ruling* [Docket No. 942]. The Debtors believe they have alternative providers available to replace the rejected Executory Contracts. However, to the extent the Debtors are not able to secure alternative providers, they may be required to shut in or halt certain operations temporarily.

VIII. RISK FACTORS

BEFORE TAKING ANY ACTION WITH RESPECT TO THE PLAN, HOLDERS OF CLAIMS AGAINST THE DEBTORS WHO ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN, AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH, REFERRED TO, OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT, INCLUDING OTHER DOCUMENTS FILED WITH THE BANKRUPTCY COURT IN THE CHAPTER 11 CASES. THE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESSES OR THE RESTRUCTURING AND CONSUMMATION OF THE PLAN. EACH OF THE RISK FACTORS DISCUSSED IN THIS DISCLOSURE STATEMENT MAY APPLY EQUALLY TO THE DEBTORS AND THE REORGANIZED DEBTORS, AS APPLICABLE AND AS CONTEXT REQUIRES.

A. Risks Related to the Restructuring.

Holders of Claims should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

1. *The Debtors Will Consider All Available Restructuring Alternatives if the Restructuring Transactions are not Implemented, and Such Alternatives May Result in Lower Recoveries for Holders of Claims Against and Interests in the Debtors.*

If the Restructuring Transactions are not implemented, the Debtors will consider all other restructuring alternatives available at that time, which may include the filing of an alternative chapter 11 plan, conversion to chapter 7, or any other transaction that would maximize the value of the Debtors' estates. Any alternative restructuring proposal may be on terms less favorable to Holders of Claims against and Interests in the Debtors than the terms of the Plan as described in this Disclosure Statement.

Any material delay in the confirmation of the Plan, or the Chapter 11 Cases, or the threat of rejection of the Plan by the Bankruptcy Court, would add substantial expense and uncertainty to the process.

The uncertainty surrounding a prolonged restructuring would also have other adverse effects on the Debtors. For example, it would also adversely affect:

- the Debtors' ability to raise additional capital;
- the Debtors' ability to retain key employees;
- the Debtors' liquidity;

- how the Debtors' business is viewed by regulators, investors, lenders, and credit ratings agencies; and
- the Debtors' enterprise value.

2. *There Is a Risk of Termination of the Restructuring Support Agreement.*

To the extent that events giving rise to termination of the Restructuring Support Agreement occur, the Restructuring Support Agreement may terminate prior to the Confirmation or Consummation of the Plan, which could result in the loss of support for the Plan by important creditor constituencies. Any such loss of support could adversely affect the Debtors' ability to confirm and consummate the Plan.

3. *Certain Bankruptcy Law Considerations.*

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such Impaired Classes.

(a) Parties in Interest May Object to the Plan's Classification of Claims and Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims, each encompassing Claims that are substantially similar to the other Claims in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(b) The Conditions Precedent to the Effective Date of the Plan May Not Occur.

As more fully set forth in Article IX of the Plan, the Effective Date is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place.

(c) Failure to Satisfy Vote Requirements.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.

(d) The Debtors May Not Be Able to Secure Confirmation of the Plan.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (i) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (ii) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (iii) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determined that this Disclosure Statement, the balloting procedures and voting

results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met.

Confirmation of the Plan is also subject to certain conditions as described in Article XI of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims would receive with respect to their Allowed Claims.

The Debtors, with the consent of the Required Consenting Senior Noteholders, and the Majority Lenders, or the Majority Exit RBL Facility Lenders, as applicable in accordance with Article I.A.56 of the Plan, and subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in a less favorable treatment of any non-accepting Class, as well as of any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

(e) Nonconsensual Confirmation.

In the event that any Impaired Class of Claims or Interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one Impaired Class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. The Debtors believe that the Plan satisfies these requirements, and the Debtors will request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the conclusion that the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to Accrued Professional Compensation Claims.

(f) The Debtors May Object to the Amount or Classification of a Claim.

Except as otherwise provided in the Plan or the DIP Orders, as applicable, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

(g) Risk of Non-Occurrence of the Effective Date.

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will in fact occur.

(h) Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan.

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies could affect solutions available to Holders of Allowed Claims under the Plan but may not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to Holders of Allowed Claims under the Plan.

(i) Releases, Injunctions, and Exculpations Provisions May Not Be Approved.

Article X of the Plan provides for certain releases, injunctions, and exculpations. However, all of the releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved.

Specifically, the U.S. Trustee asserts that the Third-Party Releases and related opt-out mechanism are not consensual and should not be approved. The Debtors disagree with this assertion and will make the proper and appropriate showing and arguments in support thereof at Confirmation. All parties' rights and objections or defenses with respect to such issues are preserved.

4. *Even if the Restructuring Transactions are Successful, the Debtors Will Continue to Face Risks.*

The Restructuring Transactions are generally designed to reduce the amount of the Debtors' cash interest expense and improve the Debtors' liquidity and financial and operational flexibility to generate long-term growth. Even if the Restructuring Transactions are implemented, the Debtors will continue to face a number of risks, including certain risks that are beyond the Debtors' control, such as changes in economic conditions, changes in the Debtors' industry, and changes in commodity prices. As a result of these risks and others, there is no guarantee that the Restructuring Transactions will achieve the Debtors' stated goals.

5. *Risks Related to the New Common Shares.*

The following are some of the risks that apply to Holders of Claims against the Debtors who become Holders of the New Common Shares if any are distributed pursuant to the Plan. There are additional risk factors attendant to ownership of the New Common Shares that Holders of Claims against the Debtors should consider before deciding to vote to accept or reject the Plan.

(a) The Estimated Value of the New Common Shares in Connection with the Plan May Differ from the Actual Value of the New Common Shares.

The estimated value of the New Common Shares for purposes of estimating recovery percentages under the Plan represents a valuation of the Reorganized Debtors and assumes that, among other things, such Reorganized Debtors continue as an operating business. Such valuation does not purport to constitute an appraisal of the Reorganized Debtors or necessarily reflect the actual market value that might be realized through a sale or liquidation of the Reorganized Debtors or their assets, which may be materially different than the estimated value of the New Common Shares. Accordingly, the estimated value of the New Common Shares does not necessarily reflect the actual market value of the New Common Shares that might be realized after Confirmation and Consummation of the Plan, which may be materially lower than the estimated valuation of the New Common Shares as set forth in this Disclosure Statement. Accordingly, such estimated value is not necessarily indicative of the prices at which the New Common Shares may trade after giving effect to the transactions set forth in the Plan.

(b) An Active Trading Market May Not Develop for the New Common Shares.

The New Common Shares are a new issue of securities and, accordingly, there is currently no established public trading market for the New Common Shares. If no active trading market in the New Common Shares develops, the market price and liquidity of the New Common Shares may be adversely affected. If a trading market does not develop or is not maintained, holders of New Common Shares may experience difficulty in reselling such securities at an acceptable price or may be unable to sell them at all. Even if a trading market were to exist, such market could have limited liquidity and the New Common Shares could trade at prices higher or lower than the value attributed to such securities in connection with their distribution under the Plan, depending upon many factors, including, without limitation, markets for similar securities, industry conditions, financial performance, prevailing interest rates, conditions in financial markets, or prospects and investor expectations thereof. As a result, there may be limited liquidity in any trading market that does develop for the New Common Shares. Finally, the New Organizational Documents may also contain restrictions on the transferability of the New Common Shares (such as rights of first refusal/offer, tag-along rights, and/or drag-along rights, among others), which may adversely affect the liquidity in the trading market for the New Common Shares.

(c) The Trading Prices for the New Common Shares May Be Depressed Following the Effective Date.

Following the Effective Date, recipients of the New Common Shares under the Plan may seek to dispose of such securities to obtain liquidity, which could cause the initial trading prices for these securities to be depressed, particularly in light of the lack of established trading markets for these securities. Further, the possibility that recipients of New Common Shares may determine to sell all or a large portion of their shares in a short period of time may adversely affect the market price of the New Common Shares.

(d) A Small Number of Holders or Voting Blocks May Control the Reorganized Debtors.

Consummation of the Plan may result in a small number of holders owning a significant percentage of the outstanding New Common Shares in the Reorganized Debtors. These holders may, among other things, exercise a controlling influence over the business and affairs of the Reorganized Debtors and have the power to elect directors or managers and approve significant mergers and other material corporate transactions.

(e) The Issuance of New Common Shares under the Management Incentive Plan and the Issuance of Common Shares upon Any Exercise of the New Warrants Will Dilute the New Common Shares.

The New Board will be authorized to implement the Management Incentive Plan.[14] If the Reorganized Debtors distribute such equity-based awards to management pursuant to the Management Incentive Plan, it is contemplated that such distributions will dilute the New Common Shares issued on account of Claims under the Plan and the ownership percentage represented by the New Common Shares distributed under the Plan.

Furthermore, the Plan contemplates the issuance of the New Warrants to holders of Existing Equity Interests and Existing Preferred Interests. The issuance of Common Shares upon any exercise of the New Warrants will also dilute the New Common Shares.

(f) The New Common Shares are an Equity Interest and Therefore Subordinated to the Indebtedness of the Reorganized Debtors.

In any liquidation, dissolution, or winding up of the Reorganized Debtors, the New Common Shares would rank junior to all debt claims against the Reorganized Debtors. As a result, holders of New Common Shares will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all of their obligations to their debt holders have been satisfied.

(g) Certain Holders of New Common Shares May Be Restricted in Their Ability to Transfer or Sell Their Securities.

To the extent that the New Common Shares are issued under the Plan pursuant to section 1145(a) of the Bankruptcy Code, such New Common Shares may be resold by the holders thereof without registration under the Securities Act, unless the holder is an "underwriter" with respect to such securities. Resales by Persons who receive New Common Shares pursuant to the Plan that are deemed to be "underwriters" as defined in section 1145(b) of the Bankruptcy Code would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Such Persons would only be permitted to sell such securities without

[14] The Management Incentive Plan and executive compensation are subject to ongoing negotiations among the Debtors and Consenting Senior Noteholders.

registration if they are able to comply with the provisions of Rule 144 under the Securities Act or another applicable exemption.

The New Common Shares will not be registered under the Securities Act or any state securities law, and the Reorganized Debtors make no representation regarding the right of any holder of New Common Shares to freely resell the New Common Shares.

The New Common Shares issued on account of the Backstop Obligations and the Backstop Commitment Premium are being issued and sold pursuant to an exemption from registration under applicable securities laws. Accordingly, such securities will be subject to resale restrictions and may be resold, exchanged, assigned, or otherwise transferred only pursuant to registration, or an applicable exemption from registration, under the Securities Act and other applicable law.

(h) The Consideration Under the Plan Does Not Reflect any Independent Valuation of Claims against or Interests in the Debtors.

The Debtors have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration under the Plan.

(i) The Terms of the New Common Shares Are Subject to Change Based on Negotiation and the Approval of the Bankruptcy Court.

The terms of the New Common Shares have not been finalized and are subject to ongoing negotiations. The results of such negotiations may alter the terms of the New Common Shares in a material manner. As a result, the final terms of the New Common Shares may be less favorable to Holders of Claims or Interests than as described herein and in the Plan.

6. ***Necessary Governmental Approvals May Not Be Granted.***

Consummation of the Restructuring Transactions may depend on obtaining approvals of certain Governmental Units. Failure by any Governmental Unit to grant a necessary approval could prevent consummation of the Restructuring Transactions and Confirmation of the Plan.

B. Risks Related to Recoveries Under the Plan.

1. ***The Debtors May Not Be Able to Achieve Their Projected Financial Results or Meet Their Post-Restructuring Debt Obligations.***

The Financial Projections represent management's best estimate of the future financial performance of the Debtors or the Reorganized Debtors, as applicable, based on currently known facts and assumptions about future operations of the Debtors or the Reorganized Debtors, as applicable, as well as the U.S. and world economy in general and the industry segments in which the Debtors operate in particular. In efforts to provide the most accurate and up-to-date information to creditors and parties in interest, the Debtors updated their business plan in August 2020 and most recently in October 2020. Detailed information underlying the latest business plan may be found in the 8-K filed by the Debtors on October 19, 2020. The Debtors will disclose alternative providers put in place as a result of rejection of the Midstream Executory Contracts in the Plan Supplement.

There is no guarantee that the Financial Projections will be realized, and actual financial results may differ significantly from the Financial Projections. To the extent the Reorganized Debtors do not meet their projected financial results or achieve projected revenues and cash flows, the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due, or may not be able to meet their operational needs, all of which may negatively affect the value of the Exit Facility and the New Common Shares. Further, a failure of the Reorganized Debtors to meet their projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require the Debtors to seek additional working capital. The Reorganized Debtors may be unable to obtain such working capital when it is required, or may only be able to obtain such capital on unreasonable or cost

prohibitive terms. For example, the Reorganized Debtors may be required to take on additional debt, the interest costs of which could adversely affect the results of the operations and financial condition of the Reorganized Debtors, and also have a negative effect on the value of the New Common Shares. In addition, if any such required capital is obtained in the form of equity, the New Common Shares to be issued to Holders of Allowed Claims in Classes 4, 6, 7, and 8 under the Plan could be diluted.

2. ***Estimated Valuations of the Debtors, the New Common Shares, and Estimated Recoveries to Holders of Allowed Claims and Interests Are Not Intended to Represent Potential Market Values.***

The Debtors' estimated recoveries to Holders of Allowed Claims and Allowed Interests are not intended to represent the market value of the Debtors' securities. The estimated recoveries are based on numerous assumptions (the realization of many of which will be beyond the control of the Debtors), including: (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Debtors' ability to achieve the operating and financial results included in the Financial Projections; (d) the Debtors' ability to maintain adequate liquidity to fund operations; and (e) the assumption that capital and equity markets remain consistent with current conditions. In addition, there can be no guarantee that the Reorganized Debtors will have adequate liquidity to fund the New Organizational Documents.

3. ***Holders of Claims or Interests That Acquire the New Common Shares May Assert Significant Control Over the Reorganized Debtors.***

On the Effective Date, the Reorganized Debtors shall issue the New Common Shares to fund distributions to certain Holders of Allowed Claims in accordance with Article III of the Plan, as well as options, or other equity awards, if any, under the Management Incentive Plan.[15] As a result, following the Consummation of a Stand-Alone Restructuring, certain Holders of Allowed Claims, including Holders of Allowed Senior Notes Claims, may exercise substantial influence over the Reorganized Debtors and their affairs.

4. ***The Tax Implications of the Debtors' Bankruptcy and Reorganization Are Highly Complex.***

Holders of Allowed Claims and Allowed Interests should carefully review Section XII of this Disclosure Statement, entitled "Certain U.S. Federal Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Debtors.

C. Risks Related to the Debtors' Businesses.[16]

1. ***The Debtors May Not Be Able to Generate Sufficient Cash to Service All of Their Indebtedness.***

The Debtors' ability to make scheduled payments on, or refinance their debt obligations, depends on the Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Debtors' control. The Debtors may be unable to maintain a level of cash flow from operating activities sufficient to permit the Debtors to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, potential borrowings under the Exit Facility upon emergence.

[15] The Management Incentive Plan and executive compensation are subject to ongoing negotiations among the Debtors and Consenting Senior Noteholders.

[16] For the avoidance of doubt, as used in this section, the term Debtors shall refer to both the Debtors prior to the Effective Date and the Reorganized Debtors after the Effective Date.

2. ***The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases***.

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) ability to develop, confirm, and consummate the Restructuring Transactions specified in the Plan; (b) ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases from time to time; (c) ability to maintain relationships with suppliers, vendors, service providers, customers, employees, independent contractors, and other third parties; (d) ability to maintain contracts that are critical to the Debtors' operations; (e) ability of third parties to seek and obtain Bankruptcy Court approval to terminate contracts and other agreements with the Debtors; (f) ability of third parties to seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, customers, employees, independent contractors, and other third parties, which in turn could adversely affect the Debtors' operations and financial condition. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

3. ***Financial Results May Be Volatile and May Not Reflect Historical Trends***.

During the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as asset impairments, asset dispositions, restructuring activities and expenses, contract terminations and rejections, and/or claims assessments significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date.

In addition, if the Debtors emerge from chapter 11, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt "fresh start" accounting in accordance with Accounting Standards Codification 852 ("Reorganizations") in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends. The financial projections contained in **Exhibit E** hereto do not currently reflect the impact of fresh start accounting, which may have a material impact on such financial projections.

4. ***The Debtors' Substantial Liquidity Needs May Impact Revenue***.

The Debtors operate in a capital-intensive industry. The Debtors' principal sources of liquidity historically have been cash flow from operations, borrowings under various bank-funded facilities, issuances of bonds, and issuances of equity securities. If the Debtors' cash flow from operations remains depressed or decreases as a result of lower commodity prices, decreased E&P sector capital expenditures, or otherwise, the Debtors may not have the ability to expend the capital necessary to improve or maintain their current operations, resulting in decreased revenues over time.

The Debtors face uncertainty regarding the adequacy of their liquidity and capital resources and have extremely limited, if any, access to additional financing. In addition to the cash necessary to fund ongoing operations, the Debtors have incurred significant professional fees and other costs in connection with preparing for the Chapter 11 Cases and expect to continue to incur significant professional fees and costs throughout the Chapter 11 Cases. The Debtors cannot guarantee that cash on hand and cash flow from operations will be sufficient to continue to fund their

operations and allow the Debtors to satisfy obligations related to the Chapter 11 Cases until the Debtors are able to emerge from bankruptcy protection.

The Debtors' liquidity, including the ability to meet ongoing operational obligations, will be dependent upon, among other things: (a) their ability to comply with the terms and condition of any cash collateral order entered by the Bankruptcy Court in connection with the Chapter 11 Cases; (b) their ability to maintain adequate cash on hand; (c) their ability to generate cash flow from operations; (d) their ability to develop, confirm, and consummate a chapter 11 plan or other alternative restructuring transaction; and (e) the cost, duration, and outcome of the Chapter 11 Cases. The Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, regulatory, and other factors beyond the Debtors' control. In the event that cash on hand and cash flow from operations are not sufficient to meet the Debtors' liquidity needs, the Debtors may be required to seek additional financing. The Debtors can provide no assurance that additional financing would be available or, if available, offered to the Debtors on acceptable terms. The Debtors' access to additional financing is, and for the foreseeable future likely will continue to be, extremely limited if it is available at all. The Debtors' long-term liquidity requirements and the adequacy of their capital resources are difficult to predict at this time.

5. ***Oil, Natural Gas, and Natural Gas Liquids Prices Are Volatile, and Continued Low Oil, Natural Gas, or Natural Gas Liquids Prices Could Materially Adversely Affect the Debtors' Businesses, Results of Operations, and Financial Condition***.

The Debtors' revenues, profitability and the value of the Debtors' properties substantially depend on the willingness of their operator customer base to make operating and capital expenditures to explore and drill for, develop, produce, and extract oil, natural gas, and NGLs. Operators' willingness to conduct such activities are in turn dependent on prevailing oil, natural gas, and NGLs prices. Further, since operators are reluctant to increase drilling activities in a high-volatility commodities pricing environment, demand for the Debtors' services is affected as much by oil, natural gas, and NGLs price expectations as actual pricing. In short, the Debtors face a high level of exposure to oil, natural gas, and NGLs price swings. Oil, natural gas, and NGLs are commodities, and therefore, their prices are subject to wide fluctuations in response to changes in supply and demand and are subject to both short-term and long-term cyclical trends. Oil, natural gas, and NGLs prices historically have been volatile and are likely to continue to be volatile in the future, especially given current economic and geopolitical conditions. The Debtors expect such volatility to continue in the future. The prices for oil, natural gas, and NGLs are volatile due to a variety of factors, including, but not limited to:

- worldwide and regional economic conditions impacting the global supply and demand for oil and natural gas, including the economic impacts of the COVID-19 virus;
- the domestic and foreign supply of oil and natural gas;
- the ability of members of the Organization of Petroleum Exporting Countries and other producing countries to agree upon production levels which has an impact on oil prices;
- social unrest and political instability, particularly in major oil and natural gas producing regions outside the United States, such as the Middle East, and armed conflict or terrorist attacks, whether or not in oil or natural gas producing regions;
- the level and growth of consumer product demand;
- labor unrest in oil and natural gas producing regions;
- weather conditions, including hurricanes and other natural occurrences that affect the supply and/or demand of oil and natural gas;
- the price and availability of alternative fuels and renewable energy sources;
- the impact of the U.S. dollar exchange rates on commodity prices;

- the price of foreign imports;
- technological advances affecting energy consumption;
- worldwide economic conditions; and
- the availability of liquid natural gas imports and exports.

As set forth in Article VI.B of this Disclosure Statement, in early 2020, the continued spread of COVID-19 led to a decline in factory output and transportation demand, causing oil and gas prices to suffer. Subsequently, in March 2020, a breakdown in dialogue between OPEC and Russia over proposed oil production cuts in the midst of the COVID-19 pandemic caused oil and gas prices to fall to their lowest levels in nearly twenty years. It is impossible to tell with certainty whether a deal will be reached regarding production levels and whether such a deal would ultimately correct commodity prices. Further, it is impossible to tell with certainty how, or to what degree, the COVID-19 pandemic will affect the macro-economy and commodity prices in the long term.

Continued volatility or weakness in oil, natural gas, and NGLs prices (or the perception that oil, natural gas, and NGLs prices will remain depressed) generally leads to decreased upstream spending, which in turn negatively affects demand for the Debtors' services. A sustained decline in oil, natural gas, or NGLs prices may materially and adversely affect the Debtors' future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures. As a result, if there is a further decline or sustained depression in commodity prices, the Debtors may, among other things, be unable to maintain or increase their borrowing capacity, meet their debt obligations or other financial commitments, or obtain additional capital, all of which could materially adversely affect the Debtors' businesses, results of operations, and financial condition.

6. ***Drilling for and Producing Natural Gas and Oil Are High Risk Activities with Many Uncertainties that Could Adversely Affect the Debtors' Business, Financial Condition, and Results of Operations.***

The Debtors' future success will depend on, among other things, the success of their development and production activities. The Debtors must incur significant expenditures to identify and acquire properties and to drill and complete wells. The costs of drilling and completing wells are often uncertain, and drilling operations may be curtailed, delayed, or canceled as a result of a variety of factors, including unexpected drilling conditions, pressure or irregularities in formations, equipment failures or accidents, weather conditions, and shortages or delays in the delivery of equipment. Additionally, seismic and other technology does not allow the Debtors to know conclusively prior to drilling a well that oil and natural gas is present or economically producible. The results of drilling in new or emerging formations, including the Debtors' properties in shale formations, are more uncertain initially than drilling results in areas that are developed, have established production, or where the Debtors have a longer history of operation. Overruns in budgeted expenditures are common risks that can make a particular project uneconomical.

Further, the Debtors' future business, financial condition, results of operations, liquidity, or ability to finance planned capital expenditures could be materially and adversely affected by any factor that may curtail, delay, or cancel drilling, including the following:

- delays imposed by or resulting from compliance with regulatory requirements;
- unusual or unexpected geological formations;
- pressure or irregularities in geological formations;
- shortages of or delays in obtaining equipment, materials, and qualified personnel;
- equipment malfunctions, failures, or accidents;
- unexpected operational events and drilling conditions;
- pipe or cement failures;

- casing collapses;
- lost or damaged oilfield drilling and service tools;
- loss of drilling fluid circulation;
- uncontrollable flows of oil, natural gas, and fluids;
- fires and natural disasters;
- environmental hazards, such as releases, spills, leaks, ruptures or discharges of toxic gases, brine, well fluids or other hazardous substances, materials or wastes (including petroleum) into the environment;
- adverse weather conditions;
- reductions in oil and natural gas prices;
- natural gas and oil property title problems; and
- market limitations for natural gas and oil.

If any of these factors were to occur with respect to a particular field, the Debtors could lose all or a part of their investment in the field, or they could fail to realize the expected benefits from the field, either of which could materially and adversely affect their revenue and profitability.

In addition, the Debtors' operations are subject to the risks inherent in the oil and natural gas industry, including the risks of fires, explosions, and blowouts; pipe failures; abnormally pressured formations; and environmental hazards such as releases, spills, leaks, ruptures or discharges of toxic gases, brine, well fluids or other hazardous substances, materials or wastes (including petroleum) into the environment. As is customary in the oil and natural gas industry, the Debtors maintain insurance against some, but not all, of these risks. The Debtors' insurance may not be adequate to cover these potential losses or liabilities. Further, insurance coverage may not continue to be available at commercially acceptable premium levels or at all. Although the Debtors historically have maintained certain insurance policies, due to cost considerations, from time to time the Debtors may decline to obtain or maintain coverage for certain drilling activities. Losses and liabilities arising from uninsured or under-insured events could require the Debtors to make large unbudgeted Cash expenditures that could adversely impact the results of operations and Cash flow.

Further, the Debtors' success depends upon their ability to find, develop or acquire additional oil and natural gas reserves that are profitable to produce. Factors that may hinder the Debtors' ability to acquire or develop additional oil and natural gas reserves include competition, access to capital, prevailing oil and natural gas prices, and the number and attractiveness of properties for sale. The Debtors' decisions to purchase, explore, develop or otherwise exploit properties or prospects will depend in part on the evaluation of data obtained from production reports and engineering studies, geophysical and geological analyses and seismic and other information, the results of which are often inconclusive and subject to various interpretations. These decisions could significantly reduce the Debtors' ability to generate Cash needed to service the Debtors' debt and other working capital requirements.

7. ***Contracted Revenues May Not Be Fully Realized and May Reduce Significantly in the Future, Which May Have a Material Adverse Effect on the Debtors' Financial Position, Results of Operations, or Cash Flows.***

The Debtors' expected revenues under existing contracts may not be fully realized due to a number of factors, including rig or equipment downtime or suspensions of operations. Several factors could cause downtime or a suspension of operations, many of which are beyond the Debtors' control, including:

- breakdowns of equipment or the equipment of others necessary for continuation of operations;
- work stoppages, including labor strikes;

- shortages of material and skilled labor;
- severe weather or harsh operating conditions;
- the occurrence or threat of epidemic or pandemic diseases or any government response to such occurrence or threat (including the COVID-19 pandemic);
- the early termination of contracts; or
- force majeure events.

Liquidity issues could lead the Debtors' customers to file for bankruptcy and/or could encourage the Debtors' customers to seek to repudiate, cancel, or renegotiate their contracts for various reasons. Some of the Debtors' contracts permit early termination of the contract by the customer for convenience (without cause), generally exercisable upon advance notice to the Debtors and in some cases without making an early termination payment to the Debtors. There can be no assurance that the Debtors' customers will be able or willing to fulfill their contractual commitments.

Significant declines in oil prices, the perceived risk of low oil prices for an extended period, and the resulting downward pressure on utilization may cause some customers to consider early termination of select contracts despite having to pay early termination fees in some cases. In addition, customers may request to re-negotiate the terms of existing contracts. Furthermore, as the Debtors' existing contracts roll off, the Debtors may be unable to secure replacement contracts for the Debtors' rigs, equipment, or services. The Debtors have been in discussions with some of their customers regarding these issues. Therefore, revenues recorded in future periods could differ materially from current contracted revenues, which could have a material adverse effect on the Debtors' financial position, results of operations, or cash flows.

8. ***The Debtors' Operations or Ability to Emerge from Bankruptcy May Be Impacted By the Continuing COVID-19 Pandemic.***

The continued spread of COVID-19 could have a significant impact on the Debtors' business, both in the context of consumer demand and production capacity. On a macro level, this pandemic could dampen global growth and ultimately lead to an economic recession. If this occurs, demand for oil, natural gas, or NGLs would likely decline, as would commodity prices generally (including oil and natural gas). Such a scenario would negatively impact the Debtors' financial performance. In addition, government lockdowns and employee infections could both inhibit the Debtors' ability to extract and transport their hydrocarbon production. This diminished production capacity would negatively affect the Debtors' financial performance.

9. ***The Debtors' Business Is Subject to Complex Laws and Regulations that Can Adversely Affect the Cost, Manner, or Feasibility of Doing Business***.

The Debtors' oil and natural gas operations are subject to various federal, state and local governmental regulations, including environmental laws and regulations that impose penalties and other sanctions for noncompliance and that require measures to remediate or mitigate pollution and environmental impacts from current and former operations. Significant expenditures may be required to comply with these laws and regulations. The Debtors could be liable for costs of investigation, removal and remediation, damages to and loss of use of natural resources, loss of profits or impairment of earning capacity, property damages, costs of increased public services, as well as administrative, civil and criminal fines and penalties, and injunctive relief. Certain environmental statutes impose strict, joint and several liability for costs required to investigate, clean up and restore sites where hazardous substances or other waste products have been disposed of or otherwise released (i.e., liability may be imposed regardless of whether the current owner or operator was responsible for the release or contamination or whether the operations were in compliance with all applicable laws at the time the release or contamination occurred). In general, oil and natural gas operations (including hydraulic fracturing operations) recently have been the subject of increased legislative and regulatory attention with respect to public health and environmental matters, which could result in increased costs for environmental compliance, such as emissions control, permitting, or waste handling, storage,

transport, remediation or disposal for the oil and natural gas industry and could have a significant impact on the Debtors' operating costs.

10. ***The Debtors' Operations Are Subject to Hazards Inherent in the E&P Sector***.

Risks inherent in the E&P sector, such as equipment defects, accidents, and explosions, can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to, or destruction of property, equipment and the environment. These risks could expose the Debtors to substantial liability for personal injury, wrongful death, property damage, loss of oil and natural gas production, pollution and other environmental damages and could result in a variety of claims, losses, and remedial obligations that could have an adverse effect on the Debtors' business and results of operations. The existence, frequency, and severity of such incidents will affect operating costs, insurability and relationships with customers, employees, independent contractors, and regulators.

11. ***The Debtors Operate in a Highly-Competitive Industry with Significant Potential for Excess Capacity***.

The E&P sector is highly competitive and fragmented and includes several large companies that compete in many of the markets in which the Debtors operate, as well as numerous small companies that compete with the Debtors on a local basis. The Debtors' operations may be adversely affected if their current competitors or new market entrants expand into service areas where the Debtors operate. Competitive pressures and other factors may result in significant price competition, particularly during industry downturns, which could have a material adverse effect on the results of operations and the Debtors' financial condition.

12. ***The Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases***.

The Debtors are currently subject to or interested in certain legal proceedings, some of which may adversely affect the Debtors. In the future, the Debtors may become parties to additional litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Debtors' businesses and financial stability, however, could be material.

13. ***The Results of the Midstream Litigation Could Adversely Affect the Debtors' Operations.***

The Debtors, as described in Sections V.C(3)(a) and VII.G herein, are subject to midstream litigation to reject various agreements (the "Midstream Litigation"). As previously disclosed, on November 2, 2020, the Bankruptcy Court ruled in favor of the Company rejecting certain Executory Contracts with effective dates as of June 14, 2020 and August 11, 2020. *See Bench Ruling* [Docket No. 942]. As a result of these Executory Contract rejections, the Debtors estimate that these parties may have net rejection damages Claims in the aggregate of $457.8 million to $775.1 million. Although the Debtors have viable alternative options to replace the Midstream Litigation parties, rejection may require the Debtors to (i) halt service and/or delivery to end parties; and/or (ii) shut in production at certain of Debtors' production sites.

14. ***The Loss of Key Personnel Could Adversely Affect the Debtors' Operations***.

The Debtors' operations are dependent on a relatively small group of key management personnel and a highly-skilled employee base. The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. Because competition for experienced personnel in the oil and gas industry can be significant, the Debtors may be unable to find acceptable replacements with comparable skills and experience and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale at the corporate

and/or field levels could have a material adverse effect on the Debtors' ability to meet customer and counterparty expectations, thereby adversely affecting the Debtors' businesses and the results of operations.

15. ***Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Debtors' Financial Condition and Results of Operations.***

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all Claims that arise prior to the Debtors' filing of their Petitions or before Confirmation of the Plan (a) would be subject to compromise and/or treatment under the Plan and/or (b) would be discharged in accordance with the terms of the plan of reorganization. Any Claims not ultimately discharged through a Plan could be asserted against the reorganized entity and may have an adverse effect on the Debtors' financial condition and results of operations.

D. Miscellaneous Risk Factors and Disclaimers.

1. ***The Financial Information Is Based on the Debtors' Books and Records and, Unless Otherwise Stated, No Audit Was Performed.***

In preparing this Disclosure Statement, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to assure the accuracy of the financial information provided in this Disclosure Statement, and while the Debtors believe that such financial information fairly reflects their financial condition, the Debtors are unable to warrant or represent that the financial information contained in this Disclosure Statement (or any information in any of the exhibits to the Disclosure Statement) is without inaccuracies.

2. ***No Legal or Tax Advice Is Provided By This Disclosure Statement.***

This Disclosure Statement is not legal advice to any person or Entity. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each reader should consult its own legal counsel and accountant with regard to any legal, tax, and other matters concerning its Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote to accept or reject the Plan or whether to object to Confirmation.

3. ***No Admissions Made.***

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Entity (including the Debtors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, Holders of Allowed Claims or Interests, or any other parties in interest.

4. ***Failure to Identify Litigation Claims or Projected Objections.***

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim is, or is not, identified in this Disclosure Statement. The Debtors may seek to investigate, file, and prosecute Claims and may object to Claims after Confirmation and Consummation of the Plan, irrespective of whether this Disclosure Statement identifies such Claims or objections to Claims.

5. ***Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors.***

Counsel to and other advisors retained by the Debtors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement and the exhibits to the Disclosure Statement, they have not independently verified the information contained in this Disclosure Statement or the information in the exhibits to the Disclosure Statement.

6. *No Representations Outside This Disclosure Statement Are Authorized.*

NO REPRESENTATIONS CONCERNING OR RELATING TO THE DEBTORS, THE CHAPTER 11 CASES, OR THE PLAN ARE AUTHORIZED BY THE BANKRUPTCY COURT OR THE BANKRUPTCY CODE, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE VOTING HOLDERS' ACCEPTANCE OR REJECTION OF THE PLAN THAT ARE OTHER THAN AS CONTAINED IN, OR INCLUDED WITH, THIS DISCLOSURE STATEMENT, SHOULD NOT BE RELIED UPON BY VOTING HOLDERS IN ARRIVING AT THEIR DECISION. VOTING HOLDERS SHOULD PROMPTLY REPORT UNAUTHORIZED REPRESENTATIONS OR INDUCEMENTS TO COUNSEL TO THE DEBTORS AND THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE.

IX. SOLICITATION AND VOTING PROCEDURES

This Disclosure Statement, which is accompanied by a Ballot or Ballots to be used for voting on the Plan, is being distributed to the Holders of Claims in those Classes that are entitled to vote to accept or reject the Plan. The procedures and instructions for voting and related deadlines are set forth in the Disclosure Statement Order attached hereto as **Exhibit D**.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY.
PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER ATTACHED HERETO FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

A. Classes Entitled to Vote on the Plan.

The following Classes are entitled to vote to accept or reject the Plan (collectively, the "Voting Classes"):

Class	Claim or Interest	Status
3	Revolving Credit Agreement Claims	Impaired
4	Senior Notes Claims	Impaired
6	General Unsecured Claims	Impaired
7	Existing Preferred Interests	Impaired
8	Existing Common Interests	Impaired

If your Claim or Interest is not included in the Voting Classes, you are not entitled to vote and you will not receive a Solicitation Package (as defined below). If you are a Holder of a Claim in one or more of the Voting Classes, you should read your Ballot(s) and carefully follow the instructions included in the Ballot(s). Please use only the Ballot(s) that accompanies this Disclosure Statement or the Ballot(s) that the Debtors, or the Notice and Claims Agent on behalf of the Debtors, otherwise provided to you. If you are a Holder of a Claim in more than one of the Voting Classes, you will receive a Ballot for each such Claim.

B. Votes Required for Acceptance by a Class.

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims or interests is determined by calculating the amount and, if a class of claims, the number, of claims and interests voting to accept, as a percentage of the allowed claims or interests, as applicable, that have voted. Acceptance by a class of claims requires an affirmative vote of more than one-half in number of total allowed claims that have voted and an affirmative vote of at least two-thirds in dollar amount of the total allowed claims that have voted. Acceptance by a class of interests requires an affirmative vote of at least two-thirds in amount of the total allowed interests that have voted.

C. Certain Factors to Be Considered Prior to Voting.

There are a variety of factors that all Holders of Claims entitled to vote on the Plan should consider prior to voting to accept or reject the Plan. These factors may impact recoveries under the Plan and include, among other things:

- unless otherwise specifically indicated, the financial information contained in the Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and the Disclosure Statement;
- although the Debtors believe that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtors can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan;
- the Debtors may request Confirmation without the acceptance of all Impaired Classes in accordance with section 1129(b) of the Bankruptcy Code; and
- any delays of either Confirmation or Consummation could result in, among other things, increased Administrative Claims and Professional Fee Claims.

While these factors could affect distributions available to Holders of Allowed Claims and Interests under the Plan, the occurrence or impact of such factors will not necessarily affect the validity of the vote of the Voting Classes or necessarily require a resolicitation of the votes of Holders of Claims in the Voting Classes.

For a further discussion of risk factors, please refer to "Risk Factors" described in Article IX of this Disclosure Statement.

D. Classes Not Entitled To Vote on the Plan.

Under the Bankruptcy Code, holders of claims or interests are not entitled to vote if their contractual rights are unimpaired by the proposed plan or if they will receive no property under the plan. Accordingly, the following Classes of Claims against and Interests in the Debtors are not entitled to vote to accept or reject the Plan:

Class	Claim or Interest	Status
1	Other Secured Claims	Presumed to Accept
2	Other Priority Claims	Presumed to Accept
5	Trade Claims	Presumed to Accept
9	Other Equity Interests	Presumed to Reject
10	Intercompany Claims	Deemed to Accept / Presumed to Reject
11	Intercompany Interests	Deemed to Accept / Presumed to Reject
12	Section 510(b) Claims	Deemed to Reject

E. Solicitation Procedures.

1. *Notice and Claims Agent.*

The Debtors have applied to retain KCC to act, among other things, as the Notice and Claims Agent in connection with the solicitation of votes to accept or reject the Plan.

2. *Solicitation Package.*

The following materials constitute the solicitation package (the "Solicitation Package") distributed to Holders of Claims in the Voting Classes:

- a copy of the Solicitation and Voting Procedures (as defined in the Disclosure Statement Order);
- the applicable form of Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;
- the Cover Letter (as defined in the Disclosure Statement Order);
- this Disclosure Statement (and exhibits thereto, including the Plan);
- the Disclosure Statement Order (without exhibits, except the Solicitation and Voting Procedures);
- the Confirmation Hearing Notice (as defined in the Disclosure Statement Order); and
- such other materials as the Bankruptcy Court may direct.

3. *Distribution of the Solicitation Package and Plan Supplement.*

The Debtors are causing the Notice and Claims Agent to distribute the Solicitation Package to Holders of Claims in the Voting Classes on November 9, 2020 (the "Solicitation Launch").

The Solicitation Package (without Ballots, unless you are an eligible voting party) may also be obtained from the Notice and Claims Agent by: (a) calling the Notice and Claims Agent at (866) 571-1791 (U.S./Canada) or (781) 575-2049 (International) and asking for the "Solicitation Group" or (b) writing to the Notice and Claims Agent at Extraction Oil & Gas Ballots Processing Center, c/o Kurtzman Carson Consultants LLC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, California 90245. You may also obtain copies of any pleadings filed with the Bankruptcy Court for free by visiting the Debtors' restructuring website, https://kccllc.net/extractionog, or the Bankruptcy Court's website at http://www.deb.uscourts.gov (for a fee). Holders should choose only one method to return their Ballot.

By the earlier of (a) 14 days before the Confirmation Hearing or (b) 7 days prior to the Voting Deadline, or such later date as may be approved by the Bankruptcy Court, the Debtors intend to file the Plan Supplement. If the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website. The Debtors will not serve copies of the Plan Supplement; however, parties may obtain a copy of the Plan Supplement from the Notice and Claims Agent by: (a) calling the Notice and Claims Agent at the telephone number set forth above; (b) visiting the Debtors' restructuring website, https://kccllc.net/extractionog; or (c) writing to the Notice and Claims Agent at Extraction Oil & Gas Ballots Processing Center, c/o Kurtzman Carson Consultants LLC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, California 90245.

F. Voting Procedures

November 4, 2020 (the "Voting Record Date")[17] is the date that was used for determining which Holders of Claims are entitled to vote to accept or reject the Plan and receive the Solicitation Package in accordance with the

[17] Notwithstanding anything to the contrary contained herein, the Voting Record Date for Elevation Midstream, LLC and GSO EM Holdings LP (together, the "Elevation Parties") shall be three (3) Business Days immediately following entry of an order by the Bankruptcy Court approving or rejecting the motion seeking approval of the proposed settlement between the Elevation Parties and the Debtors (the "Settlement Motion"). The Elevation Parties may file additional proofs of claim (the "Additional Claims") before the expiration of the three-Business Day (3-Business Day) period on account of any Claims that the Elevation Parties believe arise as a result of the Bankruptcy Court's ruling on the Settlement Motion. Moreover, the Debtors and the Elevation Parties will agree, to the extent necessary, to an expedited timeline for any discovery, objection, motion, and hearing pursuant to Bankruptcy Rule 3018 (if any) related to the Additional Claims such that the Bankruptcy Court will have the opportunity to rule and the Elevation Parties will have the opportunity to vote to accept or reject the Plan on account of the Additional Claims (based on the Bankruptcy Court's ruling) and any other previously filed proofs of claim to which no party has objected for voting purposes or on which the Bankruptcy Court has entered an order allowing such proofs of claim for voting purposes.

solicitation procedures. Except as otherwise set forth herein, the Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' creditors and other parties in interest. The Midstream Parties in Class 6 shall vote in accordance with the Debtors' estimated Claims for such Midstream Parties or such other Claim amount as mutually agreed to by Debtors and the Midstream Party Holder of the General Unsecured Claim. To the extent any Holders of General Unsecured Claims dispute the amount of General Unsecured Claims as estimated by the Debtors, then such Holder shall file a motion pursuant to Bankruptcy Rule 3018 and prosecute such motion pursuant to a schedule to be agreed upon by the Debtors and the applicable General Unsecured Claim Holder, subject to the Bankruptcy Court's availability.

In order for the Holder of a Claim in the Voting Classes to have its Ballot counted as a vote to accept or reject the Plan, such Holder's Ballot must be properly completed, executed, and delivered by (i) using the enclosed pre-paid, pre-addressed return envelope or (ii) via first class mail, overnight courier, or hand delivery to Extraction Oil & Gas Ballots Processing Center, c/o Kurtzman Carson Consultants LLC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, California 90245, so that such Holder's Ballot is actually received by the Notice and Claims Agent on or before the Voting Deadline, *i.e.* twenty-eight (28) days after Solicitation Launch, but in no event later than December 11, 2020 at 4:00 p.m. (prevailing Eastern Time).

If a Holder of a Claim in a Voting Class transfers all of such Claim to one or more parties on or after the Voting Record Date and before the Holder has cast its vote on the Plan, such Claim Holder is automatically deemed to have provided a voting proxy to the purchaser(s) of the Holder's Claim, and such purchaser(s) shall be deemed to be the Holder(s) thereof as of the Voting Record Date for purposes of voting on the Plan, provided that the purchaser and agent for the relevant facility provide satisfactory confirmation of the transfer to the Notice and Claims Agent.

If you hold Claims in more than one Voting Class under the Plan, you should receive a separate Ballot for each Class of Claims, coded by Class number, and a set of solicitation materials. You may also receive more than one Ballot if you hold Claims through one or more affiliated funds, in which case the vote cast by each such affiliated fund will be counted separately. Separate Claims held by affiliated funds in a particular Class shall not be aggregated, and the vote of each such affiliated fund related to its Claims shall be treated as a separate vote to accept or reject the Plan (as applicable). If you hold any portion of a single Claim, you and all other Holders of any portion of such Claim will be (i) treated as a single creditor for voting purposes and (ii) required to vote every portion of such Claim collectively to either accept or reject the Plan.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

EACH HOLDER OF A CLAIM MUST VOTE ALL OF ITS CLAIMS WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM OR INTEREST WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM HAVE BEEN CAST OR, IF ANY OTHER BALLOTS HAVE BEEN CAST WITH RESPECT TO SUCH CLASS OF CLAIMS OR INTERESTS, SUCH OTHER BALLOTS INDICATED THE SAME VOTE TO ACCEPT OR REJECT THE PLAN. IF A HOLDER CASTS MULTIPLE BALLOTS WITH RESPECT TO THE SAME

Notwithstanding anything to the contrary herein, the Voting Record Date for Grand Mesa Pipeline, LLC shall be five (5) Business Days immediately following entry of an order by the Bankruptcy Court rejecting the transportation services agreements between Grand Mesa and Extraction Oil & Gas, Inc. or as otherwise agreed between Grand Mesa and the Debtors.

Notwithstanding anything to the contrary contained herein, the Voting Record Date for DCP Operating Company, LP ("DCP") shall be determined by DCP and the Debtors in the context of addressing the pending rejection motion as it relates to DCP to the extent such pending rejection motion is not withdrawn in accordance with the *Order Approving Stipulation of Matters Between Debtors and DCP* [Docket No. 908], and DCP and the Debtors each reserve all rights.

CLAIM AND THOSE BALLOTS ARE IN CONFLICT WITH EACH OTHER, SUCH BALLOTS WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

IT IS IMPORTANT THAT THE HOLDER OF A CLAIM IN THE VOTING CLASSES FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON SUCH HOLDER'S BALLOT AND THE ACCOMPANYING INSTRUCTIONS. NO BALLOT MAY BE WITHDRAWN OR MODIFIED AFTER THE VOTING DEADLINE WITHOUT THE DEBTORS' PRIOR CONSENT OR PERMISSION OF THE BANKRUPTCY COURT.

G. Voting Tabulation.

Unless the Debtors decide otherwise, Ballots received after the Voting Deadline may not be counted. A Ballot will be deemed delivered only when the Notice and Claims Agent actually receives the executed Ballot as instructed in the applicable voting instructions. No Ballot should be sent to the Debtors, the Debtors' agents (other than the Notice and Claims Agent) or the Debtors' financial or legal advisors.

The Bankruptcy Code may require the Debtors to disseminate additional solicitation materials if the Debtors make material changes to the terms of the Plan or if the Debtors waive a material condition to confirmation of the Plan. In that event, the solicitation will be extended to the extent directed by the Bankruptcy Court.

In the event a designation of lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected.

The Debtors will file with the Bankruptcy Court, as soon as practicable after the Voting Deadline, the Voting Report prepared by the Notice and Claims Agent. The Voting Report shall, among other things, delineate every Ballot that does not conform to the voting instructions or that contains any form of irregularity (each an "Irregular Ballot"), including those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or lacking necessary information, or damaged. The Voting Report also shall indicate the Debtors' intentions with regard to such Irregular Ballots. Neither the Debtors nor any other Person or Entity will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification.

H. Ballots Not Counted.

No Ballot will be counted toward Confirmation if, among other things: (1) it is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (2) it was transmitted by facsimile, email, or other electronic means not specifically approved pursuant to the Disclosure Statement Order; (3) it was cast by an entity that is not entitled to vote on the Plan; (4) it was sent to the Debtors, the Debtors' agents/representatives (other than the Notice and Claims Agent), an indenture trustee, or the Debtors' financial or legal advisors instead of the Notice and Claims Agent; (5) it is unsigned; or (6) it is not clearly marked to either accept or reject the Plan or is marked both to accept and reject the Plan. Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE NOTICE AND CLAIMS AGENT TOLL-FREE NUMBER AT (866)-989-6149. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WITH THE SOLICITATION ORDER WILL NOT BE COUNTED.

X. CONFIRMATION OF THE PLAN

A. Requirements of Section 1129(a) of the Bankruptcy Code.

Among the requirements for Confirmation are the following: (i) the Plan is accepted by all impaired Classes of Claims and Interests or, if the Plan is rejected by an Impaired Class, at least one Impaired Class of Claims or Interests has voted to accept the Plan and a determination that the Plan "does not discriminate unfairly" and is "fair and equitable" as to Holders of Claims or Interests in all rejecting Impaired Classes; (ii) the Plan is feasible; and (iii) the Plan is in the "best interests" of Holders of Impaired Claims or Interests (*i.e.*, Holders of Class 3 Revolving

Credit Agreement Claims, Holders of Class 4 Senior Notes Claims, Holders of Class 5 Trade Claims, Holders of Class 6 General Unsecured Claims, Holders of Class 7 Existing Preferred Interests, Holders of Class 8 Existing Common Interests, Holders of Class 9 Other Equity Interests, Holders of Class 10 Intercompany Claims, Holders of Class 11 Intercompany Interests, and and Holders of Class 12 Section 510(b) Claims).

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that the Plan satisfies or will satisfy all of the necessary requirements of chapter 11 of the Bankruptcy Code. Specifically, in addition to other applicable requirements, the Debtors believe that the Plan satisfies or will satisfy the applicable Confirmation requirements of section 1129 of the Bankruptcy Code set forth below.

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as the Plan proponents, have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, will be disclosed to the Bankruptcy Court, and any such payment: (i) made before Confirmation will be reasonable or (ii) will be subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation.
- Either each Holder of an Impaired Claim against or Interest in the Debtors will accept the Plan, or each non-accepting Holder will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that the Holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code.
- Except to the extent that the Holder of a particular Claim agrees to a different treatment of its Claim, the Plan provides that, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, Allowed Administrative Claims and Other Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.
- At least one Class of Impaired Claims will have accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in that Class.
- Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successors thereto under the Plan.
- All fees of the type described in 28 U.S.C. § 1930, including the fees of the U.S. Trustee, will be paid as of the Effective Date.

Section 1126(c) of the Bankruptcy Code provides that a class of claims has accepted a plan of reorganization if such plan has been accepted by creditors that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class. Section 1126(d) of the Bankruptcy Code provides that a class of interests has accepted a plan of reorganization if such plan has been accepted by holders of such interests that hold at least two-thirds in amount of the allowed interests of such class.

B. Best Interests of Creditors—Liquidation Analysis.

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each class, that each holder of a claim or an interest in such class either (i) has accepted the plan or (ii) will receive or retain under the plan property

of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtors liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate compliance with the "best interests" test, the Debtors, with the assistance of their advisors, prepared the Liquidation Analysis, attached hereto as **Exhibit C**, showing that the value of the distributions provided to Holders of Allowed Claims and Interests under the Plan would be the same or greater than under a hypothetical chapter 7 liquidation. Accordingly, the Debtors believe that the Plan is in the best interests of creditors.

C. Feasibility.

The Bankruptcy Code requires that to confirm a chapter 11 plan, the Bankruptcy Court must find that confirmation of such plan is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor(s) unless contemplated by the plan.

The Plan provides for the deleveraging of the Debtors and the distribution of their assets. Moreover, the Debtors believe that sufficient funds will exist to make all payments required by the Plan. Accordingly, the Debtors believe that all Plan obligations will be satisfied without the need for further reorganization of the Debtors.

D. Acceptance by Impaired Classes.

The Bankruptcy Code requires that, except as described in the following section, each impaired class of claims or interests must accept a plan in order for it to be confirmed. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to the class is not required. A class is "impaired" unless the plan: (i) leaves unaltered the legal, equitable, and contractual rights to which the claim or the interest entitles the holder of the claim or interest; (ii) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest; or (c) provides that, on the consummation date, the holder of such claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of allowed claims in that class, counting only those claims that actually voted to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number of creditors actually voting cast their ballots in favor of acceptance. For a class of impaired interests to accept a plan, section 1126(d) of the Bankruptcy Code requires acceptance by interest holders that hold at least two-thirds in amount of the allowed interests of such class, counting only those interests that actually voted to accept or reject the plan. Thus, a class of interests will have voted to accept the plan only if two-thirds in amount actually voting cast their ballots in favor of acceptance.

E. Confirmation Without Acceptance by All Impaired Classes.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted the plan, *provided* that the plan has been accepted by at least one impaired class of claims. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cramdown," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

If any Impaired Class of Claims or Interests rejects the Plan, including Classes of Claims or Interests deemed to reject the Plan, the Debtors will request Confirmation of the Plan, as it may be modified from time to time, utilizing the "cramdown" provision under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Debtor.

The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the requirements for cramdown and the Debtors will be prepared to meet their burden to establish that the Plan can be Confirmed pursuant to section 1129(b) of the Bankruptcy Code as part of Confirmation of the Plan.

1. *No Unfair Discrimination.*

The "unfair discrimination" test applies with respect to classes of claim or interests that are of equal priority but are receiving different treatment under a proposed plan. The test does not require that the treatment be the same or equivalent, but that the treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. Under certain circumstances, a proposed plan may treat two classes of unsecured creditors differently without unfairly discriminating against either class.

Certain parties have asserted that the Plan unfairly discriminates against the Holders Claims of in Class 6 on the basis that the Holders of Class 4 Claims are receiving disparate treatment from those in Class 6 because the Holders of Class 4 Claims are entitled to participate in the Backstopped Equity Rights Offering, while the holders of General Unsecured Claims in Class 6 are not. Further, certain parties assert that, to the extent Holders of General Unsecured Claims are offered the opportunity to participate in the GUC Equity Rights Offering, there are no assurances that such participation will entitle the Holders of General Unsecured Claims access to a rights offering on terms that are the same as those of the Backstopped Equity Rights Offering and/or that such participation will result in Holders of Claims in Class 4 and Class 6 receiving the same percentage recovery on account of their Claims. The Debtors disagree with these assertions for several reasons. Most importantly, the Holders of Senior Notes in Class 4 are entitled to assert their full Claim against each Debtor entity that is an obligor or guarantor of the Senior Notes. The Debtors believe that each Holder of General Unsecured Claim in Class 6 however, has a Claim only against a single legal entity. As part of the Restructuring Support Agreement, the Debtors negotiated for all unsecured creditors to receive a recovery without the Senior Noteholders asserting their full legal entitlement at each legal entity—a compromise that inures to the benefit of Holders of General Unsecured Claims. This accommodation by the Senior Noteholders, however, does not legally entitle Holders of General Unsecured Claims to the very same overall legal and structural priority, and therefore recovery, as the Senior Noteholders in Class 4. Certain objecting parties believe that substantially all of the assets of the Debtors reside at a single entity and the distributions proposed under the Plan nonetheless result in unfair discrimination for purposes of the Bankruptcy Code, thereby rendering the Plan non-confirmable.

With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. Accordingly, the Debtors believe that the Plan meets the standard to demonstrate that the Plan does not unfairly discriminate and the Debtors will be prepared to meet their burden to establish that there is no unfair discrimination as part of Confirmation of the Plan. However, certain objecting parties believe that the distributions proposed in the Plan nonetheless result in unfair discrimination for purposes of the Bankruptcy Code, thereby rendering the Plan non-confirmable.

2. *Fair and Equitable Test.*

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the allowed claims in such class. As to each non-accepting class and as set forth below, the test sets different standards depending on the type of claims or interests in such class. The Debtors believe that the Plan satisfies the "fair and equitable" requirement, notwithstanding the fact that certain Classes are deemed to reject the Plan. There is no Class receiving more than a 100 percent recovery and no junior Class is receiving a distribution under the Plan until all senior Classes have received a 100 percent recovery or agreed to receive a different treatment under the Plan.

(a) Secured Claims.

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (i) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (ii) each holder of a secured claim in the class receives deferred cash payments

totaling at least the allowed amount of such claim with a value, as of the effective date, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the claimant's liens.

(b) Unsecured Claims.

The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the requirement that either: (i) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date, equal to the allowed amount of such claim; or (ii) the holder of any claim or any interest that is junior to the claims of such class will not receive or retain any property under the plan on account of such junior claim or junior interest, subject to certain exceptions.

(c) Interests.

The condition that a plan be "fair and equitable" to a non-accepting class of interests, includes the requirements that either: (i) the plan provides that each holder of an interest in that class receives or retains under the plan on account of that interest property of a value, as of the effective date, equal to the greater of: (a) the allowed amount of any fixed liquidation preference to which such holder is entitled; (b) any fixed redemption price to which such holder is entitled; or (c) the value of such interest; or (ii) the holder of any interest that is junior to the interests of such class will not receive or retain any property under the plan on account of such junior interest.

XI. IMPORTANT SECURITIES LAWS DISCLOSURES

The Debtors believe the New Common Shares to be issued pursuant to the Plan to be "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and any applicable state securities laws.

A. Issuance of Securities under the Plan; Registration Rights

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under section 5 of the Securities Act and state laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan of reorganization and must be securities issued by the debtor, an affiliate participating in a joint plan with the debtor, or a successor to the debtor under the plan; (ii) the recipients of the securities must hold prepetition or administrative expense claims against the debtor or interests in the debtor; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or "principally" in exchange for such claim or interest and "partly" for cash or property. In general, securities issued under section 1145 of the Bankruptcy Code may be resold without registration unless the recipient is an "underwriter" with respect to those securities. In reliance upon this exemption, the Debtors believe that the offer and sale of the New Common Shares and the New Warrants to be issued pursuant to the Plan (other than the New Common Shares issued on account of the Backstop Obligations (each as defined in the Backstop Commitment Agreement and the Plan)) (collectively, the "1145 Securities") will be exempt from registration under the Securities Act and state securities laws with respect to any such holder who is not deemed to be an "underwriter" as defined in section 1145(b) of the Bankruptcy Code.

The Debtors and the Reorganized Debtors, as applicable, will use best efforts to promptly make the New Common Shares eligible for deposit with the DTC and posted on Bloomberg. To the extent the Reorganized XOG has not yet become an SEC registered reporting entity, any New Common Shares issued under the Plan will entitle the beneficial owner of such securities to certain information rights, including the following: (1) quarterly unaudited financials (with MD&A); (2) annual audited financials (with MD&A); (3) quarterly management calls with Q&A; (4) prompt reporting of material acquisitions, dispositions, restructurings, mergers, issuances of debt or similar transactions; (5) all other material publicly available reports; and (6) sufficient financial information about the Reorganized Debtors shall be provided to market makers to allow the New Common Shares to be "pink sheets" eligible. For the avoidance of doubt, the foregoing shall not be required with respect to such New Common Shares to the extent that the Reorganized XOG is an SEC registered reporting entity.

Furthermore, on the Effective Date, the Reorganized Debtors, each Consenting Senior Noteholder and any other holders of 10% or more of the New Common Shares will be party to the Registration Rights Agreement..

B. Subsequent Transfers of Securities Issued under the Plan.

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as any entity who, except with respect to ordinary trading transactions of an entity that is not an issuer:

- purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such a claim or interest;

- offers to sell securities offered or sold under the plan of reorganization for the holders of such securities;

- offers to buy securities offered or sold under the plan of reorganization from the holders of such securities, if the offer to buy is (i) with a view to distribution of such securities; and (ii) under an agreement made in connection with the plan of reorganization, with the consummation of the plan of reorganization, or with the offer or sale of securities under the plan of reorganization; or

- is an issuer with respect to the securities, as the term "issuer" is defined in section 2(a)(11) of the Securities Act.

In addition, a person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

You should confer with your own legal advisors to help determine whether or not you are an "underwriter."

To the extent that persons who receive the securities issued under the Plan that are exempt from registration under the Securities Act or other applicable law by section 1145 of the Bankruptcy Code are deemed to be "underwriters," resales by those persons would not be exempted from registration under the Securities Act or other applicable law by section 1145 of the Bankruptcy Code. Persons deemed to be "underwriters" may, however, be permitted to sell such securities without registration pursuant to the provisions of Rule 144 under the Securities Act. These rules generally permit the public sale of securities received by "underwriters" subject to certain holding periods if current information regarding the issuer is publicly available and if volume limitations and certain other conditions are met.

Whether or not any particular person would be deemed to be an "underwriter" with respect to any securities issued pursuant to the Plan would depend upon various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any particular person receiving securities under the Plan would be an "underwriter" with respect to such securities.

PERSONS WHO RECEIVE SECURITIES UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN LEGAL ADVISOR WITH RESPECT TO THE RESTRICTIONS APPLICABLE UNDER THE FEDERAL OR STATE SECURITIES LAWS AND THE CIRCUMSTANCES UNDER WHICH SECURITIES MAY BE SOLD IN RELIANCE ON SUCH LAWS.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. WE MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE SECURITIES OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, WE ENCOURAGE EACH HOLDER AND PARTY-IN-INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A SECURITY IS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE FEDERAL OR STATE SECURITIES LAWS OR WHETHER A PARTICULAR HOLDER MAY BE AN UNDERWRITER, WE MAKE NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE SECURITIES ISSUED UNDER THE PLAN.

XII. CERTAIN U.S. FEDERAL TAX CONSEQUENCES OF THE PLAN

A. Introduction.

The following discussion summarizes certain United States ("U.S.") federal income tax consequences of the implementation of the Plan to the Debtors, the Reorganized Debtors, and Holders of Claims and Interests entitled to vote on the Plan (*i.e.*, Holders of Revolving Credit Agreement Claims, Senior Notes Claims, General Unsecured Claims, Existing Preferred Interests, and Existing Common Interests). It does not address the U.S. federal income tax consequences to Holders of Claims or Interests not entitled to vote on the Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof (collectively, "Applicable Tax Law"). Changes in the rules or new interpretations of the rules may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below. The Debtors have not requested, and do not intend to request, any ruling or determination from the IRS or any other taxing authority with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS or any other taxing authority would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address non-U.S., state, local or non-income tax consequences of the Plan (including such consequences with respect to the Debtors or the Reorganized Debtors), nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances or to a Holder that may be subject to special tax rules, such as persons who are related to the Debtors or Reorganized Debtors within the meaning of section 267 of the Tax Code, persons liable for alternative minimum tax, the so-called "Medicare tax" or the base erosion and anti-abuse tax, persons subject to special tax accounting rules as a result of preparing an "applicable financial statement" (as defined in section 451 of the Tax Code), persons whose functional currency is not the U.S. dollar, U.S. expatriates, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, controlled foreign corporations, passive foreign investment companies, partnerships (or other entities treated as partnerships or other pass-through entities), subchapter S corporations, persons who hold Claims or Interests or who will hold the New Common Shares, New Warrants or Exit Facility as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark-to-market method of accounting, and persons who are themselves in bankruptcy. Furthermore, this summary assumes that a Holder of a Claim or an Interest holds only Claims or Interests in a single Class and holds such Claim or Interest only as a "capital asset" (within the meaning of section 1221 of the Tax Code). This summary also assumes that the various debt and other arrangements to which any of the Debtors or Reorganized Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form, and that the Revolving Credit Agreement Claims, Senior Note Claims and Exit Facility constitute or will constitute interests in the Debtors or Reorganized Debtors "solely as a creditor" for purposes of section 897 of the Tax Code. This summary does not discuss differences in tax consequences to Holders of Claims or Interests that act as backstop parties or otherwise act or receive consideration in a capacity other than any other holder of a Claim or Interest, and the tax consequences for such Holders may differ materially from those described below. The U.S. federal income tax consequences of the implementation of the Plan to the Debtors, the Reorganized Debtors and Holders of Claims or Interests described below also may vary depending on the nature of any restructuring transactions that the Debtors and/or Reorganized Debtors engage in.

For purposes of this discussion, a "U.S. Holder" is a Holder of a Claim or Interest that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary supervision over the trust's administration and one or more United States persons (within the meaning of section 7701(a)(30) of the Tax Code) have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, a "non-U.S. Holder" is any Holder of a Claim or Interest that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder of a Claim or Interest, the tax treatment of the partner (or other beneficial owner) generally will depend upon the status of the partner and the activities of the partnership and the partner. Partnerships and partners of such partnerships that are Holders of Claims or Interests are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the Plan.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, NON-U.S., NON-INCOME, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to the Debtors and the Reorganized Debtors.

1. Effects of Restructuring on Tax Attributes of Debtors.

As of December 31, 2019, the Debtors estimate they had approximately $1.1 billion of federal NOL carryforwards, $400 million of capitalized intangible drilling costs, and $1.6 billion of tax basis in their oil and gas assets. They further estimate that they may generate additional NOLs and potentially other tax attributes, including capitalized intangible drilling costs, in the 2020 tax year.

2. COD Income.

In general, absent an exception, a taxpayer will realize and recognize cancellation of indebtedness income ("COD Income") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of any cash (e.g., any proceeds from a new reserve-based lending facility or the Equity Rights Offering), (ii) the issue price of any new indebtedness of the taxpayer (e.g., the Exit Facility), and (iii) the fair market value of any other consideration (e.g., New Common Shares), in each case, given in satisfaction of such indebtedness at the time of the exchange.

Under section 108 of the Tax Code, a taxpayer is not required to include COD Income in gross income (a) if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that case, or (b) to the extent that the taxpayer is insolvent immediately before the discharge. Instead, as a consequence of such exclusion, a taxpayer must reduce its tax attributes by the amount of COD Income that it excluded from gross income. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business tax credits; (c) capital loss carryovers; (d) tax basis in assets (including, in the case of a partner in a partnership such partner's outside basis in its partnership interest), but not below the amount of liabilities to which the debtor remains subject; (e) passive activity loss and credit carryovers; and (f) foreign tax credits. Alternatively, the taxpayer can elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Tax Code. The reduction in tax attributes occurs only after the debtor's net income or loss for the taxable year of the debt discharge has been determined. Any COD Income over the amount of available tax attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact.

No determination has yet been made as to whether the Reorganized Debtors would elect first to reduce tax basis in their property or to first reduce NOLs. At this time, regardless of whether the Reorganized Debtors make this election, no assurance can be given that the Reorganized Debtors would have NOLs or other tax attributes remaining after reduction for COD income.

The amount of COD Income that may result in a reduction of the Debtors' tax attributes will depend on the fair market value (or issue price as determined for U.S. federal income tax purposes, in the case of new debt) of the consideration received by holders of Claims against the Debtors. The fair market value and issue price, as applicable, of such consideration cannot be known with certainty until after the Effective Date.

3. Limitation on Utilization of NOLs and Other Tax Attributes.

After giving effect to the reduction in tax attributes pursuant to excluded COD Income described above, the Reorganized Debtors anticipate that the ability to use any remaining tax attributes post-emergence will be subject to certain limitations under Section 382 and Section 383 of the Tax Code.

Under Sections 382 and 383 of the Tax Code, if a corporation undergoes an "ownership change," the amount of its NOLs, tax credit carryforwards, net unrealized built-in losses, and possibly certain other attributes allocable to periods prior to the ownership change (collectively, the "Pre-Change Losses") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including depletion, amortization, or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10,000,000 or (b) 15 percent of the fair market value of its assets (with certain adjustments) before the ownership change.

The rules of section 382 of the Tax Code are complicated, but as a general matter, the Debtors anticipate that the Plan will result in an "ownership change" of XOG on the Effective Date for these purposes, and that the Reorganized Debtors' use of any available Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the Tax Code applies.

(a) General Section 382 Annual Limitation.

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (a) the fair market value of the stock of the corporation immediately before the ownership change (with certain adjustments), and (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the ownership change occurs).[18] The annual limitation may be increased to the extent that the Reorganized Debtors recognize certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65.[19] Section 383 of the Tax Code applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

Notwithstanding the rules described above, if post-ownership change a debtor corporation and its subsidiaries do not continue the debtor corporation's historic business or use a significant portion of its historic business assets in a new business for two years after the ownership change, the annual limitation resulting from the ownership change is zero.

(b) Special Bankruptcy Exceptions.

An exception to the foregoing annual limitation rules generally applies when former equity holders and so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their Interests or Claims, at least

[18] The applicable rate is 0.89 percent in November 2020, 0.85 percent in October 2020, and 0.76 percent in September 2020; as such, an ownership change occurring in November 2020, would utilize a 0.89 percent rate. The Debtors cannot estimate what the applicable rate will be on the Effective Date (or on any other date on which an ownership change might occur).

[19] The IRS issued proposed regulations in September 2019 that would make substantial changes to these rules. However, the IRS has also issued proposed regulations that would cause any company that has an ownership change pursuant to a plan of reorganization in a bankruptcy case filed before the proposed regulations are finalized to be "grandfathered." Accordingly, the September 2019 proposed regulations are not expected to have an impact on the Debtors with respect to the ownership change that will occur pursuant to the Plan.

50 percent of the vote and value of the stock of the debtor corporation (or a controlling corporation if also in chapter 11) as reorganized pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). Under the 382(l)(5) Exception, a debtor's Pre-Change Losses are not limited on an annual basis, but, instead, NOL carryforwards will be reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the Reorganized Debtors were to undergo another "ownership change" within two years after the Effective Date, then the Reorganized Debtors' Pre-Change Losses thereafter would be effectively eliminated in their entirety.

Under the exception in Section 382(l)(6) of the Tax Code (the "382(l)(6) Exception"), the annual limitation is calculated by reference to the lesser of (a) the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or (b) the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that, under it, a debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and a debtor corporation may undergo a change of ownership within two years without automatically triggering the elimination of its Pre-Change Losses. The resulting limitation from any such subsequent change of ownership would be determined under the regular rules for ownership changes.

It is possible that the Debtors will not qualify for the 382(l)(5) Exception. Additionally, as discussed above, no assurance can be given that the Reorganized Debtors would have NOLs allocable to periods prior to the Effective Date remaining after giving after reduction for COD Income. Even if the 382(l)(5) Exception could apply, the Reorganized Debtors may decide to elect out of the 382(l)(5) Exception, particularly if it appears likely that another ownership change may occur within two years after emergence. Given the uncertainty regarding whether the 382(l)(5) Exception may apply or be elected out of, the Debtors anticipate that their use of the Pre-Change Losses (if any) after the Effective Date likely will be subject to limitation based on the rules discussed above, but taking into account the 382(l)(6) Exception. Regardless of whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, the Reorganized Debtors' use of their Pre Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of section 382 of the U.S. Tax Code were to occur after the Effective Date.

C. Certain U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Claims and Interests Entitled to Vote.

1. *Consequences to Holders of Allowed Revolving Credit Agreement Claims.*

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of Allowed Revolving Credit Agreement Claims, each holder thereof will receive its Pro Rata share of either (a) the Exit RBL Facility or (b) the Exit Term Loans under the Exit Facility.

Although the matter is not free from doubt, we believe and intend to take the position that the Revolving Credit Agreement Claims should not be treated as “securities” for U.S. federal income tax purposes, and the remainder of this discussion assumes that the Revolving Credit Agreement Claims are not treated as “securities” for U.S. federal income tax purposes. Additionally, although the treatment of the Exit Facility cannot be known with certainty at this time, the discussion assumes that the Exit Facility will not be treated as a “security” for U.S. federal income tax purposes. The exchange of Allowed Revolving Credit Agreement Claims for the Exit Facility is therefore expected to be treated as a taxable exchange under Section 1001 of the Tax Code. In that case, a U.S. Holder of an Allowed Revolving Credit Agreement Claim would generally recognize gain or loss in an amount equal to (a) the issue price of the Exit Facility received for such Revolving Credit Agreement Claim (other than any Exit Facility treated as received in satisfaction of accrued but untaxed interest on the Allowed Revolving Credit Agreement Claims as discussed below under “Accrued Interest”) less (b) such U.S. Holder's adjusted tax basis in such Revolving Credit Agreement Claim. A U.S. Holder's initial aggregate tax basis in the Exit Facility would generally equal the issue price of the Exit Facility. A U.S. Holder's holding period for the Exit Facility would begin the day following the exchange. Any gain or loss recognized by a U.S. Holder from the exchange will be capital gain or loss, except to the extent described below under “Market Discount.” Capital gain will generally be taxable at preferential rates to any non-

corporate U.S. Holder whose holding period in its Allowed Revolving Credit Agreement Claim is greater than one year at the time of the exchange. The deductibility of capital losses is subject to limitations.

2. ***Consequences to Holders of Allowed Senior Notes Claims.***

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release and discharge of Allowed Senior Note Claims, each holder thereof will receive its Pro Rata share of the Claims Equity Allocation and the Senior Noteholders Subscription Rights.

The extent to which a U.S. Holder of Allowed Senior Note Claims will recognize gain or loss pursuant to the Plan will depend upon whether the receipt of New Common Shares and Subscription Rights in respect of its Claims qualifies as a recapitalization within the meaning of Section 368(a)(1)(E) of the Tax Code. In general, receipt of New Common Shares in respect of its Claims will qualify as a recapitalization if the Senior Notes are treated as "securities" for U.S. federal income tax purposes. Whether an instrument constitutes a "security" is determined based on all the facts and circumstances, but most authorities have held that the length of the original term of a debt instrument is an important factor in determining whether a debt instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument generally is not a security, whereas a term of ten years or more is evidence that the instrument generally is a security. The 2024 Senior Notes had a term to maturity of 7 years when issued and the 2026 Senior Notes had a term to maturity of 8 years when issued. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable or contingent, and whether such payments are made on a current basis or accrued. Although the matter is not free from doubt, we believe and intend to take the position that (i) the 2024 Notes and 2026 Notes should each be treated as securities and (ii) the receipt of New Common Shares and Subscription Rights by a U.S. Holder in respect of its Senior Notes Claims should be treated as a transaction that qualifies as a recapitalization for U.S. federal income tax purposes.

Assuming the receipt of New Common Shares and Subscription Rights in respect of Senior Notes Claims is treated as a transaction that qualifies as a recapitalization for U.S. federal income tax purposes, a U.S. Holder will generally not recognize gain or loss on the exchange except to the extent that New Common Shares or Subscription Rights are treated as received in satisfaction of accrued but untaxed interest on Senior Notes (see the "Accrued Interest" discussion below). In addition, any market discount on the Senior Notes would carry over to the New Common Share or Subscription Rights (see "Market Discount" discussion below). A U.S. Holder's aggregate tax basis in its New Common Shares and Subscription Rights should be equal to the tax basis of the Senior Notes surrendered therefor, and a U.S. Holder's holding period for its New Common Shares and Subscription Rights should include the holding period for Senior Notes exchanged therefor.

If any of the Senior Notes are not treated as securities for U.S. federal income tax purposes, an exchange of such Senior Notes for New Common Shares and Subscription Rights would be treated as a taxable exchange under Section 1001 of the Tax Code. In that case, a U.S. Holder would generally recognize gain or loss in an amount equal to (a) the fair market value of New Common Shares and Subscription Rights received for such Senior Notes (other than any New Common Shares or Subscription Rights treated as received in satisfaction of accrued but untaxed interest on Senior Notes as discussed below under "Accrued Interest") less (b) such U.S. Holder's adjusted tax basis in such Senior Notes. A U.S. Holder's initial aggregate tax basis in the New Common Shares and Subscription Rights received would generally equal their respective fair market values. A U.S. Holder's holding period for such New Common Shares and Subscription Rights would begin the day following the exchange. Any such gain or loss recognized by a U.S. Holder will be capital gain or loss, except to the extent described below under "Accrued Interest" or "Market Discount". Capital gain will generally taxable at preferential rates to non-corporate U.S. Holders whose holding period in the Senior Notes is greater than one year at the time of such exchange. The deductibility of capital losses is subject to limitations.

3. *Consequences to Holders of Allowed General Unsecured Claims.*

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release and discharge of Allowed General Unsecured Claims, each holder thereof will receive its Pro Rata share of the Claims Equity Allocation and either (a) the GUC Subscription Rights or (b) Cash.

A U.S. Holder of a General Unsecured Claim will be treated as receiving its distributions under the Plan in a taxable exchange pursuant to Section 1001 of the Code. Such a U.S. Holder should recognize gain or loss equal to the difference between (a) the fair market value of the New Common Shares and the Cash or the fair market value of the GUC Subscription Rights, as applicable, to be received by such U.S. Holder (other than any New Common Shares and Cash or GUC Subscription Rights treated as received in satisfaction of accrued interest on such General Unsecured Claim as discussed below under "Accrued Interest") and (b) such U.S. Holder's adjusted tax basis in its Claim. Such gain or loss should be capital in nature (except to the extent described below under "Market Discount") and should be long-term capital gain or loss if the debts constituting the surrendered Claim were held for more than one year. U.S. Holders of Allowed General Unsecured Claims should obtain a tax basis in the New Common Shares and, if applicable, GUC Subscription Rights, equal to the fair market value thereof as of the date such property is distributed to the U.S. Holder. The holding period for any such New Common Shares and GUC Subscription Rights should begin on the day following the Effective Date.

4. *Consequences to Holders of Allowed Existing Preferred Interests.*

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release and discharge of Allowed Existing Preferred Interests, each holder thereof will receive either (a) its Pro Rata share of 50% of the Existing Interests Equity Allocation, the Existing Preferred Interest Subscription Rights, 50% of the Tranche A Warrants and 50% of the Tranche B Warrants or (b) no consideration.

A U.S. holder that receives a distribution will be treated as receiving its distributions under the Plan in a transaction that qualifies as a recapitalization for U.S. federal income tax purposes. Therefore, a U.S. Holder will generally not recognize loss on the exchange but will recognize gain to the extent of the lesser of (i) the amount of gain realized from the exchange and (ii) the aggregate fair market value of the New Warrants and Subscription Rights received. A U.S. Holder's aggregate tax basis in its New Common Shares should equal the tax basis of the Existing Preferred Interests surrendered therefor, decreased by the fair market value of the New Warrants and Subscription Rights received and increased by the amount of any gain recognized and the tax basis in its New Warrants and Subscription Rights should equal their respective fair market values. A U.S. Holder's holding period for its New Common Shares should include the holding period for Existing Preferred Interests surrendered therefor and the holding period in its New Warrants and Subscription Rights should begin on the day following the Effective Date.

U.S. holder of Allowed Existing Preferred Interests that receives no consideration in respect of its Interest may be entitled to a worthless securities deduction under Section 165(g) of the Tax Code. The rules governing the character, timing and amount of worthless securities deductions are complex and place considerable emphasis on the facts and circumstances of the U.S. Holder. U.S. Holders of Allowed Existing Preferred Interests, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

5. *Consequences to Holders of Allowed Existing Common Interests.*

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release and discharge of Allowed Existing Common Interests, each holder thereof will receive either (a) its Pro Rata share of 50% of the Existing Interests Equity Allocation, the Existing Common Interest Subscription Rights, 50% of the Tranche A Warrants and 50% of the Tranche B Warrants or (b) no consideration.

A U.S. holder that receives a distribution will be treated as receiving its distributions under the Plan in a transaction that qualifies as a recapitalization for U.S. federal income tax purposes. Therefore, a U.S. Holder will generally not recognize loss on the exchange but will recognize gain to the extent of the lesser of (i) the amount of gain realized from the exchange and (ii) the aggregate fair market value of the New Warrants and Subscription Rights received. A U.S. Holder's aggregate tax basis in its New Common Shares should equal the tax basis of the Existing Common Interests surrendered therefor, decreased by the fair market value of the New Warrants and Subscription

Rights received and increased by the amount of any gain recognized and the tax basis in its New Warrants and Subscription Right should equal their respective fair market values. A U.S. Holder's holding period for its New Common Shares should include the holding period for Existing Common Interests surrendered therefor and the holding period in its New Warrants and Subscription Rights should begin on the day following the Effective Date.

U.S. holder of Allowed Existing Common Interests that receives no consideration in respect of its Interest may be entitled to a worthless securities deduction under Section 165(g) of the Tax Code. The rules governing the character, timing and amount of worthless securities deductions are complex and place considerable emphasis on the facts and circumstances of the U.S. Holder. U.S. Holders of Allowed Existing Common Interests, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

6. ***Accrued Interest.***

A portion of the consideration received by U.S. Holders of Claims may be attributable to accrued but untaxed interest on such Claims. Such amount should be taxable to that U.S. Holder as ordinary interest income if such accrued interest has not been previously included in the holder's gross income for U.S. federal income tax purposes. Conversely, U.S. Holders of Claims may be able to recognize a deductible loss to the extent that any accrued interest on the Claims was previously included in the holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point. The tax basis of any property determined to be received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, and the holding period for any such property should begin on the day following the Effective Date.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued but untaxed interest is unclear. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to untaxed interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but untaxed interest. The IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan. Holders of Claims are urged to consult their respective tax advisors regarding the proper allocation of the consideration received by them under the Plan between principal and accrued but untaxed interest in such event. U.S. Holders of Claims are urged to consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

7. ***Market Discount.***

Under the "market discount" provisions of the Tax Code, some or all of any gain realized by a U.S. Holder of a Claim may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if the U.S. Holder's adjusted tax basis in the debt instrument is less than (a) the stated redemption price on the debt instrument at maturity or (b) in the case of a debt instrument issued with OID, its "revised issue price," in each case, by at least a de minimis amount (equal to 0.25 percent of the stated redemption price of the debt instrument at maturity, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of a Claim that had been acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while such Claim was considered to be held by the holder (unless the holder elected to include market discount in income as it accrued). In addition, in the event of recapitalization treatment (as described above), the Tax Code indicates that, under Treasury regulations to be issued, any accrued market discount in respect of the Allowed Senior Notes Claims should not be currently includable in income. However, such accrued market discount should carry over to any non-recognition property received in exchange therefor (*i.e.*, to the New Common Shares and the Subscription Rights). Any gain recognized by a U.S. Holder upon a subsequent disposition of such property would be treated as ordinary income to the extent of any accrued market discount carried over not previously included in income. To date, specific

Treasury regulations implementing this rule have not been issued. U.S. Holders are urged to consult their own tax advisors concerning the application of the market discount rules to their Claims.

8. ***Subscription Rights.***

A U.S. Holder that elects to exercise its Subscription Rights should be treated as purchasing, in exchange for its Subscription Rights and the amount of cash paid by the U.S. Holder to exercise such Subscription Rights, New Common Shares. Such a purchase should generally be treated as the exercise of an option under general tax principles, and such U.S. Holder should not recognize income, gain, or loss for U.S. federal income tax purposes when it exercises the Subscription Rights. A U.S. Holder's aggregate tax basis in the New Common Shares should equal the sum of (i) the amount of cash paid by the U.S. Holder to exercise the Subscription Rights plus (ii) such U.S. Holder's tax basis in the Subscription Rights immediately before the Subscription Rights are exercised. A U.S. Holder's holding period for the New Common Shares received pursuant to such exercise should begin on the day following the Effective Date.

A U.S. Holder that elects not to exercise the Subscription Rights may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such Subscription Rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. U.S. Holders electing not to exercise their Subscription Rights are urged to consult with their own tax advisors as to the tax consequences of such decision.

9. ***Exercise or Lapse of a New Warrant.***

Except as discussed below with respect to the cashless exercise of a New Warrant, a U.S. Holder generally will not recognize taxable gain or loss on the acquisition of New Common Shares upon exercise of a New Warrant for cash. The U.S. Holder's tax basis in the share of our New Common Shares received upon exercise of the New Warrant generally will be an amount equal to the sum of the U.S. Holder's initial tax basis in the New Warrant and the exercise price of such New Warrant. The U.S. Holder's holding period for the New Common Shares received upon exercise of the New Warrants will begin on the date following the date of exercise (or possibly the date of exercise) of the New Warrants and will not include the period during which the U.S. Holder held the Warrants. If a New Warrant is allowed to lapse unexercised, a U.S. Holder generally will recognize a capital loss equal to such U.S. Holder's tax basis in the New Warrant.

The tax consequences of a cashless exercise of a New Warrant are not clear under current tax law. A cashless exercise may be tax-free, either because the exercise is not a gain realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either tax-free situation, a U.S. Holder's basis in the New Common Shares received would equal the U.S. Holder's basis in the New Warrant. If the cashless exercise was treated as not being a gain realization event (and not a recapitalization), a U.S. Holder's holding period in the New Common Shares would be treated as commencing on the date following the date of exercise (or possibly the date of exercise) of the New Warrant. If the cashless exercise was treated as a recapitalization, the holding period of the New Common Shares would include the holding period of the New Warrant.

It is also possible that a cashless exercise could be treated in part as a taxable exchange in which gain or loss would be recognized. In such event, a U.S. Holder could be deemed to have surrendered New Warrants equal to the number of shares of New Common Shares having a value equal to the exercise price for the total number of New Warrants to be exercised. The U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the fair market value of the New Common Shares represented by the New Warrants deemed surrendered and the U.S. Holder's adjusted tax basis in the New Warrants deemed surrendered. In this case, a U.S. Holder's tax basis in the New Common Shares received would equal the sum of the fair market value of the New Common Shares represented by the New Warrants deemed surrendered and the U.S. Holder's adjusted tax basis in the New Warrants exercised. A U.S. Holder's holding period for the New Common Shares would commence on the date following the date of exercise (or possibly the date of exercise) of the New Warrant.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the tax consequences of a cashless exercise.

10. ***Possible Constructive Distributions.***

The terms of each New Warrant provide for an adjustment to the number of shares of New Common Shares for which the New Warrant may be exercised or to the exercise price of the New Warrant in certain events. An adjustment which has the effect of preventing dilution generally is not taxable. The U.S. Holders of the New Warrants would, however, be treated as receiving a constructive distribution from us if, for example, the adjustment increases the New Warrant holders' proportionate interest in our assets or earnings and profits (*e.g.*, through an increase in the number of shares of New Common Shares that would be obtained upon exercise) as a result of a distribution of cash to the holders of shares of our New Common Shares which is taxable to the U.S. Holders of such shares. Such constructive distribution would be subject to tax as described under that section in the same manner as if the U.S. Holders of the New Warrants received a cash distribution from us equal to the fair market value of such increased interest. Generally, a U.S. Holder's adjusted tax basis in its New Warrant would be increased to the extent any such constructive distribution is treated as a dividend.

11. ***Distributions on New Common Shares.***

Any distributions made on account of the New Common Shares will generally constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized XOG as determined under U.S. federal income tax principles. Such income will be includable in the gross income of a U.S. Holders as ordinary income on the day actually or constructively received by such U.S. Holder. "Qualified dividend income" received by an individual U.S. Holder is subject to preferential tax rates. To the extent that a U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder's basis in its shares of the New Common Shares. Any such distributions in excess of the U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain.

Subject to applicable limitations, distributions treated as dividends paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction. However, the dividends-received deduction is only available if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

12. ***Sale, Redemption or Repurchase of New Common Shares or New Warrants.***

Unless a non-recognition provision applies and except as discussed below, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the New Common Shares or New Warrants. Such capital gain or loss will be long-term capital gain or loss if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder's holding period in the New Common Shares or New Warrants is more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described below. Under the recapture rules of section 108(e)(7) of the Tax Code, a U.S. Holder may be required to treat gain recognized on the taxable disposition of the New Common Share or New Warrants as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Allowed Claim or recognized an ordinary loss on the exchange of its Allowed Claim for New Common Shares or New Warrants. In addition, in the event the Allowed Senior Notes Claims are subject to recapitalization treatment, any gain recognized by a U.S. Holder upon a subsequent disposition of the New Common Shares (or any stock or property received for it in a later tax-free exchange) received will be treated as ordinary income for U.S. federal income tax purposes to the extent of any accrued market discount carried over to the New Common Shares not previously included in income (*see* "Market Discount" above).

13. ***Consequences of Owning and Disposing of the Exit Facility.***

(a) Interest on the Exit Facility.

This discussion assumes that the Exit Facility will be issued with no more than a *de minimis* amount of original issue discount (if any) for U.S. federal income tax purposes. Stated interest on the Exit Facility generally will be taxable to a U.S. Holder of the Exit Facility as ordinary income at the time it is paid or accrued in accordance with the U.S. Holder's usual method of accounting for tax purposes.

(b) Sale, Redemption, or Repurchase of the Exit Facility.

Unless a non-recognition provision applies, a U.S. Holder of the Exit Facility generally will recognize capital gain or loss upon the sale, redemption, or other disposition of the Exit Facility. Such capital gain or loss will be long-term capital gain or loss if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder's holding period in the Exit Facility is more than one year. Long-term capital gain of an individual taxpayer generally is taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as discussed in "Limitations on Use of Capital Losses" below.

14. ***Limitation on Use of Capital Losses.***

U.S. Holders who recognize capital losses as a result of the distributions under the Plan will be subject to limits on their use of capital losses. For non-corporate U.S. Holders, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. U.S. Holders, other than corporations, may carry over unused capital losses and apply them to capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. U.S. Holders who have more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are also allowed to carry back unused capital losses to the three years preceding the capital loss year.

D. Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders of Allowed Claims or Interests Entitled to Vote.

The following discussion assumes that the Debtors will pursue the Stand-Alone Restructuring currently contemplated by the Plan. Non-U.S. Holders of Claims or Interests are urged to consult their tax advisors regarding the tax consequences of the Stand-Alone Restructuring. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to non-U.S. Holders are complex. Each non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, and local and the non-U.S. tax consequences of the consummation of the Plan to such Non-U.S. Holder and the ownership and disposition of the New Common Shares, the New Warrants and the Exit Facility.

1. ***Gain Recognition.***

Any gain realized by a non-U.S. Holder on the exchange of its Claim or Interest generally will not be subject to U.S. federal income taxation unless (i) the non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the restructuring transactions occur and certain other conditions are met (ii) such gain is effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) or (iii) in the case of Existing Interests, XOG is a "United States real property holding corporation" ("USRPHC") for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. Holder's holding period for the Existing Interest.

If the first exception applies, the non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources

during the taxable year of the exchange. If the second exception applies, the non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange. In order to claim an exemption from withholding tax, such non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

If the exception in the third bullet applies, a non-U.S. Holder generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its Existing Interests under the Foreign Investment in Real Property Tax Act ("FIRPTA"). Taxable gain from the disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and such non-U.S. Holder's adjusted tax basis in such Existing Interest) will constitute effectively connected income. A non-U.S. Holder will also be subject to withholding tax equal to 15% of the amount realized on the sale and the non-U.S. Holder generally will be required to file a U.S. federal income tax return. The amount of any such withholding would be allowed as a credit against the non-U.S. Holder's federal income tax liability and may entitle the non-U.S. Holder to a refund, provided that the non-U.S. Holder properly and timely files a tax return with the IRS.

The Debtors expect that Reorganized XOG will be a USRPHC. However, currently, the Debtors believe that the Existing Common Interests are, but the Existing Preferred Interests are not, treated as "regularly traded" on an established securities market. Therefore, in general, the FIRPTA provisions will not apply upon a disposition of Existing Common Interests if (x) such the Existing Common Interests continue to be regularly traded on an established securities market and (y) the non-U.S. Holder did not directly or indirectly own more than 5% of the value of the Existing Common Interests during a specified testing period. Additionally, the FIRPTA provisions generally will not apply upon a disposition of Existing Preferred Interests if (i) the Existing Preferred Interests continue to not be regularly traded on an established securities market, (ii) the Existing Common Interests continue to be regularly traded on an established securities market and (iii) the non-U.S. Holder did not own Existing Preferred Interests with a value greater than 5% of the value of the Existing Common Interests during a specified testing period. In general, a corporation is a USRPHC as to a non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the Tax Code and applicable Treasury Regulations) equals or exceeds 50% of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of the 5-year period ending on the effective time of the applicable disposition or such non-U.S. Holder's holding period.

2. ***Interest.***

Payments made to a non-U.S. Holder pursuant to the Plan that are attributable to accrued but untaxed interest and interest payments made in respect of the Exit Facility generally will not be subject to U.S. federal income or withholding tax, provided that (i) such non-U.S. Holder does not actually or constructively own 10 percent or more of the total combined voting power of all classes of the stock of XOG or Reorganized XOG, as applicable, (ii) such non-U.S. Holder is not a "controlled foreign corporation" that is a "related person" with respect to XOG or Reorganized XOG, as applicable (each, within the meaning of the Tax Code) and (iii) the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) establishing that the non-U.S. Holder is not a U.S. person (the "Portfolio Interest Exception"), unless such interest is effectively connected with the conduct by the non-U.S. Holder of a trade or business within the United States (in which case, provided the non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but untaxed interest at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)). A non-U.S. Holder that does not qualify for the Portfolio Interest Exception to withholding tax with respect to accrued but untaxed interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on payments that are attributable to accrued but untaxed interest. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations

for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

3. ***Distributions on New Common Shares.***

Distributions made (or deemed made) on the New Common Shares and distributions deemed made on the New Warrants (see "Certain U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Claims and Interests Entitled to Vote--Possible Constructive Distributions) will generally constitute dividends for U.S. federal income tax purposes to the extent paid out of Reorganized XOG's accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of Reorganized XOG's current and accumulated earnings and profits will generally constitute a return of capital, which generally would be subject to withholding under FIRPTA (as defined below) at a rate of 15%, and will first be applied against and reduce a non-U.S. Holder's adjusted tax basis in its New Common Shares or New Warrants, but not below zero. Distributions not treated as dividends and in excess of a Holder's adjusted basis will generally be treated as capital gain subject to the rules discussed under "--Gain on Disposition of New Common Shares or New Warrants".

Dividends paid to a non-U.S. Holder of New Common Shares or New Warrants will generally be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. Holder within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of the non-U.S. Holder) are not subject to withholding, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are generally subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. Holder were a United States person as defined under the Tax Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. Holder of New Common Shares or New Warrants who wishes to claim the benefit of an applicable income tax treaty and avoid backup withholding, as discussed below, for dividends, will be required (a) to complete the applicable IRS Form W-8BEN or Form W-8BEN-E and certify under penalty of perjury that such Holder is not a United States person as defined under the Tax Code and is eligible for treaty benefits or (b) if the New Common Share or New Warrants are held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. Holders that are pass-through entities rather than corporations or individuals. A non-U.S. Holder of New Common Shares or New Warrants eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

4. ***Gain on Disposition of New Common Shares, New Warrants or the Exit Facility.***

Any gain realized on the sale, exchange or other taxable disposition of New Common Shares, New Warrants or the Exit Facility generally will not be subject to U.S. federal income tax unless:

(i) the gain is effectively connected with a trade or business of the non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. Holder);

(ii) the non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or

(iii) in the case of a disposition of New Common Shares or New Warrants, Reorganized XOG is a USRPHC for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. Holder's holding period for New Common Shares or New Warrants.

A non-U.S. Holder described in the first bullet point above will generally be subject to tax on the net gain derived from the sale or other disposition under regular graduated U.S. federal income tax rates applicable to such

Holder as if it were a United States person as defined under the Tax Code. In addition, if a non-U.S. Holder described in the first bullet point above is a corporation for U.S. federal income tax purposes, it may be subject to a "branch profits tax" equal to 30% of its effectively connected earnings and profits (subject to adjustments) or at such lower rate as may be specified by an applicable income tax treaty.

An individual non-U.S. Holder described in the second bullet point above will generally be subject to a flat 30% (or such lower rate as may be specified by an applicable income tax treaty) tax on the gain derived from the sale or other disposition, which may be offset by its U.S. source capital losses, even though the individual is not considered a resident of the United States, provided such non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

If the exception in the third bullet applies, a non-U.S. Holder generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its New Common Shares or New Warrants under FIRPTA. If the FIRPTA provisions apply with respect to a non-U.S. Holder, taxable gain from the disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and such non-U.S. Holder's adjusted tax basis in such interest) will constitute effectively connected income. Further the buyer of the New Common Shares or New Warrants may be required to withhold tax equal to 15% of the amount realized on the sale and the non-U.S. Holder generally will be required to file a U.S. federal income tax return. The amount of any such withholding would be allowed as a credit against the non-U.S. Holder's federal income tax liability and may entitle the non-U.S. Holder to a refund, provided that the non-U.S. Holder properly and timely files a tax return with the IRS. In general, the FIRPTA provisions will not apply (a) upon a disposition of a New Warrant if, either (1) (x) our common stock is "regularly traded" as defined by applicable Treasury Regulations, on an established securities market, (y) the New Warrants are not "regularly traded" and (z) the fair market value of the New Warrants owned, actually or constructively, by the non-U.S. Holder on the date the New Warrants were acquired was equal to or less than the fair market value of 5% of our outstanding shares of common stock or (2) the New Warrants are considered regularly traded and, at all times during the shorter of the five-year period preceding the disposition date or the non-U.S. Holder's holding period, the non-U.S. Holder owns, actually or constructively, 5% or less of the outstanding New Warrants or (b) upon a disposition of New Common Shares if (x) the non-U.S. Holder does not directly or indirectly own more than 5% of the value of such interests during a specified testing period and (y) such interest is regularly traded on an established securities market.

The Debtors expect that Reorganized XOG will be a USRPHC. At this time the Reorganized Debtors have not determined whether it is likely that its New Common Shares or New Warrants will be treated as "regularly traded" for U.S. federal income tax purposes.

E. FATCA.

Under the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income (including dividends, if any, on shares of New Common Shares and interest payments on the Exit Facility). FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

Previously, withholding with respect to gross proceeds from the disposition of certain property like the New Common Shares and Exit Facility was scheduled to begin on January 1, 2019, however, such withholding has been eliminated under proposed U.S. Treasury regulations, which can be relied on until final regulations become effective.

Each non-U.S. Holder is urged to consult its own tax advisor regarding the possible impact of these rules on such non-U.S. Holder.

F. Information Reporting and Backup Withholding.

The Debtors or any other applicable withholding agent will withhold all amounts required by law to be withheld from payments of interest, dividends and other amounts payable under the Plan or in connection with payments made on account of consideration received pursuant to the Plan. The Debtors will comply with all applicable reporting requirements of the Tax Code. In general, information reporting requirements may apply to distributions or

payments made to a holder of a Claim or Interest under the Plan or in connection with payments made on account of consideration received pursuant to the Plan. Additionally, under the backup withholding rules, a holder of a Claim or Interest may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan or in connection with payments made on account of consideration received pursuant to the Plan unless, in the case of a U.S. Holder, such U.S. Holder provides a properly executed IRS Form W-9 and, in the case of non-U.S. Holder, such non-U.S. Holder provides a properly executed applicable IRS Form W-8 (or otherwise establishes such non-U.S. Holder's eligibility for an exemption). The current backup withholding rate is 24 percent. Backup withholding is not an additional tax but is, instead, an advance payment that may entitle the holder to a refund from the IRS to the extent it results in an overpayment of tax, provided that the required information is provided to the IRS.

In addition, from an information reporting perspective, the Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders' tax returns.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM OR INTEREST IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM UNDER THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, NON-US, OR OTHER TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

XIII. RECOMMENDATION OF THE DEBTORS

In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to Holders of Allowed Claims and Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims and Interests than proposed under the Plan. Accordingly, the Debtors recommend that Holders of Claims and Interests entitled to vote to accept or reject the Plan support Confirmation and vote to accept the Plan.

The Creditors' Committee, in its capacity as a fiduciary on behalf of all general unsecured creditors, does **NOT** support the Plan, and recommends that general unsecured creditors vote to **REJECT** the Plan. The Court's approval of this Disclosure Statement does not constitute an endorsement by the Creditors' Committee of the Plan or certain information included for informational purposes within this Disclosure Statement, including, without limitation, estimates of General Unsecured Claims, recovery analyses, valuation and/or liquidation analyses, assessments of the Debtors and certain other information, and all rights of the Creditors' Committee are expressly preserved.

Extraction Oil & Gas, Inc. on behalf of itself and each of the other Debtors

By: */s/ Matthew R. Owens*

Name: Matthew R. Owens
Title: President and Chief Executive Officer
Extraction Oil & Gas, Inc.

Prepared By:

Dated: November 6, 2020
Wilmington, Delaware

/s/ Richard W. Riley

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Co-Counsel to the Debtors and Debtors in Possession

[20] Whiteford, Taylor & Preston LLC operates as Whiteford Taylor & Preston L.L.P. in jurisdictions outside of Delaware.

Exhibit A

Chapter 11 Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
EXTRACTION OIL & GAS, INC. *et al.*,[1]	)	Case No. 20-11548 (CSS)
Debtors.	)	(Jointly Administered)

THIRD AMENDED JOINT PLAN OF REORGANIZATION OF EXTRACTION OIL & GAS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

KIRKLAND & ELLIS LLP
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Counsel to the Debtors and Debtors in Possession

Dated: November 6, 2020

[1] 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.

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INTRODUCTION

Capitalized terms used in this chapter 11 plan shall have the meanings set forth in Article I.A. The Debtors propose this Plan for the resolution of outstanding Claims against, and Interests in, the Debtors. Holders of Claims and Interests may refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, and projections of future operations, as well as a summary and description of the Plan. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code, and the Plan constitutes a separate plan for each of the Debtors.

ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. *Defined Terms*

As used in this Plan, capitalized terms have the meanings set forth below.

1. "*1145 Securities*" has the meaning set forth in Article VI.F.

2. "*2024 Senior Notes*" means the 7.375% senior unsecured notes due May 15, 2024, issued pursuant to the 2024 Senior Notes Indenture.

3. "*2024 Senior Notes Claim*" means any Claim against a Debtor arising under, derived from, based on, or related to the 2024 Senior Notes or the 2024 Senior Notes Indenture.

4. "*2024 Senior Notes Indenture*" means that certain indenture, dated as of August 1, 2017, by and among XOG, as issuer, each of the guarantors named therein, and Wilmington Savings Fund Society, FSB, as successor trustee, as amended, modified, or otherwise supplemented from time to time.

5. "*2026 Senior Notes*" means the 5.625% senior unsecured notes due February 1, 2026, issued pursuant to the 2026 Senior Notes Indenture.

6. "*2026 Senior Notes Claim*" means any Claim against a Debtor arising under, derived from, based on, or related to the 2026 Senior Notes or the 2026 Senior Notes Indenture.

7. "*2026 Senior Notes Indenture*" means that certain indenture, dated as of January 25, 2018, by and among XOG, as issuer, each of the guarantors named therein, and Wilmington Savings Fund Society, FSB, as successor trustee, as amended, modified, or otherwise supplemented from time to time.

8. "*Ad Hoc Noteholder Group*" means the ad hoc group or committee of Consenting Senior Noteholders represented by the Ad Hoc Noteholder Group Representatives.

9. "*Ad Hoc Noteholder Group Representatives*" means Paul Weiss, Houlihan Lokey, and Young Conaway Stargatt & Taylor, LLP.

10. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Debtors' Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims; (c) all Allowed requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; (d) Consenting Senior Noteholder Fees and Expenses; (e)

Revolving Credit Agreement Lender Fees and Expenses; (f) all DIP Claims; (g) Backstop Commitment Premium (if paid in cash); and (h) the Exit Facility Agent/Lender Fees and Expenses.

11. "*Administrative Claims Bar Date*" means the deadline for Filing requests for payment of Administrative Claims other than the Consenting Senior Noteholder Fees and Expenses, the Revolving Credit Agreement Lender Fees and Expenses, the Backstop Commitment Premium (if paid in cash), and the Exit Facility Agent/Lender Fees and Expenses, except as otherwise set forth in the Plan or a Final Order, which: (a) with respect to Administrative Claims other than Professional Fee Claims, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be 45 days after the Effective Date; *provided* that Filing requests for payment of Administrative Claims is not required, where the Plan, Bankruptcy Code, or a Final Order does not require such Filing.

12. "*Affiliate*" shall have the meaning set forth in section 101(2) of the Bankruptcy Code. With respect to any Person that is not a Debtor, the term "Affiliate" shall apply to such Person as if the Person were a Debtor.

13. "*Agents*" means, collectively, the Revolving Credit Agreement Agent and the DIP Agent.

14. "*Allowed*" means, with respect to any Claim or Interest, except as otherwise provided herein: (a) a Claim or Interest that is evidenced by a Proof of Claim timely Filed by the Bar Date or a request for payment of Administrative Claim timely Filed by the Administrative Claims Bar Date (or for which Claim or Interest under the Plan, the Bankruptcy Code, or a Final Order of the Bankruptcy Court a Proof of Claim or a request for payment of Administrative Claim is not or shall not be required to be Filed); (b) a Claim or Interest that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been timely filed; (c) a Claim or Interest Allowed pursuant to the Plan, any stipulation approved by the Bankruptcy Court, any contract, instrument, indenture, or other agreement entered into or assumed in connection with the Plan, or a Final Order of the Bankruptcy Court, or (d) a Claim or Interest as to which the liability of the Debtors and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court; *provided* that, with respect to a Claim or Interest described in clauses (a) and (b) above, such Claim or Interest shall be considered Allowed only if and to the extent that with respect to such Claim or Interest no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or if such an objection is so interposed, such Claim or Interest shall have been Allowed by a Final Order. Any Claim (except any Revolving Credit Agreement Claim, or any DIP Claim, in each case Allowed pursuant to this Plan or the DIP Orders) or Interest that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes. A Proof of Claim Filed after and subject to the Bar Date or a request for payment of an Administrative Claim Filed after and subject to the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-Filed Claim or Interest. "Allow" and "Allowing" shall have correlative meanings.

15. "*Antitrust Authority*" means the United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other governmental entity having jurisdiction pursuant to the Antitrust Laws.

16. "*Antitrust Laws*" means the Sherman Act, 15 U.S.C. §§ 1-7, as amended, the Clayton Act, 15 U.S.C. §§ 12-27, 29 U.S.C. §§ 52-53, as amended, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18A, as amended, the Federal Trade Commission Act, 15 U.S.C. §§ 41-58, and any other law governing agreements in restraint of trade, monopolization, pre-merger notification, the lessening of competition through merger or acquisition or anti-competitive conduct, and any foreign investment laws.

17. "*Assumed Executory Contracts and Unexpired Leases*" means those Executory Contracts and Unexpired Leases to be assumed by the applicable Reorganized Debtors, as set forth on the Schedule of Assumed Executory Contract and Unexpired Leases.

18. "*Avoidance Actions*" means any and all avoidance, recovery, subordination, or other Claims, actions, or remedies which any of the Debtors, the debtors in possession, the Estates, or other appropriate parties in interest have asserted or may assert under sections 502, 510, 542, 544, 545, or 547 through 553 of the Bankruptcy Code or under similar or related state or federal statutes and common law.

19. "*Backstop Cap*" means, with respect to each Backstop Party, the maximum amount of consideration in exchange for New Common Shares that such Backstop Party may be required to pay under the Backstop Commitment Agreement, which is set forth opposite such Backstop Party's name in Schedule 1 to the Backstop Commitment Agreement.

20. "*Backstop Commitment*" has the meaning ascribed to such term in the Backstop Commitment Agreement.

21. "*Backstop Commitment Agreement*" means that certain Backstop Commitment Agreement entered into by and among the Debtors and the Backstop Parties, setting forth, among other things, the terms and conditions of the Equity Rights Offering, the Backstop Commitment, and the payment of the Backstop Commitment Premium, and pursuant to which the Backstop Parties will backstop 100% of the Equity Rights Offering in accordance with the terms thereof, in form and substance reasonably acceptable to the Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein.[2]

22. "*Backstop Commitment Premium*" has the meaning ascribed to such term in the Backstop Commitment Agreement as amended by the Backstop Order.

23. "*Backstop Motion*" means the *Debtors' Motion for an Order (I) (A) Authorizing the Debtors to Enter Into the Backstop Commitment Agreement, (B) Authorizing the Debtors to Perform All Obligations Under the Backstop Commitment Agreement and (C) Approving the Rights Offering Procedures and Related Forms and (II) Granting Related Relief* [Docket No. 445] filed by the Debtors with the Bankruptcy Court in the Chapter 11 Cases seeking entry of the Backstop Order, in form and substance reasonably acceptable to the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein.

24. "*Backstop Obligation*" has the meaning ascribed to such term in the Backstop Commitment Agreement.

25. "*Backstop Order*" means the order entered by the Bankruptcy Court in the Chapter 11 Cases granting the Backstop Motion, including approving the Equity Rights Offering Procedure, authorizing the Debtors' entry into the Backstop Commitment Agreement (including all exhibits and other attachments thereto), and the payment of the Backstop Commitment Premium, in form and substance reasonably acceptable to the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein.

26. "*Backstop Parties*" means, collectively, those Entities or Persons that are parties to the Backstop Commitment Agreement set forth on Schedule 1 thereto, each solely in its capacity as a provider of its Backstop Commitment.

27. "*Backstopped Equity Rights Offering*" means that certain rights offering of New Common Shares to be issued by Reorganized XOG in exchange for the Backstopped Equity Rights Offering Amounts on the terms and conditions set forth in the Backstop Commitment Agreement, the other Equity Rights Offering Documents, and this Plan.

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2 Other than those already provided for under the Restructuring Support Agreement, certain consent rights remain subject to ongoing negotiations between the parties and all rights are reserved.

28. "*Backstopped Equity Rights Offering Amount*" means $200,000,000.

29. "*Backstopped Equity Rights Offering Procedures*" means those certain rights offering procedures with respect to the Backstopped Equity Rights Offering, approved by the Backstop Order, which rights offering procedures shall be set forth in the Equity Rights Offering Documents and consistent in all respects with, and shall contain, the terms and conditions set forth in the Restructuring Support Agreement and shall otherwise be in form and substance reasonably acceptable to the Debtors, the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein.

30. "*Backstopped Equity Rights Offering Shares*" means the New Common Shares issued pursuant to the Backstopped Equity Rights Offering, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise of the New Warrants.

31. "*Backstopped Subscription Expiration Deadline*" means the deadline for the Equity Rights Offering Offerees who have received the Backstopped Subscription Rights to subscribe for the Backstopped Equity Rights Offering Shares.

32. "*Backstopped Subscription Rights*" means the Senior Noteholder Subscription Rights, the Existing Common Interest Subscription Rights, and the Existing Preferred Interest Subscription Rights.

33. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time, as applicable to the Chapter 11 Cases.

34. "*Bankruptcy Court*" means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases, and, to the extent of the withdrawal of reference under 28 U.S.C. § 157 and/or the General Order of the District Court pursuant to section 151 of title 28 of the United States Code, the United States District Court for the District of Delaware.

35. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court, each as amended from time to time.

36. "*Bar Date*" means the applicable deadline by which Proofs of Claim must be Filed, as established by: (a) the Bar Date Order; (b) a Final Order of the Bankruptcy Court; or (c) the Plan.

37. "*Bar Date Order*" means the *Amended Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Claims Arising Under Section 503(b)(9) of the Bankruptcy Code, (II) Setting a Bar Date for the Filing of Proofs of Claim by Governmental Units, (III) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (IV) Approving the Form of and Manner for Filing Proofs of Claim, and (V) Approving Notice of Bar Dates* [Docket No. 298] (as amended, modified, or supplemented from time to time in accordance with the terms thereof).

38. "*Business Day*" means any day, other than a Saturday, Sunday, "legal holiday" (as defined in Bankruptcy Rule 9006(a)) or any other day on which banking institutions in New York, New York are authorized or required by law or executive order to close.

39. "*Buyback Claims*" means any claims, to the extent they exist, arising from the buyback of certain shares in 2018 and 2019 that are subject to investigation by the Debtors' Investigation Special Committee.

40. "*Cash*" means the legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

41. "*Causes of Action*" means any claims, controversies, proceedings, controversies, reimbursement claims, contribution claims, recoupment rights, interests, debts, third-party claims, indemnity claims, damages, remedies, causes of action, demands, rights, actions, Avoidance Actions, suits, obligations, liabilities, accounts,

judgments, defenses, offsets, powers, privileges, licenses, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, asserted or unasserted, direct or indirect, assertible directly or derivatively, choate or inchoate, reduced to judgment or otherwise, secured or unsecured, whether arising before, on, or after the Petition Date, in tort, law, equity, or otherwise pursuant to any theory of law. For the avoidance of doubt, Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code and any state law fraudulent transfer claim; and (d) such claims and defenses as fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code.

42. "*Chapter 11 Cases*" means, when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, and when used with reference to all of the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

43. "*Claim*" means a claim, as defined in section 101(5) of the Bankruptcy Code, asserted against a Debtor.

44. "*Claims Equity Allocation*" means New Common Shares in an amount equal to 97% of all New Common Shares, subject to dilution by the Equity Rights Offering Shares and the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise of the New Warrants.

45. "*Claims, Noticing, and Solicitation Agent*" means Kurtzman Carson Consultants LLC, in its capacity as the claims, noticing, and solicitation agent in the Chapter 11 Cases for the Debtors and any successors appointed by an order of the Bankruptcy Court.

46. "*Claims Objection Bar Date*" means the deadline for objecting to a Claim, which shall be on the date that is the later of (a) 180 days after the Effective Date and (b) such other period of limitation as may be specifically fixed by the Debtors or the Reorganized Debtors, as applicable, or by an order of the Bankruptcy Court for objecting to Claims.

47. "*Claims Register*" means the official register of Claims maintained by the Claims, Noticing, and Solicitation Agent or the Bankruptcy Court.

48. "*Class*" means a category of Claims or Interests under section 1122(a) of the Bankruptcy Code.

49. "*Confirmation*" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to the conditions set forth in the Plan.

50. "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

51. "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court, if any, to consider Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code.

52. "*Confirmation Order*" means an order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, in form and substance reasonably acceptable to the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders.

53. "*Consenting Senior Noteholders*" means, collectively, the Senior Noteholders that are signatories to the Restructuring Support Agreement or any subsequent Senior Noteholder that becomes party thereto in accordance with the terms of the Restructuring Support Agreement.

54. "*Consenting Senior Noteholder Fees and Expenses*" means the reasonable and documented fees and expenses incurred by the Ad Hoc Noteholder Group Representatives, whether prepetition or postpetition, pursuant to the terms of their respective engagement letters related to the Restructuring Transactions and not previously paid by, or on behalf of, the Debtors, which, for the avoidance of doubt, include (i) the reasonable and documented fees and expenses of Paul, Weiss, (ii) the reasonable and documented fees and expenses of Young, Conaway, Stargatt & Taylor, LLP and (iii) all monthly fees, restructuring, transaction, and back-end fees payable to Houlihan Lokey under and pursuant to its engagement letter, dated March 3, 2020, executed by the Company. All of the aforementioned fees shall be deemed reasonable for all purposes hereunder.

55. "*Consummation*" means the occurrence of the Effective Date.

56. "*Creditors' Committee*" means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code.

57. "*Cure Claim*" means a monetary Claim based upon a Debtor's defaults under any Executory Contract or Unexpired Lease at the time such contract or lease is assumed by such Debtor pursuant to section 365 of the Bankruptcy Code.

58. "*Cure Notice*" means a notice of a proposed amount to be paid on account of a Cure Claim in connection with an Executory Contract or Unexpired Lease to be assumed under the Plan pursuant to section 365 of the Bankruptcy Code, which notice shall include: (a) procedures for objecting to proposed assumptions or assignments of the applicable Executory Contracts or Unexpired Leases; (b) Cure Claims to be paid in connection therewith; and (c) procedures for resolution by the Bankruptcy Court of any related disputes.

59. "*Cure/Assumption Objection Deadline*" means the date that is 14 days after Filing of the Schedule of Assumed Executory Contracts and Unexpired Leases with the Plan Supplement and service of the Cure Notice; *provided* that if any Executory Contract or Unexpired Lease is added to the Schedule of Assumed Executory Contracts and Unexpired Leases after the filing of the initial Schedule of Assumed Executory Contracts and Unexpired Leases, or an Executory Contract or Unexpired Lease proposed to be assumed by the Debtors or Reorganized Debtors is proposed to be assigned to a third party after the filing of the initial Schedule of Assumed Executory Contracts and Unexpired Leases, then the Cure/Assumption Objection Deadline with respect to such Executory Contract or Unexpired Lease shall be the earlier of (a) 14 days after service of the amended Schedule of Assumed Executory Contracts and Unexpired Leases with such modification and (b) the date of the scheduled Confirmation Hearing.

60. "*D&O Liability Insurance Policies*" means all insurance policies (including any "tail policy") of any of the Debtors for liability of any current or former directors, managers, officers, and members.

61. "*Debtors*" means, collectively, each of the following: Extraction Oil & Gas, Inc.; XTR Midstream, LLC; 7N, LLC; Mountaintop Minerals, LLC; 8 North, LLC; XOG Services, LLC; Extraction Finance Corp.; Axis Exploration, LLC; Northwest Corridor Holdings, LLC; and Table Mountain Resources, LLC.

62. "*Definitive Documents*" means (a) the Plan; (b) the Confirmation Order; (c) any motion or other pleadings related to the Plan or confirmation of the Plan and its exhibits; (d) the Disclosure Statement; (e) the Disclosure Statement Order; (f) the other solicitation materials, including the motion seeking approval of the solicitation procedures; (g) the DIP Facility Documents; (h) the DIP Orders and the motion seeking approval of the same; (i) the Exit Facility Documents; (j) the operational First Day Pleadings and the orders approving the same; (k) any other material pleadings or material motions the Debtors plan to file in connection with the Chapter 11 Cases, and all orders sought pursuant thereto, including (i) any and all motions filed to assume, assume and assign, or reject an executory contract or unexpired lease and the order or orders of the Bankruptcy Court approving such motions and (ii) any and all motions seeking approval of a KEIP and/or KERP and the order or orders of the Bankruptcy Court approving such motions (for the avoidance of doubt, the following are not material pleadings or material motions: ministerial notices and similar ministerial documents; retention applications; fee applications; fee statements; any similar pleadings or motions relating to the retention or fees of any professional; statements of financial affairs and schedules of assets and liabilities); (l) the Plan Supplement; (m) the New Common Shares Documents; (n) the New Corporate Governance Documents and other organizational documents of Reorganized XOG and the Reorganized Debtors; (o) the Equity Rights Offering Documents; (p) the Management Incentive Plan and related documents or

agreements; (q) the Registration Rights Agreement; and (r) such other agreements and documentation desired or necessary to consummate and document the transactions contemplated by the Restructuring Support Agreement and this Plan. Notwithstanding anything herein to the contrary, the Definitive Documents shall otherwise be in form and substance reasonably acceptable to the Debtors, the Required Consenting Senior Noteholders, and the Majority Lenders; *provided* that, as it relates to Definitive Documents (m) through (o), upon the Exit RBL Facility Lenders providing firm commitments to the Debtors to fund the Exit RBL Facility, such reasonable consent right shall be held by the Majority Exit RBL Facility Lenders and not the Majority Lenders; *provided, further*, that if any Holder of a Revolving Credit Agreement Claim does not elect to participate in the Exit RBL Facility in accordance with Article III.B.3.c(ii), such Holder shall have no consent rights hereunder; *provided, further*, that with respect to the Schedule of Assumed Executory Contracts and Unexpired Leases and the Schedule of Rejected Executory Leases, the Majority Lenders shall not have reasonable consent rights, but the DIP Lenders shall have consultation rights.

63. "*DIP Agent*" means Wells Fargo Bank, National Association, in its capacity as administrative agent and collateral agent under the DIP Credit Agreement, and any successors and permitted assigns, in such capacity.

64. "*DIP Claim*" means any and all Claims against a Debtor arising under, derived from, based upon, or related to the DIP Facility Documents.

65. "*DIP Credit Agreement*" means that certain Superpriority Senior Secured Debtor-in-Possession Credit Agreement, dated as of June 16, 2020 (as amended by that certain Amendment No. 1 to Superpriority Senior Secured Debtor-in-Possession Credit Agreement dated as of July 20, 2020), as may be amended, restated, supplemented, or otherwise modified from time to time, by and among the XOG, as borrower, each subsidiary of the borrower party thereto, as a guarantor, the DIP Agent, and the DIP Lenders.

66. "*DIP Facility*" means that certain $125 million superpriority senior secured debtor-in-possession credit facility provided by the DIP Lenders on the terms of, and subject to the conditions set forth in, the DIP Facility Documents, including the DIP Credit Agreement, and the DIP Orders.

67. "*DIP Facility Documents*" means, collectively, the DIP Credit Agreement and any amendments, modifications, supplements thereto, as well as any related notes, certificates, agreements, security agreements, documents and instruments (including any amendments, restatements, supplements, or modifications of any of the foregoing) related to or executed in connection with the DIP Credit Agreement, in form and substance reasonably acceptable to the Majority Lenders and the Required Consenting Senior Noteholders.

68. "*DIP Lenders*" means, collectively, the lenders from time to time party to the DIP Credit Agreement.

69. "*DIP Orders*" means, collectively, (i) the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* [Docket No. 94] and (ii) the *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, and (VI) Granting Related Relief* [Docket No. 303].

70. "*Disallowed*" means, with respect to any Claim, a Claim or any portion thereof that: (a) has been disallowed by a Final Order; (b) is listed in the Schedules as zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim or request for payment of an Administrative Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely Filed under applicable law or the Plan; (c) is not listed in the Schedules and as to which no Proof of Claim or request for payment of an Administrative Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely Filed under applicable law or the Plan; (d) has been withdrawn by agreement of the applicable Debtor and the Holder thereof; or (e) has been withdrawn by the Holder thereof.

71. "*Disbursing Agent*" means the Debtors or the Reorganized Debtors, as applicable, or the Entity or Entities selected by the Debtors or the Reorganized Debtors to make or facilitate distributions contemplated under the Plan.

72. "*Disclosure Statement*" means the *Disclosure Statement Relating to the Joint Plan of Reorganization of Extraction Oil & Gas, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 338], as may be amended, supplemented, or otherwise modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders.

73. "*Disclosure Statement Order*" means the *Order (I) Approving the Adequacy of Information in the Disclosure Statement, (II) Approving the Solicitation and Notice Procedures, (III) Approving the Forms of Ballots and Notices in Connection therewith, (IV) Scheduling Certain Dates with Respect thereto, and (V) Granting Related Relief* [Docket No. [●]], entered by the Bankruptcy Court approving the Disclosure Statement and the solicitations procedures with respect to the Plan, in form and substance reasonably satisfactory to the Required Consenting Senior Noteholders and the Majority Lenders.

74. "*Disputed*" means, with respect to any Claim, any Claim that is neither Allowed nor Disallowed.

75. "*Disputed Claims Reserve*" means an appropriate reserve in an amount to be determined by the Reorganized Debtors, subject to the reasonable consent right of the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, for distributions on account of Disputed Claims that are subsequently Allowed after the Effective Date, in accordance with Article VII.D hereof. The Creditors' Committee shall have reasonable consent rights over the amount of the Disputed Claims Reserve solely to the extent it relates to Disputed General Unsecured Claims.

76. "*Distribution Record Date*" means the date for determining which Holders of Allowed Claims or Allowed Interests are eligible to receive distributions hereunder, which shall be (a) the Confirmation Date or (b) such other date as designated in a Final Order of the Bankruptcy Court.

77. "*DTC*" means the Depository Trust Company.

78. "*Effective Date*" means, with respect to the Plan, the first date that is a Business Day on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article IX.A hereof have been satisfied or waived (in accordance with Article IX.C); and (c) the Plan is declared effective.

79. "*Enterprise Value*" means the total enterprise value of the Reorganized Debtors as defined in the Disclosure Statement.

80. "*Entity*" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

81. "*Equity Rights Offering*" means that certain rights offering(s) of New Common Shares to be issued by Reorganized XOG in exchange for the Equity Rights Offering Amounts on the terms and conditions set forth in the Restructuring Support Agreement and the Equity Rights Offering Documents.

82. "*Equity Rights Offering Amount*" means the GUC Equity Rights Offering Amount and the Backstopped Equity Rights Offering Amount.

83. "*Equity Rights Offering Documents*" means, collectively, the Backstop Commitment Agreement, the Backstop Motion, the Backstop Order, any other order that approves the GUC Equity Rights Offering Procedures, and any and all other agreements, documents, and instruments delivered or entered into in connection with the Equity Rights Offering, including the Equity Rights Offering Procedures, which shall, in each respect, be reasonably acceptable to the Debtors, the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein.

84. "*Equity Rights Offering Offerees*" means, collectively, Backstop Parties and Holders of (i) Senior Notes Claims, (ii) Existing Preferred Interests, (iii) Existing Common Interests, and (iv) General Unsecured Claims, who are not Backstop Parties.

85. "*Equity Rights Offering Participants*" means, collectively, Holders of (i) Senior Notes Claims, (ii) Existing Preferred Interests, (iii) Existing Common Interests, and (iv) General Unsecured Claims in each case, as of the Backstopped Subscription Expiration Deadline or the GUC Subscription Expiration Deadline, as applicable, who have duly subscribed for New Common Shares in accordance with the Equity Rights Offering Documents.

86. "*Equity Rights Offering Procedures*" means the Backstopped Equity Rights Offering Procedures and the GUC Equity Rights Offering Procedures.

87. "*Equity Rights Offering Shares*" means the New Common Shares issued pursuant to the Backstopped Equity Rights Offering and the GUC Equity Rights Offering, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise of the New Warrants.

88. "*Estate*" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

89. "*Exculpated Parties*" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) any statutory committee appointed in the Chapter 11 Cases and each of such committee's members; and (d) with respect to each of the foregoing Persons in clauses (a) through (c), such Person's Related Parties, in each case in their capacity as such.

90. "*Executory Contract*" means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

91. "*Existing Common Interests*" means, collectively, all Interests in XOG arising from or related to the shares of the class of common stock of XOG that existed immediately prior to the Effective Date, including any restricted stock of XOG that vests prior to the Effective Date.

92. "*Existing Common Interest Subscription Rights*" means the non-certificated rights to be distributed to each Holder of Existing Common Interests that will enable each Holder thereof to purchase its Pro Rata share of 1.5% of New Common Shares in the Backstopped Equity Rights Offering Amount, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise of the New Warrants, at a 35% discount to Plan Equity Value, pursuant to the terms of the Equity Rights Offering Procedures, the Backstop Commitment Agreement, and the other Equity Rights Offering Documents.

93. "*Existing Interests*" means, collectively, the Existing Common Interests and the Existing Preferred Interests.

94. "*Existing Interests Equity Allocation*" means New Common Shares in an amount equal to 3% of all New Common Shares, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, any Equity Rights Offering Shares, and the exercise of the New Warrants.

95. "*Existing Preferred Interests*" means, collectively, all Interests in XOG arising from or related to the shares of the Series A Convertible Preferred Stock, $0.01 par value, of XOG that existed immediately prior to the Effective Date.

96. "*Existing Preferred Interest Subscription Rights*" means the non-certificated rights to be distributed to each Holder of Existing Preferred Interests that will enable each Holder thereof to purchase its Pro Rata share of 1.5% of New Common Shares in the Backstopped Equity Rights Offering Amount, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise

of the New Warrants, at a 35% discount to Plan Equity Value, pursuant to the terms of the Equity Rights Offering Procedures, the Backstop Commitment Agreement, and the other Equity Rights Offering Documents.

97. "*Exit Facility*" means, collectively, the Exit RBL Facility and the Exit Term Facility (if any).

98. "*Exit Facility Agent*" means the financing institution identified in the Plan Supplement in its capacity as administrative agent and collateral agent under either the (i) Exit RBL Credit Agreement or (ii) Exit Term Credit Agreement, and any successors and permitted assigns, in such capacity.

99. "*Exit Facility Agent/Lender Fees and Expenses*" means the reasonable and documented fees and expenses incurred by the Exit Facility Agent and the Exit RBL Facility Lenders, pursuant to the terms of their respective engagement letters related to the Restructuring Transactions and not previously paid by, or on behalf of, the Debtors. All of the aforementioned fees shall be deemed reasonable for all purposes hereunder.

100. "*Exit Facility Documents*" means, collectively, the Exit RBL Facility Documents and the Exit Term Facility Documents.

101. "*Exit Facility Lenders*" means the lenders from time to time under the Exit Facility.

102. "*Exit RBL Credit Agreement*" means that certain credit agreement evidencing the Exit RBL Facility in accordance with the terms, and subject in all respects to the conditions, set forth in the Plan, in form and substance acceptable to the Exit RBL Facility Agent and the Exit RBL Facility Lenders, and in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders.

103. "*Exit RBL Facility*" means that certain revolving credit facility, to be provided to the Debtors or Reorganized Debtors, as applicable, pursuant to the Exit RBL Facility Documents, and otherwise in accordance with the terms, and subject in all respects to the conditions, set forth in the Plan.

104. "*Exit RBL Facility Agent*" means the financing institution identified in the Plan Supplement in its capacity as administrative agent and collateral agent under the Exit RBL Credit Agreement, and any successors and permitted assigns, in such capacity.

105. "*Exit RBL Facility Documents*" means, collectively, the Exit RBL Credit Agreement and all other agreements, documents, and instruments delivered or entered into in connection with the Exit RBL Facility, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, subordination agreements, fee letters, and other security documents, each in form and substance acceptable to the Exit RBL Facility Agent and the Exit RBL Facility Lenders, and in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders.

106. "*Exit RBL Facility Lenders*" means the lenders from time to time under the Exit RBL Facility.

107. "*Exit Term Credit Agreement*" means that certain credit agreement evidencing the Exit Term Facility, if any, in accordance with the terms, and subject in all respects to the conditions, set forth in the Plan, in form and substance acceptable to the Exit Term Facility Agent and in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders.

108. "*Exit Term Facility*" means that certain term loan credit facility, if any, to be provided to the Debtors or Reorganized Debtors, as applicable, pursuant to the Exit Term Loan Term Sheet and other Exit Term Facility Documents, and otherwise in accordance with the terms, and subject in all respects to the conditions, set forth in the Plan.

109. "*Exit Term Facility Agent*" means the financing institution identified in the Plan Supplement in its capacity as administrative agent and collateral agent under the Exit Term Credit Agreement, if any, and any successors and permitted assigns, in such capacity.

110. "*Exit Term Facility Documents*" means collectively, the Exit Term Credit Agreement, the Exit Term Loan Term Sheet, and all other agreements, documents, and instruments delivered or entered into in connection with the Exit Term Facility, if any, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, subordination agreements, fee letters, and other security documents, each in form and substance acceptable to the Exit Term Facility Agent, and in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders.

111. "*Exit Term Loans*" means the term loans to be issued under the Exit Term Facility.

112. "*Exit Term Loan Term Sheet*" means a term sheet describing the material terms of the Exit Term Loans, which shall be in form and substance reasonably acceptable to the Debtors, the Required Consenting Senior Noteholders, and the Majority Lenders.

113. "*Federal Judgment Rate*" means the federal judgment rate in effect as of the Petition Date, compounded annually.

114. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim, the Claims, Noticing, and Solicitation Agent.

115. "*Final Order*" means: (a) an order or judgment of the Bankruptcy Court, as entered on the docket in any Chapter 11 Case (or any related adversary proceeding or contested matter) or the docket of any other court of competent jurisdiction; or (b) an order or judgment of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any order or judgment entered by the Bankruptcy Court (or any other court of competent jurisdiction, including in an appeal taken) in the Chapter 11 Case (or in any related adversary proceeding or contested matter), in each case that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided* that the possibility a motion under Rules 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules (or any analogous rules applicable in another court of competent jurisdiction), the Local Bankruptcy Rules of the Bankruptcy Court or sections 502(j) or 1144 of the Bankruptcy Code, may be filed relating to such order shall not prevent such order from being a Final Order.

116. "*First Day Pleadings*" means the "first-day" pleadings that the Debtors made upon or shortly following the commencement of the Chapter 11 Cases, including any proposed orders to approve such first-day pleadings; *provided* that operational "first-day" pleadings and the orders approving the same shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.

117. "*General Unsecured Claim*" means any Claim against a Debtor that is not Secured and is not: (a) an Administrative Claim; (b) a Secured Tax Claim; (c) an Other Secured Claim; (d) a Priority Tax Claim; (e) an Other Priority Claim; (f) a DIP Claim; (g) a Professional Fee Claim; (h) a Revolving Credit Agreement Claim; (i) a Senior Notes Claim; (j) a Trade Claim; (k) an Intercompany Claim; or (l) a Section 510(b) Claim. For the avoidance of doubt, all (i) Claims resulting from the rejection of Executory Contracts and Unexpired Leases, (ii) Claims that are not Secured resulting from litigation against one or more of the Debtors, and (iii) Claims held by an ordinary course trade vendor of the Debtors against any of the Debtors on account of ordinary course goods and/or services provided to any of the Debtors, but on account of which such vendor is not entitled to assert a lien under applicable state law, are General Unsecured Claims.

118. "*Governing Body*" means the board of directors, board of managers, manager, general partner, investment committee, special committee, or such similar governing body of an Entity (including the board of directors of XOG).

119. "*Governmental Unit*" shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

120. "*GUC Cash Out Election*" means Holders of General Unsecured Claims who have affirmatively elected to deem their General Unsecured Claim as Allowed in an amount at or below the Individual GUC Cash Out Cap in full and final satisfaction of such General Unsecured Claim.

121. "*GUC Cash Out Holders*" means Holders of General Unsecured Claims who have made the GUC Cash Out Election.

122. "*GUC Equity Rights Offering*" means that certain rights offering of New Common Shares to be issued by Reorganized XOG in exchange for the GUC Equity Rights Offering Amount on the terms and conditions set forth in the Backstop Commitment Agreement, the other Equity Rights Offering Documents, this Plan, and the Plan Supplement.

123. "*GUC Equity Rights Offering Amount*" shall be $50 million, or such higher amount as agreed upon by the Debtors, Required Backstop Parties, the Required Consenting Senior Noteholders, and the Creditors' Committee, each in their sole discretion and as set forth in the Plan Supplement.

124. "*GUC Equity Rights Offering Procedures*" means those certain rights offering procedures with respect to the GUC Equity Rights Offering, filed pursuant to the Plan Supplement and approved by the Confirmation Order, which rights offering procedures shall be set forth in the Equity Rights Offering Documents and consistent in all respects with, and shall otherwise be in form and substance reasonably acceptable to the Debtors, the Required Backstop Parties, the Required Consenting Senior Noteholders, the Creditors' Committee, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, which shall not provide for any oversubscription rights unless otherwise agreed upon by the Debtors, the Required Backstop Parties, the Required Consenting Senior Noteholders, the Creditors' Committee, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, each in their sole discretion.

125. "*GUC Equity Rights Offering Shares*" means the New Common Shares issued pursuant to the GUC Equity Rights Offering, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise of the New Warrants.

126. "*GUC Estimation Order*" means an order entered by the Bankruptcy Court, reasonably acceptable to the Required Consenting Senior Noteholders and the Creditors' Committee, which shall determine the aggregate amount as well as the individualized amounts of Allowed General Unsecured Claims and which amount shall constitute a maximum limitation on such Allowed General Unsecured Claims for all purposes under the Plan, including for purposes of distributions, discharge, and participation in the GUC Equity Rights Offering.

127. "*GUC Subscription Expiration Deadline*" means the deadline for the Equity Rights Offering Offerees who have received GUC Subscription Rights to subscribe for the GUC Equity Rights Offering Shares, which shall occur no later than three (3) Business Days after entry of the GUC Estimation Order.

128. "*GUC Subscription Rights*" means the non-certificated and non-transferrable rights to be distributed to each Holder of General Unsecured Claims that will enable each Holder thereof to irrevocably purchase its Pro Rata share of New Common Shares in the GUC Equity Rights Offering Amount, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise of the New Warrants, at a 35% discount to Plan Equity Value, pursuant to the terms of the Equity Rights Offering Procedures, the Backstop Commitment Agreement, and the other Equity Rights Offering Documents, which shall not provide for any oversubscription rights unless otherwise agreed upon by the Debtors, the Required Backstop Parties, the Required Consenting Senior Noteholders, the Creditors' Committee, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, each in their sole discretion.

129. "*Holder*" means an Entity holding a Claim or Interest, as applicable.

130. "*Houlihan Lokey*" means Houlihan Lokey Capital, Inc.

131. "*Indenture Trustee*" means, collectively, any indenture trustee, collateral trustee, or other trustee or similar entity under the Senior Notes Indentures.

132. "*Indenture Trustee Fees*" means the compensation, fees, expenses, disbursements, and indemnity claims of the Indenture Trustee, including, without limitation, any fees, expenses, and disbursements of attorneys, advisors, or agents retained or utilized by the Indenture Trustee, whether prior to or after the Petition Date and whether prior to or after the Effective Date.

133. "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

134. "*Indemnification Obligations*" has the meaning set forth in Article V.D

135. "*Individual GUC Cash Out Cap*" means $10,000,000 or such higher amount as agreed upon by the Debtors, the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Creditors' Committee, each in their sole discretion and as set forth in the Plan Supplement.

136. "*Intercompany Claim*" means any Claim held by a Debtor or a Debtor's Affiliate against a Debtor or a Debtor's Affiliate.

137. "*Intercompany Interest*" means, other than an Interest in XOG, an Interest in one Debtor held by another Debtor or a Debtor's Affiliate.

138. "*Interest*" means any equity security (as defined in section 101(16) of the Bankruptcy Code) in any Debtor.

139. "*Interim Compensation Order*" means the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 270] (as amended, modified, or supplemented from time to time in accordance with the terms thereof).

140. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as amended from time to time, as applicable to the Chapter 11 Cases.

141. "*Lien*" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

142. "*Majority DIP Lenders*" means, at the relevant date, the DIP Lenders having exposure and unused commitments representing greater than fifty and one-hundredth percent (50.01%) of the sum of all exposure outstanding and unused commitments at such time (subject to customary defaulting lender limitations) under the DIP Credit Agreement.

143. "*Majority Exit RBL Facility Lenders*" means, collectively, (a) the Exit RBL Facility Agent and (b) at the relevant date, the Exit RBL Facility Lenders having exposure and unused commitments representing greater than fifty and one-hundredth percent (50.01%) of the sum of all exposure outstanding and unused commitments at such time (subject to customary defaulting lender limitations) under the Exit RBL Facility.

144. "*Majority Lenders*" means, collectively, (a) the Majority DIP Lenders, (b) the Majority Revolving Credit Agreement Lenders, and (c) the Agents.

145. "*Majority Revolving Credit Agreement Lenders*" means the Revolving Credit Agreement Lenders having exposure and unused commitments representing greater than fifty and one-hundredth percent (50.01%) of the sum of all exposure outstanding and unused commitments as of the Petition Date (subject to customary defaulting lender limitations) under the Revolving Credit Agreement.

146. "*Management Incentive Plan*" means the post-emergence management incentive plan to be implemented with respect to Reorganized XOG by the New Board, as applicable, on or as soon as reasonably

practicable after the Effective Date, which shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders and set forth in the Plan Supplement.

147. "*MIP Equity*" means the restricted stock units, options, New Common Shares, or other rights, as applicable, exercisable, exchangeable, or convertible into New Common Shares representing up to 10% of the New Common Shares, determined on a fully diluted and fully distributed basis and assuming the exercise of all of the New Warrants, which is reserved for distribution to participants in the Management Incentive Plan.

148. "*New Board*" means the initial board of directors of Reorganized XOG as of the Effective Date, to be appointed in accordance with the Plan and the New Corporate Governance Documents, which will consist of (a) the chief executive officer of the Reorganized Debtors and (b) the other directors selected by the Required Consenting Senior Noteholders, whose identities shall be disclosed in the Plan Supplement.

149. "*New Common Shares*" means the common stock or common equity of Reorganized XOG to be issued on the Effective Date.

150. "*New Common Shares Documents*" means any and all documentation required to implement, issue, and distribute the New Common Shares, including a Registration Rights Agreement, which shall have customary terms for transactions of the type set forth in the Restructuring Term Sheet and shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders, the Debtors, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein.

151. "*New Corporate Governance Documents*" means the organizational and governance documents for the Reorganized Debtors and any subsidiaries thereof, including, as applicable, the certificates or articles of incorporation, certificates of formation or certificates of limited partnership, bylaws, limited liability company agreements, or limited partnership agreements, stockholder or shareholder agreements, or other similar organizational documents, as applicable, which shall be in form and substance acceptable to the Required Backstop Parties, the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein.

152. "*New Warrants*" means, collectively, the Tranche A Warrants and the Tranche B Warrants.

153. "*New Warrants Agreements*" means, collectively, the Tranche A Warrants Agreement and the Tranche B Warrants Agreement.

154. "*Other Equity Interests*" means all Interests in XOG other than Existing Preferred Interests and Existing Common Interests.

155. "*Other Priority Claim*" means any Claim against a Debtor entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than: (a) an Administrative Claim; or (b) a Priority Tax Claim, to the extent such Claim has not already been paid during the Chapter 11 Cases.

156. "*Other Secured Claim*" means any Secured Claim against a Debtor that is not: (a) a DIP Claim; (b) a Revolving Credit Agreement Claim; or (c) a Secured Tax Claim.

157. "*Person*" shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

158. "*Petition Date*" means June 14, 2020.

159. "*Paul, Weiss*" means Paul, Weiss, Rifkind, Wharton & Garrison LLP.

160. "*Plan*" means this joint chapter 11 plan, as it may be amended or supplemented from time to time, including all exhibits, schedules, supplements, appendices, annexes, and attachments thereto, as may be altered, amended, supplemented, or otherwise modified from time to time in accordance with Article X.A hereof and the Restructuring Support Agreement, including the Plan Supplement (as altered, amended, supplemented, or otherwise

modified from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders.

161. "*Plan Equity Value*" means the value of the New Common Shares as of the Effective Date, calculated using the midpoint of the estimated range of Enterprise Value as defined in the Disclosure Statement, less (a) net debt outstanding as of the Effective Date, pro forma for the equity investment on account of the Rights Offering and any exit related cash adjustments under the Plan, and (b) after deducting adjusted net working capital obligations calculated as of the Effective Date; *provided* that solely for purposes of the Equity Rights Offering, "Plan Equity Value" shall mean the lesser of (y) the value derived from the preceding calculation and (z) $641 million; *provided, further*, that the Creditors' Committee reserves its right to object if the Plan Equity Value applicable to the Equity Rights Offering calculated based on the formula set forth herein is at an amount higher than $641 million that implies a discount to the Plan Equity Value greater than 35% for purposes of the Equity Rights Offering.

162. "*Plan Supplement*" means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan (in each case, as may thereafter be amended, supplemented, or otherwise modified from time to time in accordance with the terms of the Restructuring Support Agreement, the Plan, the Bankruptcy Code, the Bankruptcy Rules, and applicable law), each of which shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, to be Filed by the Debtors with the Bankruptcy Court by the earlier of (a) 14 days before the Confirmation Hearing or (b) 7 days prior to the objection deadline, or such later date as may be approved by the Bankruptcy Court, and additional documents Filed with the Bankruptcy Court prior to the Effective Date as amendments to the Plan Supplement. The Plan Supplement may include the following, as applicable: (a) the New Corporate Governance Documents; (b) the Schedule of Assumed Executory Contracts and Unexpired Leases; (c) the Schedule of Rejected Executory Contracts and Unexpired Leases; (d) a list of retained Causes of Action; (e) the identities of the members of the New Board, as applicable, and the officers of the Reorganized Debtors, if any, including information required to be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code; (f) the Exit Facility Documents; (g) the Registration Rights Agreement; (h) the GUC Equity Rights Offering Documents; (i) the Management Incentive Plan; (j) the New Warrants Agreements; and (k) any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated under the Plan. The Debtors, with the reasonable consent of the Required Consenting Noteholders and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date in accordance with Article X of the Plan, the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement (including any consent right in favor of the Consenting Senior Noteholders).

163. "*Prepetition Secured Claim*" shall have the meaning set forth in the DIP Orders.

164. "*Priority Claims*" means, collectively, Priority Tax Claims and Other Priority Claims.

165. "*Priority Tax Claim*" means any Claim of a Governmental Unit against a Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code.

166. "*Professional*" means an Entity employed pursuant to a Bankruptcy Court order in accordance with sections 327 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, 331 or 503(b) of the Bankruptcy Code.

167. "*Professional Fee Claims*" means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Confirmation Date to the extent such fees and expenses have not been previously paid.

168. "*Professional Fee Escrow Account*" means an interest-bearing account in an amount equal to the total Professional Fee Reserve Amount funded by the Reorganized Debtors on the Effective Date.

169. "*Professional Fee Reserve Amount*" means the aggregate amount of Professional Fee Claims that the Professionals estimate they have incurred or will incur in rendering services to the Debtors prior to and as of the Effective Date, which estimates Professionals shall deliver to the Debtors as set forth in Article II.B.3 of this Plan.

170. "*Proof of Claim*" means a proof of Claim or Interest Filed in the Chapter 11 Cases.

171. "*Pro Rata*" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

172. "*Registration Rights Agreement*" means the agreement providing registration rights to the Consenting Senior Noteholders, their Affiliates, and any other holders of 10% or more of the New Common Shares, in each case, with respect to the New Common Shares, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.

173. "*Reinstated*" or "*Reinstatement*" means, with respect to Claims or Interests, that the Claim or Interest shall be rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

174. "*Related Party*" means, each of, and in each case in its capacity as such, current and former directors, managers, officers, investment committee members, special or other committee members, members of any Governing Body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, Affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an Entity), accountants, investment bankers, consultants, representatives, and other professionals and advisors and any such person's or Entity's respective heirs, executors, estates, and nominees.

175. "*Released Party*" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting Senior Noteholders; (d) the Ad Hoc Noteholder Group and each of its members; (e) each Indenture Trustee; (f) the Backstop Parties; (g) the DIP Agent and the DIP Lenders; (h) the Revolving Credit Agreement Agent and the Revolving Credit Agreement Lenders; (i) the Exit Facility Agent and the Exit Facility Lenders; (j) the Creditors' Committee; (k) any Releasing Party; and (l) with respect to each of the foregoing Persons in clauses (a) through (k), such Person's Related Parties; *provided*, *however*, that any Holder of a Claim or Interest that opts out of the releases in the Plan shall not be a Released Party.

176. "*Releasing Parties*" means, collectively, and in each case in its capacity as such: (a) the holders of all Claims or Interests who vote to accept the Plan; (b) the holders of all Claims or Interests whose vote to accept or reject the Plan is solicited but who do not vote either to accept or to reject the Plan; (c) the holders of all Claims or Interests who vote, or are deemed, to reject the Plan but do not opt out of granting the releases set forth therein; (d) the holders of all Claims and Interests who were given notice of the opportunity to opt out of granting the releases set forth therein but did not opt out; (e) all other holders of Claims and Interests to the maximum extent permitted by law; (f) the Released Parties; and (g) with respect to each of the foregoing Persons in clauses (a) through (e), such Person's Related Parties.

177. "*Reorganized Debtors*" means the Debtors, or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date, including Reorganized XOG.

178. "*Reorganized XOG*" means either: (a) XOG, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the Effective Date, or (b) a new corporation or limited liability company that may be formed to, among other things, directly or indirectly acquire substantially all of the assets and/or stock of the Debtors in the Chapter 11 Cases and issue the New Common Shares to be distributed pursuant to the Plan.

179. "*Required Backstop Parties*" means, as of the relevant date, the Backstop Parties then holding greater than sixty-six and sixty-seven-hundredth percent (66.67%) of the aggregate Backstop Caps that are held by all Backstop Caps as of such date.

180. "*Required Consenting Senior Noteholders*" means, as of the relevant date, the Consenting Senior Noteholders then holding greater than fifty and one-hundredth percent (50.01%) of the aggregate outstanding principal amount of Senior Notes Claims that are held by all Consenting Senior Noteholders subject to the Restructuring Support Agreement as of such date.

181. "*Restructuring*" means the restructuring of the Debtors pursuant to the terms of the Plan and the Restructuring Support Agreement.

182. "*Restructuring Support Agreement*" means that certain Restructuring Support Agreement, made and entered into as of June 15, 2020, including all exhibits thereto (including the Restructuring Term Sheet), by and among the Debtors and the Consenting Senior Noteholders party thereto from time to time, as such may be amended from time to time in accordance with its terms.

183. "*Restructuring Term Sheet*" means that certain term sheet attached as Exhibit B to the Restructuring Support Agreement.

184. "*Restructuring Transactions*" means those mergers, amalgamations, consolidations, arrangements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Debtors reasonably determine to be necessary to implement the Restructuring, as described in more detail in Article IV.B herein.

185. "*Retained Causes of Action List*" means a list of all retained Claims and Causes of Action of the Debtors, identified in the Plan Supplement.

186. "*Revolving Credit Agreement*" means that certain Amended and Restated Credit Agreement, dated as of August 16, 2017, as amended, restated, modified, or otherwise supplemented from time to time, by and among XOG, as the borrower, the lenders from time to time party thereto, and the Revolving Credit Agreement Agent.

187. "*Revolving Credit Agreement Agent*" means Wells Fargo Bank, National Association, in its capacity as administrative agent under the Revolving Credit Agreement, and any successors and permitted assigns, in such capacity.

188. "*Revolving Credit Agreement Claim*" means any Claim against a Debtor arising under, derived from, based on, or related to the Revolving Credit Agreement or the Revolving Credit Facility.

189. "*Revolving Credit Agreement Lenders*" means, collectively, Holders of Revolving Credit Agreement Claims.

190. "*Revolving Credit Agreement Lender Fees and Expenses*" means the reasonable and documented fees and expenses incurred by the Revolving Credit Agreement Representatives, whether prepetition or postpetition, pursuant to the terms of their respective engagement letters related to the Restructuring Transactions, and not previously paid by, or on behalf of, the Debtors, which, for the avoidance of doubt, include (i) the reasonable and documented fees and expenses of Bracewell LLP and (ii) the reasonable and documented fees and expenses of FTI Consulting. All of the aforementioned fees shall be deemed reasonable for all purposes hereunder.

191. "*Revolving Credit Agreement Representatives*" means Bracewell LLP and FTI Consulting.

192. "*Revolving Credit Facility*" means that certain prepetition senior secured revolving credit facility provided for under the Credit Agreement.

193. "*Revolving Credit Facility Documents*" means the Revolving Credit Agreement and all other agreements, documents, instruments, and amendments related thereto, including any guaranty agreements, pledge and collateral agreements, UCC financing statements, or other perfection documents, subordination agreements, fee letters, and any other security agreements.

194. "*Rolled Up Obligations*" shall have the meaning set forth in the DIP Orders.

195. "*Royalty and Working Interests*" means the cost-bearing working interests granting the holder thereof the right to exploit oil and gas and associated hydrocarbons, and the non-cost-bearing royalties and mineral interests in the production of hydrocarbons, but, in each case, only to the extent that the applicable interest is considered an interest in real property under applicable law.

196. "*Schedule of Assumed Executory Contracts and Unexpired Leases*" means the schedule (including any amendments or modifications thereto), if any, of the Executory Contracts and Unexpired Leases to be assumed or assumed and assigned by the Debtors or the Reorganized Debtors, as applicable, pursuant to the Plan, as set forth in the Plan Supplement, as amended by the Debtors, in consultation with the DIP Lenders, from time to time in accordance with the Plan, and which shall be in form and substance acceptable to the Required Consenting Senior Noteholders.

197. "*Schedule of Rejected Executory Contracts and Unexpired Leases*" means the schedule (including any amendments or modifications thereto), if any, of the Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as set forth in the Plan Supplement, as amended by the Debtors, in consultation with the DIP Lenders, from time to time in accordance with the Plan, and which shall be in form and substance acceptable to the Required Consenting Senior Noteholders.

198. "*Schedules*" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified, or supplemented from time to time.

199. "*SEC*" means the United States Securities and Exchange Commission.

200. "*Section 510(b) Claim*" means any Claim subject to subordination under section 510(b) of the Bankruptcy Code.

201. "*Secured*" means, when referring to a Claim: (a) secured by a Lien on property in which any of the Debtors has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the applicable Holder's interest in the applicable Debtor's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed pursuant to the Plan, or separate order of the Bankruptcy Court, as a secured claim.

202. "*Secured Tax Claim*" means any Secured Claim against any of the Debtors that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

203. "*Securities Act*" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, together with the rules and regulations promulgated thereunder, as amended from time to time.

204. "*Securities Exchange Act*" means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a–78nn, as amended.

205. "*Security*" means a security as defined in section 2(a)(1) of the Securities Act.

206. "*Senior Notes*" means, collectively, the 2024 Senior Notes and the 2026 Senior Notes.

207. "*Senior Noteholders*" means, collectively, the Holders of Senior Notes Claims.

208. "*Senior Noteholder Subscription Rights*" means the non-certificated rights to be distributed to each Holder of Senior Notes Claims that will enable each Holder thereof to purchase its Pro Rata share of 97% of New Common Shares in the Backstopped Equity Rights Offering Amount, subject to dilution by the New Common Shares to be issued in connection with the MIP Equity, the Backstop Commitment Premium, and the exercise of the New Warrants, at a 35% discount to Plan Equity Value, pursuant to the terms of the Equity Rights Offering Procedures, the Backstop Commitment Agreement, and the other Equity Rights Offering Documents.

209. "*Senior Notes Claims*" means any Claim against a Debtor arising under, derived from, based on, or related to the Senior Notes or Senior Notes Indentures.

210. "*Senior Notes Indentures*" means, collectively, the 2024 Senior Notes Indentures and the 2026 Senior Notes Indentures.

211. "*Stand-Alone Restructuring*" means the transactions and reorganization contemplated by, and pursuant to, this Plan in accordance with Article IV.E of this Plan and the Restructuring Support Agreement, which shall occur on the Effective Date.

212. "*Subscription Rights*" means the Backstopped Subscription Rights and the GUC Subscription Rights.

213. "*Trade Claim*" means any Claim held by an ordinary course trade vendor of the Debtors against any of the Debtors on account of ordinary course goods and/or services provided to any of the Debtors and that is otherwise eligible to assert a lien on account of such goods and/or services under applicable state law. For the avoidance of doubt, Trade Claims shall not include any Claim arising from or based upon rejection of any Executory Contract or Unexpired Lease, nor any Claim that is not Secured resulting from litigation against one or more of the Debtors.

214. "*Tranche A Warrants*" means warrants to purchase up to 10% of the New Common Shares (subject to dilution only by the New Common Shares issued in connection with the MIP Equity and the New Common Shares issued in connection with the Backstop Commitment Premium), exercisable on a non-cash basis for a four-year period after the Effective Date, struck at an equity value implying 110% recovery to Holders of Senior Notes Claims on the face value of their Senior Notes Claims, inclusive of non-default interest under the Senior Notes through the Effective Date, calculated as though the Senior Notes remained outstanding through the Effective Date and all accrued and unpaid interest had been added to the outstanding principal amount of the Senior Notes daily, and otherwise on the terms and conditions set forth in the Tranche A Warrants Agreement.

215. "*Tranche A Warrants Agreement*" means the definitive agreement governing the terms of the Tranche A Warrants, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.

216. "*Tranche B Warrants*" means warrants to purchase up to 5% of the New Common Shares (subject to dilution only by the New Common Shares issued in connection with the MIP Equity and the New Common Shares issued in connection with the Backstop Commitment Premium), exercisable on a non-cash basis for a five-year period after the Effective Date, struck at an equity value implying 125% recovery to Holders of Senior Notes Claims on the face value of their Senior Notes Claims, inclusive of non-default interest under the Senior Notes through the Effective Date, calculated as though the Senior Notes remained outstanding through the Effective Date and all accrued and unpaid interest had been added to the outstanding principal amount of the Senior Notes daily, and otherwise on the terms and conditions set forth in the Tranche B Warrants Agreement.

217. "*Tranche B Warrants Agreement*" means the definitive agreement governing the terms of the Tranche B Warrants, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.

218. "*U.S. Trustee*" means the Office of the United States Trustee for the District of Delaware.

219. "*Unexpired Lease*" means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

220. "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that are unimpaired within the meaning of section 1124 of the Bankruptcy Code, including through payment in full in Cash.

221. "*Voting Deadline*" means the date that is twenty-eight (28) days after Solicitation Launch (as defined in the Disclosure Statement), but in no event later than December 11, 2020 (prevailing Eastern Time).

222. "*XOG*" means Extraction Oil & Gas, Inc., a Delaware corporation.

B. *Rules of Interpretation*

For purposes herein: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit as it may thereafter be amended, modified, or supplemented; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (9) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (10) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (13) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (14) the words "include" and "including" and variations thereof shall not be deemed to be terms of limitation; (15) any immaterial effectuating provisions may be interpreted by the Debtors or the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan, all without further notice to, or action, order, or approval of, the Bankruptcy Court or any other Entity; and (16) except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements,

documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided* that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the jurisdiction of incorporation or formation of the relevant Debtor or Reorganized Debtor, as applicable.

E. *Reference to Monetary Figures*

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

F. *Controlling Document*

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and any document included in the Plan Supplement, the terms of the relevant provision in the Plan shall control (unless stated otherwise in such document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

G. *Nonconsolidated Plan*

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan for each of the Debtors and presents together Classes of Claims against, and Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

H. *Consent Rights of Required Consenting Senior Noteholders, Majority Lenders, and Backstop Parties*

Any and all consent rights of the Required Consenting Senior Noteholders and the Required Backstop Parties (or the relevant Backstop Party) set forth in the Restructuring Support Agreement (including the Restructuring Term Sheet) and the Backstop Commitment Agreement with respect to the form and substance of this Plan, the Plan Supplement, and any other Definitive Documents are fully enforceable as if stated in full herein until such time as the Restructuring Support Agreement or the Backstop Commitment Agreement, as applicable, is terminated in accordance with its terms. Failure to reference in this Plan the rights referred to in the immediately preceding sentence as such rights relate to any document referenced in the Restructuring Support Agreement shall not impair such rights and obligations.

In case of a conflict between the consent rights of the Required Consenting Senior Noteholders or the Required Backstop Parties (or the relevant Backstop Party) set forth in the Restructuring Support Agreement (including the Restructuring Term Sheet) or the Backstop Commitment Agreement, as applicable, with the consent rights of the Required Consenting Senior Noteholders or the Required Backstop Parties (or the relevant Backstop Party) set forth in the Plan, the consent rights in the Restructuring Support Agreement and the Backstop Commitment Agreement shall control.

Notwithstanding anything provided in this Article I.H to the contrary, any and all consent rights of the Majority Lenders set forth in the Plan are hereby reserved and preserved in their entirety.

ARTICLE II.
ADMINISTRATIVE CLAIMS, PRIORITY CLAIMS, AND DIP CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, Priority Tax Claims, and DIP claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III hereof.

A. *Administrative Claims*

Except as otherwise provided in this Article II.A and except with respect to Administrative Claims that are Professional Fee Claims, DIP Claims or subject to 11 U.S.C. § 503(b)(1)(D), unless previously Filed, requests for payment of Allowed Administrative Claims (other than Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code) must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property, and such Administrative Claims shall be deemed discharged as of the Effective Date without the need for any objection from the Reorganized Debtors or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Objections to such requests, if any, must be Filed and served on the Reorganized Debtors and the requesting party by the Claims Objection Bar Date. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order of the Bankruptcy Court. For the avoidance of doubt, Holders of Claims on account of the Consenting Senior Noteholder Fees and Expenses, Revolving Credit Agreement Lender Fees and Expenses, Backstop Commitment Premium (if the Backstop Commitment Premium is paid in cash), and Exit Facility Agent/Lender Fees and Expenses shall not be required to File or serve any request for payment of such fees and expenses.

Except with respect to Administrative Claims that are Professional Fee Claims or DIP Claims, and except to the extent that an Administrative Claim or Priority Tax Claim has already been paid during the Chapter 11 Cases or a Holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each Holder of an Allowed Administrative Claim shall receive an amount of Cash equal to the amount of the unpaid or unsatisfied portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than thirty (30) days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than thirty (30) days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Notwithstanding anything to the contrary contained herein, any unpaid Claim payable on account of Consenting Senior Noteholder Fees and Expenses, the Revolving Credit Agreement Lender Fees and Expense, and the Exit Facility Agent/Lender Fees and Expenses shall constitute Allowed Administrative Claims and shall be paid on a current basis in full in Cash on the Effective Date, or to the extent accrued after the Effective Date, on a current basis in full in Cash as invoiced. Nothing herein shall require the Consenting Senior Noteholders, the Ad Hoc Noteholder Group, the Ad Hoc Noteholder Group Representatives, the Revolving Credit Agreement Lenders, or Revolving Credit Agreement Representatives to file applications, a Proof of Claim or otherwise seek approval of the Bankruptcy Court as a condition to the payment of such Allowed Administrative Claims. Notwithstanding anything to the contrary contained herein, if the Backstop Commitment Premium is paid in cash, the Claims on account of Backstop Commitment Premium shall constitute Allowed Administrative Claims and shall be paid on the Effective Date pursuant to the terms of the Backstop Order and the Backstop Commitment Agreement without further order of the Bankruptcy Court.

B. *Professional Compensation*

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims incurred during the period from the Petition Date through the Confirmation Date shall be Filed no later than forty-five (45) days after the Effective Date. All such final

requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior orders of the Bankruptcy Court, including the Interim Compensation Order, and once approved by the Bankruptcy Court, shall be promptly paid from the Professional Fee Escrow Account up to the full Allowed amount. To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy the amount of Professional Fee Claims owing to the Professionals, such Professionals shall have an Allowed Administrative Claim for any such deficiency, and the Reorganized Debtors shall pay the full unpaid amount of such Allowed Administrative Claim in Cash.

2. Professional Fee Escrow Account

On the Effective Date, the Reorganized Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals. Such funds shall not be considered property of the Estates. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Reorganized Debtors as soon as reasonably practicable after such Professional Fee Claims are Allowed. When all Allowed amounts owing to the Professionals have been paid in full, any amount remaining in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further action or order of the Bankruptcy Court. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of Professional Fee Claims, the remaining unpaid Allowed Professional Fee Claims will be paid by the Reorganized Debtors.

3. Professional Fee Reserve Amount

Professionals shall reasonably estimate their unpaid Professional Fee Claims, and shall deliver such estimate to the Debtors no later than five (5) days before the Effective Date; *provided* that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims. If a Professional does not provide an estimate, the Debtors or Reorganized Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

4. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to, or action, order, or approval of, the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses incurred by the Professionals. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to, or action, order, or approval of, the Bankruptcy Court.

5. Payment of Indenture Trustee Fees

On the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall pay in Cash all Indenture Trustee Fees that are required to be paid under the Senior Notes Indentures, without the need for the Indenture Trustee to file a fee application with the Bankruptcy Court. From and after the Effective Date, the Reorganized Debtors shall pay in Cash all Indenture Trustee Fees, including, without limitation, all Indenture Trustee Fees incurred in connection with distributions made pursuant to the Plan or the cancellation and discharge of the Senior Notes Indentures.

Nothing in this Article II.B shall in any way affect or diminish the right of the Trustee to exercise any charging lien against distributions to Senior Noteholders with respect to any unpaid Trustee Fees, as applicable.

C. *DIP Claims*

On the Effective Date, except to the extent that a Holder of an Allowed DIP Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP Claim, on the Effective Date, each such Holder of an Allowed DIP Claim shall receive (a) indefeasible

payment in full in Cash of such Holder's Allowed DIP Claim or (b) such other consideration as the DIP Lenders agree in their sole discretion. Upon the satisfaction of the Allowed DIP Claims in accordance with the terms of this Plan, or other such treatment as contemplated by this Article II.C of the Plan, all guarantees provided and all Liens and security interests granted, in each case, to secure such obligations shall be automatically released, terminated, and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Notwithstanding anything to the contrary herein or in the Confirmation Order, the Debtors' contingent or unliquidated obligations under the DIP Credit Agreement, to the extent not satisfied as provided in this Article II.C, shall survive the Effective Date and shall not be released or discharged pursuant to the Plan or Confirmation Order.

D. *Priority Tax Claims*

Except to the extent that a Holder of an Allowed Priority Tax Claim and the Debtors against which such Allowed Priority Tax Claim is asserted agree to a less favorable treatment for such Holder, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, Holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

E. *Statutory Fees*

All fees due and payable pursuant to section 1930 of Title 28 of the United States Code before the Effective Date shall be paid by the Debtors. On and after the Effective Date, to the extent applicable, the Reorganized Debtors shall pay any and all such fees when due and payable, and shall File with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Reorganized Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of the applicable Debtor's Chapter 11 Case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. *Summary of Classification*

Claims and Interests, except for DIP Claims, Administrative Claims, and Priority Tax Claims, are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. Except as otherwise provided in this Plan, a Claim or Interest also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied before the Effective Date. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors.

1. Class Identification

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to Accept
2	Other Priority Claims	Unimpaired	Deemed to Accept
3	Revolving Credit Agreement Claims	Impaired	Entitled to Vote
4	Senior Notes Claims	Impaired	Entitled to Vote
5	Trade Claims	Unimpaired	Deemed to Accept
6	General Unsecured Claims	Impaired	Entitled to Vote
7	Existing Preferred Interests	Impaired	Entitled to Vote
8	Existing Common Interests	Impaired	Entitled to Vote
9	Other Equity Interests	Impaired	Deemed to Reject
10	Intercompany Claims	Unimpaired / Impaired	Deemed to Accept / Deemed to Reject
11	Intercompany Interests	Unimpaired / Impaired	Deemed to Accept / Deemed to Reject
12	Section 510(b) Claims	Impaired	Deemed to Reject

B. *Treatment of Claims and Interests*

Subject to Article VI hereof, each holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 – Other Secured Claims

a. *Classification*: Class 1 consists of all Other Secured Claims against any Debtor.

b. *Treatment*: Each Holder of an Allowed Other Secured Claim will receive in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Other Secured Claim, at the Debtors' election (subject to the reasonable consent of the Required Consenting Senior Noteholders and the Majority Lenders) either:

(i) payment in full in Cash, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter;

(ii) Reinstatement of such Allowed Other Secured Claim; or

(iii) other treatment rendering such Allowed Other Secured Claim Unimpaired.

c. *Voting*: Class 1 is Unimpaired. Holders of Allowed Other Secured Claims are conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Priority Claims

a. *Classification*: Class 2 consists of all Other Priority Claims.

b. *Treatment*: Each Holder of an Allowed Other Priority Claim will receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Other Priority Claim, at the Debtors' election (subject to the reasonable consent of the Required Consenting Senior Noteholders and the Majority Lenders), either:

(i) payment in full in Cash, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, in each case, or as soon as reasonably practicable thereafter; or

(ii) such other treatment rendering such Allowed Other Priority Claim Unimpaired.

c. *Voting*: Class 2 is Unimpaired. Holders of Allowed Other Priority Claims are conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

3. Class 3 – Revolving Credit Agreement Claims

a. *Allowance*: The Class 3 Revolving Credit Agreement Claims shall be Allowed in the amount of the Prepetition Secured Claims, net of the Rolled Up Obligations.

b. *Classification*: Class 3 consists of all Revolving Credit Agreement Claims.

c. *Treatment*: Except to the extent that a Holder of an Allowed Revolving Credit Agreement Claim and the Debtors against which such Allowed Revolving Credit Agreement Claim is asserted agree to a less favorable treatment for such Holder, in full and final satisfaction, settlement, compromise, release, and discharge of and in exchange for each Allowed Revolving Credit Agreement Claim, each Holder of such Allowed Revolving Credit Agreement Claim shall receive, either:

(i) if such Holder elects to participate in the Exit RBL Facility, on a pro rata basis, determined on a ratable basis with respect to its percentage of the Obligations (as defined in the Revolving Credit Agreement) under the Revolving Credit Agreement, such Holder of an Allowed Revolving Credit Agreement Claim shall become an Exit RBL Facility Lender in accordance with the terms of the Exit RBL Facility Documents; or

(ii) if such Holder does not elect to participate in the Exit RBL Facility as provided above (including by not making any election with respect to the Exit RBL Facility on the ballot), its Pro Rata Share of the Exit Term Loans.

d. *Voting*: Class 3 is Impaired under the Plan. Holders of Allowed Revolving Credit Agreement Claims are entitled to vote to accept or reject the Plan.

4. Class 4 – Senior Notes Claims

   a. *Classification*: Class 4 consists of all Senior Notes Claims.

   b. *Allowance*: The Senior Notes Claims shall be deemed Allowed in the amount of $[1,131,866,192] (consisting of $[417,126,389] in 2024 Senior Notes Claims and $[714,739,803] in 2026 Senior Notes Claims).

   c. *Treatment*: Each Holder of an Allowed Senior Notes Claim shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Senior Notes Claim, its Pro Rata share of (A) the Claims Equity Allocation and (B) the Senior Noteholder Subscription Rights.

   d. *Voting*: Class 4 is Impaired under the Plan. Holders of Allowed Senior Notes Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – Trade Claims

   a. *Classification*: Class 5 consists of all Trade Claims.

   b. *Treatment*: Each Holder of an Allowed Trade Claim shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed Trade Claim payment in full of such Allowed Trade Claim on the Effective Date or otherwise in the ordinary course of the Debtors' business.

   c. *Voting*: Class 5 is Unimpaired. Holders of Allowed Trade Claims in Class 5 are conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

6. Class 6 – General Unsecured Claims

   a. *Classification*: Class 6 consists of all General Unsecured Claims.

   b. *Treatment*: Each Holder of an Allowed General Unsecured Claim will receive in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Allowed General Unsecured Claim, its Pro Rata share of:

      (i) the Claims Equity Allocation; and

      (ii) the GUC Subscription Rights, subject to Article IV.E.4 herein;

      provided that each GUC Cash Out Holder will receive, in lieu of the GUC Subscription Rights, Cash in an amount equal to 40% of the value of such Holder's GUC Subscription Rights, or such higher amount as agreed upon by the Debtors, the Required Consenting Senior Noteholders, the Required Backstop Parties, and the Creditors' Committee, each in their sole discretion and as set forth in the Plan Supplement.

   c. *Voting*: Class 6 is Impaired. Holders of Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

7. Class 7 – Existing Preferred Interests

   a. *Classification*: Class 7 consists of all Existing Preferred Interests.

b. *Treatment*: Each Existing Preferred Interest shall be canceled, released, and extinguished, and will be of no further force or effect. Each Holder of an Allowed Existing Preferred Interest shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Existing Preferred Interest, its Pro Rata share of (A) 50% of the Existing Interests Equity Allocation, (B) the Existing Preferred Interest Subscription Rights, (C) 50% of the Tranche A Warrants, and (D) 50% of the Tranche B Warrants; *provided* that if any of the Class 3, 4, 6, or 8 votes to reject the Plan, Holders of Allowed Existing Preferred Interests shall receive no distribution and any Existing Preferred Interest Subscription Right shall be canceled.

c. *Voting*: Class 7 is Impaired. Holders of Existing Preferred Interests are entitled to vote to accept or reject the Plan.

8. Class 8 – Existing Common Interests

a. *Classification*: Class 8 consists of all Existing Common Interests.

b. *Treatment*: Each Existing Common Interest shall be canceled, released, and extinguished, and will be of no further force or effect. Each Holder of an Allowed Existing Common Interest shall receive, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for such Existing Common Interest, its Pro Rata share of (A) 50% of the Existing Interests Equity Allocation, (B) the Existing Common Interest Subscription Rights, (C) 50% of the Tranche A Warrants, and (D) 50% of the Tranche B Warrants; *provided* that if any of the Class 3, 4, 6, or 7 votes to reject the Plan, Holders of Allowed Existing Common Interests shall receive no distribution and any Existing Common Interest Subscription Right shall be canceled.

c. *Voting*: Class 8 is Impaired. Holders of Existing Common Interests are entitled to vote to accept or reject the Plan.

9. Class 9 – Other Equity Interests

a. *Classification*: Class 9 consists of all Other Equity Interests.

b. *Treatment*: On the Effective Date, all Other Equity Interests will be cancelled, released, and extinguished and will be of no further force and effect, and Holders of Other Equity Interests will not receive any distribution on account thereof.

c. *Voting*: Class 9 is Impaired. Holders of Other Equity Interests in Class 11 are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

10. Class 10 – Intercompany Claims

a. *Classification*: Class 10 consists of all Intercompany Claims.

b. *Treatment*: On the Effective Date, each Allowed Intercompany Claim, unless otherwise provided for under the Plan, shall be adjusted, Reinstated, modified or cancelled at the Debtors' election, subject to the reasonable consent of the Required Consenting Senior Noteholders and the Majority Lenders.

c. *Voting*: Class 10 is either Unimpaired, and the Holders of Allowed Intercompany Claims are conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, or Impaired, and the Holders of Allowed Intercompany Claims are deemed to have

rejected the Plan under section 1126(g) of the Bankruptcy Code. Holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

11. Class 11 – Intercompany Interests

a. *Classification*: Class 11 consists of all Intercompany Interests.

b. *Treatment*: On the Effective Date, each Allowed Intercompany Interest shall, at the option of the Debtors, unless otherwise provided for under the Plan, and subject to the reasonable consent of the Required Consenting Senior Noteholders and the Majority Lenders, be (A) Reinstated or modified or recharacterized as Intercompany Claims or (B) canceled or otherwise eliminated without any distribution on account of such interests.

c. *Voting*: Class 11 is either Unimpaired, and the Holders of Allowed Intercompany Interests are conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, or Impaired, and the Holders of Allowed Intercompany Interests are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Holders of Intercompany Interests are not entitled to vote to accept or reject the Plan

12. Class 12 – Section 510(b) Claims

a. *Classification*: Class 12 consists of all Section 510(b) Claims.

b. *Treatment*: Section 510(b) Claims will be canceled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and each Holder of a Section 510(b) Claim will not receive any distribution on account of such Section 510(b) Claim. The Debtors are not aware of any valid Section 510(b) Claims and believe that no such Section 510(b) Claims exist.

c. *Voting*: Class 12 is Impaired. Holders of Section 510(b) Claims are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims*

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

D. *Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code*

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class(es) of Claims and Interests. The Debtors reserve the right to modify the Plan in accordance with Article X hereof to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Restructuring Support Agreement, the Bankruptcy Code and the Bankruptcy Rules.

E. *Elimination of Vacant Classes*

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. *Voting Classes; Deemed Acceptance by Non-Voting Classes*

If a Class of Claims or Interests is eligible to vote and no Holder of Claims or Interests, as applicable, in such Class votes to accept or reject the Plan, the Plan shall be deemed accepted by such Class.

G. *Intercompany Interests*

To the extent Reinstated under the Plan, the Intercompany Interests shall be Reinstated for the ultimate benefit of the Holders of Claims and Interests that receive New Common Shares under the Plan, and the Intercompany Interests shall receive no recovery or distribution. For the avoidance of doubt, to the extent Reinstated pursuant to the Plan, on and after the Effective Date, all Intercompany Interests shall be owned by the same Reorganized Debtor that corresponds with the Debtor that owned such Intercompany Interests prior to the Effective Date (subject to any modifications).

H. *Subordinated Claims and Interests*

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and their respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or Reorganized Debtors, as applicable, reserve the right to re-classify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. *General Settlement of Claims*

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, satisfied, or otherwise resolved pursuant to the Plan. The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

B. *Restructuring Transactions*

Before, on, and after the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall take all actions as may be necessary or appropriate to effectuate the Stand-Alone Restructuring, as applicable, including: (a) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, formation, organization, dissolution, or liquidation containing terms that are consistent with the terms of the Plan and the Restructuring Support Agreement, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree, including the documents comprising the Plan Supplement and the New Corporate Governance Documents; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and Restructuring Support Agreement and having other terms for which the applicable parties agree; (c) the execution, delivery and filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable law, including any applicable New Corporate Governance Documents; (d) such other transactions that are required to effectuate the Restructuring Transactions; (e) all transactions necessary to provide for the purchase of substantially all of the assets of, or Interests in, any of the Debtors by one or more Entities to be wholly owned by

Reorganized XOG, which purchase may be structured as a taxable transaction for United States federal income tax purposes (with the consent of the Required Consenting Senior Noteholders); and (f) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

C. *Cancelation of Notes, Instruments, Certificates, and Other Documents*

On the Effective Date, except as otherwise specifically provided for in the Plan or the Plan Supplement: (1) the obligations of any Debtor under all certificates, shares, notes, bonds, indentures, purchase rights, or other instruments or documents, directly or indirectly evidencing or creating any indebtedness or obligations of or ownership interest, equity, or portfolio interest in the Debtors or any warrants, options, or other securities exercisable or exchangeable for, or convertible into, debt, equity, ownership, or profits interests in the Debtors giving rise to any Claim or Interest shall be canceled and deemed surrendered to the Debtors without any need for a Holder to take further action with respect thereto, and the Debtors shall not have any continuing obligations thereunder and Holders of or parties to such cancelled instruments, certificates, and other documentation will have no rights arising from or relating to such instruments, certificates, and other documentation, or the cancellation thereof, except the rights provided for pursuant to the Plan or the Confirmation Order; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificates or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indenture, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be fully released, settled, compromised and discharged. Notwithstanding such cancellation, subject to any applicable provisions of Article IV hereof, upon occurrence of the Effective Date, the Senior Notes Indentures shall continue in effect solely to the extent necessary to: (1) permit Senior Noteholders to receive their distributions pursuant to the Plan; (2) permit the Indenture Trustee to make or assist in making, as applicable, distributions pursuant to the Plan as applicable [and deduct therefrom such reasonable compensation, fees and expenses (a) due to the Indenture Trustee, or (b) incurred by the Indenture Trustee in making such distributions]; and (3) permit the Indenture Trustee to seek compensation and/or reimbursement of fees and expenses in accordance with the terms of this Plan. Except as provided in this Plan (including Article IV hereof), on the Effective Date, the Indenture Trustee and its respective agents, successors and assigns shall be automatically and fully discharged of all of their duties and obligations associated with the Senior Notes Indentures. The commitments and obligations of the Senior Noteholders to extend any further or future credit or financial accommodations to any of the Debtors, any of their respective subsidiaries, or any of their respective successors or assigns under the Senior Notes Indentures shall fully terminate and be of no further force or effect on the Effective Date.

D. *Exemption from Certain Taxes and Fees*

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto, including the issuance, transfer or exchange of any security under the Plan or the granting of security under the Exit Facility shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment.

E. *The Stand-Alone Restructuring*

The Debtors shall effectuate the Stand-Alone Restructuring, which shall be governed by the following provisions.

1. Sources of Consideration for Plan of Reorganization Distributions

The Reorganized Debtors will fund distributions under the Plan with Cash on hand on the Effective Date, the revenues and proceeds of all assets of the Debtors, including proceeds from all Causes of Action not settled, released,

discharged, enjoined, or exculpated under the Plan or otherwise on or prior to the Effective Date, the Exit Facility, the Equity Rights Offering, the New Common Shares, and the New Warrants.

2. Issuance and Distribution of New Common Shares and New Warrants

On the Effective Date, Reorganized XOG shall issue the New Common Shares and the New Warrants to fund distributions to certain Holders of Allowed Claims and Allowed Interests in accordance with Article III of the Plan. The issuance of New Common Shares under the Plan, including any Equity Rights Offering Shares, any New Common Shares issued pursuant to the Backstop Commitment Premium, any New Common Shares to be issued upon exercise of the New Warrants, as well as any MIP Equity, shall be duly authorized without the need for any further corporate action and without any further action by the Debtors or Reorganized Debtors or the Holders of Claims or Interests, as applicable. All New Common Shares and New Warrants issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. The New Warrants shall not include Black Scholes or similar protections in the event of a sale, merger, or similar transaction prior to exercise.

On the Effective Date, Reorganized XOG and all Holders of New Common Shares then outstanding shall be deemed to be parties to the New Common Shares Documents, substantially in the form contained in the Plan Supplement, without the need for execution by any such Holder. On the Effective Date, the New Common Shares Documents shall be binding on the Reorganized Debtors and all parties receiving, and all Holders of, the New Common Shares.

3. Exit Facility

On the Effective Date, Reorganized XOG shall enter into the Exit Facility, which shall be in an amount sufficient to pay on the Effective Date certain Holders of Claims as set forth in Article III of the Plan, and to provide incremental liquidity.

The Confirmation Order shall be deemed approval of the Exit Facility and the Exit Facility Documents and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, and authorization of the Reorganized Debtors to enter into and execute the Exit Facility Documents and such other documents as may be required to effectuate the Exit Facility.

On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (i) shall be deemed to be granted, (ii) shall be legal, binding, and enforceable Liens on, and security interests in, the applicable collateral in accordance with the respective terms of the Exit Facility Documents, (iii) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the respective Exit Facility Documents, and (iv) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable nonbankruptcy law. The Reorganized Debtors and the Entities granting such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order (subject solely to the occurrence of the Effective Date) and any such filings, recordings, approvals, and consents shall not be required unless required by the Exit Facility Documents), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

4. The Equity Rights Offering

The Plan provides that the Equity Rights Offering Amount will be raised through the Equity Rights Offering. The Debtors and Reorganized Debtors, as applicable, will implement the Equity Rights Offering in accordance with the Equity Rights Offering Procedures. The Backstopped Equity Rights Offering Amount is $200 million and shall be fully backstopped by the Backstop Parties pursuant to the terms and conditions in the Backstop Commitment

Agreement and the Backstop Order. The GUC Equity Rights Offering Amount is $50 million and is currently not backstopped. The GUC Equity Rights Offering Procedures will not provide for any oversubscription rights unless otherwise agreed upon by the Debtors, the Required Backstop Parties, the Required Consenting Senior Noteholders, the Creditors' Committee, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, each in their sole discretion.

The Debtors shall distribute the Subscription Rights for the Equity Rights Offering to the Equity Rights Offering Offerees as set forth in the Plan and the Equity Rights Offering Documents. Pursuant to the Backstop Commitment Agreement, the Equity Rights Offering Procedures, the Plan, and the other Equity Rights Offering Documents, the Equity Rights Offering shall be open to all Equity Rights Offering Offerees.

In advance of Confirmation, the Debtors shall file a motion seeking the Court's determination with respect to the amount of certain General Unsecured Claims, including certain asserted rejection damages as a result of the Court's November 2, 2020 bench ruling. Prior to or simultaneous with Confirmation, the Court shall have entered the GUC Estimation Order, which form order shall be reasonably acceptable to the Required Consenting Senior Noteholders, the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein, and the Creditors' Committee, determining the aggregate amount of Allowed General Unsecured Claims, which amount shall constitute a maximum limitation on such Allowed General Unsecured Claims for all purposes under the Plan, including for purposes of distributions, discharge, and GUC Subscription Rights.

The Backstopped Equity Rights Offering Shares will be solicited simultaneously with solicitation of votes for the Plan. Solicitation of the GUC Equity Rights Offering Shares will commence immediately following entry of the GUC Estimation Order. Holders of General Unsecured Claims shall have three (3) Business Days between commencement of the GUC Equity Rights Offering and the GUC Equity Rights Offering Subscription Deadline to exercise the GUC Subscription Rights; *provided* that no Holder of a General Unsecured Claim shall be permitted to exercise more than it Pro Rata share of the GUC Subscription Rights. The GUC Subscription Rights are not transferable.

Upon exercise of the Subscription Rights by the Equity Rights Offering Participants pursuant to the terms of the Backstop Commitment Agreement, the Equity Rights Offering Procedures, the Plan, and the other Equity Rights Offering Documents, the Reorganized Debtors shall be authorized to issue the Equity Rights Offering Shares in accordance with the Plan, the Backstop Commitment Agreement, the Equity Rights Offering Procedures, and the other Equity Rights Offering Documents. If a Holder of a General Unsecured Claim elects to exercise its GUC Subscription Rights on account of a General Unsecured Claim that is subject to a pending appeal or other litigation as of the GUC Subscription Expiration Deadline, such Holder's election to exercise its GUC Subscription Rights shall constitute a waiver and release of any and all other rights, remedies, or legal entitlements on account of such General Unsecured Claim, including any such rights, remedies, or legal entitlements otherwise resulting from such appeal or litigation.

Subject to the terms, conditions and limitations set forth in the Backstop Commitment Agreement, if, after following the procedures set forth in the Equity Rights Offering Procedures, there remain any Backstopped Equity Rights Offering Shares not subscribed to by Equity Rights Offering Participants, Reorganized Debtors will sell to the Backstop Parties and the Backstop Parties shall purchase, severally and not jointly, an aggregate number of New Common Shares equal to its Backstop Obligation for an amount equal to the Purchase Price (as defined in the Backstop Commitment Agreement), in accordance with, and subject to, the terms and conditions of the Backstop Commitment Agreement and the Equity Rights Offering Procedures.

On the Effective Date, Reorganized XOG, subject to the terms of this Article IV.E.4 and Article VII.C.1 herein, shall issue (a) the Equity Rights Offering Shares pursuant to the Equity Rights Offering and (b) the New Common Shares to the Backstop Parties on account of the Backstop Obligations and the Backstop Commitment Premium pursuant to the terms of the Backstop Commitment Agreement.

On the Effective Date, the rights and obligations of the Debtors under the Backstop Commitment Agreement shall vest in the Reorganized Debtors. Notwithstanding anything to the contrary in the Plan or the Confirmation Order, (a) the Debtors' obligations under the Backstop Commitment Agreement shall remain unaffected and shall survive following the Effective Date in accordance with the terms thereof, (b) any such obligations shall not be discharged under the Plan, and (c) none of the Reorganized Debtors shall terminate any such obligations.

a. The GUC Cash Out Election

In lieu of receiving its Pro Rata share of GUC Subscription Rights, Holders of Allowed General Unsecured Claims may make the GUC Cash Out Election and receive Cash in an amount equal to 40% of the value of such Holder's GUC Subscription Rights, based on the Allowed amount of such Holder's General Unsecured Claim after giving effect to the GUC Cash Out Election. Holders of General Unsecured Claims that make the GUC Cash Out Election are still eligible to receive their Pro Rata share of the Claims Equity Allocation pursuant to Article III.B.6 hereof based on the Allowed amount of such Holders' General Unsecured Claims. If all Holders of General Unsecured Claims made the GUC Cash Out Election, the maximum amount of Cash payable to such electing Holders would be approximately $1.9 million and no new capital would be raised pursuant to the GUC Equity Rights Offering.

5. Corporate Existence

Except as otherwise provided in the Plan, the New Corporate Governance Documents, the New Common Shares Agreement, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval.

6. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or in any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, pursuant to section 1141 of the Bankruptcy Code, all property in each Debtor's Estate, all Causes of Action, and any property acquired by each of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances other than the Liens of the Exit Facility and such other Liens or other encumbrances as may be permitted thereby. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and pursue, compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

7. Corporate Action

Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved by the Bankruptcy Court in all respects without any further corporate or equity holder action, including, as applicable: (1) the implementation of the Restructuring Transactions; (2) the adoption, execution, and filing of the New Corporate Governance Documents; (3) the selection of the directors, managers and officers for the Reorganized Debtors; (4) the execution and delivery of the Exit Facility and the incurrence of credit thereunder; (5) the adoption of the Management Incentive Plan by the New Board; (6) the issuance and distribution of the New Common Shares and the New Warrants and the execution, delivery, and filing of any documents pertaining thereto, as applicable; (7) the formation of any Entities pursuant to the Restructuring Transactions; and (8) all other actions contemplated under or necessary to implement the Plan (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the Debtors, or the other Reorganized Debtors in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors, or the Reorganized Debtors. On or before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the Exit Facility, the New Common Shares, the New Warrants and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not

previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.E shall be effective notwithstanding any requirements under non-bankruptcy law.

8. New Corporate Governance Documents

On the Effective Date, each of the Reorganized Debtors will file its New Corporate Governance Documents with the applicable Secretaries of State and/or other applicable authorities in its respective jurisdiction of incorporation or formation in accordance with the applicable laws of the respective jurisdiction of incorporation or formation. The New Corporate Governance Documents shall be consistent with section 1123(a)(6) of the Bankruptcy Code. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Corporate Governance Documents will prohibit the issuance of non-voting equity securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Corporate Governance Documents and other constituent documents as permitted by the laws of their respective states of incorporation and their respective New Corporate Governance Documents.

9. Directors and Officers of the Reorganized Debtors

As of the Effective Date, the terms of the current members of the board of directors of the Debtors shall expire, and the initial boards of directors, including the New Board, as well as the officers of each of the Reorganized Debtors shall be appointed in accordance with the New Corporate Governance Documents and other constituent documents of each Reorganized Debtor. Members of the New Board shall consist of (a) the chief executive officer of the Reorganized Debtors and (b) the other directors selected by the Required Consenting Senior Noteholders, whose identities shall be disclosed in the Plan Supplement.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will, to the extent reasonably practicable, disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the New Board, as well as those Persons that will serve as officers of the Reorganized Debtors. To the extent any such director or officer is an "insider" under the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Provisions regarding the removal, appointment, and replacement of members of the New Board will be disclosed in the New Corporate Governance Documents.

10. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, their officers, and the members of the New Board are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, including both the Exit RBL Credit Agreement and the Exit Term Credit Agreement, and the Securities issued pursuant to the Plan, including the New Common Shares and the New Warrants, in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents.

11. Treatment of Royalty and Working Interests.

Notwithstanding any other provision in the Plan, on and after the Effective Date, all Royalty and Working Interests shall be preserved and remain in full force and effect in accordance with the terms of the granting instruments or other governing documents applicable to such Royalty and Working Interests, and no Royalty and Working Interests shall be compromised or discharged by the Plan; *provided* that the forgoing shall not apply to any granting instrument or other governing document giving rise to a Royalty and Working Interest that is an Executory Contract or Unexpired Lease that has been rejected in accordance with the Plan. For the avoidance of doubt and notwithstanding anything to the contrary in the preceding sentence, any right to payment (including interest) arising from a Royalty and Working Interest (including as a consequence of the rejection of an Executory Contract or Unexpired Lease), if any, shall be treated as a General Unsecured Claim under the Plan and shall be treated in accordance therewith (including, for the avoidance of doubt, by discharge or cure, if applicable).

12. Preservation of Causes of Action

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled under the Plan or a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, the Debtors or Reorganized Debtors, as applicable shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action (including all Avoidance Actions), whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled under the Plan or pursuant to a Bankruptcy Court order, the Debtors or Reorganized Debtors, as applicable, expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtor, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to, or action, order, or approval of, the Bankruptcy Court.

13. [Management Incentive Plan

The New Board shall be authorized to adopt and implement the Management Incentive Plan, which shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders and set forth in the Plan Supplement.

14. Employee Obligations

On the Effective Date, the Debtors shall be deemed to have assumed each of the written contracts, agreements, policies, programs and plans for compensation, bonuses, reimbursement, health care benefits, disability benefits, deferred compensation benefits, travel benefits, vacation and sick leave benefits, savings, severance benefits, retirement benefits, welfare benefits, relocation programs, life insurance and accidental death and dismemberment insurance, including written contracts, agreements, policies, programs, and plans for bonuses and other incentives or compensation for the Debtors' current and former employees, directors, officers, and managers, including executive compensation programs and existing compensation arrangements for the employees of the Debtors (but excluding any severance agreements with any of Debtors' former employees).][3]

15. Registration Rights

The Debtors and the Reorganized Debtors, as applicable, will use best efforts to promptly make the New Common Shares eligible for deposit with the DTC and posted on Bloomberg. To the extent the Reorganized XOG has not yet become an SEC registered reporting entity, any New Common Shares issued under the Plan will entitle the beneficial owner of such securities to certain information rights, including the following: (1) quarterly unaudited financials (with MD&A); (2) annual audited financials (with MD&A); (3) quarterly management calls with Q&A; (4) prompt reporting of material acquisitions, dispositions, restructurings, mergers, issuances of debt or similar transactions; (5) all other material publicly available reports; and (6) sufficient financial information about the

[3] Management Incentive Plan and executive emergence compensation subject to ongoing negotiations among the Debtors and the Consenting Senior Noteholders.

Reorganized Debtors shall be provided to market makers to allow the New Common Shares to be "pink sheets" eligible. For the avoidance of doubt, the foregoing shall not be required with respect to such New Common Shares to the extent that the Reorganized XOG is an SEC registered reporting entity.

Furthermore, on the Effective Date, the Reorganized Debtors, each Consenting Senior Noteholder and any other holders of 10% or more of the New Common Shares will be party to the Registration Rights Agreement.

F. *Closing the Chapter 11 Cases*

Upon the occurrence of the Effective Date, the Reorganized Debtors shall be permitted to close all of the Chapter 11 Cases except for the Chapter 11 Case of XOG, and all contested matters relating to each of the Debtors, including objections to Claims, shall be administered and heard in the Chapter 11 Case of XOG.

When all Disputed Claims have become Allowed or Disallowed and all remaining Cash has been distributed in accordance with the Plan, the Reorganized Debtors shall seek authority from the Bankruptcy Court to close the Chapter 11 Case of XOG in accordance with the Bankruptcy Code and the Bankruptcy Rules.

G. *Employee Arrangements*

After the Effective Date, the Debtors shall be permitted to make payments to employees pursuant to employment programs then in effect, and to implement additional employee programs and make payments thereunder, without any further notice to or action, order, or approval of the Bankruptcy Court; *provided* that such payments shall not adversely affect any distributions provided for under this Plan.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases*

[Except as otherwise provided in the Plan or otherwise agreed to by the Debtors and the counterparty to an Executory Contract or Unexpired Lease, all Executory Contracts or Unexpired Leases not previously assumed, assumed and assigned, or rejected in the Chapter 11 Cases, shall be deemed assumed by the Reorganized Debtors, effective as of the Effective Date, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code and regardless of whether such Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, other than: (1) those that are identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (2) those that have been previously rejected by a Final Order; (3) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; or (4) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date.][4] Except as otherwise provided in the Plan, the Debtors shall assume, assume and assign, or reject, as the case may be, Executory Contracts and Unexpired Leases set forth in the applicable Schedules in the Plan Supplement; *provided* that notwithstanding anything to the contrary herein, no Executory Contract or Unexpired Lease shall be assumed, assumed and assigned, or rejection without the reasonable consent of the Required Consenting Senior Noteholders; *provided, further*, that the Debtors shall consult with the DIP Agent regarding the assumption, assumption and assignment, or rejection (or related settlement) of any Executory Contract or Unexpired Lease. Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions, assumptions and assignments, or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan or the Schedule of Rejected Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code, except as otherwise provided in the Plan or the Confirmation Order. Unless otherwise indicated or agreed by the Debtors and the applicable contract counterparties, assumptions, assumptions and assignments, or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be

4 Treatment of executive compensation and severance agreements subject to ongoing negotiations with the Ad Hoc Noteholder Group.

fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law or as otherwise agreed by the Debtors and the applicable counterparty to the Executory Contract or Unexpired Lease.

Claims arising from the rejection of the Debtors' Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims and any settlement of such claims is subject to the reasonable consent of the Required Consenting Senior Noteholders, which consent shall not be unreasonably withheld. The Debtors shall consult with the DIP Agent prior to entering into any settlements with respect to the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease.

B. *Claims Based on Rejection of Executory Contracts or Unexpired Leases*

Proofs of Claims with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Bankruptcy Court within the latest to occur of: (1) 30 days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection; (2) 30 days after the Debtors provide notice of surrender of possession to a landlord of a rejected lease where surrender occurs after entry of an order approving such rejection; and (3) 30 days after notice of any rejection that occurs after the Effective Date. **Any Holders of Claims arising from the rejection of an Executory Contract or Unexpired Lease for which Proofs of Claims were not timely Filed shall not (1) be treated as a creditor with respect to such Claim, (2) be permitted to vote to accept or reject the Plan on account of any Claim arising from such rejection, or (3) participate in any distribution in the Chapter 11 Cases on account of such Claim, and any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Debtors' Estates, the Reorganized Debtors, or the property for any of the foregoing without the need for any objection by the Debtors or Reorganized Debtors, or further notice to, or action, order, or approval of, the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully compromised, settled, and released, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B.5 of the Plan.

Counterparties to Executory Contracts or Unexpired Leases listed on the Schedule of Rejected Executory Contracts and Unexpired Leases shall be served with a notice of rejection of Executory Contracts and Unexpired Leases substantially in the form approved by the Bankruptcy Court, pursuant to the Disclosure Statement Order, as soon as reasonably practicable following entry of the Disclosure Statement Order.

C. *Cure of Defaults for Assumed, or Assumed and Assigned, Executory Contracts and Unexpired Leases*

Any monetary defaults under an Executory Contract or Unexpired Lease to be assumed, or assumed and assigned, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Claim, as reflected on the Cure Notice or as otherwise agreed or determined by a Final Order of the Bankruptcy Court, in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitations described below, or on such other terms as the parties to such Executory Contract or Unexpired Leases may otherwise agree. In the event of a dispute regarding: (1) the amount of any Cure Claim; (2) the ability of the Reorganized Debtors or any assignee, as applicable, to provide "adequate assurance of future performance" (with the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or assumed and assigned; or (3) any other matter pertaining to assumption or the assumption and assignment, the Cure Claims shall be made following the entry of a Final Order resolving the dispute and approving the assumption or the assumption and assignment. Notwithstanding the foregoing, nothing herein shall prevent the Reorganized Debtors from settling any Cure Claim without further notice to or action, order, or approval of the Bankruptcy Court, subject to the reasonable consent of the Required Consenting Senior Noteholders, which consent shall not be unreasonably withheld. The Debtors shall consult with the DIP Agent prior to entering into any settlements with respect to the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease.

Unless otherwise provided by an order of the Bankruptcy Court, at least seven calendar days before the Voting Deadline, the Debtors shall distribute, or cause to be distributed, Cure Notices to the applicable third parties. **Any objection by a counterparty to an Executory Contract or Unexpired Lease to the proposed assumption, assumption and assignment, or related Cure Claim must be Filed by the Cure/Assumption Objection Deadline.** Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption, assumption and assignment, or Cure Notice will be deemed to have assented to such assumption or assumption and assignment, and Cure Claim. To the extent that the Debtors seek to assume and assign an Executory Contract or Unexpired Lease pursuant to the Plan, the Debtors will identify the assignee in the applicable Cure Notice and/or Schedule and provide "adequate assurance of future performance" for such assignee (within the meaning of section 365 of the Bankruptcy Code) under the applicable Executory Contract or Unexpired Lease to be assumed and assigned.

Assumption or assumption and assignment of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise, and the payment of the Cure Claim, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume or assume and assign such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned shall be deemed Disallowed and expunged, without further notice to, or action, order, or approval of, the Bankruptcy Court.

D. *Indemnification Obligations*

Any and all obligations of the Debtors in place as of the Effective Date (whether in the corporate charters, by-laws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) to indemnify current and former directors, officers, managers, members, agents, employees, attorneys, accountants, investment bankers, and other professionals of the Debtors with respect to all present and future actions, suits, and proceedings against the Company or such directors, officers, managers, members, agents, employees, attorneys, accountants, investment bankers, and other professionals of the Debtors based upon any act or omission for or on behalf of the Company (the "*Indemnification Obligations*") shall be treated as executory contracts to be assumed under this Plan (to the extent applicable) and remain in full force and effect after the Effective Date, and shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose and will continue as obligations of the Reorganized Debtors. All indemnification obligations of the Debtors arising under or pursuant to the Revolving Credit Agreement or the DIP Agreement shall be assumed and remain in full force and effect after the Effective Date, and shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose. Any Claim based on the Debtors' obligations thereunder will be an Allowed Claim.

E. *Director and Officer Liability Insurance*

To the extent that the D&O Liability Insurance Policies are considered to be Executory Contracts, notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, the Debtors shall be deemed to have assumed all D&O Liability Insurance Policies with respect to the Debtors' directors, managers, officers, and employees serving on or before the Petition Date pursuant to section 365(a) of the Bankruptcy Code, and coverage for defense and indemnity under any of the D&O Liability Insurance Policies shall remain available to all individuals within the definition of "Insured" in any of the D&O Liability Insurance Policies. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the unexpired D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained herein, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed.

F. *Modifications, Amendments, Supplements, Restatements, or Other Agreements*

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

G. *Reservation of Rights*

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases or the Schedule of Assumed Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Debtor or Reorganized Debtor has any liability thereunder.

H. *Nonoccurrence of Effective Date*

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting any Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. *Timing and Calculation of Amounts to Be Distributed*

Unless otherwise provided in the Plan, on the Effective Date or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Allowed Interest (or such Holder's Affiliate) shall receive the full amount of the distributions that the Plan provides for the Allowed Claims and Allowed Interests in each applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. *Disbursing Agent*

Distributions under the Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

C. *Rights and Powers of Disbursing Agent*

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities (as applicable); and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

Notwithstanding any provision in the Plan to the contrary, distributions to Senior Noteholders may be made to or at the direction of the Indenture Trustee, which may act as Disbursing Agent (or direct the Disbursing Agent) for distributions to the Senior Noteholders in accordance with the Plan and the applicable Senior Notes Indenture. As applicable, the Indenture Trustee may transfer or direct the transfer of such distributions directly through the facilities of DTC (whether by means of book-entry exchange, free delivery, or otherwise) and will be entitled to recognize and deal for all purposes under the Plan with the respective Holders of such Claims to the extent consistent with the customary practices of DTC. Notwithstanding anything to the contrary herein, such distributions shall be subject in all respects to any rights of the Indenture Trustee to assert a charging lien against such distributions. All distributions to be made to Senior Noteholders through DTC shall be made eligible for distributions through the facilities of DTC and, for the avoidance of doubt, under no circumstances will the Indenture Trustee be responsible for making or required to make any distribution under the Plan to Senior Noteholders if such distribution is not eligible to be distributed through the facilities of DTC.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

D. *Delivery of Distributions and Undeliverable or Unclaimed Distributions*

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims or Interests, except as otherwise provided in this Article VI shall be made to Holders of record as of the Distribution Record Date by the Disbursing Agent: (a) to the signatory set forth on any of the Proof of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed or if the Debtors have been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim; (c) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Reorganized Debtors have not received a written notice of a change of address; or (d) to any counsel that has appeared in the Chapter 11 Cases on such Holder's behalf. Subject to this Article VI, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Disbursing Agent, or the Reorganized Debtors, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

3. No Fractional Distributions

No fractional shares of New Common Shares shall be distributed, and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New Common Shares that is not a whole number, the actual distribution of shares of New Common Shares shall be rounded as follows: (a) fractions of one-half or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares of New Common Shares to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

4. Minimum Distributions

Holders of Allowed Claims entitled to distributions of $100 (whether Cash or otherwise) or less shall not receive distributions, and each such Claim shall be discharged pursuant to Article VIII and its Holder is forever barred pursuant to Article VIII from asserting that Claim against the Debtors or the Reorganized Debtors, as applicable, or their property.

5. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided* that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the applicable Reorganized Debtor, without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

E. *Manner of Payment.*

Unless otherwise set forth herein, all distributions of Cash and the New Common Shares, as applicable, to the Holders of Allowed Claims under the Plan shall be made by the Disbursing Agent. At the option of the Disbursing Agent, any Cash payment to be made under the Plan may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

F. *Registration or Private Placement Exemption*

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of any Securities pursuant to the Plan, including the New Common Shares (other than the New Common Shares issued on account of the Backstop Obligations) and the New Warrants (together, the "1145 Securities"), shall be exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. federal, state or local securities laws requiring registration prior to the offering, issuance, distribution, or sale of Securities. The issuance of the New Common Shares on account of the Backstop Obligations will be made in reliance on the exemption from registration provided by section 4(a)(2) of the Securities Act, Regulation D promulgated thereunder or another available exemption from registration under the Securities Act. The 1145 Securities (i) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (ii) are freely tradable and transferable by any initial recipient thereof that (a) is not an "affiliate" of Reorganized XOG as defined in Rule 144(a)(1) under the Securities Act, (b) has not been such an "affiliate" within 90 days of such transfer, and (c) is not an entity that is an "underwriter" (as defined in section 1145(b) of the Bankruptcy Code) with respect to such securities. To the extent that Persons who receive the 1145 Securities as contemplated under the Plan are deemed to be underwriters, resales by such Persons would not be exempted from registration under the Securities Act or other applicable law by Section 1145 of the Bankruptcy Code. Persons deemed to be underwriters may, however, be permitted to resell the 1145 Securities received pursuant to the Plan without registration pursuant to the provisions of Rule 144 under the Securities Act or another applicable exemption under the Securities Act. Notwithstanding the foregoing, recipients of the New

Common Shares and/or New Warrants are advised to consult with their own legal advisors as to the availability of any exemptions from registration under the Securities Act and any applicable state blue sky law.

Should the Reorganized Debtors elect on or after the Effective Date to reflect any ownership of the New Common Shares through the facilities of DTC, the Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the New Common Shares or under applicable securities laws. DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the New Common Shares issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

Notwithstanding anything to the contrary in the Plan, no entity (including DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including whether the New Common Shares issued under the Plan are exempt from registration and/or eligible for DTC book entry delivery, settlement, and depository services.

G. *Tax Issues and Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors and the Disbursing Agent reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

H. *Allocations*

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest as Allowed herein.

I. *No Postpetition Interest on Claims*

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any such Claim; *provided* that interest shall accrue on the DIP Claims and the Prepetition Secured Claim in accordance with the terms of the DIP Credit Agreement and the DIP Orders until paid in full in Cash or otherwise satisfied with the consent of the Holders of DIP Claims or the Prepetition Secured Claims, as applicable.

J. *Setoffs and Recoupment*

The Debtors or the Reorganized Debtors, as applicable, may, but shall not be required to, set off against or recoup any payments or distributions to be made pursuant to the Plan in respect of any Claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors, the Reorganized Debtors, or their successors of any such Claim it may have against the Holder of such Claim.

K. *Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

To the extent that the Holder of an Allowed Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor, such Claim shall be Disallowed without an objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or Reorganized Debtors on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Debtor or Reorganized Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claim objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Notwithstanding anything herein to the contrary, nothing shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers under any policies of insurance or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

L. *Indefeasible Distributions*

Any and all distributions made under the Plan shall be indefeasible and not subject to clawback.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. *Allowance of Claims*

After the Effective Date, each of the Reorganized Debtors shall have and retain any and all rights and defenses the applicable Debtor had with respect to any Claim immediately before the Effective Date. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

B. *Claims Administration Responsibilities*

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtors shall have the sole authority to (1) File and prosecute objections to Claims, (2) settle, compromise, withdraw, litigate to judgment, or

otherwise resolve objections to any and all Claims, regardless of whether such Claims are in a Class or otherwise; (3) settle, compromise, or resolve any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (4) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. On and after the Effective Date, the Reorganized Debtors will use commercially reasonable efforts to advance the claims resolution process through estimation or otherwise.

C. *Estimation of Claims*

Before, on, or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim pursuant to applicable law, including pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any such Claim, including during the litigation of any objection to any Claim or during the pendency of any appeal relating to such objection. Notwithstanding any provision to the contrary in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Claim, including pursuant to the GUC Estimation Order, such estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions and discharge) and may be used as evidence in any supplemental proceedings, and the Debtors or Reorganized Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before seven days after the date on which such Claim is estimated. Each of the foregoing Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court, including the GUC Estimation Order.

1. *GUC Estimation Order*

Prior to or simultaneous with Confirmation, the Court shall have entered the GUC Estimation Order determining the aggregate amount of Allowed General Unsecured Claims, which amount shall constitute a maximum limitation on such Allowed General Unsecured Claims for all purposes under the Plan, including for purposes of distributions, discharge, and participation in the GUC Equity Rights Offering.

D. *Disputed Claims Reserve*

On or after the Effective Date, the Reorganized Debtors shall be authorized to establish one or more Disputed Claims Reserves.

After the Effective Date, the Reorganized Debtors may hold any property to be distributed pursuant to the Plan, in the same proportions and amounts as provided for in the Plan, in the Disputed Claims Reserve in trust for the benefit of the Holders of Claims ultimately determined to be Allowed by a Final Order after the Effective Date. The Reorganized Debtors shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided herein, as such Disputed Claims are Allowed by a Final Order or agreed to by settlement, and such amounts shall be distributed as such amounts would have been distributable had such Disputed Claims been Allowed Claims as of the Effective Date in accordance with Article III of this Plan solely to the extent of the amounts available in the applicable Disputed Claims Reserves. Any Cash or Securities held in the Disputed Claims Reserve shall be cancelled or returned to the Reorganized Debtors, in the Reorganized Debtors' sole discretion, and without any further action or order of the Bankruptcy Court, as soon as reasonably practicable after the date on which all Disputed Claims are either Allowed or Disallowed in accordance with the Plan.

E. *Adjustment to Claims Without Objection*

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Debtors or the Reorganized Debtors, as applicable, without an objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court.

F. *Time to File Objections to Claims*

Any objections to Claims shall be Filed on or before the Claims Objection Bar Date.

G. *Disallowance of Claims*

Any Claims held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Reorganized Debtors, as applicable. All Proofs of Claim Filed on account of an indemnification obligation shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to, or action, order, or approval of, the Bankruptcy Court.

Except as otherwise provided herein or as agreed to by the Debtors or the Reorganized Debtors, any and all Proofs of Claim Filed after the Bar Date shall be deemed Disallowed and expunged as of the Effective Date without any further notice to, or action, order, or approval of, the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

H. *Amendments to Claims*

On or after the Effective Date, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, as applicable, and any such new or amended Claim Filed shall be deemed Disallowed in full and expunged without any further notice to, or action, order, or approval of, the Bankruptcy Court to the maximum extent provided by applicable law.

I. *No Distributions Pending Allowance*

If an objection to a Claim or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim, unless otherwise determined by the Reorganized Debtors.

J. *Distributions After Allowance*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the Holder of such Claim the distribution to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim, without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law or as otherwise provided herein.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. *Compromise and Settlement of Claims, Interests, and Controversies*

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have, or any distribution to be made on account of such Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle any Claims and Causes of Action against other Entities.

B. *Discharge of Claims and Termination of Interests*

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action against any Debtor of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Causes of Action accrued before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt or right is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or their Affiliates with respect to any Claim that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. Unless expressly provided in the Plan, the Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

C. *Term of Injunctions or Stays*

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

D. ***Release of Liens***

Except as otherwise specifically provided in the Plan, the Confirmation Order, the Exit Facility Documents, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors or the Reorganized Debtors, as applicable. The DIP

Agent and the Revolving Credit Agreement Agent shall execute and deliver all documents reasonably requested by the Reorganized Debtors to evidence the release of such mortgages, deeds of trust, Liens, pledges, and other security interests on such assets of the Debtors that are subject to the Stand-Alone Restructuring.

To the extent that any Holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such Holder has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, then such Holder (or the agent for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder) and take any and all steps requested by the Debtors, the Reorganized Debtors, or Exit Facility Agent that are necessary or desirable to record or effectuate the cancellation and/or extinguishment of such Liens and/or security interests, including the execution and delivery of such releases and the making of any applicable filings or recordings, and the Reorganized Debtors shall be entitled to make any such filings or recordings on such Holder's behalf. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency, records office, or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens. Notwithstanding the foregoing paragraph, this Article VIII.D shall not apply to any Secured Claims that are Reinstated pursuant to the terms of this Plan.

E. ***Debtor Release***

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Causes of Action, including any derivative claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof, including any draws under the Revolving Credit Facility, or any claims or causes of action related to the Revolving Credit Facility Documents) the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any avoidance actions, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Plan (including, for the avoidance of doubt, the Plan Supplement), the Definitive Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the Disclosure Statement, and the Backstop Commitment Agreement), or any aspect of the Restructuring, including any contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Backstop Commitment Agreement, the Plan, or the Definitive Documents, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing. Notwithstanding anything contained herein to the contrary, the foregoing release does not release any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan.

Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) any Buyback Claims or any claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, (iii) the rights of any current employee of the Debtors under any employment agreement or plan, (iv) the rights of the Debtors with respect to any confidentiality provisions or other covenants restricting competition in favor of the Debtors under any

employment or other agreement with a current or former employee of the Debtors, or (v) the rights of holders of Allowed Claims or Interests to receive distributions under the Plan.

F. ***Release by Holders of Claims or Interests***

Except as otherwise expressly set forth in the Plan or the Confirmation Order, on and after the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged by each Releasing Party from any and all Causes of Action, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, or otherwise, including any derivative claims asserted on behalf of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof, including any draws under the Revolving Credit Facility or any claims or causes of action related to the Revolving Credit Facility Documents), the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Plan (including, for the avoidance of doubt, the Plan Supplement), the Definitive Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the Disclosure Statement, and the Backstop Commitment Agreement), or any aspect of the Restructuring, including any contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Backstop Commitment Agreement, the Plan, or the Definitive Documents, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing.

Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) any Buyback Claims (iii) any claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, (iv) the rights of any current employee of the Debtors under any employment agreement or plan, (v) the rights of the Debtors with respect to any confidentiality provisions or other covenants restricting competition in favor of the Debtors under any employment or other agreement with a current or former employee of the Debtors, or (vi) the rights of holders of Allowed Claims or Interests to receive distributions under the Plan.

G. ***Exculpation***

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement and related prepetition transactions (including any draws under the Revolving Credit Facility or any claims or causes of action related to the Revolving Credit Facility Documents), the Plan, the Plan Supplement, the Definitive Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Documents, the Exit Facility, the Exit Facility Documents, the Disclosure Statement, and the Backstop Commitment Agreement), or any transaction related to the Restructuring, any contract, instrument, release or other agreement or document created or entered into before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for claims related to any act or omission that is determined in a Final Order to have constituted actual fraud, gross negligence or willful

misconduct, but in all respects such Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

H. ***Injunction***

Except with respect to the obligations arising under the Plan or the Confirmation Order, and except as otherwise expressly provided in the Plan or the Confirmation Order, all Entities that held, hold, or may hold Claims or Interests that have been released, discharged, or exculpated pursuant to the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors or Reorganized Debtors, or the other Released Parties or the Exculpated Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Entity has timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a claim or interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

I. *Protection Against Discriminatory Treatment*

Consistent with section 525 of the Bankruptcy Code and the Article VI of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because the Debtors have been debtors under chapter 11 of the Bankruptcy Code, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases), or have not paid a debt that is dischargeable in the Chapter 11 Cases.

J. *Recoupment*

In no event shall any Holder of a Claim be entitled to recoup against such Claim any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice of such recoupment in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

K. *SEC*

Notwithstanding any language to the contrary herein, no provision shall (a) preclude the SEC from enforcing its police or regulatory powers or (b) enjoin, limit, impair or delay the SEC from commencing or continuing any claims, causes of action, proceeding, or investigations against any non-Debtor person or non-Debtor entity in any forum.

L. *Subordination Rights*

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other Holder and shall not be subject to levy, garnishment, attachment, or other legal process by any Holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any

contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

A. *Conditions Precedent to the Confirmation of the Plan*

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C hereof):

1. the Definitive Documents (as defined herein) will contain terms and conditions consistent in all material respects with the Restructuring Term Sheet and the Restructuring Support Agreement, and otherwise satisfactory or reasonably satisfactory, as applicable, in form and substance to the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.Article I.A.62 herein;

2. the Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated, and there shall be no default thereunder; and

3. the Bankruptcy Court will have entered the Disclosure Statement Order, in form and substance acceptable to the Required Consenting Senior Noteholders and the Majority Lenders, and such Disclosure Statement Order will not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered.

B. *Conditions Precedent to the Effective Date*

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C hereof):

1. The Definitive Documents shall contain terms and conditions consistent in all material respects with the Restructuring Term Sheet and the Restructuring Support Agreement, and otherwise satisfactory or reasonably satisfactory, as applicable, in form and substance to the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.Article I.A.62 herein;

2. the Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated, and there shall be no default thereunder;

3. the Bankruptcy Court will have entered the Confirmation Order, in form and substance acceptable to the Required Consenting Senior Noteholders and the Majority Lenders, and such Confirmation Order will not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered;

4. to the extent an Exit Facility is entered into, all conditions precedent to the effectiveness of the Exit Facility shall have been satisfied or duly waived, and the Exit Facility, including all documentation related thereto, shall be in form and substance satisfactory to the Required Consenting Senior Noteholders, and the Majority Lenders, and the Company and in effect;

5. the final version of the Plan, Plan Supplement, and all of the schedules, documents, and exhibits contained therein, and all other schedules, documents, supplements, and exhibits to the Plan shall be consistent with the Restructuring Support Agreement, and in form and substance acceptable or reasonably acceptable, as applicable, to the Required Consenting Senior Noteholders, and the Majority Lenders or the Majority Exit RBL Facility Lenders, as applicable, in accordance with Article I.A.62 herein;

6. all waiting periods imposed by any Governmental Unit or Antitrust Authority in connection with the transactions contemplated by the Backstop Commitment Agreement shall have terminated or expired and all

authorizations, approvals, consents or clearances under the Antitrust Laws in connection with the transactions contemplated by the Backstop Commitment Agreement shall have been obtained, (if applicable);

7. the Debtors shall have obtained all material authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan, including Bankruptcy Court approval, and each of the other transactions contemplated by the Restructuring, and such material authorizations, consents, regulatory approvals, rulings, or documents shall not be subject to unfulfilled conditions and shall be in full force and effect, and all applicable regulatory waiting periods will have expired;

8. the Debtors shall have complied, in all material respects, with the terms of the Plan that are to be performed by the Debtors on or prior to the Effective Date and the conditions to the occurrence of the Effective Date (other than any conditions relating to the occurrence of the closing) set forth in the Plan shall have been satisfied or, with the prior consent of the Required Consenting Senior Noteholders and the Majority Lenders waived in accordance with the terms of the Plan;

9. the Restructuring to be implemented on the Effective Date shall be consistent with the Plan and the Restructuring Support Agreement;

10. all Consenting Senior Noteholder Fees and Expenses have been or will be paid in full in Cash;

11. all Revolving Credit Agreement Lender Fees and Expenses have been or will be paid in full in Cash;

12. the Debtors shall not be in an event of default under the DIP Facility, and the DIP Orders shall not have been reversed, stayed, dismissed, vacated, or reconsidered;

13. the Debtors shall not have Filed, supported, or consented to any motion, application, adversary proceeding, or cause of action (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of any of the Senior Notes Claims, the Revolving Credit Agreement Claims, or the DIP Claims (as applicable), (B) otherwise seeking to impose liability upon or enjoin the Senior Noteholders, the Revolving Credit Agreement Lenders, or DIP Lenders, or (C) by any third party seeking standing to bring such application, adversary proceeding, or cause of action;

14. (a) the Bankruptcy Court shall have entered the Backstop Order, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Majority Lenders, and such order shall not have been reserved, stayed, amended, modified, dismissed, vacated, or reconsidered; (b) the Backstop Commitment Agreement shall remain in full force and effect and shall not have been terminated, and the parties thereto shall be in compliance therewith; (c) the Equity Rights Offering shall have been conducted, in all material respects, in accordance with the Equity Rights Offering Documents and any other relevant transaction documents; and (d) the Backstop Commitment Premium has been paid to the Backstop Parties;

15. the New Corporate Governance Documents shall be in full force and effect.

16. the Confirmation Order shall have been duly entered and in full force and effect;

17. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan and each of the other transactions contemplated by the Restructuring;

18. all Allowed Professional Fee Claims approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay such Allowed Professional Fee Claims after the Effective Date shall have been placed in the Professional Fee Escrow Account pending approval of the Professional Fee Claims by the Bankruptcy Court; and

19. the Debtors shall have implemented the Restructuring Transactions in a manner consistent in all material respects with the Plan.

C. *Waiver of Conditions*

The conditions to Confirmation of the Plan and to the Effective Date of the Plan set forth in this Article IX may be waived, in whole or in part, in writing (which may be via electronic mails) by the Debtors, the Required Consenting Senior Noteholders, and the Majority Lenders (only when the relevant condition directly affects the consent and/or consultation rights of the Majority Lenders in accordance with Article I.A.Article I.A.62 herein), without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

D. *Substantial Consummation*

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

E. *Effect of Nonoccurrence of Conditions to the Effective Date*

If the Effective Date does not occur on or before the termination of the Restructuring Support Agreement, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims or Interests; (2) prejudice in any manner the rights of the Debtors, any Holders of a Claim or Interest, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect; *provided*, that all provisions of the Restructuring Support Agreement that survive termination thereof shall remain in effect in accordance with the terms thereof.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. *Modification and Amendments*

Subject to the limitations contained in the Plan, the consent rights of the Majority Lenders as set forth in the Plan, the consent right of the Required Consenting Senior Noteholders as set forth in the Restructuring Support Agreement, [and the reasonable consent of the Creditors' Committee solely to the extent it materially adversely affects the rights and distributions under this Plan of Holders of General Unsecured Claims], the Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the consent rights of the Majority Lenders as set forth in the Plan, and the consent right of the Required Consenting Senior Noteholders as set forth in the Restructuring Support Agreement, the Debtors expressly reserve their rights to alter, amend, or modify materially the Plan, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. *Effect of Confirmation on Modifications*

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. *Revocation or Withdrawal of the Plan*

Subject to the terms of the Restructuring Support Agreement, the Debtors, with the consent of the Majority Lenders (such consent not to be unreasonably withheld), reserve the right to revoke or withdraw the Plan before the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation and Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan

(including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims or Interests; (ii) prejudice in any manner the rights of the Debtors or any other Entity, including the Holders of Claims; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of or related to the Chapter 11 Cases and the Plan, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals;

3. resolve any matters related to: (a) the assumption or rejection of any Executory Contract or Unexpired Lease and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, Cure Claims pursuant to section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (b) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V hereof, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed and assigned or rejected or otherwise; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. adjudicate, decide, or resolve any and all matters related to sections 1141 and 1145 of the Bankruptcy Code;

8. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

9. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article VIII hereof and enter such orders as may be necessary or appropriate to implement or enforce such releases, injunctions, and other provisions;

13. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.K.1 hereof;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;

17. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine all disputes involving the Exit Facility;

20. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

21. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

22. enforce all orders previously entered by the Bankruptcy Court in the Chapter 11 Cases;

23. hear any other matter not inconsistent with the Bankruptcy Code;

24. enter an order closing the Chapter 11 Cases; and

25. enforce the injunction, release, and exculpation provisions provided in Article VIII hereof.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. *Immediate Binding Effect*

Subject to Article IX.A hereof and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement, and the Confirmation Order, shall be immediately effective and enforceable and deemed binding upon the Debtors or Reorganized Debtors, as applicable, and any and all Holders of Claims or Interests (regardless of whether such Claims or Interests have accepted or are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and any and all non-Debtor parties to Executory

Contracts and Unexpired Leases with the Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

B. *Additional Documents*

On or before the Effective Date, and subject to the terms of the Restructuring Support Agreement, the Debtors, with the consent of the Majority Lenders (such consent not to be unreasonably withheld) may File with the Bankruptcy Court such agreements and other documents as may be necessary or advisable to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, all Holders of Claims and Interests receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. *Dissolution of the Creditors' Committee and Any Other Statutory Committee*

On the Effective Date, the Creditors' Committee and any other statutory committee appointed in the Chapter 11 Cases shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred prior to the Effective Date by the Creditors' Committee or any other statutory committee and their Professionals. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Creditors' Committee or any other statutory committee after the Effective Date.

D. *Reservation of Rights*

Before the Effective Date, neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to any Claims or Interests.

E. *Consenting Senior Noteholder Fees and Expenses and Revolving Credit Agreement Lender Fees and Expenses*

The Consenting Senior Noteholder Fees and Expenses and Revolving Credit Agreement Lender Fees and Expenses incurred and invoiced up to and including the Effective Date shall be paid in full in Cash on the Effective Date (to the extent not previously paid during the course of the Chapter 11 Case), without any requirement to file a fee application with the Bankruptcy Court and without any requirement for Bankruptcy Court review or approval, and without notice and a hearing pursuant to section 1129(a)(4) of the Bankruptcy Code or otherwise. In addition, the Debtors or the Reorganized Debtors shall continue to pay the Consenting Senior Noteholder Fees and Expenses and Revolving Credit Agreement Lender Fees and Expenses, as the same become due and payable in the ordinary course, either before or after the Effective Date.

F. *Successors and Assigns*

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to, the benefit of any heir, executor, administrator, successor, assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. *Service of Documents*

All notices, requests, and demands to or upon the Debtors, the Creditors' Committee, the Consenting Senior Noteholders, or the Majority Lenders, to be effective shall be in writing (including by facsimile transmission and electronic mails) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made

when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors:

Extraction Oil & Gas, Inc.
370 17th Street, Suite 5300
Denver, Colorado 80202
Attn: Eric Christ

with copies to:

Kirkland & Ellis LLP
Kirkland & Ellis International LLP
601 Lexington Avenue
New York, New York 10022
Attn: Christopher Marcus, P.C., Allyson Smith Weinhouse, and Ciara Foster

-and-

Whiteford, Taylor & Preston LLC
The Renaissance Centre
405 North King Street, Suite 500
Wilmington, Delaware 19801
Attn: Marc R. Abrams, Richard W. Riley, and Stephen B. Gerald

If to the Consenting Senior Noteholders:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attn: Andrew N. Rosenberg, Alice Belisle Eaton, Christopher Hopkins and Omid Rahnama

If to the Creditors' Committee:

Stroock & Stroock & Lavan LLP
767 3rd Avenue
New York, New York 10017
Attn: Erez E. Gilad

-and-

Cole Schotz P.C.
1325 Avenue of the Americas
19th Floor
New York, NY 10019
Attn: G. David Dean and Andrew J. Roth-Moore

If to the Majority Lenders:

Bracewell LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002
Attn: William A. (Trey) Wood III and Dewey Gonsoulin

After the Effective Date, the Reorganized Debtors shall have the authority to send a notice to parties in interest providing that, to continue to receive documents pursuant to Bankruptcy Rule 2002, such party must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. *Entire Agreement*

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. *Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from http://www.kccllc.net/extractionog/ or the Bankruptcy Court's website at www.deb.uscourts.gov. Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control. The documents considered in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

J. *Nonseverability of Plan Provisions*

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Majority Lenders and Required Consenting Senior Noteholders, as well as that of the Debtors' or Reorganized Debtors', as applicable; and (3) nonseverable and mutually dependent.

K. *Votes Solicited in Good Faith*

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and, pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, managers, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals nor the Reorganized Debtors or Reorganized XOG, as applicable, will have any liability for the violation of any applicable law (including the Securities Act), rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

L. *Waiver or Estoppel*

Each Holder of a Claim or Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured, or

not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed before the Confirmation Date.

[*Remainder of page intentionally left blank.*]

Respectfully submitted, as of the date first set forth above,

Dated: November 6, 2020

EXTRACTION OIL & GAS, INC.
on behalf of itself and each of its Debtor affiliates

/s/ Matthew R. Owens

Name: Matthew R. Owens
Title: President and Chief Executive Officer
Extraction Oil & Gas, Inc.

Exhibit B

Restructuring Support Agreement

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN, DEEMED BINDING ON ANY OF THE PARTIES HERETO.

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (including all exhibits, annexes, and schedules attached hereto in accordance with Section 13.02, this "**Agreement**") is made and entered into as of June 15, 2020 (the "**Execution Date**"), by and among the following parties (each of the following described in sub-clauses (i) through (ii) of this preamble, collectively, the "**Parties**"):[1]

i. Extraction Oil & Gas, Inc., a company incorporated under the Laws of Delaware ("**Parent**"), and each of its affiliates listed on **Exhibit A** to this Agreement that have executed and delivered counterpart signature pages to this Agreement to counsel to the Consenting Senior Noteholders (the Entities in this clause (i), collectively, the "**Company Parties**"); and

ii. the undersigned holders or beneficial holders of, or investment advisors, sub-advisors, or managers of discretionary accounts that hold, Senior Notes Claims that have executed and delivered counterpart signature pages to this Agreement, a Joinder, or a Transfer Agreement to counsel to the Company Parties (the Entities in this clause (ii), collectively, the "**Consenting Senior Noteholders**").

RECITALS

WHEREAS, the Company Parties and the Consenting Senior Noteholders have in good faith and at arms' length negotiated or been apprised of certain restructuring and recapitalization transactions with respect to the Company Parties' capital structure on the terms set forth in this Agreement and as specified in the term sheet attached as **Exhibit B** hereto (including all exhibits, annexes, and schedules thereto, the "**Restructuring Term Sheet**" and, such transactions as described in this Agreement and the Restructuring Term Sheet, the "**Restructuring Transactions**");

WHEREAS, the Company Parties intend to implement the Restructuring Transactions, including through the commencement by the Debtors of voluntary cases under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the cases commenced, the "**Chapter 11 Cases**") to effectuate (i) a sale to, or a combination or merger with, a third party involving all or substantially

[1] Capitalized terms used but not defined in the preamble and recitals to this Agreement have the meanings ascribed to them in Section 1.

all of the Company Parties' restructured equity or assets pursuant to a Successful Proposal (the "**Combination Transaction**") or (ii) a stand-alone reorganization (the "**Stand-Alone Restructuring**"); and

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring Transactions on the terms and conditions set forth in this Agreement and the Restructuring Term Sheet;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. ***Definitions and Interpretation***.

1.01. Definitions. The following terms shall have the following definitions:

"**2024 Senior Notes Indenture**" means that certain indenture, dated as of August 1, 2017, by and among Parent, as issuer, each of the guarantors named therein, and Wells Fargo Bank, National Association, as trustee, as amended, modified, or otherwise supplemented from time to time.

"**2026 Senior Notes Indenture**" means that certain indenture, dated as of January 25, 2018, by and among Parent, as issuer, each of the guarantors named therein, and Wells Fargo Bank, National Association, as trustee, as amended, modified, or otherwise supplemented from time to time.

"**Ad Hoc Noteholder Group**" means the ad hoc group or committee of Consenting Senior Noteholders represented by the Ad Hoc Noteholder Group Representatives.

"**Ad Hoc Noteholder Group Representatives**" means Paul Weiss, Houlihan Lokey, and Young Conaway Stargatt & Taylor, LLP.

"**Agent**" means any administrative agent, collateral agent, or similar Entity under the Revolving Credit Agreement and/or the Senior Notes Indentures, including any successors thereto.

"**Agents/Trustees**" means, collectively, each of the Agents and Trustees.

"**Agreement**" has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all the exhibits, annexes, and schedules attached hereto in accordance with Section 13.02 (including the Restructuring Term Sheet).

"**Agreement Effective Date**" means the date on which the conditions set forth in Section 2 have been satisfied or waived by the appropriate Party or Parties in accordance with this Agreement.

"**Agreement Effective Period**" means, with respect to a Party, the period from the Agreement Effective Date to the Termination Date applicable to that Party.

"**Alternative Restructuring Proposal**" means any inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to a sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, liquidation, asset sale, share issuance, tender offer, exchange offer, recapitalization, plan of reorganization, share exchange, business combination, joint venture, or similar transaction involving any one or more Company Parties or the debt, equity, or other interests in any one or more Company Parties that is an alternative to one or more of the Restructuring Transactions.

"**Backstop Commitment Agreement**" means that certain backstop commitment agreement, to be entered into by and among the Backstop Parties and Parent, setting forth, among other things, the terms and conditions of the Equity Rights Offering, the Backstop Commitment, and the payment of the Backstop Commitment Premium, and pursuant to which certain parties therein will backstop 100% of the Equity Rights Offering in accordance with the terms thereof.

"**Backstop Commitment**" has the meaning ascribed to such term in the Backstop Commitment Agreement.

"**Backstop Commitment Premium**" has the meaning ascribed to such term in the Restructuring Term Sheet.

"**Backstop Motion**" means the motion filed by the Debtors seeking entry of the Backstop Order.

"**Backstop Order**" means the order entered in the Chapter 11 Cases granting the Backstop Motion, including authorizing the Debtors' entry into the Backstop Commitment Agreement and the payment of the Backstop Commitment Premium.

"**Backstop Parties**" means at any time and from time to time, the Consenting Senior Noteholders that have committed to backstop the Equity Rights Offering and are signatories to the Backstop Commitment Agreement, solely in their capacities as such, to the extent provided in the Backstop Commitment Agreement.

"**Bankruptcy Code**" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

"**Bankruptcy Court**" means the United States Bankruptcy Court in which the Chapter 11 Cases are commenced or another United States Bankruptcy Court with jurisdiction over the Chapter 11 Cases.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York.

"**Chapter 11 Cases**" has the meaning set forth in the recitals to this Agreement.

"**Claim**" has the meaning ascribed to it in section 101(5) of the Bankruptcy Code.

"**Combination Transaction**" has the meaning set forth in the recitals to this Agreement and the Restructuring Term Sheet.

"**Combination Transaction Agreement**" means any asset purchase agreement, merger agreement, plan of merger, stock purchase agreement, or other agreement memorializing the Combination Transaction.

"**Combination Transaction Documents**" means, collectively, the Combination Transaction Agreement, the Combination Transaction Order, the Combination Transaction Motion, and any and all other agreements, documents, certificates, designations, and instruments delivered, relating to, executed in connection with the Combination Transaction, including, but not limited to, any agreement and plan of merger, or stock or asset purchase agreements, and any related pleadings or documents.

"**Combination Transaction Motion**" means the motion filed by the Debtors seeking entry of the Combination Transaction Order.

"**Combination Transaction Order**" means the order entered in the Chapter 11 Cases authorizing the Debtors' entry into the Combination Transaction Documents.

"**Company Claims**" means any Claim against a Company Party, including the the Senior Notes Claims.

"**Company Parties**" has the meaning set forth in the recitals to this Agreement.

"**Confidentiality Agreement**" means an executed confidentiality agreement, including with respect to the issuance of a "cleansing letter" or other public disclosure of material non-public information agreement, in connection with any proposed Restructuring Transactions.

"**Confirmation Order**" means the confirmation order with respect to the Plan.

"**Consenting Senior Noteholders**" has the meaning set forth in the preamble of this Agreement.

"**Consenting Senior Noteholder Restructuring Expenses**" means the reasonable and documented fees and expenses incurred through the effective date of a termination of this Agreement by the Ad Hoc Noteholder Group Representatives pursuant to the terms of their respective engagement letters related to the Restructuring Transactions and not previously paid by, or on behalf of, the Company Parties.

"**Debtors**" means the Company Parties that commence Chapter 11 Cases.

"**Definitive Documents**" means the documents listed in Section 3.01.

"**Disclosure Statement**" means the related disclosure statement with respect to the Plan.

"**DIP Agent**" means the "Administrative Agent," as defined in the DIP Credit Agreement.

"**DIP Claims**" means any Claim against a Debtor arising under, derived from, based on, or related to the DIP Facility Documents.

"**DIP Credit Agreement**" means that certain the postpetition debtor-in-possession credit agreement evidencing the DIP Facility in accordance with the terms, and subject in all respect to the conditions, as set forth in this Agreement, and pursuant to the terms and conditions to be set forth in the DIP Orders.

"**DIP Facility**" means that certain debtor-in-possession financing facility to be provided to the Company Parties in accordance with the terms, and subject in all respects to the conditions, as set forth in this Agreement, and pursuant to the terms and conditions of the DIP Facility Term Sheet and the DIP Orders.

"**DIP Facility Documents**" means, collectively, the DIP Credit Agreement and all other agreements, documents, and instruments delivered or entered into in connection therewith, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, subordination agreements, fee letters, and other security documents.

"**DIP Facility Term Sheet**" means the term sheet setting forth the terms of a $125 million debtor in possession financing facility incorporated herein by reference and attached as Annex 2 to the Restructuring Term Sheet.

"**DIP Lenders**" means the lenders providing the DIP Facility under the DIP Facility Documents.

"**DIP Motion**" means the motion filed by the Debtors seeking entry of the DIP Orders.

"**DIP Orders**" means, collectively, the Interim DIP Order and the Final DIP Order.

"**Entity**" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

"**Equity Rights Offering**" means the rights offering of New Common Shares to be issued by Reorganized XOG in exchange for an amount to be agreed among the Company Parties and the Required Consenting Senior Noteholders (such amount to be subject to the reasonable consent of the Required Consenting Senior Noteholders) on the terms and conditions set forth in the Restructuring Term Sheet and the Equity Rights Offering Documents.

"**Equity Rights Offering Documents**" means, collectively, the Backstop Commitment Agreement, the Backstop Motion, the Backstop Order, and any and all other agreements, documents, and instruments delivered or entered into in connection with the Equity Rights Offering, including the Equity Rights Offering Procedures.

"**Equity Rights Offering Procedures**" means those certain rights offering procedures with respect to the Equity Rights Offering, which rights offering procedures shall be set forth in the Equity Rights Offering Documents.

"**Execution Date**" has the meaning set forth in the preamble to this Agreement.

"**Existing Common Interests**" means, collectively, all Interests in Parent arising from or related to the shares of the class of common stock of Parent that existed immediately prior to the Effective Date, including any restricted stock of Parent that vests prior to the Effective Date.

"**Existing Preferred Interests**" means, collectively, all Interests in Parent arising from or related to the shares of the Series A Convertible Preferred Stock, $0.01 par value, of the Parent that existed immediately prior to the Effective Date.

"**Exit Credit Agreement**" means that certain credit agreement evidencing the Exit Facility in accordance with the terms, and subject in all respects to the conditions, as set forth in this Agreement and the Restructuring Term Sheet.

"**Exit Facility**" means that certain credit facility to be provided to the Company Parties in accordance with the terms, and subject in all respects to the conditions, as set forth in this Agreement and the Restructuring Term Sheet.

"**Exit Facility Documents**" means, collectively, the Exit Credit Agreement, and all other agreements, documents, and instruments delivered or entered into in connection with the Exit Facility, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, subordination agreements, fee letters, and other security documents.

"**Final DIP Order**" means the final order entered in the Chapter 11 Cases authorizing the Debtors' entry into the DIP Facility Documents.

"**Fiduciary Out"** has the meaning set forth in Section 11.02(b).

"**First Day Pleadings**" means the first-day pleadings that the Company Parties determine are necessary or desirable to file.

"**Houlihan Lokey**" means Houlihan Lokey Capital, Inc.

"**Interest**" means any equity interest (as defined in section 101(16) of the Bankruptcy Code) in any Company Party, including the Existing Common Interests, the Existing Preferred Interests, all ordinary shares, units, common stock, preferred stock, membership interest, partnership interest or other instrument, evidencing any fixed or contingent ownership interest in the Parent, whether or not transferable, including any option, warrant, or other right, contractual or otherwise, to acquire any such interest in the Parent, that existed immediately before the Plan Effective Date.

"**Interim DIP Order**" means the interim order entered in the Chapter 11 Cases authorizing the Debtors' entry into the DIP Facility Documents.

"**Joinder**" means a joinder to this Agreement substantially in the form attached hereto as **Exhibit D**.

"**Law**" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court).

"**M&A Process**" has the meaning set forth in the Restructuring Term Sheet.

"**Management Incentive Plan**" means the post-emergence management incentive plan to be implemented with respect to Reorganized XOG by the Reorganized XOG Board on or as soon as reasonably practicable after the Plan Effective Date.

"**Milestones**" has the meaning set forth in the Restructuring Term Sheet.

"**New Common Shares**" means the new common stock or common equity to be issued on the Plan Effective Date by Reorganized XOG.

"**New Common Shares Documents**" means any and all documents required to implement, issue, and distribute the New Common Shares.

"**New Corporate Governance Documents**" means the organizational and governance documents for the Reorganized Debtors and any subsidiaries thereof, including, as applicable, the certificates or articles of incorporation, certificates of formation or certificates of limited partnership, bylaws, limited liability company agreements, or limited partnership agreements, stockholder or shareholder agreements, or other similar organizational documents, as applicable, which shall be in form and substance acceptable to the Required Consenting Senior Noteholders.

"**Outside Date**" the Outside Date shall mean the date that is 180 days after the Petition Date.

"**Paul Weiss**" means Paul, Weiss, Rifkind, Wharton & Garrison LLP.

"**Parties**" has the meaning set forth in the preamble to this Agreement.

"**Permitted Transferee**" means each transferee of any Company Claims who meets the requirements of Section 8.01.

"**Petition Date**" means the first date any of the Company Parties commences a Chapter 11 Case.

"**Plan**" means the joint plan of reorganization filed by the Debtors under chapter 11 of the Bankruptcy Code that embodies the Restructuring Transactions.

"**Plan Effective Date**" means the occurrence of the effective date of the Plan according to its terms.

"**Plan Supplement**" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Debtors with the Bankruptcy Court.

"**Proposal Submission Guidelines**" means the guidelines governing the submission of firm proposals pursuant to the M&A Process and the marketing process for the Combination Transaction.

"**Proposal Submission Guidelines Documents**" means the Proposal Submission Guidelines, the Proposal Submission Guidelines Motion, the Proposal Submission Guidelines Order, and all related documents, agreements, exhibits, annexes, and schedules, as such documents may be amended, modified, or supplemented from time to time.

"**Proposal Submission Guidelines Motion**" means the motion filed by the Debtors seeking entry of the Proposal Submission Guidelines Order.

"**Proposal Submission Guidelines Order**" means the order entered in the Chapter 11 Cases granting the Proposal Submission Guidelines Motion.

"**Qualified Marketmaker**" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Company Claims (or enter with customers into long and short positions in Company Claims), in its capacity as a dealer or market maker in Company Claims and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

"**Registration Rights Agreement**" has the meaning set forth in the Restructuring Term Sheet.

"**Reorganized Debtor**" means either (a) each Debtor, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the Plan Effective Date or (b) a new corporation or limited liability company that may be formed to, among other things, directly or indirectly acquire substantially all of the assets and/or stock of any Debtor in the Chapter 11 Cases pursuant to the Plan.

"**Reorganized XOG**" means either (a) Parent, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the Plan Effective Date, or (b) a new corporation or limited liability company that may be formed to, among other things, directly or indirectly acquire substantially all of the assets and/or stock of the Debtors in the Chapter 11 Cases and issue the New Common Shares to be distributed pursuant to the Plan.

"**Reorganized XOG Board**" means the board of directors (or other applicable governing body) of Reorganized XOG.

"**Required Consenting Senior Noteholders**" means, as of the relevant date, Consenting Senior Noteholders holding at least 50.01% of the aggregate outstanding principal amount of Senior Notes that are held by Consenting Senior Noteholders.

"**Restructuring Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**Restructuring Transactions**" has the meaning set forth in the recitals to this Agreement.

"**Revolving Credit Agreement**" means that certain Amended and Restated Credit Agreement, dated August 16, 2017 among Parent, as borrower, the lenders from time to time party thereto and Wells Fargo Bank, National Association, as administrative agent and issuing lender (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time).

"**Revolving Credit Agreement Claims**" means any Claim on account of or arising under the Revolving Loans.

"**Revolving Loans**" means loans outstanding under the Revolving Credit Agreement.

"**Rules**" means Rule 501(a)(1), (2), (3), and (7) of the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Senior Notes**" means, collectively, (a) the 7.375% unsecured senior notes due 2024, issued pursuant to the 2024 Senior Notes Indenture, and (b) the 5.625% unsecured senior notes due 2026, issued pursuant to the 2026 Senior Notes Indenture.

"**Senior Notes Claim**" means any Claim on account of or arising under the Senior Notes.

"**Senior Notes Indentures**" means, collectively, the 2024 Senior Notes Indenture and the 2026 Senior Notes Indenture.

"**Solicitation Materials**" means all materials provided in connection with the solicitation of votes on the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code.

"**Successful Proposal**" has the meaning ascribed to such term in the Restructuring Term Sheet.

"**Termination Date**" means the date on which termination of this Agreement as to a Party is effective in accordance with Sections 11.01, 11.02, 11.03, or 11.04.

"**Transfer**" means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales or other transactions).

"**Transfer Agreement**" means an executed form of the transfer agreement providing, among other things, that a transferee is bound by the terms of this Agreement and substantially in the form attached hereto as **Exhibit C**.

"**Trustee**" means any indenture trustee, collateral trustee, or other trustee or similar entity under the Senior Notes.

1.02. Interpretation. For purposes of this Agreement:

(a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender;

(b) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form;

(c) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(d) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, supplemented, or otherwise modified from time to time; provided that any capitalized terms herein which are defined with reference to another agreement, are defined with reference to such other agreement as of the date of this Agreement, without giving effect to any termination of such other agreement or amendments to such capitalized terms in any such other agreement following the date hereof;

(e) unless otherwise specified, all references herein to "Sections" are references to Sections of this Agreement;

(f) the words "herein," "hereof," and "hereto" refer to this Agreement in its entirety rather than to any particular portion of this Agreement;

(g) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;

(h) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable limited liability company Laws;

(i) the use of "include" or "including" is without limitation, whether stated or not; and

(j) the phrase "counsel to the Consenting Senior Noteholders" refers in this Agreement to each counsel specified in Section 13.10 other than counsel to the Company Parties.

Section 2. ***Effectiveness of this Agreement.*** This Agreement shall become effective and binding upon each of the Parties at 12:00 a.m., prevailing Eastern Standard Time, on the Agreement Effective Date, which is the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

(a) each of the Company Parties shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the Parties;

(b) the holders of at least two thirds of the aggregate outstanding principal amount of Senior Notes shall have executed and delivered counterpart signature pages of this Agreement; and counsel to the Company Parties shall have given notice to counsel to the Ad Hoc Noteholder Group in the manner set forth in Section 13.10 hereof (by email or otherwise) that the other conditions to the Agreement Effective Date set forth in this Section 2(a) have occurred; and

(c) the funding of any retainers to the Ad Hoc Noteholder Group Representatives in accordance with the Restructuring Term Sheet and Section 13.20.

Section 3. ***Definitive Documents***.

3.01. The Definitive Documents governing the Restructuring Transactions shall include the following: (A) the Plan; (B) the Confirmation Order; (C) the Disclosure Statement; (D) the order of the Bankruptcy Court approving the Disclosure Statement and the other Solicitation Materials; (E) the DIP Facility Documents; (F) the DIP Orders; (G) the Exit Facility Documents; (H) the operational First Day Pleadings and the orders approving the same; (I) any other material pleadings or material motions the Company Parties plan to file in connection with the Chapter 11 Cases, and all orders sought pursuant thereto, including (i) any and all motions filed to assume, assume and assign, or reject an executory contract or unexpired lease and the order or orders of the Bankruptcy Court approving such motions and (ii) any and all motions seeking approval of a KEIP and/or KERP and the order or orders of the Bankruptcy Court approving such motions (for the avoidance of doubt, the following are not material pleadings or material motions: ministerial notices and similar ministerial documents; retention applications; fee applications; fee statements; any similar pleadings or motions relating to the retention or fees of any professional; statements of financial affairs and schedules of assets and liabilities); (J) the Plan Supplement; (K) the New Common Shares Documents; (L) the New Corporate Governance Documents and other organizational documents of Reorganized XOG and the Reorganized Debtors; (M) the Equity Rights Offering Documents; (N) the Combination Transaction Documents; (O) the Proposal Submission Guidelines Documents; (P) the Management Incentive Plan and related documents or agreements; (Q) the Registration Rights Agreement, if any; and (R) such other agreements and documentation desired or necessary to consummate and document the transactions contemplated by this Agreement and the Restructuring Term Sheet.

3.02. The Definitive Documents not executed or in a form attached to this Agreement as of the Execution Date remain subject to negotiation and completion. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter or instrument related to the Restructuring Transactions shall contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Section 12. Further, the Definitive Documents not executed or in a form attached to this Agreement as of the Execution Date shall otherwise be in form and substance reasonably acceptable to the Company Parties and the Required Consenting Senior Noteholders; provided that the Equity Rights Offering Documents shall be reasonably acceptable to the Required Consenting Senior Noteholders.

Section 4. ***Commitments of the Consenting Senior Noteholders***.

4.01. General Commitments, Forbearances, and Waivers.

(a) During the Agreement Effective Period, each Consenting Senior Noteholders agrees, in respect of all of its Company Claims, to:

(i) support the Restructuring Transactions and vote and exercise any powers or rights available to it (including in any board, shareholders', or creditors' meeting or in any process requiring voting or approval to which they are legally entitled to participate) in each case in favor of any matter requiring approval to the extent necessary to implement the Restructuring Transactions;

(ii) use commercially reasonable efforts to cooperate with and assist the Company Parties in obtaining additional support for the Restructuring Transactions from the Company Parties' other stakeholders;

(iii) give any notice, order, instruction, or direction to the applicable Agents/Trustees necessary to give effect to the Restructuring Transactions;

(iv) negotiate in good faith and use commercially reasonable efforts to execute and implement the Definitive Documents that are consistent with this Agreement to which it is required to be a party;

(v) timely file a formal objection, or joinder to the Debtors' opposition, to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order (A) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), (B) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (C) dismissing the Chapter 11 Cases; and

(vi) timely file a formal objection, or joinder to the Debtors' opposition, to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order modifying or terminating the Company Parties' exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable.

(b) During the Agreement Effective Period, each Consenting Senior Noteholder agrees, in respect of all of its Company Claims, that it shall not directly or indirectly:

(i) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(ii) propose, file, support, or vote for any Alternative Restructuring Proposal;

(iii) file any motion, pleading, or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not materially consistent with this Agreement or the Plan;

(iv) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the Chapter 11 Cases, this Agreement, or the other Restructuring Transactions contemplated herein against the Company Parties or the other Parties other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement;

(v) exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any of Claims against the Company Parties; or

(vi) object to, delay, impede, or take any other action to interfere with the Company Parties' ownership and possession of their assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code.

4.02. Commitments with Respect to Chapter 11 Cases.

(a) During the Agreement Effective Period, each Consenting Senior Noteholder that is entitled to vote to accept or reject the Plan pursuant to its terms agrees that it shall, subject to receipt by such Senior Noteholder and Section 11.01(k), whether before or after the commencement of the Chapter 11 Cases, of the Solicitation Materials:

(i) vote each of its Company Claims to accept the Plan by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its actual receipt of the Solicitation Materials and the ballot;

(ii) to the extent it is permitted to elect whether to opt out of the releases set forth in the Plan, elect not to opt out of the releases set forth in the Plan by timely delivering its duly executed and completed ballot(s) indicating such election; and

(iii) not change, withdraw, amend, or revoke (or cause to be changed, withdrawn, amended, or revoked) any vote or election referred to in clauses (i) and (ii) above.

(b) During the Agreement Effective Period, each Consenting Senior Noteholder, in respect of each of its Company Claims, will support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with any motion or other pleading or document filed by a Company Party in the Bankruptcy Court that is consistent with this Agreement.

Section 5. ***Additional Provisions Regarding the Consenting Senior Noteholders' Commitments***. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall: (a) affect the ability of any Consenting Senior Noteholder to consult with any other Consenting Senior Noteholder, the Company Parties, or any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee); (b) impair or waive the rights of any Consenting Senior Noteholder to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions; (c) prevent any Consenting Senior Noteholder from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement; or (d) impair or waive the rights of any Consenting Senior Noteholder to appear as a party in interest in an matter to be adjudicated in order to be heard concerning any matter arising in the Chapter 11 Cases if the exercise of any such right is not in violation of or inconsistent with this Agreement. Nothing in this Agreement shall require any Consenting Senior Noteholder to incur any expenses, liabilities or other obligations,

or agree to any commitments, undertakings, concessions, indemnities or other arrangements that would reasonably be expected to result in expenses, liabilities or other obligations to any Consenting Senior Noteholder; provided that the foregoing shall not limit, alter, or modify any Consenting Senior Noteholder's express obligations under this Agreement.

Section 6. ***Commitments of the Company Parties***.

6.01. Affirmative Commitments. Except as set forth in Section 7, during the Agreement Effective Period, the Company Parties agree to:

(a) do all things reasonably necessary to (i) support and take all steps reasonably necessary and desirable to consummate the Restructuring Transactions in accordance with this Agreement, (ii) prosecute and defend any appeals relating to the Confirmation Order, and (iii) comply with the Milestones.

(b) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions contemplated herein, take all steps reasonably necessary and desirable to address any such impediment;

(c) use commercially reasonable efforts to obtain any and all required regulatory and/or third-party approvals for the Restructuring Transactions;

(d) negotiate in good faith and use commercially reasonable efforts to execute and deliver the Definitive Documents and any other required agreements to effectuate and consummate the Restructuring Transactions as contemplated by this Agreement;

(e) use commercially reasonable efforts to seek additional support for the Restructuring Transactions from their other material stakeholders to the extent reasonably prudent;

(f) (1) provide counsel for the Consenting Senior Noteholders a reasonable opportunity to review draft copies of all First Day Pleadings and, (2) to the extent reasonably practicable, provide a reasonable opportunity to counsel to any Consenting Senior Noteholder materially affected by such filing to review draft copies of other documents that the Company Parties intend to file with Bankruptcy Court, as applicable;

(g) use commercially reasonable efforts to provide draft copies of all material substantive motions, documents, and other pleadings to be filed in the Chapter 11 Cases to counsel to the Consenting Senior Noteholders at least three (3) business days prior to the date when any Company Parties intend to file such documents with the Bankruptcy Court; *provided* that if three (3) business days in advance is not reasonably practicable, such initial draft Definitive Document shall be provided as soon as reasonably practicable thereafter, without limiting any approval rights set forth in this Agreement, consult in good faith with counsel to the Consenting Senior Noteholders regarding the form and substance of any such proposed filing in accordance with Sections 3 and 12;

(h) use commercially reasonable efforts to provide, and direct their employees, officers, advisors, and other representatives to provide, to the Consenting Senior Noteholders, and each of their respective legal and financial advisors (i) reasonable access to the Company Parties'

books and records during normal business hours on reasonable advance notice to the Company Parties' representatives and without disruption to the operation of the Company Parties' business, (ii) reasonable access to the management and advisors of the Company Parties on reasonable advance notice to such persons and without disruption to the operation of the Company Parties' business, and (iii) such other information as reasonably requested by the Consenting Senior Noteholders or their legal and financial advisors, including with respect to the M&A Process and M&A Materials in accordance with the Restructuring Term Sheet; notwithstanding the foregoing, in no event shall the Company be required (x) to permit any inspection, or to disclose any information, that in the reasonable judgment of the Company, would cause the Company to violate its respective obligations with respect to confidentiality to a third party if the Company used its commercially reasonable efforts to obtain, but failed to obtain, the consent of such third party to such inspection or disclosure, (y) to disclose any legally privileged information of the Company, or (z) to violate applicable Law;

(i) provide counsel to the Consenting Senior Noteholders, subject to confidentiality restrictions, information as reasonably necessary to evaluate each of the material executory contracts or unexpired leases of the Company Parties for the purposes of concluding which such material executory contracts or unexpired leases the Company Parties or the Debtors, as applicable, intend to assume, assume and assign, or reject in the Chapter 11 Cases, subject to the consent rights set forth herein and in the Plan;

(j) timely file a formal objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order (i) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (iii) dismissing the Chapter 11 Cases; and

(k) timely file a formal objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order modifying or terminating the Company Parties' exclusive right to file and/or solicit acceptances of a plan of reorganization, as applicable.

6.02. Negative Commitments. Except as set forth in Section 7, during the Agreement Effective Period, each of the Company Parties shall not directly or indirectly:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Restructuring Transactions;

(b) take any action that is inconsistent in any material respect with, or is intended to frustrate or impede approval, implementation and consummation of the Restructuring Transactions described in, this Agreement or the Plan;

(c) modify the Plan, in whole or in part, in a manner that is not consistent with this Agreement in all material respects; or

(d) file any motion, pleading, or Definitive Documents with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not materially consistent with this Agreement or the Plan.

Section 7. ***Additional Provisions Regarding Company Parties' Commitments***.

7.01. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require a Company Party or the board of directors, board of managers, or similar governing body of a Company Party, after consulting with counsel, to take any action or to refrain from taking any action with respect to the Restructuring Transactions to the extent taking or failing to take such action would be inconsistent with applicable Law or its fiduciary obligations under applicable Law, and any such action or inaction pursuant to this Section 7.01 shall not be deemed to constitute a breach of this Agreement.

7.02. Notwithstanding anything to the contrary in this Agreement (but subject to Section 7.01), each Company Party and their respective directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the rights to: (a) consider, respond to, and facilitate Alternative Restructuring Proposals; (b) provide access to non-public information concerning any Company Party to any Entity or enter into Confidentiality Agreements or nondisclosure agreements with any Entity; (c) maintain or continue discussions or negotiations with respect to Alternative Restructuring Proposals in good faith and in accordance with any applicable fiduciary duties; (d) otherwise cooperate with, assist, participate in, or facilitate any inquiries, proposals, discussions, or negotiation of Alternative Restructuring Proposals; and (e) enter into or continue discussions or negotiations with holders of Claims against or Interests in a Company Party (including any Consenting Senior Noteholder), any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee), or any other Entity regarding the Restructuring Transactions or Alternative Restructuring Proposals. If any Company Party receives a written or oral proposal or expression of interest regarding any Alternative Restructuring Proposal that a majority of the board of directors, board of managers, or such similar governing body of any Company Party determines in good faith and following consultation with counsel is a bona fide committed proposal that represents higher or otherwise better economic recovery to the Company's stakeholders than the Restructuring Transactions taken as a whole, within five (5) Business Days, the Company Party shall notify (with email being sufficient) counsel to the Senior Notes of any such proposal or expression of interest, with such notice to include a copy of such proposal, if it is in writing, or otherwise a summary of the material terms thereof. If the board of directors of the Company Parties decides to exercise a Fiduciary Out (as defined herein), the Company Parties shall notify counsel to the Consenting Senior Noteholders within two (2) Business Days of such decision. Upon any determination by any Company Party to exercise a Fiduciary Out, the other Parties to this Agreement shall be immediately and automatically relieved of any obligation to comply with their respective covenants and agreements herein in accordance with Section 11.05 hereof.

7.03. Nothing in this Agreement shall: (a) impair or waive the rights of any Company Party to assert or raise any objection permitted under this Agreement in connection with the Restructuring Transactions; or (b) prevent any Company Party from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

7.04. The Company Parties, to the extent enforceable, waive any right to assert that the exercise of termination rights under this Agreement is subject to the automatic stay provisions of the Bankruptcy Code and expressly stipulate and consent hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising

termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required.

Section 8. ***Transfer of Interests and Securities.*** During the Agreement Effective Period, no Consenting Senior Noteholder shall Transfer any ownership (including any beneficial ownership as defined in the Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in any Company Claims to any affiliated or unaffiliated party, including any party in which it may hold a direct or indirect beneficial interest, unless (i) the transferee executes and delivers to counsel to the Company Parties, at or before the time of the proposed Transfer, a Transfer Agreement or (ii) the transferee is a Consenting Senior Noteholder and the transferee provides notice of such Transfer (including the amount and type of Company Claim Transferred) to counsel to the Company Parties at or before the time of the proposed Transfer.

8.02. Upon compliance with the requirements of Section 8.01, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of the rights and obligations in respect of such transferred Company Claims. Any Transfer in violation of Section 8.01 shall be void *ab initio*.

8.03. This Agreement shall in no way be construed to preclude the Consenting Senior Noteholders from acquiring additional Company Claims; provided, however, that (a) such additional Company Claims shall automatically and immediately upon acquisition by a Consenting Senior Noteholder be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the Company Parties or counsel to the Consenting Senior Noteholders) and (b) such Consenting Senior Noteholder must provide notice of such acquisition (including the amount and type of Company Claim acquired) to counsel to the Company Parties within five (5) Business Days of such acquisition.

8.04. This Section 8 shall not impose any obligation on any Company Party to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Senior Noteholder to Transfer any of its Company Claims. Notwithstanding anything to the contrary herein, to the extent a Company Party and another Party have entered into a Confidentiality Agreement, the terms of such Confidentiality Agreement shall continue to apply and remain in full force and effect according to its terms, and this Agreement does not supersede any rights or obligations otherwise arising under such Confidentiality Agreements.

8.05. Notwithstanding Section 8.01, a Qualified Marketmaker that acquires any Company Claims with the purpose and intent of acting as a Qualified Marketmaker for such Company Claims shall not be required to execute and deliver a Transfer Agreement in respect of such Company Claims if (i) such Qualified Marketmaker subsequently transfers such Company Claims (by purchase, sale assignment, participation, or otherwise) within five (5) Business Days of its acquisition to a transferee that is an entity that is not an affiliate, affiliated fund, or affiliated entity with a common investment advisor; (ii) the transferee otherwise is a Permitted Transferee under Section 8.01; and (iii) the Transfer otherwise is a Permitted Transfer under Section 8.01. To the extent that a Consenting Senior Noteholder is acting in its capacity as a Qualified Marketmaker, it may Transfer (by purchase, sale, assignment, participation, or otherwise) any right, title or interests in Company Claims that the Qualified Marketmaker acquires from a holder of the

Company Claims who is not a Consenting Senior Noteholder without the requirement that the transferee be a Permitted Transferee.

8.06. Notwithstanding anything to the contrary in this Section 8, the restrictions on Transfer set forth in this Section 8 shall not apply to the grant of any liens or encumbrances on any claims and interests in favor of a bank or broker-dealer holding custody of such claims and interests in the ordinary course of business and which lien or encumbrance is released upon the Transfer of such claims and interests.

Section 9. ***Representations and Warranties of Consenting Senior Noteholders***. Each Consenting Senior Noteholder severally, and not jointly, represents and warrants that, as of the date such Consenting Senior Noteholder executes and delivers this Agreement and as of the Plan Effective Date:

(a) it is the beneficial or record owner (which shall be deemed to include any unsettled trades) of the face amount of the Company Claims or is the nominee, investment manager, or advisor for beneficial holders of the Company Claims reflected in, and, having made reasonable inquiry, is not the beneficial or record owner of any Company Claims other than those reflected in, such Consenting Senior Noteholder's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated pursuant to Section 8);

(b) other than with respect to any Company Claims that are subject to unsettled trades, it has the full power and authority to act on behalf of, vote and consent to matters concerning, such Company Claims;

(c) other than with respect to any Company Claims that are subject to unsettled trades, such Company Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would materially and adversely affect in any way such Consenting Senior Noteholder's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed;

(d) other than with respect to any Company Claims that are subject to unsettled trades, it has the full power to vote, approve changes to, and transfer all of its Company Claims referable to it as contemplated by this Agreement subject to applicable Law;

(e) solely with respect to holders of Company Claims, (i) it is either (A) a qualified institutional buyer as defined in Rule 144A of the Securities Act, (B) not a U.S. person (as defined in Regulation S of the Securities Act), or (C) an institutional accredited investor (as defined in the Rules), and (ii) any securities acquired by the Consenting Senior Noteholder in connection with the Restructuring Transactions will have been acquired for investment and not with a view to distribution or resale in violation of the Securities Act;

Section 10. ***Mutual Representations, Warranties, and Covenants***. Each of the Parties represents, warrants, and covenants to each other Party, as of the date such Party executed and delivered this Agreement, on the Plan Effective Date:

(a) it is validly existing and in good standing under the Laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except (i) as expressly provided in this Agreement, the Plan, and the Bankruptcy Code or (ii) as may be necessary and/or required by the SEC or other securities regulatory authorities under applicable securities laws, no material registration or filing with, consent or approval of, or notice to, or other action, with or by, any federal, state or governmental authority or regulatory body is required in order for it to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation applicable to it or with any of its articles of association, memorandum of association or other constitutional documents;

(d) except as expressly provided in this Agreement, it has (or will have, at the relevant time) all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement; and

(e) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements with the other Parties to this Agreement that have not been disclosed to all Parties to this Agreement.

Section 11. ***Termination Events***.

11.01. Consenting Senior Noteholder Termination Events. This Agreement may be terminated with respect to the Consenting Senior Noteholders, by the Required Consenting Senior Noteholders by the delivery to the Company Parties of a written notice in accordance with Section 13.10 hereof upon the occurrence of the following events:

(a) the breach in any material respect by a Company Party of any of the representations, warranties, undertakings, commitments, or covenants of the Company Parties set forth in this Agreement that (i) is adverse to the Consenting Senior Noteholders seeking termination pursuant to this provision and (ii) remains uncured (to the extent curable) for five (5) Business Days after such terminating Consenting Senior Noteholders transmit a written notice in accordance with Section 13.10 hereof detailing any such breach;

(b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for fifteen (15) Business Days after such terminating Consenting Senior Noteholders transmit a written notice in accordance with Section 13.10 hereof detailing any such issuance; provided, that this termination right may not be exercised by any Party that sought or requested such ruling or order in contravention of any obligation set out in this Agreement;

(c) the Bankruptcy Court enters an order denying confirmation of the Plan;

(d) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Company Party seeking an order (without the prior written consent of the Required Consenting Senior Noteholders, not to be unreasonably withheld), (i) converting one or more of the Chapter 11 Cases of a Company Party to a case under chapter 7 of the Bankruptcy Code, (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Cases of a Company Party, or (iii) rejecting this Agreement;

(e) the failure of a Company Party to meet a Milestone, which has not been waived or extended in a manner consistent with this Agreement, unless such failure is the result of any act, omission, or delay on the part of the terminating Consenting Senior Noteholder in violation of its obligations under this Agreement;

(f) the Bankruptcy Court grants relief that is inconsistent in any material respect with this Agreement, the Definitive Documents or the Restructuring Transactions, and such inconsistent relief is not dismissed, vacated or modified to be consistent with this Agreement and the Restructuring Transactions within ten (10) Business Days following written notice thereof to the Company Parties by the Required Consenting Senior Noteholders;

(g) any Company Party (i) files, amends, or modifies, or files a pleading seeking approval of, any Definitive Document or authority to amend or modify any Definitive Document, in a manner that is materially inconsistent with, or constitutes a material breach of, this Agreement and is materially adverse to the Consenting Senior Noteholder seeking termination pursuant to this provision (including with respect to the consent rights afforded the Consenting Senior Noteholder under this Agreement), without the prior written consent of the Required Consenting Senior Noteholders (such consent no to be unreasonably withheld), (ii) withdraws the Plan without the prior consent of the Required Consenting Senior Noteholders, or (iii) publicly announces its intention to take any such acts listed in the foregoing clause (i) or (ii), in the case of each of the foregoing clauses (i) through (iii), which remains uncured (to the extent curable) for ten (10) Business Days after such terminating Consenting Senior Noteholder transmit a written notice in accordance with Section 13.10 detailing any such breach;

(h) on or after the Agreement Effective Date, any of the Company Parties consummates or enters into a definitive agreement evidencing any merger, consolidation, disposition of material assets, acquisition of material assets, or similar transaction, pays any dividend, or incurs any indebtedness for borrowed money, in each case outside the ordinary course of business, in each case other than: (i) the Restructuring Transactions or (ii) with the prior consent of the Required Consenting Senior Noteholders;

(i) any board of directors or board of managers, as applicable, of any Debtor or Company Party exercises a Fiduciary Out;

(j) any of the following shall have occurred: (i) the Company Parties or any affiliate of the Company Parties shall have filed any motion, application, adversary proceeding or Cause of Action (A) challenging the validity, enforceability, or priority of, or seek avoidance or

subordination of the Senior Notes Claims or (B) otherwise seeking to impose liability upon or enjoin the Consenting Senior Noteholders (in each case, other than with respect to a breach of this Agreement) or (ii) the Company Parties or any affiliate of the Company Parties shall have supported any application, adversary proceeding or Cause of Action referred to in this clause (j) filed by another person, or consents (without the consent of the Consenting Senior Noteholders) to the standing of any such person to bring such application, adversary proceeding or Cause of Action;

(k) the Debtors determine to pursue a Combination Transaction that is not reasonably acceptable to the Required Consenting Senior Noteholders.

Notwithstanding anything to the contrary herein, unless and until there is an unstayed order of the Bankruptcy Court providing that the giving of notice under and/or termination of this Agreement in accordance with its terms is not prohibited by the automatic stay imposed by section 362 of the Bankruptcy Code, the occurrence of any of the Consenting Senior Noteholder Termination Events in this Section 11.01 shall result in an automatic termination of this Agreement, to the extent the Required Consenting Senior Noteholders would otherwise have the ability to terminate this Agreement in accordance with Section 11.01, five (5) Business Days following such occurrence unless waived (including retroactively) in writing by the Required Consenting Senior Noteholders.

11.02. Company Party Termination Events. Any Company Party may terminate this Agreement as to all Parties upon prior written notice to all Parties in accordance with Section 13.10 hereof upon the occurrence of any of the following events:

(a) the breach in any material respect by one or more of the Consenting Senior Noteholders of any of the representations, warranties, undertakings, commitments, or covenants of the Consenting Senior Noteholders set forth in this Agreement that remains uncured for a period of five (5) Business Days after the Company Parties transmit a written notice in accordance with Section 13.10 hereof detailing any such breach; provided that the Company may not exercise such termination right if the non-breaching Consenting Senior Noteholders represent more than two thirds of the Senior Notes Claims;

(b) the board of directors, board of managers, or such similar governing body of any Company Party determines, after consulting with counsel, (i) that proceeding with any of the Restructuring Transactions would be inconsistent with the exercise of its fiduciary duties or applicable Law or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Restructuring Proposal (a "**Fiduciary Out**");

(c) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Restructuring Transactions and (ii) remains in effect for fifteen (15) Business Days after such terminating Company Party transmits a written notice in accordance with Section 13.10 hereof detailing any such issuance; provided, that this termination right shall not apply to or be exercised by any Company Party that sought or requested such ruling or order in contravention of any obligation or restriction set out in this Agreement; or

(d) the Bankruptcy Court enters an order denying confirmation of the Plan.

11.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among all of the following: (a) the Required Consenting Senior Noteholder s; and (b) each Company Party.

11.04. Automatic Termination. This Agreement shall terminate automatically without any further required action or notice immediately after the earliest to occur of (a) the Plan Effective Date and (b) the Outside Date; provided that the Outside Date may be extended by the mutual written agreement among the Required Consenting Senior Noteholders and each Company Party.

11.05. Effect of Termination. Upon the occurrence of a Termination Date as to a Party, this Agreement shall be of no further force and effect as to such Party and each Party subject to such termination shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or causes of action; provided that such termination shall not relieve a Party from liability for its breach or non-performance of its obligations hereunder before the Termination Date. Upon the occurrence of a Termination Date prior to the Confirmation Order being entered by a Bankruptcy Court, any and all consents or ballots tendered by the Parties subject to such termination before a Termination Date shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions and this Agreement or otherwise; provided, however, any Consenting Senior Noteholder withdrawing or changing its vote pursuant to this Section 11.05 shall promptly provide written notice of such withdrawal or change to each other Party to this Agreement and, if such withdrawal or change occurs on or after the Petition Date, file notice of such withdrawal or change with the Bankruptcy Court. Nothing in this Agreement shall be construed as prohibiting a Company Party or any of the Consenting Senior Noteholders from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict (a) any right of any Company Party or the ability of any Company Party to protect and reserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Consenting Senior Noteholder, and (b) any right of any Consenting Senior Noteholder, or the ability of any Consenting Senior Noteholder, to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Company Party or Consenting Senior Noteholder. No purported termination of this Agreement shall be effective under this Section 11.05 or otherwise if the Party seeking to terminate this Agreement is in material breach of this Agreement, except a termination pursuant to Section 11.02(b) or Section 11.02(d). Nothing in this Section 11.05 shall restrict any Company Party's right to terminate this Agreement in accordance with Section 11.02(b).

Section 12. ***Amendments and Waivers***.

(a) This Agreement may not be modified, amended, or supplemented, and no condition or requirement of this Agreement may be waived, in any manner except in accordance with this Section 12.

(b) This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, in a writing signed by: (i) each Company Party and (ii) the Required Consenting Senior Noteholders, solely with respect to any modification, amendment, waiver, or supplement that materially and adversely affects the rights of such Parties and unless otherwise specified in this Agreement; provided, however, that if the proposed modification, amendment, waiver, or supplement has a material, disproportionate, and adverse effect on any of the Company Claims held by a Consenting Senior Noteholder, then the consent of each such affected Consenting Senior Noteholder shall also be required to effectuate such modification, amendment, waiver or supplement.

(c) Any modification, amendment, or change to (i) the definition of "Required Consenting Senior Noteholders" or "Outside Date" and (ii) Section 11.04 shall require the consent of the Required Consenting Senior Noteholders.

(d) Any modification, amendment, or change to this Section 12 shall require the consent of each Consenting Senior Noteholder.

(e) Any proposed modification, amendment, waiver or supplement that does not comply with this Section 12 shall be ineffective and void *ab initio*.

(f) The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of any such right, power or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

Section 13. ***Miscellaneous***.

13.01. Acknowledgement. Notwithstanding any other provision herein, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities Laws, provisions of the Bankruptcy Code, and/or other applicable Law.

13.02. Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, annexes, signatures pages, and schedules attached hereto is expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include such exhibits, annexes, and schedules. In the event of any inconsistency between this Agreement (without reference to the exhibits, annexes, and schedules hereto) and the exhibits, annexes, and schedules hereto, this Agreement (without reference to the exhibits, annexes, and schedules thereto) shall govern.

13.03. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to use commercially reasonable efforts to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or

necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Restructuring Transactions, as applicable.

13.04. Complete Agreement. Except as otherwise explicitly provided herein, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto, other than any Confidentiality Agreement.

13.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in the Bankruptcy Court, and solely in connection with claims arising under this Agreement: (a) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court; (b) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court; and (c) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any Party hereto.

13.06. TRIAL BY JURY WAIVER. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

13.07. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

13.08. Rules of Construction. This Agreement is the product of negotiations among the Company Parties and the Consenting Senior Noteholders, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof. The Company Parties and the Consenting Senior Noteholders were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

13.09. Successors and Assigns; Third Parties. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and (except as set forth in Section 8) the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or entity.

13.10. Notices. All notices hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to a Company Party, to:

Extraction Oil & Gas, Inc.
370 17th Street Suite 5300
Denver, CO 80202
Attention: Eric Christ, VP, General Counsel and Secretary
E-mail address: echrist@extractionog.com

with copies to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Christopher Marcus, P.C.
E-mail address: christopher.marcus@kirkland.com

(b) if to a Consenting Senior Noteholder, to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attention: Andrew Rosenberg, Alice Belisle Eaton, Christopher Hopkins, Douglas Keeton, and Omid Rahnama
E-mail address: arosenberg@paulweiss.com
aeaton@paulweiss.com
chopkins@paulweiss.com
dkeeton@paulweiss.com
orahnama@paulweiss.com

Any notice given by delivery, mail, or courier shall be effective when received.

13.11. Independent Due Diligence and Decision Making. Each Consenting Senior Noteholder hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions, and prospects of the Company Parties.

13.12. Enforceability of Agreement. Each of the Parties to the extent enforceable waives any right to assert that the exercise of termination rights under this Agreement is subject to the automatic stay provisions of the Bankruptcy Code, and expressly stipulates and consents hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required.

13.13. Waiver. If the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms or the payment of damages to which a Party may be entitled under this Agreement.

13.14. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

13.15. Several, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

13.16. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

13.17. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

13.18. Capacities of Consenting Senior Noteholders. Each Consenting Senior Noteholders has entered into this agreement on account of all Company Claims that it holds (directly or through discretionary accounts that it manages or advises) and, except where otherwise specified in this Agreement, shall take or refrain from taking all actions that it is obligated to take or refrain from taking under this Agreement with respect to all such Company Claims.

13.19. Email Consents. Where a written notice, consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, pursuant to Section 3.02, Section 12, or otherwise, including a written approval by the Company Parties or the Required Consenting Senior Noteholders, such written notice, consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the Parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

13.20. Fees and Expenses. During the Agreement Effective Period, the Company Parties shall pay the Consenting Senior Noteholder Restructuring Expenses in accordance with the Restructuring Term Sheet and the applicable Definitive Documents, including the funding of the applicable retainers.

13.21. Relationship Among Consenting Senior Noteholders.

(a) None of the Consenting Senior Noteholders shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities to each other, the Company Parties or their affiliates, or any of the Company Parties' or their affiliates' creditors or other stakeholders, including, without limitation, any holders of Senior Notes Claims, other Company Claims, and, other than as expressly set forth in this Agreement, there are no commitments among or between the Consenting Senior Noteholders. It is understood and agreed that any Consenting Senior Noteholders may trade in any debt or equity securities of the Company without the consent of the Company or any other Consenting Senior Noteholders, subject to applicable securities laws and, solely in the case of Company Claims, this Agreement (including Section 8 of this Agreement). No prior history, pattern or practice of sharing confidences among or between any of the Consenting Senior Noteholders and/or the Company shall in any way affect or negate this understanding and agreement.

(b) The Company Parties understand that the Consenting Senior Noteholders are engaged in a wide range of financial services and businesses, and, in furtherance of the foregoing, the Company Parties acknowledge and agree that the obligations set forth in this Agreement shall only apply to the trading desk(s) and/or business group(s) of the Consenting Senior Noteholders that principally manage and/or supervise the Consenting Senior Noteholders' investment in the Company Parties, and shall not apply to any other trading desk or business group of the Consenting Senior Noteholders so long as they are not acting at the direction or for the benefit of such Consenting Senior Noteholders.

(c) Notwithstanding anything herein to the contrary, (i) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (ii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; and (iii) the Parties hereto acknowledge that this agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Company, and neither the Parties nor the Consenting Senior Noteholders constitute a "group" (within the meaning of Rule 13d-5 or Section 14(d)(2) under the Securities Exchange Act of 1934, as amended or any successor provision). For the avoidance of doubt, neither the existence of this Agreement, nor any action that may be taken by a Consenting Senior Noteholders pursuant to this Agreement, shall be deemed to constitute or to create a presumption by any of the Parties that the Consenting Senior Noteholders are in any way acting in concert or as such a "group" within the meaning of Rule 13d-5(b)(1).

13.22. Settlement Discussions. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Nothing in this Agreement shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408, any applicable state rules of evidence and any other applicable law, foreign or domestic, this Agreement, and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

Company Parties' Signature Page to
the Restructuring Support Agreement

EXTRACTION OIL & GAS, INC.
XTR MIDSTREAM, LLC
7N, LLC
MOUNTAINTOP MINERALS, LLC
8 NORTH, LLC
XOG SERVICES, LLC
EXTRACTION FINANCE CORP.
AXIS EXPLORATION, LLC
NORTHWEST CORRIDOR HOLDINGS, LLC
TABLE MOUNTAIN RESOURCES, LLC

By: 

Name: Eric Christ
Title: Vice President, General Counsel and
Corporate Secretary

Authorized Signatory

[*Consenting Senior Noteholder signature pages on file with the Debtors.*]

EXHIBIT A

Company Parties

Extraction Oil & Gas, Inc.

XTR Midstream, LLC

7N, LLC

Mountaintop Minerals, LLC

8 North, LLC

XOG Services, LLC

Extraction Finance Corp.

Axis Exploration, LLC

Northwest Corridor Holdings, LLC

Table Mountain Resources, LLC

EXHIBIT B

Restructuring Term Sheet

EXTRACTION OIL & GAS, INC.

RESTRUCTURING TERM SHEET

June 15, 2020

This restructuring term sheet (this "***Term Sheet***") presents the principal terms of a proposed financial restructuring (the "***Restructuring***") of the existing indebtedness of, and equity interests in, Extraction Oil & Gas, Inc. ("***Parent***") and its subsidiaries that are identified below (collectively, the "***Company***" or the "***Debtors***," as applicable), which Restructuring will be consummated by commencing prearranged cases (the "***Chapter 11 Cases***") under chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***") to pursue a chapter 11 plan of reorganization that effectuates (i) the Combination Transaction (defined herein) or (ii) the Stand-Alone Restructuring (as defined herein) (in either case, the "***Plan***") containing the terms set forth herein. This is the Term Sheet referred to in, and appended to, the Restructuring Support Agreement dated as of June 15, 2020, by and among the Company and the other parties signatory thereto (the "***Consenting Senior Noteholders***") (as amended, supplemented, or otherwise modified from time to time, the "***RSA***"). Capitalized terms used but not otherwise defined herein will have the meanings ascribed to such terms in section 101 of the Bankruptcy Code, unless otherwise specifically defined in the RSA or the Plan.

THIS TERM SHEET DOES NOT CONSTITUTE (NOR WILL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY PLAN OF REORGANIZATION, IT BEING UNDERSTOOD THAT SUCH AN OFFER, IF ANY, ONLY WILL BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES, BANKRUPTCY, AND/OR OTHER APPLICABLE LAWS.

THIS TERM SHEET DOES NOT PURPORT TO SUMMARIZE ALL OF THE TERMS, CONDITIONS, REPRESENTATIONS, WARRANTIES, AND OTHER PROVISIONS WITH RESPECT TO THE TRANSACTIONS DESCRIBED HEREIN, WHICH TRANSACTIONS WILL BE SUBJECT TO THE COMPLETION OF THE DOCUMENTS GOVERNING THE RESTRUCTURING AND INCORPORATING THE TERMS SET FORTH HEREIN (OTHER THAN THE RSA) (THE "DEFINITIVE DOCUMENTS"). THE CLOSING OF ANY TRANSACTION WILL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SUCH DEFINITIVE DOCUMENTS.

INTRODUCTION	
Company:	Parent, XTR Midstream, LLC, 7N, LLC, Mountaintop Minerals, LLC, 8 North, LLC, XOG Services, LLC, Extraction Finance Corp., Axis Exploration, LLC, Northwest Corridor Holdings, LLC, and Table Mountain Resources, LLC.
Proposed Filing Date and Venue:	No later than June 15, 2020 (the "***Petition Date***") in the United States Bankruptcy Court for the District of Delaware (the "***Bankruptcy Court***").
Claims and Interests to be Restructured:	**Revolving Credit Agreement Claims**: consisting of up to $650 million in principal amount, including reimbursement obligations in respect of letters of credit, plus accrued and unpaid interest (at the non-default rate), fees, and other expenses arising and payable under that certain Amended and Restated Credit Agreement, dated as of August 16, 2017 (as amended, modified, or otherwise supplemented from time to time, the "***Revolving Credit Agreement***"), by and among Parent, as borrower, Wells Fargo Bank, National Association, as administrative agent, issuing lender, and lender (the "***Revolving Credit Agreement Agent***"), the guarantors named therein, and the lenders named therein (the "***Revolving Credit Agreement Lenders***") (the Claims thereunder, the "***Revolving Credit Agreement Claims***") party thereto from time to time. **Senior Notes Claims**: Approximately $1,100.189 million in aggregate principal amount, consisting of: **(i)** approximately $400 million in principal amount, plus accrued and unpaid interest, fees, and other expenses arising and payable pursuant to the 7.375% Senior Notes due 2024 (the "***2024 Senior Notes***," and the holders thereof, the "***2024 Senior Noteholders***") issued pursuant to that certain indenture, dated as of August 1, 2017 (as amended, modified, or otherwise supplemented from time to time, the "***2024 Senior Notes Indenture***," and the Claims thereunder, the "***2024 Senior Notes Claims***"), by and among Parent, as issuer, each of the guarantors named therein, and Wells Fargo Bank, National Association, as trustee; and **(ii)** approximately $700.189 million in principal amount, plus accrued and unpaid interest, fees, and other expenses arising and payable pursuant to the 5.625% Senior Notes due 2026 (the "***2026 Senior Notes***," and the holders thereof, the "***2026 Senior Noteholders***," and together with the 2024 Senior Noteholders, the "***Senior Noteholders***," and the ad hoc group of Senior Noteholders represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP and Houlihan Lokey Capital, Inc., the "***Ad Hoc Noteholder Group***") issued pursuant to that certain indenture, dated as of January 25, 2018 (as amended, modified, or otherwise supplemented from time to time, the "***2026 Senior Notes Indenture***," and the Claims thereunder, the "***2026 Senior Notes Claims***"), by and among Parent, as issuer, each of the guarantors named

	therein, and Wells Fargo Bank, National Association, as trustee (the "***Senior Notes Trustee***"); **Trade Claims**: consisting of any ordinary course trade vendor of the Debtors against any of the Debtors on account of ordinary course goods and/or services provided to any of the Debtors. Trade Claims shall not include any Claim arising from or based upon rejection of any executory contract or unexpired lease, any Claim that is a Secured Claim, or any Claim resulting from litigation against one or more of the Debtors (the "***Trade Claims***"). **General Unsecured Claims**: consisting of any Claim against the Company that is not a Revolving Credit Agreement Claim, a Senior Note Claim, an Intercompany Claim, a Trade Claim, or a Claim that is secured, subordinated, or entitled to priority under the Bankruptcy Code (the "***General Unsecured Claims***"). **Existing Preferred Interests**: consisting of all Interests in Parent arising from or related to the shares of the Series A Convertible Preferred Stock, $0.01 par value, of the Parent that existed immediately prior to the Effective Date (the "***Existing Preferred Stock***," and the interests in Parent arising from or related to such, the "***Existing Preferred Interests***"). **Existing Common Interests**: consisting of all Interests in Parent arising from or related to the shares of the class of common stock of Parent that existed immediately prior to the Effective Date, including any restricted stock of Parent that vests prior to the Effective Date (the "***Existing Common Stock***," and the interests in Parent arising from or related to such, the "***Existing Common Interests***"). **Other Equity Interests**: consisting of all Interests in Parent other than Existing Preferred Interests and the Existing Common Interests (the "***Other Equity Interests***").
RESTRUCTURING OVERVIEW	
Implementation	The Company will commence the Chapter 11 Cases and implement the Restructuring pursuant to the RSA and the prearranged Plan. The transactions in this Term Sheet may be effectuated pursuant to (a) a sale to, or combination or merger with, a third party involving all or substantially all of the Company's restructured equity or assets pursuant to a Successful Proposal (the "***Combination Transaction***") or (b) a stand-alone reorganization (the "***Stand-Alone Restructuring***") that is consistent with the provisions set forth in this Term Sheet. The Plan shall provide for the implementation of the Combination Transaction or, alternatively, the Stand-Alone Restructuring, and shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders, which consent shall not be unreasonably withheld.

Combination Transaction	
Combination Transaction and Required Consenting Senior Noteholders' Consent/Approval:	Following the Petition Date, the Company shall oversee and manage the process related to the Combination Transaction (the "***M&A Process***"), including communicating with any potentially interested parties and contacting the parties on the Combination Transaction Contact List, exchanging diligence and other information, and soliciting proposals for Combination Transactions, and shall consult with the Consenting Senior Noteholders regarding the M&A Process, and, upon request by the Consenting Senior Noteholders, promptly provide the Consenting Senior Noteholders with all material information, diligence, and marketing materials related to the M&A Process, including periodic high-level informational summaries related to ongoing negotiations, conversations, and correspondence related thereto (the "***M&A Process Materials***"); *provided* that, if the Company determines it is necessary to retain additional advisors, it may do so in its sole discretion. The Ad Hoc Noteholder Group and its advisors shall have the right to review all information, diligence, and marketing materials provided by the investment bankers or other advisors retained by the Company to any bidder or prospective bidder with respect to any potential Combination Transaction or merger and to consult with such investment bankers or other advisors with respect to any potential Combination Transaction and any counterproposals or other material documents to be provided to a prospective Combination Transaction partner at least one (1) business day in advance of being provided to any prospective bidder. Notwithstanding the foregoing, in no event shall the Company be required (x) to permit any inspection, or disclose, any information, that in the reasonable judgment of the Company, would cause the Company to violate its respective obligations with respect to confidentiality to a third party if the Company used its commercially reasonable efforts to obtain, but failed to obtain, the consent of such third party to such inspection or disclosure, (y) to disclose any legally privileged information of the Company, or (z) to violate applicable Law. The Company and the advisors for the Ad Hoc Noteholder Group shall consult in good faith regarding the M&A Process, including the M&A Process Materials and other information reasonably requested by the Ad Hoc Noteholder Group and their advisors with respect thereto. The Company may consummate the Combination Transaction if the Company, in consultation with the Required Consenting Senior Noteholders, makes a good faith determination that the Combination Transaction is more value-maximizing than a Stand-Alone Restructuring; *provided* that the Required Consenting Senior Noteholders may terminate the RSA with respect to the Consenting Senior Noteholders if the Company determines to pursue the consummation of a Combination Transaction that is not reasonably acceptable to the Required Consenting Senior Noteholders and the Consenting Senior Noteholders shall be entitled to oppose such

	Combination Transaction, including by voting to reject any chapter 11 plan implementing such transaction. The Combination Transaction and the Plan solicitation process shall generally be conducted in accordance with the procedures and timeline set forth herein and in the Proposal Submission Guidelines, which shall be subject to the approval of the Required Consenting Senior Noteholders (such approval not to be unreasonably withheld).
Stand-Alone Restructuring	
Overview of the Stand-Alone Restructuring:	The Plan shall provide that the Stand-Alone Restructuring will be implemented if, in consultation with the Required Consenting Senior Noteholders, the Company determines in good faith that the Stand-Alone Restructuring is more value-maximizing than the Combination Transaction. In a Stand-Alone Restructuring, on the Effective Date, all of the Senior Notes Claims, Existing Preferred Interests, and Existing Common Interests will be released, cancelled, and extinguished in exchange for the recoveries set forth below, including the issuance of New Common Shares pursuant to the Plan, preferred equity (if applicable), and the right to participate in the Equity Rights Offering. Votes on the Plan will be solicited from holders of (i) Senior Notes Claims, (ii) General Unsecured Claims, (iii) Existing Preferred Interests, and (iv) Existing Common Interests. As of the Effective Date, the Revolving Credit Agreement Claims will be (i) reinstated under an amended conforming revolving credit agreement or (ii) paid in full in Cash from the proceeds of (x) a new reserve-based lending facility and (y) the Equity Rights Offering, and the Senior Notes Claims, Existing Equity Interests, and Other Equity Interests will be cancelled, released, and extinguished and will be of no further force and effect.
Equity Rights Offering	
Equity Rights Offering and Backstop Commitment:	As a component of the Restructuring and consistent with the Equity Rights Offering Documents, the Company may conduct an equity rights offering in an amount to be agreed among the Company and the Required Consenting Senior Noteholders (the "***Equity Rights Offering***"), such amount to be subject to the reasonable consent of the Required Consenting Senior Noteholders, pursuant to which holders of Senior Notes Claims, Existing Preferred Interests, and Existing Common Stock shall be permitted to purchase up to an amount of New Common Shares reasonably acceptable to the Company and the Required Consenting Senior Noteholders based on Plan Equity Value and the agreed amount of the Equity Rights Offering to be issued pursuant to the Equity Rights Offering (in each case subject to dilution by the MIP Equity, the New Common Shares issued pursuant to the Backstop Commitment Premium, and the New Warrants (as defined below)

	(the "***Rights Offering Shares***"), and in all respects consistent with the Equity Rights Offering Documents. The Equity Rights Offering Documents and the Plan shall provide holders of: • Senior Notes Claims the right to purchase their Pro Rata share of up to 97% of the Rights Offering Shares at a 30% discount (the "***Rights Offering Discount***") to Plan Equity Value, as outlined in the final Disclosure Statement. • Existing Preferred Interests and Existing Common Interests the right to purchase up to 3%[1] of the Rights Offering Shares at the Rights Offering Discount to Plan Equity Value. The proceeds shall be used by the Debtors or the Reorganized Debtors, as applicable, to (i) provide additional liquidity for working capital and general corporate purposes, (ii) pay all Consenting Senior Noteholder Restructuring Expenses (to the extent there are any outstanding) pursuant to the RSA and the Backstop Commitment Agreement, and (iii) fund distributions under the Plan. In accordance with the Equity Rights Offering Documents, the Backstop Parties shall backstop the Equity Rights Offering in exchange for the Backstop Commitment Premium. The Backstop Commitment Agreement shall include a provision requiring prompt payment of all Consenting Senior Noteholder Restructuring Expenses of the Backstop Parties for so long as such agreement remains in effect.
New Warrants:	On the Effective Date, and in accordance with the terms herein, the Reorganized Debtors shall issue to the holders of Existing Preferred Interests and Existing Common Interests (i) new tranche A warrants, with a 4-year tenor, exercisable into 10% of New Common Stock, struck at an equity value implying a 110% recovery to the Senior Notes on the face value of their claims (including accrued interest through the Effective Date), subject to dilution by the Management Incentive Plan (the "***Tranche A Warrants***"), and (ii) new tranche B warrants, with a 5-year tenor, exercisable into 5% of New Common Stock, struck at an equity value implying a 125% recovery to the Senior Notes on the face value of their claims (including accrued interest through the Effective Date), subject to dilution by the Management Incentive Plan (the "***Tranche B Warrants***," together with the Tranche A Warrants, the "***New Warrants***"). The New Warrants shall not include Black Scholes or similar protections in the event of a sale, merger, or similar transaction prior to exercise.

[1] Equity participation split between Existing Preferred Interests and Existing Common Interests to be same as new ownership provided under Plan treatment.

DIP Financing	
DIP Credit Facility:	The Restructuring will be financed by a new money DIP financing facility in an aggregate amount to be agreed prior to the Petition Date (the "***DIP Credit Facility***"), provided by the Revolving Credit Agreement Lenders (in their respective capacities as such, the "***DIP Lenders***"), which shall include access to the consensual use of Cash Collateral, and shall be consistent with the material terms set forth in the term sheet attached hereto as **Annex 2** (the "***DIP Term Sheet***"), and otherwise in form and substance reasonably acceptable to the Required Consenting Senior Noteholders. The interim and final orders approving the DIP Credit Facility (respectively, the "***Interim DIP Order***" and the "***Final DIP Order***"), shall be reasonably acceptable to the Required Consenting Senior Noteholders. To the extent the Company pursues a new money DIP financing facility, the Company shall solicit a proposal from the Ad Hoc Noteholder Group to provide such DIP financing, which proposal the Company shall consider in good faith alongside other commercially reasonable proposals that it receives, if any, from third parties.

TREATMENT OF CLAIMS AND INTERESTS

Type of Claim	Treatment	Impairment /Voting
Administrative Expense Claims and Priority Tax Claims:	Except to the extent that a holder of an Allowed Administrative Expense Claim or an Allowed Priority Tax Claim agrees to a less favorable treatment, each holder of an Allowed Administrative Expense Claim and an Allowed Priority Tax Claim will receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Allowed Claim on the Effective Date or as soon as practicable thereafter or such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.	N/A
DIP Claims:	On the Effective Date, the DIP Loan Claims shall be paid in full in Cash (or such other consideration as the DIP Lenders agree in their sole discretion).	Unimpaired; Presumed to Accept.
Other Secured Claims:	Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction of such Allowed Other Secured Claim, at the option of the Debtors or the Reorganized Debtors (subject to the reasonable consent of the Required Consenting Senior Noteholders, which consent shall not be unreasonably withheld), (i) each such holder will receive payment in full in Cash, payable on the later of the Effective	Unimpaired; Presumed to Accept.

	Date and the date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter, (ii) such holder's Allowed Other Secured Claim will be reinstated (only if the Stand-Alone Restructuring is pursued), or (iii) such holder will receive such other treatment so as to render such holder's Allowed Other Secured Claim Unimpaired pursuant to section 1124 of the Bankruptcy Code.	
Other Priority Claims:	Except to the extent that a holder of an Allowed Other Priority Claim agrees to a less favorable treatment, in full and final satisfaction of such Allowed Other Priority Claim, each holder of an Allowed Other Priority Claim will, at the option of the Debtors or the Reorganized Debtors (subject to the reasonable consent of the Required Consenting Senior Noteholders, which consent shall not be unreasonably withheld), (i) be paid in full in Cash or (ii) otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, in each case, or as soon as reasonably practicable thereafter.	Unimpaired; Presumed to Accept.
Revolving Credit Agreement Claims:	On the Effective Date, the Revolving Credit Agreement Claims shall either be reinstated under an amended conforming revolving credit agreement, or be paid in full in Cash from: **(a) if the Combination Transaction is pursued**, (i) the proceeds of a new reserve-based lending facility, and/or (ii) cash proceeds from the Combination Transaction; or (**b) if the Stand-Alone Restructuring is pursued**, the proceeds of (i) a new reserve-based lending facility and (ii) the Equity Rights Offering.	Unimpaired; Presumed to Accept.
Senior Notes Claims:	On the Effective Date of the Plan, the Senior Notes Claims will be released and extinguished and each holder of an Allowed Senior Notes Claim will receive, in full and final satisfaction of such Allowed Senior Notes Claim: **(a) if the Combination Transaction is pursued**, its Pro Rata share of 97% of (i) New Common Shares issued pursuant to the Plan on the Effective Date (the "***Equity Allocation***") *pro forma* for the Combination Transaction and/or (ii) cash	Impaired; Entitled to Vote.

	proceeds from the Combination Transaction (the "***Alternative Allocation***"); or **(b) if the Stand-Alone Restructuring is pursued**, its Pro Rata share of (i) 97% of the Equity Allocation, and (ii) subscription rights for 97% of the Equity Rights Offering.	
Trade Claims:	**(a) if the Combination Transaction is pursued**, Trade Claims that are not expressly assumed by the partner pursuant to the Combination Transaction shall be treated as General Unsecured Claims; or **(b) if the Stand-Alone Restructuring is pursued**, on the Effective Date of the Plan each holder of an Allowed Trade Claim shall receive, in full and final satisfaction of such Allowed Trade Claim, payment in full of such Allowed Trade Claim on the Effective Date or otherwise in the ordinary course of the Debtors' business, and the remaining Trade Claims shall be treated as General Unsecured Claims.	Unimpaired; Presumed to Accept.
General Unsecured Claims:	On the Effective Date of the Plan, General Unsecured Claims will be cancelled, released, and extinguished and will be of no further force and effect and each holder of an Allowed General Unsecured Claim will receive, in full and final satisfaction of such Allowed General Unsecured Claim: **(a) if the Combination Transaction is pursued**, its Pro Rata share of 97% of (i) the Equity Allocation pro forma for the Combination Transaction and/or (ii) the Alternative Allocation; or **(b) if the Stand-Alone Restructuring is pursued**, its Pro Rata share of 97% of the Equity Allocation.	Impaired; Entitled to Vote.
Existing Preferred Interests:	On the Effective Date of the Plan, Existing Preferred Interests will be cancelled, released, and extinguished and will be of no further force and effect and each holder of an Allowed Existing Preferred Interest will receive, in full and final satisfaction of such Allowed Existing Preferred Interest, its Pro Rata Share of: **(a) if the Combination Transaction is pursued**, (i) 1.5% of (x) the Equity Allocation *pro forma* for the Combination Transaction and/or (y) the Alternative Allocation, (ii) 50% of the Tranche A Warrants, and (iii) 50% of the Tranche B Warrants; or	Impaired; Entitled to Vote.

	(b) if the Stand-Alone Restructuring is pursued, (i) 1.5% of the Equity Allocation, (ii) subscription rights for 1.5% of the Equity Rights Offering, (iii) 50% of the Tranche A Warrants, and (iv) 50% of the Tranche B Warrants.	
Existing Common Interests:	On the Effective Date of the Plan, Existing Common Interests will be cancelled, released, and extinguished and will be of no further force and effect and each holder of an Allowed Existing Common Interest will receive, in full and final satisfaction of such Allowed Existing Common Interest, its Pro Rata Share of: **(a) if the Combination Transaction is pursued**, (i) 1.5% of (x) the Equity Allocation pro forma for the Combination Transaction and/or (y) the Alternative Allocation, (ii) 50% of the Tranche A Warrants, and (iii) 50% of the Tranche B Warrants.; or **(b) if the Stand-Alone Restructuring is pursued**, (i) 1.5% of the Equity Allocation, (ii) subscription rights for 1.5% of the Equity Rights Offering, (iii) 50% of the Tranche A Warrants, and (iv) 50% of the Tranche B Warrants.	Impaired; Entitled to Vote.
Other Equity Interests:	On the Effective Date, all Other Equity Interests will be cancelled, released, and extinguished and will be of no further force and effect. No holder of Other Equity Interests will receive a distribution under the Plan.	Impaired; Presumed to Reject.
Intercompany Claims:	**(a) if the Combination Transaction is pursued,** [●]; or **(b) if the Stand-Alone Restructuring is pursued**, all Intercompany Claims will be adjusted, reinstated, or discharged in the Company's discretion, subject to the consent of the Required Consenting Senior Noteholders (such consent not to be unreasonably withheld).	Unimpaired; Presumed to Accept.
Intercompany Interests:	**(a) if a Combination Transaction is pursued,** [●]; or **(b) if the Stand-Alone Restructuring is pursued**, all Intercompany Interests will either be, subject to the reasonable consent of the Required Consenting Senior Noteholders, (i) reinstated (except that they may be modified or recharacterized as Intercompany Claims with the consent of the Required Consenting Senior Noteholders (such consent not to be unreasonably withheld)), or (ii) cancelled	Unimpaired; Presumed to Accept.

	or otherwise eliminated and receive no distribution under the Plan.	
GENERAL PROVISIONS		
Executory Contracts and Unexpired Leases:	**(a) if the Combination Transaction is pursued**, any executory contracts and unexpired leases ("***Executory Contracts and Unexpired Leases***") to which any of the Debtors are parties shall be deemed rejected as of the date of entry of the Confirmation Order, unless (i) such Executory Contract or Unexpired Lease is assumed by the Debtors and assigned to the partners pursuant to the Combination Transaction, (ii) was previously rejected by the Debtors, pursuant to a Final Order of the Bankruptcy Court, (iii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto, (iv) is the subject of a motion to reject filed by the Debtors on or before the date of entry of the Confirmation Order, or (v) is specifically designated as a contract or lease to be rejected on the Schedule of Rejected Contracts; *provided*, *however*, that the Required Consenting Senior Noteholders consent to such rejection, assumption, or assumption and assignment (such consent not to be unreasonably withheld); or **(b) if the Stand-Alone Restructuring is pursued**, as of and subject to the occurrence of the Effective Date and the payment of any applicable cure amount, all Executory Contracts and Unexpired Leases shall be deemed assumed, unless such contract or lease (i) was previously assumed or rejected by the Debtors, pursuant to a Final Order of the Bankruptcy Court, (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto, (iii) is the subject of a motion to reject filed by the Debtors on or before the date of entry of the Confirmation Order, (iv) contains a change of control or similar provision that would be triggered by the Restructuring (unless such provision has been irrevocably waived), or (v) is specifically designated as a contract or lease to be rejected on the Schedule of Rejected Contracts; *provided*, *however*, that the Required Consenting Senior Noteholders consent to such rejection, assumption, or assumption and assignment (such consent not to be unreasonably withheld). In either case, Claims arising from the rejection of the Debtors' Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims and any settlement of such claims is subject to the reasonable consent of the Required Consenting Senior Noteholders, which consent shall not be unreasonably withheld.	
Board of Directors:	**If the Stand-Alone Restructuring is pursued**, the board of directors of the Reorganized Debtors (the "***New Board***") will consist of (i) the chief executive officer of the Reorganized Debtors and (ii) the other directors selected by the Required Consenting Senior Noteholders, whose identities shall be disclosed in the Plan Supplement.	

Charter, By-Laws and Organizational Documents:	**If the Stand-Alone Restructuring is pursued**, the New Corporate Governance Documents will become effective as of the Effective Date. In each case, the New Corporate Governance Documents shall be in a form acceptable to the Required Consenting Senior Noteholders.
Management Incentive Plan:	**(a) If the Combination Transaction is pursued**, customary cash incentives will be provided to the management with an aggregate value that is no less than the value of the MIP Equity (as defined below) that would otherwise initially be granted to management. **(b) If the Stand-Alone Restructuring is pursued**, the Plan will provide for the establishment of a post-emergence management incentive plan to be adopted by the New Board (the "***Management Incentive Plan***"), which will include (i) restricted stock units, options, New Common Shares, or other rights exercisable, exchangeable, or convertible into New Common Shares representing up to 10% of the New Common Shares on a fully diluted and fully distributed basis (the "***MIP Equity***") and (ii) other terms and conditions customary for similar type equity plans, and otherwise in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.
KEIP/KERP:	Following the Petition Date, to the extent the Company decides to seek Bankruptcy Court approval of (a) a key employee incentive plan for insider employees (the "***KEIP***"), and/or (b) a key employee retention plan for key non-insider employees (the "***KERP***"), such plans shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Company shall consult with the Required Consenting Senior Noteholders with respect to the terms of such KEIP and/or KERP prior to filing motions seeking approval of the same.
Vesting of Assets:	**If the Stand-Alone Restructuring is pursued**, on the Effective Date of the Plan, pursuant to section 1141(b)-(c) of the Bankruptcy Code, all remaining operating assets of the Company will vest in the Reorganized Debtors free and clear of all liens, Claims, and encumbrances, except as otherwise provided by the Plan.
Hedging Program:	The Company shall consult with the Required Consenting Senior Noteholders regarding any material changes to the Company's hedging program.
Survival of Indemnification Obligations and D&O Insurance:	**(a) if the Combination Transaction is pursued**, the Indemnification Obligations will be subject to the partner's discretion to assume such obligations as part of the terms of the Combination Transaction. In addition, after the Combination Transaction is effectuated, the partner will not terminate or otherwise reduce the coverage under any directors' and officers' insurance policies (including any "tail policy") in effect or purchased as of the Petition Date, and all members, managers, directors, and officers of the Company who served in such capacity at any time prior to the

	Effective Date or any other individuals covered by such insurance policies, will be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such members, managers, directors, officers, or other individuals remain in such positions after the Effective Date of the Plan. **(b) if the Stand-Alone Restructuring is pursued**, any obligations of the Company pursuant to corporate charters, bylaws, limited liability company agreements, or other organizational documents to indemnify current and former officers, directors, managers, members, agents, or employees with respect to all present and future actions, suits, and proceedings against the Company or such directors, officers, managers, members, agents, or employees, based upon any act or omission for or on behalf of the Company (the "***Indemnification Obligations***") will not be discharged or impaired by confirmation of the Plan. All such Indemnifications Obligations will be assumed by the Company under the Plan (and shall be treated as executory contracts to be assumed under the Plan, to the extent applicable) and will continue as obligations of the Reorganized Debtors. Any Claim based on the Company's obligations thereunder will be an Allowed Claim. In addition, after the Effective Date, the Reorganized Debtors will not terminate or otherwise reduce the coverage under any directors' and officers' insurance policies (including any "tail policy") in effect or purchased as of the Petition Date, and all members, managers, directors, and officers of the Company who served in such capacity at any time prior to the Effective Date or any other individuals covered by such insurance policies, will be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such members, managers, directors, officers, or other individuals remain in such positions after the Effective Date.
Conditions to Confirmation:	Confirmation of the plan will be subject to the satisfaction of customary conditions, including the following (as applicable): i. the Definitive Documents (as defined herein) will contain terms and conditions consistent in all material respects with this Term Sheet and the RSA, and otherwise satisfactory or reasonably satisfactory, as applicable, in form and substance to the Required Consenting Senior Noteholders; ii. the RSA shall remain in full force and effect and shall not have been terminated, and there shall be no default thereunder; and iii. the Bankruptcy Court will have entered the Disclosure Statement Order, in form and substance acceptable to the Required Consenting Senior Noteholders, and such Disclosure Statement Order will not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered.

	The conditions to confirmation may be waived, in whole or in part, in writing (which may be via e-mail) by the Debtors and the Required Consenting Senior Noteholders.
Conditions to Effectiveness:	Effectiveness of the Plan will be subject to the satisfaction of customary conditions, including the following (as applicable): i. the Definitive Documents (as defined in the RSA) will contain terms and conditions consistent in all material respects with this Term Sheet and the RSA, and otherwise satisfactory or reasonably satisfactory, as applicable, in form and substance to the Required Consenting Senior Noteholders; ii. the RSA shall remain in full force and effect and shall not have been terminated, and there shall be no default thereunder; iii. the Bankruptcy Court will have entered the Confirmation Order, in form and substance acceptable to the Required Consenting Senior Noteholders, and such Confirmation Order will not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered; iv. to the extent an Exit Facility is entered into, all conditions precedent to the effectiveness of the Exit Facility shall have been satisfied or duly waived, and the Exit Facility, including all documentation related thereto, shall be in form and substance satisfactory to the Required Consenting Senior Noteholders and the Company and in effect; v. the final version of the Plan, Plan Supplement, and all of the schedules, documents, and exhibits contained therein, and all other schedules, documents, supplements, and exhibits to the Plan shall be consistent with the RSA, and in form and substance acceptable or reasonably acceptable, as applicable, to the Required Consenting Senior Noteholders; vi. all waiting periods imposed by any Governmental Entity or Antitrust Authority in connection with the transactions contemplated by the Backstop Commitment Agreement shall have terminated or expired and all authorizations, approvals, consents or clearances under the Antitrust Laws in connection with the transactions contemplated by the Backstop Commitment Agreement shall have been obtained, (if applicable); vii. the Debtors shall have obtained all material authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan, including Bankruptcy Court approval, and each of the other transactions contemplated by the Restructuring, and such material authorizations, consents, regulatory approvals, rulings, or documents shall not be subject to unfulfilled

	conditions and shall be in full force and effect, and all applicable regulatory waiting periods will have expired; viii. the Debtors shall have complied, in all material respects, with the terms of the Plan that are to be performed by the Debtors on or prior to the Effective Date and the conditions to the occurrence of the Effective Date (other than any conditions relating to the occurrence of the closing) set forth in the Plan shall have been satisfied or, with the prior consent of the Required Consenting Senior Noteholders waived in accordance with the terms of the Plan; ix. the Restructuring to be implemented on the Effective Date shall be consistent with the Plan and the RSA; x. all Consenting Senior Noteholder Restructuring Expenses have been or will be paid in full in Cash; xi. the Debtors shall not be in default under the DIP Facility, and the Interim DIP Order and the Final DIP Order shall not have been reversed, stayed, dismissed, vacated, or reconsidered; xii. the Debtors shall not have filed, supported, or consented to any motion, application, adversary proceeding, or cause of action (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of any of the Senior Notes Claims or the DIP Claims (as applicable), (B) otherwise seeking to impose liability upon or enjoin the Senior Noteholders or DIP Lenders, or (C) by any third party seeking standing to bring such application, adversary proceeding, or cause of action; xiii. in the case of a Stand-Alone Restructuring: a. the Bankruptcy Court shall have entered the Backstop Order, in form and substance acceptable to the Required Consenting Senior Noteholders, and such order shall not have been reserved, stayed, amended, modified, dismissed, vacated, or reconsidered; b. the Backstop Agreement shall remain in full force and effect and shall not have been terminated, and the parties thereto shall be in compliance therewith; and c. the Equity Rights Offering shall have been conducted, in all material respects, in accordance with the Equity Rights Offering Documents and any other relevant transaction documents; and d. the New Corporate Governance Documents shall be in full force and effect.

	The conditions to effectiveness may be waived, in whole or in part, in writing (which may be via e-mail) by the Debtors and the Required Consenting Senior Noteholders.
Milestones:	The Consenting Senior Noteholders' support for the Restructuring shall be subject to the timely satisfaction of the following milestones (the "***Milestones***"), which may be extended with the prior written consent of the Required Consenting Senior Noteholders, which consent shall not be unreasonably withheld: 1. No later than June 15, 2020, the Company shall commence the Chapter 11 Cases; 2. No later than 3 Business Days after the Petition Date, the Interim DIP Order shall be entered by the Bankruptcy Court; 3. No later than 5 days after the Petition Date, the Company's investment bankers shall have contacted the parties in the Combination Transaction Contact List and initiated the reciprocal due diligence process; 4. No later than 10 days after the Petition Date, the Company shall file the Proposal Submission Guidelines Motion; 5. No later than 21 days after the Petition Date, the Company shall file the Plan, the Disclosure Statement, the Disclosure Statement Motion, and the Backstop Motion; 6. No later than 30 days after the Petition Date, the Proposal Submission Guidelines Order, and the Final DIP Order shall be entered by the Bankruptcy Court; 7. No later than 45 days after the Petition Date, the deadline for submission of preliminary indications of interest for the Combination Transaction shall occur; 8. No later than 45 days after filing the Disclosure Statement Motion, the Disclosure Statement Order and the Backstop Order shall be entered by the Bankruptcy Court; 9. No later than 75 days after the Petition Date, the deadline for submission of firm proposals, which shall include outside counsel vetted comments to definitive transaction documents for a Combination Transaction, shall occur; 10. No later than 5 days after entry of the Disclosure Statement Order, the Company shall commence the Equity Rights Offering and Plan

	solicitation in accordance with the Disclosure Statement Order and the solicitation procedures; 11. Solely in the event that a Combination Transaction is pursued, no later than 95 days after the Petition Date, the Company and a Combination Transaction partner shall have executed and delivered a definitive transaction agreement; 12. No later than 110 days after the Petition Date, the filing by the Debtors of the Plan Supplement, including the documents relating to the Exit Facility (if applicable); 13. No later than 110 days after the Petition Date, the occurrence of the Voting Deadline; 14. Solely to the extent that the Company has entered into a definitive agreement for a Combination Transaction and the Restructuring is being effectuated through the Combination Transaction, a. No later than 115 days after the Petition Date, the Court endorsement of the Combination Transaction contemplated by the definitive agreement shall be entered by the Bankruptcy Court; b. No later than 120 days after the Petition Date, the Combination Transaction shall be consummated, including final execution of all relevant documents in connection therewith unless consummation of the Combination Transaction is contingent on the Effective Date or third-party approvals that are required under applicable securities laws; 15. No later than 120 days after the Petition Date, the Confirmation Hearing shall have commenced; 16. No later than 123 days after the Petition Date, the Confirmation Order shall be entered by the Bankruptcy Court; and 17. No later than 130 days from the Petition Date, the Effective Date shall have occurred.
Consenting Senior Noteholder Restructuring Expenses:	The Company will pay, immediately prior to the Petition Date, all Consenting Senior Noteholder Restructuring Expenses, including fees and expenses estimated to be incurred prior to the filing of the Chapter 11 Cases, for which invoices or receipts are furnished by the advisors to the Consenting Senior Noteholders at least one (1) Business Day prior thereto and provide (i) a $500,000.00 advance retainer to Paul, Weiss, Rifkind, Wharton &

	Garrison, LLP; (ii) a $150,000.00 advance retainer to Young, Conaway, Stargatt & Taylor, LLP; and (iii) an advance retainer to Houlihan Lokey Capital, Inc. Pursuant to and following the entry of the Backstop Order and/or DIP Orders, the Company will pay from time to time within five (5) Business Days of receipt of an invoice therefor, and (to the extent not previously paid) on the Effective Date, to the extent invoice at least one (1) Business Day beforehand, all Consenting Senior Noteholder Restructuring Expenses incurred and outstanding (including any estimated fees and expenses estimated to be incurred through the Effective Date).
Consent Rights of Consenting Senior Noteholders and Required Consenting Senior Noteholders:	Notwithstanding anything to the contrary herein or in the Plan, any and all consent rights of the Consenting Senior Noteholders and Required Consenting Senior Noteholders set forth in the RSA with respect to the Definitive Documents, including any amendments, restatements, supplements, or other modifications to such documents, will be incorporated into the Plan by reference and fully enforceable as if stated in full in the Plan.
Releases and Exculpation:	The Plan and the Confirmation Order will contain the exculpation provisions, the Debtor releases, and the "third-party" releases set forth in **Annex 1** to this Term Sheet.
Tax Structure:	To the extent practicable, the Restructuring contemplated by this Term Sheet will be structured so as to obtain the most beneficial tax structure for the Company and the Senior Noteholders, as determined by the Company and with the consent of the Required Consenting Senior Noteholders (such consent not to be unreasonably withheld).
Retention of Jurisdiction:	The Plan, as applicable, will provide for a broad retention of jurisdiction by the Bankruptcy Court for (i) resolution of Claims, (ii) allowance of compensation and expenses for pre-Effective Date services, (iii) resolution of motions, adversary proceedings, or other contested matters, (iv) entry of such orders as necessary to implement or consummate the Plan and any related documents or agreements, and (v) other customary purposes.
Restructuring Transactions:	In the event the Stand-Alone Restructuring is pursued, on the Effective Date or as soon as reasonably practicable thereafter, the Debtors or the Reorganized Debtors, as applicable, subject to the consent of the Required Consenting Senior Noteholders (such consent not to be unreasonably withheld), may take all actions consistent with this Plan as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Restructuring under and in connection with the Plan.
Exemption from SEC Registration:	The issuance and distribution under the Plan of the New Common Shares or the Rights Offering Shares pursuant to the Equity Rights Offering, including any New Common Shares issued on account of the Backstop Commitment

	Premium, will be issued in reliance on the exemption from registration to the fullest extent permitted by law.
Securities Issuance Requirements:	If the Stand-Alone Restructuring is pursued, the issuance of the New Common Shares, to the extent applicable, will be subject to the following requirements (the "***Securities Issuance Requirements***"): The Company will use commercially reasonable efforts to promptly make the New Common Shares eligible for deposit with the DTC and posted on Bloomberg. To the extent the Reorganized Parent is not an SEC registered reporting entity, any New Common Shares issued under the Plan will entitle the beneficial owner of such securities to certain information rights, including the following: (1) quarterly unaudited financials (with MD&A); (2) annual audited financials (with MD&A); (3) quarterly management calls with Q&A; (4) prompt reporting of material acquisitions, dispositions, restructurings, mergers, issuances of debt or similar transactions; (5) all other material publicly available reports; and (6) sufficient financial information about the Reorganized Debtors shall be provided to market makers to allow the New Common Shares to be "pink sheets" eligible. For the avoidance of doubt, the foregoing shall not be required with respect to such New Common Shares to the extent that the Company is an SEC registered reporting entity. Furthermore, to the extent the Reorganized Parent is an SEC reporting entity, on the Effective Date, the Reorganized Debtors, at the discretion of the Required Consenting Senior Noteholders, the Consenting Senior Noteholders, and any holder of 10% or more of the New Common Shares will be party to a registration rights agreement providing for customary demand registration rights with respect to New Common Shares held by such Consenting Senior Noteholders and any other 10% holders (the "***Registration Rights Agreement***").
Fiduciary Out	Notwithstanding anything to the contrary herein, nothing in this Term Sheet, the RSA, or any of the Definitive Documents shall require a Debtor or the board of directors, board of managers, or similar governing body of a Debtor, after consulting with counsel, to take any action or to refrain from taking any action with respect to the Restructuring to the extent taking or failing to take such action would be inconsistent with applicable law or its fiduciary obligations under applicable law, and any such action or inaction pursuant to this provision shall not be deemed to constitute a breach of the RSA, this Term Sheet, or any of the Definitive Documents. The Debtors may terminate the RSA, this Term Sheet, or any Definitive Document if the board of directors, board of managers, or such similar governing body of any Debtor determines, after consulting with counsel and, after prompt written notice to counsel to the Consenting Senior Noteholders

	that proceeding with any of the transactions comprising the Restructuring would be inconsistent with the exercise of its fiduciary duties or applicable law.

Other Defined Terms	
"***Ad Hoc Noteholder Group***"	The ad hoc group of Senior Noteholders represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP, as counsel, and Houlihan Lokey Capital, Inc., as financial advisor.
"***Administrative Expense Claim***"	A Claim for costs and expenses of administration of the Estates under sections 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Claim for professional services rendered or costs incurred on or after the Petition Date through the Confirmation Date by professional persons retained by an order of the Bankruptcy Court pursuant to sections 327, 328, 329, 330, 331, or 503(b) of the Bankruptcy Code in the Chapter 11 Cases ("***Professional Fee Claims***"); and (c) the reasonable and documented fees and expenses incurred by (i) the Consenting Senior Noteholders' advisors pursuant to the terms of their fee letters and (ii) Kirkland & Ellis LLP, Alvarez & Marsal North America, LLC, Moelis & Company, Petrie Partners Securities, LLC, and local counsel to the Company, in each case that are due and owing after receipt of applicable invoices consistent with any applicable engagement letters, *provided* that with respect to fees and expenses incurred prior to the Confirmation Date (other than Consenting Senior Noteholder Restructuring Expenses), such fees and expenses must have been approved by an order of the Bankruptcy Court.
"***Allowed***"	With reference to any Claim or Interest, (i) any Claim or Interest arising on or before the Effective Date (a) as to which no objection to allowance has been interposed within the time period set forth in the Plan or (b) as to which any objection has been determined by a Final Order of the Bankruptcy Court to the extent such objection is determined in favor of the respective holder, (ii) any Claim or Interest as to which the liability of the Debtors and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court, or (iii) any Claim or Interest expressly allowed under the Plan; *provided*, *however*, that notwithstanding the foregoing, the Reorganized Debtors will retain all claims and defenses with respect to Allowed Claims that are reinstated or otherwise Unimpaired pursuant to the Plan.
"***Amended Organizational Documents***"	The forms of certificate of incorporation, certificate of formation, bylaws, limited liability company agreements, shareholder agreement (if any), or other similar organizational documents, as applicable, of the Reorganized Parent, and in form and substance acceptable to the Required Consenting Senior Noteholders.
"***Antitrust Authority***"	The United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other governmental entity having jurisdiction pursuant to the antitrust laws.

Other Defined Terms	
"***Antitrust Laws***"	The Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and any other law governing agreements in restraint of trade, monopolization, pre-merger notification, the lessening of competition through merger or acquisition or anti-competitive conduct, and any foreign investment laws.
"***Backstop Commitment Agreement"***	The commitment agreement attached to the RSA between the Backstop Parties and the Debtors to backstop the Equity Rights Offering, and in form and substance reasonably acceptable to the Backstop Parties and the Required Consenting Senior Noteholders.
"***Backstop Commitment Premium***"	The amount to be paid as consideration to the Backstop Parties on the Effective Date, pursuant to the terms and conditions set forth in the Plan and the Backstop Commitment Agreement, in the form of a nonrefundable aggregate premium equal to 9% of the aggregate amount of the Equity Rights Offering, excluding any oversubscription amounts, payable in (i) if the Stand-Alone Restructuring is pursued, New Common Shares issued at the Rights Offering Discount to Plan Equity Value, (ii) if the Combination Transaction is pursued, New Common Shares of the combined entity issued at the Rights Offering Discount to Plan Equity Value pro forma for the Combination Transaction and/or the Alternative Allocation, or (iii) if the Backstop Commitment Agreement is terminated, Cash. Subject to the limitations contained herein, and in accordance with the Equity Rights Offering Documents, the Backstop Commitment Premium shall be fully earned upon entry the Backstop Commitment Order (other than by Backstop Parties who default on their obligations under the Backstop Commitment Agreement) and payable on the Effective Date of the Plan.
"***Backstop Motion***"	The motion filed with the Bankruptcy Court seeking approval of the Rights Offering Procedures and the Debtors' entry into the Backstop Commitment Agreement, in form and substance reasonably acceptable to the Backstop Parties and the Required Consenting Senior Noteholders.
"***Backstop Parties***"	The holders of Senior Notes Claims that elect to backstop the Equity Rights Offering pursuant to the Backstop Commitment Agreement.
"***Backstop Order***"	The order of the Bankruptcy Court approving the Rights Offering Procedures and entry into the Backstop Commitment Agreement, in form and substance reasonably acceptable to the Backstop Parties and the Required Consenting Senior Noteholders, which remains in full force and effect and is not subject to a stay.
"***Business Day***"	Any day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are authorized or required by law or executive order to close.

Other Defined Terms	
*"**Cash**"*	Legal tender of the United States of America.
"***Cash Collateral***"	"Cash collateral," as defined in section 363(a) of the Bankruptcy Code.
"***Cause of Action***"	Any action, claim, cross-claim, third-party claim, cause of action, controversy, dispute, demand, right, lien, indemnity, contribution, guaranty, suit, obligation, liability, loss, debt, fee or expense, damage, interest, judgment, cost, account, defense, remedy, offset, power, privilege, proceeding, license, and franchise of any kind or character whatsoever, known, unknown, foreseen or unforeseen, existing or hereafter arising, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively (including any alter ego theories), whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law (including under any state or federal securities laws). For the avoidance of doubt, Cause of Action also includes (i) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity, (ii) the right to object to Claims or Interests, (iii) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code, (iv) any claim or defense including fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code, and (v) any state law fraudulent transfer claim.
"***Chapter 11 Cases***"	The jointly administered cases under chapter 11 of the Bankruptcy Code commenced by the Debtors on the Petition Date in the Bankruptcy Court.
"***Claim***"	A "claim," as defined in section 101(5) of the Bankruptcy Code, as against any Debtor.
"***Combination Transaction Contact List***"	A list of reasonably qualified parties that could potentially be a viable Combination Transaction candidate; such list to be created in consultation with, and subject to the consent of, the Required Consenting Senior Noteholders (such consent not to be unreasonably withheld).
"***Combination Transaction Documents***"	Any and all documents related to the Combination Transaction including, but not limited to, any agreement and plan of merger, or stock or asset purchase agreements, and any related pleadings or documents, each in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.
"***Confirmation Date***"	The date on which the Bankruptcy Court enters the Confirmation Order.

Other Defined Terms	
"***Confirmation Order***"	The order of the Bankruptcy Court confirming the Plan in the Chapter 11 Cases, and in form and substance acceptable to the Required Consenting Senior Noteholders, which remains in full force and effect and is not subject to a stay.
"***Consenting Senior Noteholders***"	Those Senior Noteholders that are signatories to the RSA, and any subsequent Senior Noteholder that becomes party thereto in accordance with the terms of the RSA.
"***Consenting Senior Noteholder Restructuring Expenses***"	The reasonable and documented fees and expenses incurred by the Ad Hoc Noteholder Group's advisors pursuant to the terms of their respective engagements related to the Restructuring and not previously paid by, or on behalf of, the Company, including, (i) the reasonable and documented fees and expenses of Paul, Weiss, Rifkind, Wharton & Garrison, LLP, (ii) the reasonable and documented fees and expenses of Young, Conaway, Stargatt & Taylor, LLP, and (iii) all monthly fees, restructuring, transaction, and back-end fees payable to Houlihan Lokey Capital, Inc. under and pursuant to its engagement letter, dated March 3, 2020, executed by the Company. All of the aforementioned fees shall be deemed reasonable for all purposes hereunder.
"***Definitive Documents***"	The Definitive Documents governing the Restructuring shall include, without limitation, the following: • the Plan, the Confirmation Order, and any motion or other pleadings related to the Plan or confirmation of the Plan and its exhibits; • the Plan Supplement; • the Disclosure Statement, the Disclosure Statement Order, and the other Solicitation Materials, including the motion seeking approval of the solicitation procedures; • the Interim DIP Order(s), the Final DIP Order, the motion seeking approval of the same, and the credit agreement in connection therewith; • the substantive First Day Pleadings~~;~~ and orders approving the same; • the Management Incentive Plan; • any other material pleadings or material motions the Company plans to file in connection with the Chapter 11 Cases, including (i) any and all motions filed to assume, assume and assign, or reject an executory contract or unexpired lease and the order or orders of the Bankruptcy Court approving such motions and (ii) any and all motions seeking approval of a KEIP and/or KERP and the order or orders of the Bankruptcy Court approving such motions;

Other Defined Terms	
	• the Exit Facility and any related documentation; • the New Common Shares Documents; • the New Corporate Governance Documents; • the Equity Rights Offering Documents; • the RSA; • any and all material documents in connection with the Combination Transaction and the M&A Process, including any and all motions and pleadings seeking approval of or implementing the Combination Transaction, the Combination Transaction Contact List, the Proposal Submission Guidelines, the Proposal Submission Guidelines Motion, and the Proposal Submission Guidelines Order; and • such other agreements and documentation desired or necessary to consummate and document the transactions contemplated by this Agreement and the Plan.
"***Disclosure Statement***"	The disclosure statement in respect of the Plan, including all exhibits and schedules thereto, as approved or ratified by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, and in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.
"***Disclosure Statement Order***"	The order of the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Consenting Senior Noteholders, approving the Disclosure Statement in the Chapter 11 Cases, which remains in full force and effect and is not subject to a stay.
"***Disclosure Statement Motion***"	The motion filed with the Bankruptcy Court seeking approval of the solicitation procedures and the adequacy of the Disclosure Statement, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.
"***DTC***"	The Depository Trust Company.
"***Effective Date***"	The date upon which all conditions to the effectiveness of the Plan have been satisfied or waived in accordance with the terms thereof and the Plan becomes effective.
"***Entity***"	An "entity," as defined in section 101(15) of the Bankruptcy Code.
"***Equity Rights Offering Documents***"	Collectively, the Backstop Commitment Agreement, the Rights Offering Procedures, the Backstop Order, the Backstop Motion, and any and all other

Other Defined Terms	
	agreements, documents, and instruments delivered or entered into in connection with the Equity Rights Offering.
"***Estate(s)***"	Individually or collectively, the estate or estates of the Debtors created under section 541 of the Bankruptcy Code.
"***Exculpated Parties***"	Collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting Senior Noteholders; (d) the Ad Hoc Noteholder Group and each of its members; (e) the Senior Notes Trustee; (f) the any statutory committee appointed in the Chapter 11 Cases and each of such committee's members; and (g) with respect to each of the foregoing Persons in clauses (a) through (f), such Person's affiliates; and (h) with respect to each of the foregoing Persons in clauses (a) through (g), such Person's Related Parties, in each case in their capacity as such.
"***Existing Common Interests***"	Shares of the class of common stock of Parent that existed immediately prior to the Effective Date, including any restricted stock of Parent that vests prior to the Effective Date.
"***Exit Facility***"	The financing to be provided to the Reorganized Debtors on the Effective Date in accordance with the Plan and a commitment letter to be entered into by the Debtors and the providers of the Exit Facility, which financing will include a revolving or delayed-draw term loan credit facility with a minimum borrowing base and commitment amount on terms to be mutually agreed between the Company and the Required Consenting Senior Noteholders, and in a form and substance acceptable to the Required Consenting Senior Noteholders.
"***Fee Claim***"	A Claim for professional services rendered or costs incurred on or after the Petition Date through the Confirmation Date by professional persons retained by an order of the Bankruptcy Court pursuant to sections 327, 328, 329, 330, 331, or 503(b) of the Bankruptcy Code in the Chapter 11 Cases.
"***Final Order***"	An order or judgment of a court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court, which has not been reversed, vacated, or stayed and as to which (i) the time to appeal, petition for *certiorari*, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for a new trial, reargument, or rehearing shall then be pending, or (ii) if an appeal, writ of *certiorari*, new trial, reargument, or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument, or rehearing shall have expired; *provided*, *however*, that no order or judgment shall fail to be a "Final Order" solely because of the possibility that a motion under Rules 59 or 60 of the Federal Rules of

Other Defined Terms	
	Civil Procedure or any analogous Bankruptcy Rule (or any analogous rules applicable in another court of competent jurisdiction) or sections 502(j) or 1144 of the Bankruptcy Code has been or may be filed with respect to such order or judgment.
"***First Day Pleadings***"	The first-day pleadings that the Company files upon the commencement of the Chapter 11 Cases, including any proposed orders to approve such first-day pleadings.
"***Governing Body***"	The board of directors, board of managers, manager, general partner, investment committee, special committee, or such similar governing body of an Entity (including the board of directors of Extraction Oil & Gas, Inc.).
"***Governmental Entity***"	Any U.S. or non-U.S. international, regional, federal, state, municipal or local governmental, judicial, administrative, legislative or regulatory authority, entity, instrumentality, agency, department, commission, court or tribunal of competent jurisdiction (including any branch, department or official thereof).
"***Intercompany Claim***"	Any Claim against a Debtor held by another Debtor.
"***Intercompany Interest***"	An Interest in a Debtor held by another Debtor.
"***Interest***"	Any equity interest (as defined in section 101(16) of the Bankruptcy Code) in the Company, including all ordinary shares, units, common stock, preferred stock, membership interest, partnership interest or other instrument, evidencing any fixed or contingent ownership interest in the Company, whether or not transferable, including any option, warrant, or other right, contractual or otherwise, to acquire any such interest in the Company, that existed immediately before the Effective Date.
"***New Common Shares***"	Shares of common stock of the Reorganized Parent.
"***New Common Shares Documents***"	Any and all documentation required to implement, issue, and distribute the New Common Shares, including, if reasonably requested by the Required Consenting Senior Noteholders, a Registration Rights Agreement, which shall have customary terms for transactions of the type set forth in this Term Sheet and shall be in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Debtors.
"***New Corporate Governance Documents***"	The Reorganized Parent's forms of certificate of incorporation, certificate of formation, bylaws, limited liability company agreements, shareholder agreement (if any), or other similar organizational documents, as applicable, which shall be in form and substance acceptable to the Required Consenting Senior Noteholders.

Other Defined Terms	
"***Other Equity Interests***"	All Interests in Parent other than Existing Preferred Interests and Existing Common Interests.
"***Other Priority Claim***"	Any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.
"***Other Secured Claim***"	Any secured Claim, other than a Priority Tax Claim or a Revolving Credit Agreement Claim, including any Claim arising under, derived from, or based upon any letter of credit issued in favor of one or more Debtors, the reimbursement obligation for which is either secured by a lien on collateral or is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.
"***Person***"	Any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited partnership, trust, estate, unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy Code), or other Entity.
"***Plan***"	The chapter 11 plan of reorganization of the Company implementing the Restructuring, including all appendices, exhibits, schedules, and supplements thereto, as may be modified from time to time in accordance with its terms and the RSA, and in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.
"***Plan Supplement***"	A supplement or supplements to the Plan containing certain documents and forms of documents, schedules, and exhibits, in each case subject to the terms and provisions of the RSA (including any consent rights in favor of the Consenting Senior Noteholders) relevant to the implementation of the Plan and in form and substance reasonably acceptable to the Required Consenting Senior Noteholders and the Debtors, to be filed with the Bankruptcy Court, as amended, modified or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the RSA (including any consent rights in favor of the Consenting Senior Noteholders), which shall include, but not be limited to (i) the New Corporate Governance Documents, (ii) with respect to the members of the New Board, information required to be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code to the extent known and determined, (iii) the Exit Facilities documents, (iv) a schedule of retained Causes of Action, and (v) the Schedule of Rejected Contracts.
"***Plan Equity Value***"	The value of the New Common Shares as of the Effective Date, based on the lower of (i) the Total Enterprise Value or (i) an assumed total enterprise value of $[●].
"***Priority Tax Claim***"	Any Claim of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

Other Defined Terms	
"***Proposal Submission Guidelines***"	The guidelines governing the submission of proposals pursuant to the M&A Process and the marketing process for the Combination Transaction, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.
"***Proposal Submission Guidelines Motion***"	The motion filed with the Bankruptcy Court seeking approval of the Proposal Submission Guidelines, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders.
"***Proposal Submission Guidelines Order***"	The order of the Bankruptcy Court approving the Proposal Submission Guidelines and establishing deadlines for the submission of firm proposals in accordance with such procedures, in form and substance reasonably acceptable to the Required Consenting Senior Noteholders, which remains in full force and effect and is not subject to a stay.
"***Pro Rata***"	The proportion that an Allowed Claim or Interest in a particular class bears to the aggregate amount of Allowed Claims or Interests in that class.
"***Registered Holder***"	A holder of Existing Equity Interests whose ownership interest is registered directly on the books and records of the Company's transfer agent.
"***Related Parties***"	Collectively, each of, and in each case in its capacity as such, current and former directors, managers, officers, investment committee members, special or other committee members, members of any Governing Body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, Affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an Entity), accountants, investment bankers, consultants, representatives, and other professionals and advisors and any such person's or Entity's respective heirs, executors, estates, and nominees.
"***Released Parties***"	Collectively, (a) the Consenting Senior Noteholders, (b) the Ad Hoc Noteholder Group and each of its members, (c) the Senior Notes Trustee, (d) the Backstop Parties, (e) the Revolving Credit Agreement Agent and the Revolving Credit Agreement Lenders, (f) any Releasing Party, (g) with respect to each of the foregoing Persons, in clauses (a) through (f), each of their affiliates, and (h) with respect to each of the foregoing Persons in clauses (a) through (g), such Person's Related Parties, in each case in their capacity as such.
"***Releasing Parties***"	Collectively, (a) the holders of all Claims or Interests who vote to accept the Plan, (b) the holders of all Claims or Interests whose vote to accept or reject the Plan is solicited but who do not vote either to accept or to reject the Plan, (c) the

Other Defined Terms	
	holders of all Claims or Interests who vote, or are deemed, to reject the Plan but do not opt out of granting the releases set forth therein, (d) the holders of all Claims and Interests who were given notice of the opportunity to opt out of granting the releases set forth therein but did not opt out, (e) all other holders of Claims and Interests to the maximum extent permitted by law, (f) the Consenting Senior Noteholders, (g) the Ad Hoc Noteholder Group, (h) the Senior Notes Trustee, (i) the Backstop Parties, (j) the Revolving Credit Agreement Agent and the Revolving Credit Agreement Lenders, (k) with respect to each of the foregoing Persons, in clauses (a) through (j), each of their affiliates, and (l) with respect to each of the foregoing Persons in clauses (a) through (k), such Person's Related Parties, in each case in their capacity as such.
"***Reorganized Debtors***"	Each of the Debtors as reorganized on the Effective Date in accordance with the Plan.
"***Reorganized Parent***"	Parent as reorganized on the Effective Date in accordance with the Plan.
"***Required Consenting Senior Noteholders***"	As of the date of determination, at least two (2) members of the Ad Hoc Noteholder Group that have signed the RSA holding a majority of the outstanding Senior Notes held by the Ad Hoc Group of Noteholders that have signed the RSA as of such date.
"***Rights Offering Procedures***"	The rights offering procedures in form and substance reasonably acceptable to the Required Consenting Senior Noteholders setting forth the procedures to participate in the Equity Rights Offering.
"***Schedule of Rejected Contracts***"	The schedule of Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, in form and substance acceptable to the Required Consenting Senior Noteholders.
"***Senior Notes Trustee***"	The Wells Fargo Bank, National Association, as trustee under the Senior Notes indentures and its successors, assigns, or any replacement trustee appointed pursuant to the terms of the Senior Notes indentures.
"***Secured Claim***"	A Claim (i) secured by a lien on collateral to the extent of the value of such collateral as (a) set forth in the Plan, (b) agreed to by the holder of such Claim and the Debtors, or (c) determined by a Final Order in accordance with section 506(a) of the Bankruptcy Code, or (ii) secured by the amount of any right of setoff of the holder thereof in accordance with section 553 of the Bankruptcy Code.
"***Securities Act***"	Securities Act of 1933, as amended, 15 U.S.C. §§ 77a–77aa, and any rules and regulations promulgated thereby.
"***Solicitation Materials***"	Collectively, the Disclosure Statement and the related solicitation materials.
"***Successful Proposal***"	One or more proposals to purchase or consummate a combination or merger involving all or substantially all of the Company's restructured equity or assets

Other Defined Terms	
	that the Company determines, in an exercise of its business judgment: (a) provides sufficient consideration to satisfy the following Claims in full in accordance with the priorities set forth in the Plan: (i) Allowed Administrative Claims; (ii) Allowed Other Secured Claims (except to the extent the applicable purchase agreement provides for a different method of rendering such Claims Unimpaired); (iii) Allowed Professional Fee Claims; (iv) Allowed Priority Tax Claims (unless paid in another manner permitted by section 1129(a)(9)(c) of the Bankruptcy Code); (v) Allowed Other Priority Claims; (vi) Allowed Revolving Credit Agreement Claims (or such lesser amount as is acceptable to the Revolving Credit Agreement Lenders in their sole and absolute discretion); and (vii) Allowed Trade Claims; (b) provides sufficient consideration to satisfy the DIP Claims in accordance with the terms of the DIP Term Sheet; (c) provides consideration in respect of the Senior Notes Claims acceptable to the Required Consenting Senior Noteholders; (d) provides consideration that the Company and the Required Consenting Senior Noteholders determine is sufficient to pay or reserve for payments pursuant to and in accordance with the Plan, including, as applicable, consideration sufficient to wind down the estates following the closing of the Combination Transaction; and (e) includes such other terms and conditions as the Company may require, subject to the reasonable consent of the Required Consenting Senior Noteholders.
"***Total Enterprise Value***"	The total enterprise value of the Reorganized Debtors.
"***Unimpaired***"	With respect to a Claim, Interest, or a class of Claims or Interests, not "impaired" within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code.

ANNEX 1

Exculpation and Release Language

A. *Releases by the Debtor.*

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Causes of Action, including any derivative claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof, including any draws under the Revolving Credit Facility), the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any avoidance actions, intercompany transactions between or among a Debtor or an affiliate of a Debtor and another Debtor or affiliate of a Debtor, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the RSA, the Disclosure Statement, the Backstop Commitment Agreement, the Plan (including, for the avoidance of doubt, the Plan Supplement), the Definitive Documents, or any aspect of the Restructuring, including any contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Backstop Commitment Agreement, the Plan, or the Definitive Documents, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of consummation of the Plan, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing. Notwithstanding anything contained herein to the contrary, the foregoing release does not release any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan.

Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) any claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, (iii) the rights of any current employee of the Debtors under any employment agreement or plan, (iv) the rights of the Debtors with respect to any confidentiality provisions or covenants restricting competition in favor of the Debtors under any employment agreement with a current or former employee of the Debtors, or (v) the rights of holders of Allowed Claims or Interests to receive distributions under the Plan.

B. *Releases by the holders of Claims and Interests.*

Except as otherwise expressly set forth in the Plan or the Confirmation Order, on and after the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged by each Releasing Party from any and all Causes of Action, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, or otherwise, including any derivative claims asserted on behalf of the Debtors, the Reorganized Debtors, or their Estates, that such Entity would have been

legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof, including any draws under the Revolving Credit Facility), the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an affiliate of a Debtor and another Debtor or affiliate of a Debtor, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the RSA, the Disclosure Statement, the Backstop Commitment Agreement, the Plan (including, for the avoidance of doubt, the Plan Supplement), the Definitive Documents, or any aspect of the Restructuring, including any contract, instrument, release, or other agreement or document created or entered into in connection with the RSA, the Disclosure Statement, the Backstop Commitment Agreement, the Plan, or the Definitive Documents, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of consummation of the Plan, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to any of the foregoing.

Notwithstanding anything contained herein to the contrary, the foregoing release does not release (i) any obligations of any party under the Plan or any document, instrument, or agreement executed to implement the Plan, (ii) any claims related to any act or omission that is determined in a Final Order to have constituted willful misconduct, gross negligence, or actual fraud, (iii) the rights of any current employee of the Debtors under any employment agreement or plan, (iv) the rights of the Debtors with respect to any confidentiality provisions or covenants restricting competition in favor of the Debtors under any employment agreement with a current or former employee of the Debtors, or (v) the rights of holders of Allowed Claims or Interests to receive distributions under the Plan.

C. *Exculpation.*

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the RSA and related prepetition transactions (including any draws under the Revolving Credit Facility), the Disclosure Statement, the Backstop Commitment Agreement, the Plan, the Plan supplement, or any transaction related to the Restructuring, any contract, instrument, release or other agreement or document created or entered into before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for claims related to any act or omission that is determined in a Final Order to have constituted actual fraud, gross negligence or willful misconduct, but in all respects such Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

ANNEX 2

DIP Facility Term Sheet

EXTRACTION OIL & GAS, INC.
NON-BINDING DEBTOR-IN-POSSESSION ("DIP") DIP FINANCING TERM SHEET

This DIP Term Sheet (including any exhibits attached hereto, the "DIP Term Sheet") sets forth the principal terms of a superpriority, priming secured debtor-in-possession credit facility (the "DIP Credit Facility"; the credit agreement evidencing the DIP Credit Facility, the "DIP Credit Agreement" and, together with the other definitive documents governing the DIP Credit Facility and the DIP Orders,[1] the "DIP Documents," each of which shall be in form and substance reasonably acceptable to the DIP Lenders (or with respect to the DIP Orders, the Majority Lenders (it being understood that the form of Interim DIP Order agreed to by the Majority Lenders and included in the Chapter 11 Cases filed on the Petition Date shall be reasonably acceptable, provided that, any changes made to such filed order must be reasonably acceptable to the Majority Lenders)), the DIP Agent, and the Debtors and substantially consistent with this DIP Term Sheet and the Documentation Principles). The DIP Credit Facility shall be subject to the approval of the Bankruptcy Court and consummated in the cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") commenced by Extraction Oil & Gas, Inc. ("Extraction") and those certain additional subsidiaries of Extraction listed as Guarantors hereunder (such subsidiaries and Extraction each a "Debtor" and, collectively, the "Debtors") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") pursuant to (i) an interim order (the "Interim DIP Order") and a final order consistent with the Interim DIP Order (with such changes as the DIP Agent and the Majority Lenders reasonably approve) (the "Final DIP Order" and, together with the Interim DIP Order, the "DIP Orders") of the Bankruptcy Court authorizing the Debtors to obtain the DIP Credit Facility and enter into the DIP Documents (as applicable); and (ii) the DIP Documents to be executed by the Debtors (as applicable). The date of the filing of such Chapter 11 Cases being the "Petition Date."

Borrower	Extraction, a Delaware corporation, as a debtor in possession in the Chapter 11 Cases (the "Borrower").
Guarantors	The DIP Obligations will be guaranteed by each of 8 North, LLC, 7N, LLC, Axis Exploration, LLC, Extraction Finance Corp., Mountaintop Minerals, LLC, Northwest Corridor Holdings, LLC, Table Mountain Resources, LLC, XOG Services, LLC, and XTR Midstream, LLC, each as a debtor in possession in the Chapter 11 Cases (all companies which provide guarantees, collectively, the "Guarantors"). For the avoidance of doubt, Elevation Midstream, LLC, a Delaware limited liability company, shall not be a Guarantor or a Debtor.
DIP Agent	Wells Fargo Bank, National Association (in its capacity as administrative agent under the DIP Credit Facility, the "DIP Agent").
DIP Letter of Credit Issuers	The entities specified as "Issuing Lenders" in the DIP Credit Agreement, as mutually agreed by the DIP Agent and the Borrower.
DIP Lenders	Lenders under that certain Amended and Restated Credit Agreement dated as of August 16, 2017 (as amended, restated, amended and restated, modified, supplemented, or replaced from time to time prior to the Petition Date, the "Prepetition Credit Agreement") that agree to provide DIP

[1] Unless otherwise noted, capitalized terms used but not immediately defined herein shall have the meanings ascribed to them at a later point in this DIP Term Sheet.

	financing (in their capacity as lenders under the DIP Credit Facility, collectively, the "DIP Lenders") in the form of DIP Loans (all New DIP Loans and Prepetition Roll-Up Loans, the "DIP Loans") and DIP Letters of Credit. The facilities under the Prepetition Credit Agreement being the "Prepetition Credit Facilities." The obligations under the Prepetition Credit Agreement being the "Prepetition Secured Obligations".
Cash Collateral	"Cash Collateral" consists of: (i) cash collateral (as such term is defined in section 363(a) of the Bankruptcy Code, including, without limitation, any accounts receivable and general intangible and any other cash or right that would be included in such definition of "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code) constituting Prepetition Collateral (including, without limitation, all cash or cash equivalents and other amounts of the Borrower and each other Debtor, including the cash in any deposit or securities accounts, wherever located); (ii) any cash or cash equivalents received as proceeds of Prepetition Collateral or DIP Collateral; and (iii) all other cash or cash equivalents of the Debtors. Subject to the terms of the DIP Orders and the other definitive documentation, the agent under the Prepetition Credit Agreement (the "Prepetition Agent") and the lenders under the Prepetition Credit Agreement (the "Prepetition Lenders" and, together with the Prepetition Agent, the "Prepetition Secured Parties") shall consent to the Debtors' use of Cash Collateral during the Chapter 11 Cases to fund (a) working capital, (b) general corporate purposes, (c) restructuring expenses, (d) fees and expenses incurred by professionals, (e) Adequate Protection payments, (f) the Carve-Out, and (g) any other fees required under the DIP Credit Agreement and the other definitive documentation during the pendency of the Chapter 11 Cases, in each case, subject to the Approved DIP Budget, including the Permitted Variance and related exclusions set forth in the "Approved DIP Budget and Permitted Variance" section below; provided that, notwithstanding the foregoing, Cash Collateral may only be used to investigate the claims and liens of the Prepetition Secured Parties, each in such capacity, in an aggregate amount not to exceed $25,000. Other than as expressly set forth above, Cash Collateral shall not be used for any purpose prohibited in the "Use of Proceeds" section below for the New DIP Loans. For the avoidance of doubt, any Cash Collateral order shall contain usual and customary release provisions with respect to the Prepetition Secured Parties.
DIP Secured Parties	The DIP Agent, the DIP Lenders, the DIP Letter of Credit Issuers, the holders of Hedging Obligations and any other holders of DIP Obligations.
DIP Credit Facility Structure and Size	Senior secured superpriority credit facilities, comprised of: New Money DIP Loans

	A non-amortizing new money multi-draw term loan credit facility in an aggregate principal amount equal to $50 million, comprised of the following new money loans (collectively, the "New DIP Loans"): (a) $15 million in principal amount of the New DIP Loans, available upon entry of the Interim DIP Order (the "Interim DIP Loans"); and (b) the balance of the principal aggregate amount of the New DIP Loans, available upon entry of the Final DIP Order (the "Final DIP Loans"). The aggregate amount of any New DIP Loans available to the Borrower to draw as of any draw date shall be equal to the amount of the undrawn New DIP Loans available as of such date minus any DIP Letters of Credit issued as of such date. Rolled-Up Obligations Subject to entry of the Final DIP Order, a portion of the Loans (as defined in the Prepetition Credit Agreement) made by Prepetition Lenders that are DIP Lenders shall be rolled into the DIP Credit Facility pro rata in an aggregate principal amount equal to $75 million (the "Prepetition Roll-Up Loans") and deemed to constitute DIP Loans under the DIP Credit Facility, regardless of whether any New DIP Loans are requested. Any unpaid interest and fees due in respect of the Prepetition Roll-Up Loans, subject to entry of the Final DIP Order, shall be rolled into the DIP Credit Facility and deemed to constitute obligations due under the DIP Credit Facility (the "Additional Obligations" and together with the Prepetition Roll-Up Loans, the "Rolled-Up Obligations"). The New DIP Loans, the Rolled-Up Obligations, the Hedging Obligations, and any other obligations under, or secured by, the DIP Credit Facility are collectively referred to herein as the "DIP Obligations." The DIP Credit Facility will be subject to the definitive documents that will reflect the terms and conditions set forth in this DIP Term Sheet and such other terms and conditions as may be agreed by the DIP Lenders and the Debtors. Borrowings of New DIP Loans shall be in accordance with the Approved DIP Budget, subject to the Permitted Variance.
DIP Letters of Credit	The Borrower may request DIP Letters of Credit from the DIP Letter of Credit Issuers in an aggregate amount not to exceed $3,500,000, which for the avoidance of doubt, shall be included in the $50 million permitted for New DIP Loans. Terms regarding DIP Letters of Credit shall be similar to those customarily found in loan documents for similar debtor-in-possession financings.
Fees on the New DIP Loans and Agency Fee	[redacted]

	Unused Fee: 0.50% per annum of the average daily undrawn amount of (i) prior to entry of the Final DIP Order, the Interim DIP Loans, and (ii) following entry of the Final DIP Order, the New DIP Loans, in each case, payable monthly in arrears. For the avoidance of doubt, no such commitment or unused fees shall be payable in respect of any Rolled-Up Obligations. Arrangement and agency fee as provided in a separate fee letter. DIP Letter of Credit Fees: a fronting fee equal to the greater of (i) 12.5 bps and (ii) $500, and other customary letter of credit fees.
Scheduled Maturity Date	The date that is six months after the Petition Date with an extension option of up to three months subject to the consent of the Majority Lenders (the "Scheduled Maturity Date").
Maturity Date	The earliest of (i) the Scheduled Maturity Date, (ii) the consummation of a sale of all or substantially all of the assets of the Debtors pursuant to Section 363 of the Bankruptcy Code or otherwise; (iii) the effective date of a plan of reorganization or liquidation in the Chapter 11 Cases; (iv) the entry of an order by the Bankruptcy Court dismissing any of the Chapter 11 Cases or converting such Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code, and (v) the date of termination of the DIP Lenders' commitments and the acceleration of any outstanding extensions of credit, in each case, under the DIP Credit Facility in accordance with and subject to the terms of the DIP Documents and the DIP Orders.
Margin and Interest	DIP Letters of Credit: 575 bps with respect to DIP Letters of Credit. New DIP Loans: LIBOR (with a LIBOR floor of 100 bps) + 575 bps with respect to all New DIP Loans. Prepetition Roll-Up Loans: The Prepetition Roll-Up Loans will have an interest rate identical to the interest rate applicable to New DIP Loans. Default Rate Premium: the interest rate otherwise in effect plus 200 bps in respect of DIP Loans and DIP Letters of Credit following the occurrence and during the continuance of an event of default under the DIP Credit Facility. Interest shall accrue daily and be payable monthly in cash in arrears. Interest shall be calculated on the basis of the actual number of days elapsed in a 365 or 366-day year.
DIP Collateral	Subject to the Carve-Out, upon entry of the Interim DIP Order, the DIP Obligations will be secured by the following (collectively, the "DIP Collateral"): (i) pursuant to section 364(d)(1) of the Bankruptcy Code superpriority priming liens on the property secured by valid, unavoidable and perfected security interest securing the Prepetition Credit Facilities, and valid liens perfected (but not granted) after the Petition Date that secure the Prepetition Credit Facilities (to the extent that such perfection in respect of a prepetition claim is expressly permitted under the Bankruptcy Code) (the "Prepetition Collateral"), (ii) pursuant to section 364(c)(3) of

	the Bankruptcy Code junior liens on any property that is secured by valid, unavoidable and perfected security interests or valid liens perfected (but not granted) after the Petition Date (to the extent that such perfection in respect of a prepetition claim is expressly permitted under the Bankruptcy Code), other than any property for which a lien is granted pursuant to clause (i), and (iii) pursuant to section 364(c)(2) of the Bankruptcy Code first-priority liens on unencumbered assets of the Debtors that were not, as of the Petition Date, subject to valid, unavoidable and perfected security interests and liens or valid liens perfected (but not granted) after the Petition Date (to the extent that such perfection in respect of a prepetition claim is expressly permitted under the Bankruptcy Code), including, subject to entry of the Final DIP Order, any proceeds, or property recovered in connection with, any of the Debtors' causes of action under Bankruptcy Code sections 502(d), 544, 545, 547, 548, 549, 550 or 553 or any other avoidance actions under the Bankruptcy Code or applicable non-bankruptcy law (such claims or causes of action, the "Avoidance Actions") (but excluding, for the avoidance of doubt, the Avoidance Actions, and including, for the avoidance of doubt, any proceeds of the Avoidance Actions and any property recovered in connection therewith). All liens authorized and granted pursuant to the Interim DIP Order or the Final DIP Order entered by the Bankruptcy Court approving the DIP Credit Facility shall be deemed effective and perfected as of the Petition Date, and no further filing, notice or act will be required to effect such perfection; provided, that there shall be customary exclusions consistent with the Prepetition Credit Facilities subject to modifications to reflect that the DIP Credit Facility is a debtor-in-possession facility. The DIP Lenders, or the DIP Agent on behalf of the DIP Lenders, shall be permitted, but not required, to make any filings, deliver any notices, make recordations, perform any searches or take any other acts as may be desirable under law in order to reflect the security, perfection or priority of the DIP Lenders' claims described herein.
Carve-Out	*See* Exhibit 1.
Hedging	Any hedging transactions permitted under the DIP Orders and Hedging Orders entered by the Bankruptcy Court, that are entered into (i) prior to the Petition Date and authorized by the DIP Order to continue post-Petition Date, or (ii) after the Petition Date by the Debtors with a counterparty that is the DIP Agent, a DIP Lender or any affiliate of the foregoing will, in each case, be secured by the DIP Collateral (such hedging obligations, the "Hedging Obligations"). "Hedging Order" means the order granting a motion authorizing the Debtors to continue prepetition hedging arrangements and enter into post-petition hedging arrangements, among other relief, which such order shall be in form and substance reasonably satisfactory to the DIP Agent.
Use of Proceeds of New DIP Loans	The proceeds of the New DIP Loans shall be used (a) to pay costs, fees, interest and expenses associated with the DIP Credit Facility and the Chapter 11 Cases, including fees and expenses of professionals and the Carve-Out, (b) to pay any Adequate Protection payments, and (c) to fund the working capital needs, capital improvements and expenditures of the

	Debtors during the pendency of the Chapter 11 Cases, in each case, subject to the Approved DIP Budget, including Permitted Variance. Proceeds of the New DIP Loans shall not be used (i) to permit the Borrower, Guarantor or any other party-in-interest or any of their representatives to challenge or otherwise contest or institute any proceeding to determine (x) the validity, perfection or priority of security interests in favor of any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties, or (y) the enforceability of the obligations of the Borrower or any Guarantor under the DIP Credit Facility or the Prepetition Credit Agreement or any other Loan Document (as defined in the Prepetition Credit Agreement), or (ii) to investigate, commence, or prosecute any claim, motion, proceeding or cause of action against any of the DIP Agent, the DIP Lenders, the Prepetition Agent or the Prepetition Lenders, each in such capacity, and their respective agents, attorneys, advisors or representatives, including, without limitation, any lender liability claims or subordination claims.
Adequate Protection	The DIP Orders shall provide for the following adequate protection to the Prepetition Secured Parties for and to the extent of any diminution in value of the Prepetition Collateral including, without limitation, any such diminution during the Chapter 11 Cases arising from the (a) sale, lease or use by the Debtors of the Prepetition Collateral and Cash Collateral, (b) the priming of the Prepetition Lenders' valid, unavoidable and perfected security interests and liens in the Prepetition Collateral (other than by the amount of the Rolled-Up Obligations), and (c) imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code in respect of all claims under the Prepetition Credit Facilities, subject in each case, to the Carve-Out and any valid, perfected, and non-avoidable senior liens (as long as same are permitted liens under the Prepetition Credit Agreement) in the Prepetition Collateral in existence immediately prior to the Petition Date and any such valid and non-avoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date pursuant to section 546(b) of the Bankruptcy Code: (a) a superpriority administrative expense claim as contemplated by Section 507(b) of the Bankruptcy Code immediately junior to the claims under Section 364(c)(1) of the Bankruptcy Code held by the DIP Agent and the DIP Lenders; (b) liens on the DIP Collateral (such adequate protection liens shall be junior to the liens securing the DIP Credit Facility); (c) any interest payable under the Prepetition Credit Agreement (excluding interest on the Rolled-Up Obligations), which payments shall be made monthly in arrears on the last day of each calendar month. The first such payment shall include all accrued interest to and including such payment date, including unpaid prepetition interest. For the avoidance of doubt, all interest payable under the Prepetition Credit Agreement shall include default interest from and after the Petition Date;

	(d) payment in cash of (i) all reasonable and documented accrued and unpaid fees and disbursements as provided for under the Prepetition Credit Agreement owing to advisors, professionals and other consultants (including legal counsel) of the Prepetition Secured Parties incurred prior to the Petition Date, and (ii) all reasonable and documented fees and out-of-pocket disbursements of such advisors, professionals and other consultants (including legal counsel) as may have been retained by the Prepetition Agent or the Prepetition Lenders incurred on or after the Petition Date; and (e) 100% of the cash consideration due to a Loan Party in respect of any termination of any Hedging Arrangement (as defined in the Prepetition Credit Agreement) shall be applied to prepay the prepetition Loans (as defined in the Prepetition Credit Agreement).
Superpriority Claims	Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative expense claims against each of the Debtors (without the need to file any proof of claim or request for payment of administrative expense) with priority over any and all other administrative expenses, adequate protection claims, diminution claims (including all adequate protection obligations) and all other claims against the Debtors, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all other administrative expenses or other claims arising under sections 105, 326, 327, 328, 330, 331, 503(b), 506(c) (with any claims arising only under section 506(c) subject to the entry of the Final DIP Order), 507(a), 507(b), 546, 726, 1113, or 1114 of the Bankruptcy Code (the "Superpriority Claims"), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which shall be payable from and have recourse to all pre- and postpetition property of the Debtors and their estates and all proceeds thereof (excluding all Avoidance Actions, but including any proceeds of the Avoidance Actions); *provided, however* that the Superpriority Claims shall be subordinate only to the Carve-Out. The DIP Obligations will be indefeasibly paid in full, in cash, on the effective date of a Plan of Reorganization, unless a Lender elects a different treatment with respect to such Lender's DIP Obligations.
Selected Key Milestones	The DIP Orders and the DIP Credit Agreement shall provide that the Debtors will implement their Chapter 11 Cases in accordance with the milestones as reflected in Annex 1 attached hereto (the "DIP Milestones"). The Debtors may extend a DIP Milestone only with the express written consent of the DIP Agent acting at the direction of the Majority Lenders. As used in this DIP Term Sheet, "Majority Lenders" means, at any time, DIP Lenders having exposure and unused commitments representing at

	least a majority of the sum of all exposure outstanding and unused commitments at such time (subject to customary defaulting lender limitations).
Conditions Precedent	Usual and customary conditions precedent found for similar debtor in possession financings, to include: • entry of the Interim DIP Order and such order shall not have been stayed, modified or appealed; • execution of DIP Documents; • perfection of collateral; • reps and warranties to be true and correct in all material respects; • no material adverse effect since Petition Date; • payment of fees, costs and expenses incurred by the DIP Agent and DIP Lenders in accordance with this Term Sheet; • KYC requirements; • customary bankruptcy related conditions precedent; and • delivery of customary closing deliverables.
Affirmative Covenants	The DIP Credit Agreement will contain affirmative covenants that are consistent with those found in the Prepetition Credit Agreement, subject to modifications to reflect that the DIP Credit Facility is a debtor-in-possession facility (including, without limitation, reductions and eliminations of certain "baskets", carveouts, exceptions and qualifications), and additional covenants customarily found in loan documents for similar debtor-in-possession financings, including, without limitation, the following: cash management, compliance with Approved DIP Budget and Permitted Variances consistent with this DIP Term Sheet, compliance with the Milestones, and customary bankruptcy reporting provisions.
Negative Covenants	The DIP Credit Agreement will contain negative covenants that are consistent with those found in the Prepetition Credit Agreement, subject to modifications to reflect that the DIP Credit Facility is a debtor-in-possession facility (including, without limitation, reductions and eliminations of certain "baskets", carveouts, exceptions and qualifications), and additional covenants customarily found in loan documents for similar debtor-in-possession financings, including, without limitation, the following: minimum liquidity (to be defined as unrestricted cash and cash equivalents, together with availability under the DIP Credit Facility) of not less than $10 million at any time, limitations on incurring or permitting additional super-priority claims or the grant of adequate protection, limitation on maintaining deposit, securities or commodities accounts, limitations on changing any DIP Order, limitations related to non-credit party subsidiaries, and limitations on ability to assume, assume and assign or reject any executory contracts or unexpired leases under the Bankruptcy Code without first consulting the DIP Agent.

	For the avoidance of doubt, the only financial covenants will be compliance with Approved DIP Budget and Permitted Variance and minimum liquidity (as described in the above paragraph).
Approved DIP Budget and Permitted Variance	On or before the Petition Date, the Debtors shall have furnished to the DIP Agent a thirteen week rolling operating budget and cash flow forecast, in form and substance reasonably acceptable to the DIP Agent as directed by the Majority Lenders (the "Approved DIP Budget"), together with such related information and/or materials as the DIP Agent and the Majority Lenders may deem reasonably necessary or desirable in connection therewith. No later than 12:00 p.m. Mountain time on Thursday starting with the fourth Thursday of the first full four calendar weeks following the Petition Date, and every four weeks thereafter (), the Debtors shall propose a rolling DIP budget (the "Proposed DIP Budget") to the DIP Agent. The DIP Agent, at the direction of the Majority Lenders, may approve such Proposed DIP Budget, which will then become the "Approved DIP Budget" then in effect in the DIP Agent's and the Majority Lenders' reasonable discretion; provided, that (i) if the DIP Agent does not provide notice of approval or disapproval of the Proposed DIP Budget within five (5) business days, the DIP Agent and the Majority Lenders will be deemed to have approved such Proposed DIP Budget and (ii) if the Proposed DIP Budget is not approved by the DIP Agent at the direction of the Majority Lenders, the Approved DIP Budget that was last approved by the DIP Agent at the direction of the Majority Lenders shall continue to be in effect. Notwithstanding the foregoing, the Debtors may not modify allocations between tested and non-tested line items within the Approved DIP Budget without the prior written authorization of the DIP Agent at the direction of the Majority Lenders. No later than 12:00 p.m. Mountain time on Thursday starting with the Thursday after the first full two calendar weeks following the Petition Date, and every four weeks thereafter, the Debtors shall deliver to the DIP Agent a 13 week cash flow forecast. For the avoidance of doubt, the 13 week cash flow forecast will not be deemed a Proposed DIP Budget and will not require approval from the DIP Agent. No later than 12:00 p.m. Mountain time on Thursday of each week starting with the first full calendar week following the Petition Date, and on a weekly basis thereafter (each a "Report Date"), the Debtors shall deliver to the DIP Agent a weekly variance report (the "Variance Report"). The Variance Report shall measure performance, for all disbursements made in the prior four weeks (excluding the first three Report Dates which will measure weekly performance) ending on the previous Friday (the "Test Date") on a rolling basis against the amount budgeted therefor in the Approved DIP Budget(s), and shall include calculations that demonstrate that the Debtors are in compliance with the Permitted Variance (as defined below). The Debtors shall not be required to test receipts in the Variance Report.

	On each Report Date, beginning on the fourth Thursday following the Petition Date, the Debtors shall demonstrate in each such Variance Report that the actual disbursements made in the prior four weeks (such period, the "Test Period"), excluding (i) any fees and expenses of professionals, (ii) any fluctuations in royalty payments, payments to working interest holders, or similar payments or ad valorem or other taxes due on account of production of oil and gas interests that are attributable to changes in commodity prices, (iii) Adequate Protection payments, and (iv) disbursements in respect of hedge unwinds or terminations, and interest, fees and expenses related to the Prepetition Credit Agreement and the DIP Credit Agreement (items (i) through (iv), collectively "Excluded Items"), do not exceed the sum of the aggregate amount budgeted therefor in the Approved DIP Budget(s) for the applicable Test Period by more than ten percent (10%) of the budgeted amount for such Test Period (the "Permitted Variance") on a cumulative basis for all disbursements made during such Test Period. Certification of compliance shall be provided on such Test Date, concurrently with delivery of each Variance Report.
Representations and Warranties	The DIP Credit Agreement will contain representations and warranties that are consistent with those found in the Prepetition Credit Agreement, subject to modifications to reflect that the DIP Credit Facility is a debtor-in-possession facility (including, without limitation, reductions and eliminations of certain carveouts, exceptions and qualifications), and additional representations and warranties that are customary for debtor in possession financings of this type and acceptable to the DIP Lenders and the Debtors.
Events of Default	The DIP Credit Agreement will contain events of default consistent with those found in the Prepetition Credit Agreement, subject to modifications to reflect that the DIP Credit Facility is a debtor-in-possession facility, and additional events of default customarily found in loan documents for similar debtor-in-possession financings including, without limitation, the following: (i) the failure of the Debtors to satisfy any of the Milestones, (ii) entry of an order by the Bankruptcy Court dismissing any of the Chapter 11 Cases or converting such Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code; (iii) entry of an order staying, reversing, vacating or otherwise modifying the Interim Order or Final Order in a manner adverse to the DIP Lenders or in a manner inconsistent with the DIP Credit Agreement; (iv) entry of an order appointing a trustee, receiver or examiner with expanded powers; (v) entry of an order denying or terminating use of Cash Collateral; (vi) entry of an order terminating or reducing the exclusivity period; (vii) entry of an order lifting the automatic stay with respect to assets above $2,500,000; (viii) entry of an order permitting any claims to be pari passu or senior to the claims under the DIP Facility (other than claims pursuant to agreed-upon post-petition hedging arrangements); and (ix) the commencement of any suit or proceeding by the Debtors or supported by the Debtors, against the DIP Agent or the DIP Lenders relating to the DIP Facility. An event of default under the DIP Credit Agreement without regard to or limitation by any notice, waiver, forbearance, or decision by Majority

	Lenders shall constitute an event of default (or other term of similar effect or meaning) under any swap agreement in existence on or prior to the Petition Date with any DIP Lender or affiliate thereof (or that was a DIP Lender or affiliate thereof on the date the DIP Credit Agreement was entered into).
Prepayments	Prior to the Maturity Date, the Borrower may, upon agreed notice periods (subject to payment of applicable breakage costs), prepay and cash collateralize, in full or in part, the DIP Loans and DIP Letters of Credit. Prior to the Maturity Date, mandatory prepayments shall be required under certain standard and customary circumstances to be agreed, including that the Debtors shall prepay the DIP Loans and cash collateralize the DIP Letters of Credit (i) in an amount equal to 100% of the net cash proceeds of the sale or other disposition of any property or assets of the Debtors or any of their respective subsidiaries or receipt of insurance or condemnation proceeds (except for ordinary course, exchanges and de minimis sales and additional exceptions to be agreed on in the DIP Documents), and (ii) in connection with the issuance of certain equity and post-petition debt.
Voting	Except as otherwise provided for herein, voting in respect of amendments, waivers, and modifications of the terms of the DIP Credit Agreement shall be consistent with voting found in the Prepetition Credit Agreement, subject to modifications to reflect that the DIP Credit Facility is a debtor-in-possession facility.
Expenses and Indemnification	Expense reimbursement (including, without limitation, reimbursement of fees and expenses incurred by each of the DIP Agent and the DIP Lenders) and indemnification provisions consistent with those found in the Prepetition Credit Agreement, subject to modifications to reflect that the DIP Credit Facility is a debtor-in-possession facility.
Yield Protection	The DIP Documents will contain yield protection provisions consistent with the Documentation Principles; provided that there shall be no prepayment premium or penalty.
Assignments	The DIP Documents will contain assignment provisions consistent with the Documentation Principles.
Documentation Principles	The documentation for the DIP Credit Facility shall be negotiated in good faith and shall be substantially consistent with the Prepetition Credit Agreement and the documents executed in connection therewith, giving due effect to any changes reflecting the debtor-in-possession nature of the DIP Credit Facility and this Term Sheet (collectively, the "Documentation Principles").
Governing Law; Submission to Jurisdiction; Waiver of Jury Trial	State of New York. Exclusive jurisdiction is vested in the Bankruptcy Court, including with respect to the exercise of Events of Default and remedies by the DIP Lenders and preservation of the DIP Collateral's value. Each party expressly waives the right to trial by jury in any

	proceeding relating to or arising in any way from this DIP Term Sheet, any other DIP Document or the transactions contemplated hereby or thereby, to the extent permitted by applicable law. In the event the Bankruptcy Court lacks jurisdiction, or abstains from exercising jurisdiction, the United States District Court for the Southern District of New York and any Appellate Court thereof shall retain exclusive jurisdiction in any action or proceeding arising out of or relating to this DIP Term Sheet.

Annex 1

DIP Milestones

"Milestones" means the following milestones relating to the Chapter 11 Cases:

(a) The Petition Date shall occur no later than June 15, 2020;

(b) No later than 3 business days after the Petition Date (or such later date as the DIP Agent and the Majority Lenders may agree in writing to the Borrower), the Bankruptcy Court shall have entered the Interim DIP Order, in a form and substance reasonably satisfactory to the DIP Agent and the Majority Lenders;

(c) No later than 21 days after the Petition Date (or such later date as the DIP Agent and the Majority Lenders may agree in writing to the Borrower), the Debtors shall have filed with the Bankruptcy Court a chapter 11 plan of reorganization (the "Plan of Reorganization") and related disclosure statement (the "Disclosure Statement") and the motion seeking approval of the solicitation procedures and the adequacy of the Disclosure Statement (the "Disclosure Statement Motion"), in each case, in a form and substance reasonably satisfactory to the DIP Agent and the Majority Lenders;

(d) No later than 30 days after the Petition Date (or such later date as the DIP Agent and the Majority Lenders may agree in writing to the Borrower), the Bankruptcy Court shall have entered the Final DIP Order;

(e) No later than 45 days after the Disclosure Statement Motion has been filed (or such later date as the DIP Agent and the Majority Lenders may agree in writing to the Borrower), the Bankruptcy Court shall have entered an order (the "Disclosure Statement Order") approving the Disclosure Statement in the Chapter 11 Cases, which remains in full force and effect is not subject to a stay, in a form and substance reasonably satisfactory to the DIP Agent and the Majority Lenders;

(f) No later than 5 days after entry of the Disclosure Statement Order (or such later date as the DIP Agent and the Majority Lenders may agree in writing to the Borrower), the Debtors shall have commenced solicitation in accordance with the Disclosure Statement Order and the related solicitation procedures;

(g) No later than 123 days after the Petition Date (or such later date as the DIP Agent and the Majority Lenders may agree in writing to the Borrower), either (i) the Debtors shall obtain entry of an order of the Bankruptcy Court, with terms and substance acceptable to the DIP Agent acting at the direction of the Majority Lenders, approving a sale to, or a combination or merger with, a third party involving all or substantially all of the Debtors' restructured equity or assets (a "Combined Transaction") or (ii) the Bankruptcy Court shall have entered an order (the "Confirmation Order"), in each case, in a form and substance reasonably satisfactory to the DIP Agent and the Majority Lenders; and

(h) No later than 130 days after the Petition Date (or such later date as the DIP Agent and the Majority Lenders may agree in writing to the Borrower), either (i) the Debtors shall have consummated the Combined Transaction or (ii) the Plan of Reorganization shall have become effective and Debtors shall have substantially consummated the transactions contemplated by the Plan of Reorganization and Confirmation Order.

Exhibit 1

Carve-Out

(a) Carve Out. As used in this Interim Order, the "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals") and the Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the DIP Agent of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $1,000,000 incurred after the first business day following delivery by the DIP Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap"). For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, counsel to the Ad Hoc Noteholder Group, and counsel to the Committee, which notice may be delivered following the occurrence and during the continuation of an Event of

Default (as defined in the DIP Credit Agreement) and acceleration of the DIP Obligations under the DIP Facility, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) Carve Out Reserves. On the day on which a Carve Out Trigger Notice is given by the DIP Agent to the Debtors with a copy to counsel to the Committee (the "Termination Declaration Date"), the Carve Out Trigger Notice shall (i) be deemed a draw request and notice of borrowing by the Debtors for New DIP Loans under the New Money Commitment (each, as defined in the DIP Credit Agreement) (on a pro rata basis based on the then outstanding New Money Commitments), in an amount equal to the then unpaid amounts of the Allowed Professional Fees (any such amounts actually advanced shall constitute New Money Loans) and (ii) also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees. The Debtors shall deposit and hold such amounts in a segregated account at the DIP Agent in trust to pay such then unpaid Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve") prior to any and all other claims. On the Termination Declaration Date, the Carve Out Trigger Notice shall also (i) be deemed a request by the Debtors for New Money Loans under the New Money Commitment (on a pro rata basis based on the then outstanding New Money Commitments), in an amount equal to the Post-Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute New Money Loans) and (ii) constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such amounts in a segregated account at the DIP Agent in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the

"Post-Carve Out Trigger Notice Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves") prior to any and all other claims. On the first business day after the DIP Agent gives such notice to such Lenders (as defined in the DIP Credit Agreement), notwithstanding anything in the DIP Credit Agreement to the contrary, including with respect to the existence of a Default (as defined in the DIP Credit Agreement) or Event of Default, the failure of the Debtors to satisfy any or all of the conditions precedent for New Money Loans under the DIP Facility Documents, any termination of the New Money Commitments following an Event of Default, or the occurrence of the Maturity Date, each Lender with an outstanding New Money Commitments (on a pro rata basis based on the then outstanding New Money Commitments) shall make available to the DIP Agent such Lender's pro rata share with respect to such borrowing in accordance with the DIP Facility Documents. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in cash, and all New Money Commitments have been terminated, in which case any such excess shall be paid to the Prepetition Secured Parties in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post-Carve Out Amounts"), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in cash, and all New Money Loan

Commitments have been terminated, in which case any such excess shall be paid to the Prepetition Secured Parties in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in the DIP Facility Documents, or this Interim Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph [●], then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in this paragraph [●], prior to making any payments to the DIP Agent or the Prepetition Secured Parties, as applicable. Notwithstanding anything to the contrary in the DIP Facility Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the DIP Agent and the Prepetition Agent shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the DIP Agent for application in accordance with the DIP Facility Documents. Further, notwithstanding anything to the contrary in this Interim Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute New Money Loans or increase or reduce the DIP Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) in no way shall the Approved Budget, Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order, the DIP Facility, or in the Prepetition Facility, the Carve Out shall be senior to all liens and claims securing the DIP Facility, the Adequate Protection Liens, and the

507(b) Claim, and any and all other forms of adequate protection, liens, or claims securing the DIP Obligations or the Prepetition Secured Obligations.

(c) No fees shall be paid pursuant to this Interim Order from the Carve-Out Reserves to any professional retained in these cases pursuant to section 327, section 328, or section 1103 of the Bankruptcy Code (a "Retained Professional") absent (i) compliance with any order entered by the Court regarding interim compensation procedures governing payment of such Retained Professional and, if applicable, (ii) a Court order approving payment of the such fees upon the filing, on notice, of a fee application of such Retained Professional. For the avoidance of doubt, the foregoing shall not apply to those professionals that are subject to any order entered by the Court concerning ordinary course professionals (an "OCP Order"), with respect to which no fees shall be paid to such ordinary course professionals except in compliance with the procedures set forth in such OCP Order.

(d) Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(e) No Direct Obligation To Pay Allowed Professional Fees. None of the DIP Agent, DIP Lenders, or the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties, in any way, to pay compensation to, or to

reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(a) Payment of Carve Out On or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding of the Carve Out shall be added to, and made a part of, the DIP Obligations secured by the DIP Collateral and shall be otherwise entitled to the protections granted under this Interim Order, the DIP Facility Documents, the Bankruptcy Code, and applicable law.

EXHIBIT C

Provision for Transfer Agreement

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of _____ (the "**Agreement**"),[1] by and among **Extraction Oil & Gas, Inc.** and its affiliates and subsidiaries bound thereto and the Consenting Senior Noteholder, including the transferor to the Transferee of any Company Claims (each such transferor, a "**Transferor**"), and agrees to be bound by the terms and conditions thereof to the extent the Transferor was thereby bound, and shall be deemed a "Consenting Senior Noteholder," and a "Party" under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer, including the agreement to be bound by the vote of the Transferor if such vote was cast before the effectiveness of the Transfer discussed herein.

Date Executed:

_____
Name:
Title:
Address:
E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
2024 Senior Notes	
2026 Senior Notes	
Revolving Loans	
Existing Preferred Interests	
Existing Common Interests	

[1] Capitalized terms used but not otherwise defined herein shall having the meaning ascribed to such terms in the Agreement.

EXHIBIT D

Form of Joinder

The undersigned ("**Joinder Party**") hereby acknowledges that it has read and understands the Plan Support Agreement, dated as of _____ (the "**Agreement**"),[1] by and among **Extraction Oil & Gas, Inc.** and its affiliates bound thereto and the Consenting Senior Noteholder and agrees to be bound by the terms and conditions thereof to the extent the other Parties are thereby bound, and shall be deemed a "Consenting Senior Noteholder," and a "Party" under the terms of the Agreement.

The Joinder Party specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of this Joinder and any further date specified in the Agreement.

Date Executed:

_____
Name:
Title:

Address:

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
2024 Senior Notes	
2026 Senior Notes	
Revolving Loans	
Existing Preferred Interests	
Existing Common Interests	

[1] Capitalized terms used but not otherwise defined herein shall having the meaning ascribed to such terms in the Agreement.

Exhibit C

Liquidation Analysis

Liquidation Analysis

THE DEBTORS MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN. THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THIS LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION UNDER CHAPTER 7, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ESTIMATED HEREIN.

1. Introduction

Extraction Oil & Gas, Inc., 7N, LLC, 8 North, LLC, Axis Exploration, LLC, Extraction Finance Corp., Mountaintop Minerals, LLC, Northwest Corridor Holdings, LLC, Table Mountain Resources, LLC, XOG Services, LLC, and XTR Midstream, LLC (each a "**Debtor**" and, collectively, the "**Debtors**"), with the assistance of their restructuring, legal, and financial advisors, have prepared this hypothetical liquidation analysis (the "**Liquidation Analysis**") in connection with the *Joint Plan of Reorganization of Extraction Oil & Gas, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as amended, supplemented, or modified from time to time, the "**Plan**")[1] and related disclosure statement (as amended, supplemented, or modified from time to time, the "**Disclosure Statement**"). This Liquidation Analysis indicates the estimated recoveries that may be obtained by Holders of Claims and Interests in a hypothetical liquidation pursuant to chapter 7 of the Bankruptcy Code as an alternative to the Plan.

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that the Bankruptcy Court find, as a condition to confirmation of the Plan, that each Holder of a Claim or Interest in each Impaired Class: (a) has accepted the Plan; or (b) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. To demonstrate compliance with section 1129(a)(7) of the Bankruptcy Code, this Liquidation Analysis: (1) estimates the cash proceeds (the "**Liquidation Proceeds**") that a chapter 7 trustee (the "**Trustee**") would generate if each of the Chapter 11 Cases were converted to a chapter 7 case on the Effective Date and the assets of each Debtor's Estate were liquidated; (2) determines the distribution (the "**Liquidation Distribution**") that each Holder of a Claim or Interest would receive from the Liquidation Proceeds under the priority scheme dictated under chapter 7 of the Bankruptcy Code; and (3) compares each Holder's Liquidation Distribution to the distribution under the Plan that such Holder would receive if the Plan were confirmed and consummated. Accordingly, asset values discussed herein may be different than amounts referred to in the Plan. This Liquidation Analysis is based upon certain assumptions discussed herein and in the Disclosure Statement.

2. Basis of Presentation

This Liquidation Analysis has been prepared assuming that the Debtors would convert their cases from chapter 11 cases to chapter 7 cases on January 31, 2021 (the "**Conversion Date**") and would be liquidated thereafter pursuant to chapter 7 of the Bankruptcy Code. The Debtors believe

[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Plan or Disclosure Statement, as applicable.

that the Conversion Date is a reasonable proxy for the Effective Date of the Plan. This Liquidation Analysis was prepared on a legal entity basis for each Debtor and summarized into a consolidated report. The pro forma values referenced herein are as of August 31, 2020 and include a roll-forward amount representative of activity between August 31, 2020 and January 31, 2021. This Liquidation Analysis is summarized in the table contained herein.

This Liquidation Analysis represents an estimate of recovery values and percentages based upon a hypothetical liquidation of the Debtors. It is assumed that, on the Conversion Date, the Bankruptcy Court would appoint a Trustee who would sell the assets of the Debtors during the course of a three-month period following the Conversion Date (the "**Marketing Period**") and distribute the cash proceeds, net of liquidation-related costs, to Holders of Claims and Interests in accordance with the priority scheme set forth in chapter 7 of the Bankruptcy Code. Following the three-month Marketing Period, a transition of service and wind-down of the Estates is assumed to occur over a three-month period (the "**Wind-Down Period**"). It is assumed that the Trustee will retain counsel and other necessary advisors to assist in the liquidation and wind-down of the Estates.

The determination of the hypothetical proceeds from the liquidation of assets is a highly uncertain process involving the extensive use of estimates and assumptions which, although considered reasonable by the Debtors' managing officers ("**Management**") and the Debtors' advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors and Management.

The cessation of business in a liquidation is likely to trigger certain Claims that otherwise would not exist under a Plan absent a liquidation. Examples of these kinds of Claims include various potential employee Claims (including any severance Claims or Claims related to the WARN Act), new bonding or letters of credit for plugging and abandonment liabilities, litigation, and Claims related to rejection of Executory Contracts and Unexpired Leases, in addition to other potential Claims. Some of these Claims could be significant and might be entitled to priority in payment over General Unsecured Claims. Those priority Claims would be paid before any Liquidation Proceeds would be made available to pay General Unsecured Claims.

In preparing this Liquidation Analysis, the Debtors have estimated an amount of Allowed Claims for each Class of claimants based upon a review of the Debtors' balance sheets as of August 31, 2020, adjusted for estimated balances as of the Conversion Date where applicable. The estimate of all Allowed Claims in this Liquidation Analysis is generally based on the par value of those Claims. The estimate of the amount of Allowed Claims set forth in this Liquidation Analysis should not be relied upon for any other purpose, including, without limitation, any determination of the value of any distribution to be made on account of Allowed Claims under the Plan. The actual amount of Allowed Claims could be materially different from the amount of Claims estimated in this Liquidation Analysis. NOTHING CONTAINED IN THIS LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS.

No recovery or related litigation costs have been attributed to any potential avoidance actions under the Bankruptcy Code, including potential preferences or fraudulent transfer actions due to, among other issues, the cost of such litigation, the uncertainty of the outcome, and anticipated disputes regarding these matters.

Professional fees, Trustee fees, administrative expenses, priority Claims, and other such

Claims that may arise in a liquidation scenario would have to be paid in full from the Liquidation Proceeds before any proceeds are made available to holders of General Unsecured Claims. Under the priority scheme dictated under chapter 7 of the Bankruptcy Code, no junior creditor would receive any distributions until all senior creditors are paid in full, and no equity holder would receive any distribution until all creditors are paid in full. The assumed distributions to creditors as reflected in this Liquidation Analysis are estimated in accordance with the priority scheme dictated under chapter 7 of the Bankruptcy Code.

This Liquidation Analysis does not include comprehensive estimates for the tax consequences that may be triggered upon the liquidation and sale of assets in the manner described above. Such tax consequences could be material.

3. Liquidation Process

For purposes of this Liquidation Analysis, the Debtors' hypothetical liquidation would be conducted in a chapter 7 environment with the Trustee managing the bankruptcy estate of each Debtor to maximize recoveries in an expedited process. The Trustee's initial step would be to develop a liquidation plan to generate proceeds from the sale of entity-specific assets for distribution to creditors. The three major components of the liquidation are as follows:

- generation of cash proceeds from remaining assets;
- costs related to the liquidation process, such as Estate wind-down costs and Trustee, professional, broker, and other administrative fees; and
- distribution of net proceeds generated from asset sales to the Holders of Claims and Interests in accordance with the priority scheme under chapter 7 of the Bankruptcy Code.

4. Distribution of Net Proceeds to Claimants

Any available net proceeds would be allocated to the applicable Holders of Claims and Interests in strict priority in accordance with section 726 of the Bankruptcy Code:

- Chapter 7 Liquidation Adjustments – wind-down costs, estimated fees paid to the Trustee, and certain professional and/or broker fees;
- DIP Claims – includes estimated DIP Claims and DIP Professional Fee Carve-Out Claims (as defined below);
- Administrative Claims and Priority Tax Claims – includes estimated Claims for postpetition accounts payable, accrued expenses, accrued and unpaid professional fees excluded from any carveout, estimated Claims arising under section 503(b)(9) of the Bankruptcy Code and certain estimated unsecured Claims entitled to priority under section 507 of the Bankruptcy Code;
- Other Secured Claims and Other Priority Claims – includes Other Secured Claims (Class 1) related to accrued and unpaid expenses that could become subject to mechanic's and materialman's liens and Other Priority Claims (Class 2) related to accrued and unpaid production and ad valorem taxes;

- Revolving Credit Agreement Claims – includes Revolving Credit Agreement Claims (Class 3) arising under the RBL Credit Agreement;

- Unsecured Claims – includes the principal and accrued and unpaid prepetition interest on the Senior Notes Claims (Class 4), estimated Trade Claims (Class 5), and General Unsecured Claims (Class 6). It is also assumed that any Deficiency Claims (as defined herein) are assumed to be asserted at each Debtor entity and are entitled to *pari passu* treatment with General Unsecured Claims; and

- Other Claims and Interests – to the extent any available net proceeds remain available for distribution after satisfaction in full of the foregoing classes of Claims, distributions would be made to Holders of Existing Preferred Interests (Class 7), Existing Common Interests (Class 8), Other Equity Interests (Class 9), Intercompany Claims (Class 10), Intercompany Interests (Class 11), and Section 510(b) Claims (Class 12).

Pursuant to the distribution scheme under chapter 7 of the Bankruptcy Code, no junior creditor would receive any distribution until all senior creditors are paid in full, and no equity holder would receive any distribution until all creditors are paid in full. The assumed distributions to creditors as reflected in this Liquidation Analysis are estimated in accordance with the applicable provisions of chapter 7.

5. Conclusion

The amount of the final Allowed Claims against the Debtors' Estates may differ from the Claim amounts used in this Liquidation Analysis. Additionally, asset values discussed herein may be different than amounts referred to in the Plan, which presumes the reorganization of the Debtors' assets and liabilities as a going concern under chapter 11 of the Bankruptcy Code.

The Debtors have determined, as summarized in the following analysis (the "Projected Liquidation Recovery"), that upon the Effective Date, the Plan will provide all Holders of Claims and Interests with a recovery (if any) that is not less than what they would otherwise receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code. Accordingly, the Debtors believe that the Plan satisfies the requirement of section 1129(a)(7) of the Bankruptcy Code.[2]

Summary of Projected Midpoint Claims & Recoveries - USD in Thousands

Class	Claims / Equity Interests	Projected Claims in Liquidation Analysis	Projected Plan Recovery w/o GUC Rights Offering	Projected Plan Recovery w/ GUC Rights Offering[4]	Projected Liquidation Recovery
1	Other Secured Claims	$ 31,576.6	100.0%	100.0%	100.0%
2	Other Priority Claims	-	100.0%	100.0%	NA
3	Revolving Credit Agreement Claims	387,356.1	100.0%	100.0%	72.4%
4	Senior Note Claims	1,131,866.2	25.9%	24.4%	0.0%
5	Trade Claims	8,423.4	100.0%	100.0%	0.0%
6	General Unsecured Claims[3]	733,534.2	16.7%	19.5%	0.0%
7	Existing Preferred Claims	198,659.7	3.6%	3.3%	0.0%
8	Existing Common Interests	138,135,046 shares	NA	NA	NA
9	Other Equity Interests	NA	0.0%	0.0%	0.0%
10	Intercompany Claims	NA	0% / 100.0%	0% / 100.0%	0.0%
11	Intercompany Interests	NA	0% / 100.0%	0% / 100.0%	0.0%
12	Section 510(b) Claims	NA	NA	NA	NA

[2] This Liquidation Analysis was prepared on a legal entity basis for each Debtor and the Projected Liquidation Recovery assumes that the Debtors would be liquidated in jointly administered chapter 7 cases, but on a nonconsolidated basis.

[3] Projected Claims in this Liquidation Analysis include Deficiency Claims, which are not expected to exist under the Plan.

[4] This calculation assumes full participation in the GUC Equity Rights Offering.

The following table summarizes this Liquidation Analysis for the aggregated Debtor entities. This Liquidation Analysis should be reviewed with the accompanying notes.

Aggregated Legal Entities - USD $000s	Notes	Pro Forma 1/31/2021	Estimated Recovery - % Low	Mid	High	Estimated Liquidation Value Low	Mid	High
Gross Liquidation Proceeds								
Liquidated Balance Sheet								
Cash And Cash Equivalents	[A]	$ -	0.0%	0.0%	0.0%	$ -	$ -	$ -
Accounts Receivable, Net	[B]	101,500.2	84.8%	89.8%	94.8%	86,030.7	91,105.7	96,180.7
Inventory, prepaid expenses and other	[C]	31,834.0	15.4%	16.1%	16.9%	4,899.5	5,137.9	5,376.4
Oil And Gas Properties, Net	[D]	1,994,285.5	28.6%	31.1%	34.3%	570,000.0	620,000.0	685,000.0
Commodity derivative asset	[E]	24,590.9	95.0%	97.5%	100.0%	23,361.3	23,976.1	24,590.9
Other non-current assets	[E]	16,298.0	0.0%	0.0%	0.0%	-	-	-
Total Assets		**$ 2,168,508.5**	**31.6%**	**34.1%**	**37.4%**	**$ 684,291.5**	**$ 740,219.7**	**$ 811,147.9**
Chapter 7 Liquidation Adjustments								
Wind Down Costs	[F]					$ (42,039.8)	$ (42,039.8)	$ (42,039.8)
Chapter 7 Trustee Fees	[G]					(20,528.7)	(22,206.6)	(24,334.4)
Chapter 7 Professional and Broker Fees	[H]					(16,662.5)	(17,412.5)	(18,387.5)
Total Chapter 7 Liquidation Adjustments						**$ (79,231.0)**	**$ (81,658.9)**	**$ (84,761.7)**
Net Estimated Proceeds from Liquidation Available for Distribution						**$ 605,060.5**	**$ 658,560.8**	**$ 726,386.2**

		Total Estimated Claim Low	Mid	High	Total Recovery - % Low	Mid	High	Total Recovery - $ Low	Mid	High
Claims and Recoveries										
DIP Claims										
New DIP Loan Claims	[I]	$ 32,624.0	$ 32,624.0	$ 32,624.0	100.0%	100.0%	100.0%	$ 32,624.0	$ 32,624.0	$ 32,624.0
Prepetition Roll-Up Loan Claims	[I]	78,299.5	78,299.5	78,299.5	100.0%	100.0%	100.0%	78,299.5	78,299.5	78,299.5
DIP Professional Fee Carve-Out Claims	[I]	13,775.0	13,775.0	13,775.0	100.0%	100.0%	100.0%	13,775.0	13,775.0	13,775.0
Other DIP Claims	[I]	1,700.0	1,700.0	1,700.0	100.0%	100.0%	100.0%	1,700.0	1,700.0	1,700.0
Total DIP Claims		**$ 126,398.5**	**$ 126,398.5**	**$ 126,398.5**	**100.0%**	**100.0%**	**100.0%**	**$ 126,398.5**	**$ 126,398.5**	**$ 126,398.5**
Remaining Distributable Value after DIP Claims								**$ 478,662.0**	**$ 532,162.4**	**$ 599,987.7**
Administrative Expense and Priority Tax Claims										
Administrative Expense and Priority Tax Claims		220,061.5	220,061.5	220,061.5	100.0%	100.0%	100.0%	220,061.5	220,061.5	220,061.5
Total Administrative Expense and Priority Tax Claims	[J]	**$ 220,061.5**	**$ 220,061.5**	**$ 220,061.5**	**100.0%**	**100.0%**	**100.0%**	**$ 220,061.5**	**$ 220,061.5**	**$ 220,061.5**
Remaining Distributable Value after Administrative Expense and Priority Tax Claims								**$ 258,600.5**	**$ 312,100.9**	**$ 379,926.3**
Other Secured Claims, Other Priority Claims, and RCA Claims										
Class 1 - Other Secured Claims		$ 31,576.6	$ 31,576.6	$ 31,576.6	100.0%	100.0%	100.0%	$ 31,576.6	$ 31,576.6	$ 31,576.6
Class 2 - Other Priority Claims		-	-	-	0.0%	0.0%	0.0%	-	-	-
Class 3 - RCA Claims		387,356.1	387,356.1	387,356.1	58.6%	72.4%	89.9%	227,023.9	280,524.3	348,349.6
Total Other Secured Claims, Other Priority Claims, and RCA Claim	[K]	**$ 418,932.7**	**$ 418,932.7**	**$ 418,932.7**	**61.7%**	**74.5%**	**90.7%**	**$ 258,600.5**	**$ 312,100.9**	**$ 379,926.3**
Remaining Distributable Value after Other Secured Claims, Other Priority Claims, and RCA Claims								**$ -**	**$ -**	**$ -**
Unsecured Claims										
Class 4 - Senior Notes Claims	[L]	1,131,866.2	1,131,866.2	1,131,866.2	0.0%	0.0%	0.0%	-	-	-
7.375% Senior Notes Claims		417,126.4	417,126.4	417,126.4	0.0%	0.0%	0.0%	-	-	-
5.625% Senior Notes Claims		714,739.8	714,739.8	714,739.8	0.0%	0.0%	0.0%	-	-	-
Class 5 - Trade Claims	[M]	8,423.4	8,423.4	8,423.4	0.0%	0.0%	0.0%	-	-	-
Class 6 - General Unsecured Claims	[N]	787,034.6	733,534.2	665,708.9	0.0%	0.0%	0.0%	-	-	-
RCA Deficiency Claims		160,332.2	106,831.8	39,006.5	0.0%	0.0%	0.0%	-	-	-
General Unsecured Claims		10,245.9	10,245.9	10,245.9	0.0%	0.0%	0.0%	-	-	-
Rejected Executory Contracts & Unexpired Leases		616,456.4	616,456.4	616,456.4	0.0%	0.0%	0.0%	-	-	-
Total Unsecured Claims		**$ 1,927,324.1**	**$ 1,873,823.8**	**$ 1,805,998.4**	**0.0%**	**0.0%**	**0.0%**	**$ -**	**$ -**	**$ -**
Remaining Distributable Value after Unsecured Claims								**$ -**	**$ -**	**$ -**
Other Claims and Interests										
Class 7 - Existing Preferred Interests		198,659.7	198,659.7	198,659.7	0.0%	0.0%	0.0%	-	-	-
Class 8 - Existing Common Interests		-	-	-	0.0%	0.0%	0.0%	-	-	-
Class 9 - Other Equity Interests		-	-	-	0.0%	0.0%	0.0%	-	-	-
Class 10 - Intercompany Liabilities		-	-	-	0.0%	0.0%	0.0%	-	-	-
Class 11 - Intercompany Interests		-	-	-	0.0%	0.0%	0.0%	-	-	-
Class 12 - Section 510(b) Claims		-	-	-	0.0%	0.0%	0.0%	-	-	-
Total Other Claims and Interests	[O]	**$ 198,659.7**	**$ 198,659.7**	**$ 198,659.7**	**0.0%**	**0.0%**	**0.0%**	**$ -**	**$ -**	**$ -**
Remaining Distributable Value after Other Claims and Interests								**$ -**	**$ -**	**$ -**
Total Claims (excl. Deficiency Claims) / Total Recovery		**$ 2,731,044.3**	**$ 2,731,044.3**	**$ 2,731,044.3**	**22.2%**	**24.1%**	**26.6%**	**$ 605,060.5**	**$ 658,560.8**	**$ 726,386.2**

Specific Notes to this Liquidation Analysis

Total Liquidated Assets

A. Cash and Cash Equivalents: Cash and Cash Equivalents consists of cash held in bank accounts. As of the conversion date, cash is estimated at $130.2 million. Cash is reduced by $52.4 million of Revenue Suspense obligations estimated to be outstanding as of the Conversion Date. The remaining projected cash balance of $77.8 million is netted against the RBL Facility balance at the Conversion Date.

B. Accounts Receivable, Net: Includes proceeds from oil and gas production, along with other receivables related to joint interest billing partners, netting, and miscellaneous receivables. Accounts receivable is primarily comprised of oil and gas production receipts, which is expected to have a relatively high overall recovery.

    a. A/R – Trade: Trade amounts are assumed to be highly collectible based on counterparty credit quality and payment history. Receipts are related to sale of produced oil, natural gas, and natural gas liquids, typically due within 30 days of receipt. Outstanding receipts are assumed recoverable at a recovery range of 90 percent to 100 percent.

    b. A/R – Other: Other accounts receivable include joint interest billings after netting of payments owed to non-operated working interest owners and miscellaneous receivables, which have an expected recovery range of 75 percent to 85 percent of net book value.

C. Inventory, Prepaid Expenses, and Other: Includes prepaid deposits, retainers, and insurance with an assumed recovery rate of 15 percent to 17 percent of net book value.

    a. Primarily includes prepayments made on account of insurance, lease deposits, utility deposits, inventory, and prepaid service providers.

D. Oil & Gas Properties, Net: This Liquidation Analysis assumes that the Trustee sells or otherwise monetizes the reserves and associated equipment owned by the Debtors, in logical regional or geological packages, or on a piecemeal basis, with sales to buyers after the Marketing Period and Wind-Down Period.

    a. This Liquidation Analysis assumes the divestiture will be directed by a qualified investment bank or firm that specializes in managing oil and gas acquisitions and divestitures. It also assumes that the Trustee will not incur additional risk or have access to capital necessary to continue development, drilling, or completion of the oil and gas assets. The estimated values realized for such assets reflect, among other things, the following factors:

        i. long-term supply and demand fundamentals for oil and natural gas;

ii. projected oil and natural gas prices;

iii. projected production and operating performance for each asset;

iv. increasing regulatory restrictions on the development of oil and gas reserves in Colorado;

v. projected operating and maintenance costs for each asset; and

vi. assumed capital and environmental expenditure requirement

b. After a review of the assets, the Debtors and their advisors concluded that the forced sale of the Debtors' assets through a chapter 7 liquidation would likely result in a valuation discount relative to "fair value." The liquidation value of reserves is stratified based on probability of recovery and consists of proved developed producing ("**PDP**") and proved developed not-producing ("**PDNP**"), in addition to valuing the Debtors' non-producing acreage. This Liquidation Analysis assumes a net recovery range of 29 percent to 34 percent of net book value for such assets.

E. Other Assets: Derivative Assets and related recoveries are based on the Debtors' expected value of commodity hedges at the Conversion Date. The Debtors' derivative contracts are a net asset in aggregate. Therefore, the analysis assumes no Derivative Claims exist as of the Conversion Date. This Liquidation Analysis assumes a recovery of 95 to 100 percent to account for breakage costs associated with liquidating the Derivative contracts. All Derivative proceeds are assumed to be collateral of the DIP Lenders.

Other assets including deferred transaction costs, right of use assets, and intangibles are assumed to have no recovery value.

Chapter 7 Liquidation Adjustments

F. Wind Down Costs: The total wind-down costs are estimated to be approximately $42.0 million, which include personnel and overhead costs. In addition, wind-down costs include payments owed to royalty interest owners as property held by Debtors for a third party (such as funds held on account of a resulting trust) is not property of the estate.

G. Chapter 7 Trustee Fee: This would be limited to the fee guidelines in section 326(a) of the Bankruptcy Code. The Debtors assumed that Trustee fees are 3 percent of entity gross Liquidation Proceeds, excluding cash.

H. Chapter 7 Professional and Broker Fees: This includes the estimated cost for

advisors, attorneys, and other professionals retained by the Trustee. In the Liquidation Analysis, chapter 7 professional fees are estimated to be $16.7 million – $18.4 million. These fees are applied on a pro-rata basis across Debtor entities based on the estimated Liquidation Proceeds available to each Estate. However, this amount can fluctuate based on length and complexity of wind-down process and could be substantially greater than the amounts assumed herein.

Claims and Recoveries

DIP Claims

I. DIP Claims[5]

a. Holders of DIP Claims, totaling approximately $78.3 million of Prepetition Roll-Up Loan Claims and $32.6 million of New DIP Loan Claims, in addition to certain fees and expenses based on adequate protection commitments approved pursuant to the DIP Orders, are projected to be unimpaired. The DIP Claim amounts assume six months of interest at the default rate for the post-Conversion Date wind-down period for both Prepetition Roll-Up Loan Claims and New DIP Loan Claims.

b. The DIP Orders grant superpriority status to Allowed Professional Fee Claims incurred prior to notice of conversion to a Chapter 7 liquidation for each professional retained by the court pursuant to sections 327, 328, or 363 of the Bankruptcy Code plus any Professional Fee Claims incurred after such notice of conversion (collectively, the "**DIP Professional Fee Carve-Out Claims**"). This Liquidation Analysis assumes $13.8 million in DIP Professional Fee Carve-Out Claims and $1.7 million in other DIP Claims at the Conversion Date and that the Liquidation Proceeds would be sufficient to satisfy 100% of the DIP Claims, DIP Professional Fee Carve-Out Claims, and other DIP Claims.

Structurally Senior Claims

J. Administrative and Priority Tax Claims:

a. The Debtors estimate that there will be approximately $220.1 million in Administrative Claims and Priority Tax Claims as of the Conversion Date and assume that Administrative and Priority Tax Claims are asserted pro-rata among the Debtors based on the August 31, 2020 balance sheet. The Administrative Claims and Priority Tax Claims include amounts necessary for the preservation of the Debtors' Estates, incurred after the Petition Date but unpaid at the Conversion Date.

[5] Capitalized terms used but not otherwise defined in this section have the meanings ascribed to such terms in the DIP Orders.

b. Based on the assumptions herein, this Liquidation Analysis assumes 100 percent recovery on account of Administrative Claims and Priority Tax Claims.

Other Secured, Other Priority, Revolving Credit Agreement Claims

K. Other Secured, Other Priority, Revolving Credit Agreement Claims

a. Other Secured Claims (Class 1)

i. This Liquidation Analysis assumes that Other Secured Claims (Class 1) are Allowed in the amount of $31.6 million as of the Conversion Date.

ii. Based on these assumptions, recoveries to Holders of Class 1 Other Secured Claims are unimpaired.

b. Other Priority Claims (Class 2)

i. The Debtors' assume all Other Priority Claims (Class 2) will be satisfied before the Conversion Date. As such, this Liquidation Analysis assumes there will be no Other Priority Claims (Class 2) as of the Conversion Date.

c. Revolving Credit Agreement Claims (Class 3)

i. This Liquidation Analysis assumes that Revolving Credit Agreement Claims (Class 3) are Allowed in the amount of $387.4 million as of the Petition Date, net of the roll up of $75 million of Prepetition Roll-Up Loan Claims pursuant to the DIP Orders. Revolving Credit Agreement Claims are further reduced by $77.8 million in cash balance at the Conversion Date. Revolving Credit Agreement Claims recover from the remaining Liquidation Proceeds available after satisfaction of the DIP Claims, Professional Fee Carve-Out Claims, Administrative Expense and Priority Tax Claims.

ii. Based on these assumptions, implied Liquidation Proceeds distributed on account of Revolving Credit Agreement Claims (Class 3) would range from $227.0 million to $348.3 million, which represents 59 percent and 90 percent recoveries to Holders of Class 3 Claims.

Unsecured Claims

L. Senior Notes Claims (Class 4)

a. The Liquidation Analysis assumes approximately $1,131.9 million of Senior Notes Claims, including accrued and unpaid interest as of the Petition Date. This includes estimated non-Debtor Claim amounts of $417.1 million for the 7.375% Senior Notes due 2024 and $714.7 million for 5.625% Senior Notes due 2026.

b. Extraction Oil & Gas, Inc. has agreed under the Plan that it will not receive a distribution on account of its Senior Notes Claims, and the proposed pro rata distribution to be made to Holders of Senior Notes Claims under the Plan shall not account for the Senior Notes Claims held by Extraction Oil & Gas, Inc. In a liquidation scenario, it is assumed that Extraction Oil & Gas, Inc. would have the right to share in any Class 4 recovery on account of its Senior Notes Claims.

c. Based on the assumptions herein, this Liquidation Analysis assumes no recovery on account of Class 4 Claims.

M. Trade Claims (Class 5)

a. Trade Claims consist of any Claim held by an ordinary course trade vendor of the Debtors against any of the Debtors on account of ordinary course goods and/or services provided to any of the Debtors. For the avoidance of doubt, Trade Claims do not include any Claim arising from or based upon rejection of any Executory Contract or Unexpired Lease, nor any Claim that is not Secured resulting from litigation against one or more of the Debtors

b. Based on the assumptions herein, this Liquidation Analysis assumes no recovery on account of Class 5 Claims.

N. General Unsecured Claims (Class 6)

a. All existing General Unsecured Claims are assumed to be asserted at Debtor entities where liabilities are recorded in the Debtors' books and records, or where they would be recorded in the case of liabilities that only exist in a hypothetical liquidation scenario. Such Claims may consist of prepetition unpaid and accrued unsecured obligations owed to litigants and other parties as well as Claims on account of rejection of Executory Contracts or Unexpired Claims, and may not be exhaustive of Claims that exist under the Plan or that may arise on account of a liquidation.

b. "**Deficiency Claims**" means any Claims that result from a shortfall of the value of the secured lenders' collateral when applied to the Revolving Credit

Agreement Claims. The Deficiency Claim amount asserted at any given Debtor may vary from other Debtors, based on the recovery of the value of the secured lenders' collateral at a specific Debtor. In addition, Holders of Administrative Claims may also have a Deficiency Claim based on the Liquidation Proceeds available against the Debtor at which they have their Administrative Claim. These Deficiency Claims are assumed to be asserted at each Debtor borrower and guarantor entity and are *pari passu* with the General Unsecured Claims and Senior Notes Claims.

c. General Unsecured Claims also include an estimate of Rejected Executory Contracts and Unexpired Leases Claims, where impaired parties could assert claims for damages as a result of a premature contract termination. Such Claims are unsecured and applied against any remaining Liquidation Proceeds at the respective Debtor, if available.

d. Based on the assumptions herein, this Liquidation Analysis assumes no recovery on account of Class 6 Claims.

Other Claims and Interests

O. Other Claims and Interests

a. Existing Preferred Interests (Class 7), Existing Common Interests (Class 8), Other Equity Interests (Class 9), Intercompany Liabilities (Class 10), Intercompany Interests (Class 11), Intercompany Interests (Class 11), and Section 510(b) Claims (Class 12)

i. This Liquidation Analysis assumes that there would be no recovery on account of Existing Preferred Interests (Class 7), Existing Common Interests (Class 8), Other Equity Interests (Class 9), Intercompany Liabilities (Class 10), Intercompany Interests (Class 11), and Section 510(b) Claims (Class 12) as of the Conversion Date.

Exhibit D

Disclosure Statement Order

Exhibit E

Financial Projections

FINANCIAL PROJECTIONS

The Debtors believe that the Plan[1] meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor thereto under the Plan. In connection with the planning and development of a plan of reorganization and for the purposes of determining whether such plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their post-Effective Date financial obligations while maintaining sufficient liquidity and capital resources.

The Debtors do not, as a matter of course, publish their business plans or strategies, projections or anticipated financial position. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or the Financial Projections to holders of Claims or Interests or other parties in interest going forward, or to include such information in documents required to be filed with the SEC or otherwise make such information public, unless required to do so by the SEC or other regulatory bodies pursuant to the provisions of the Plan.

In connection with the Disclosure Statement, the Debtors' management team ("Management") prepared the Financial Projections for the years 2021 through 2025. The Financial Projections were prepared by Management and are based on several assumptions made by Management with respect to the future performance of the Reorganized Debtors' operations.

The Debtors have prepared the Financial Projections based on information available to them, including information derived from public sources that have not been independently verified. No representation or warranty, expressed or implied, is provided in relation to fairness, accuracy, correctness, completeness, or reliability of the information, opinions, or conclusions expressed herein.

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE SEC OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE PRO FORMA BALANCE SHEET HEREIN REFLECTS A PRELIMINARY HIGH-LEVEL PRESENTATION OF WHAT A FRESH START ACCOUNTING ESTIMATE MAY LOOK LIKE, BUT IS SUBJECT TO MATERIAL CHANGE AND DOES NOT REFLECT A FULL FRESH START ACCOUNTING ANALYSIS, WHICH COULD RESULT IN MATERIAL CHANGE TO ANY OF THE PROJECTED VALUES HEREIN.

ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE UNDERLYING ASSUMPTIONS TO BE REASONABLE, IT IS IMPORTANT TO NOTE THAT NEITHER THE DEBTORS NOR THE REORGANIZED DEBTORS CAN PROVIDE ANY ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT THE REORGANIZED DEBTORS' FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, THE FINANCIAL PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION WITH A REVIEW OF THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

The Financial Projections contain certain forward-looking statements, all of which are based on various estimates and assumptions. Such forward looking statements are subject to inherent uncertainties and to a wide variety of significant business, economic, and competitive risks, including those summarized herein. When used in the Financial Projections, the words, "anticipate," "believe," "estimate," "will," "may," "intend," "expect," and similar expressions should be generally identified as forward-looking statements. Although the Debtors believe that their plans, intentions, and expectations reflected in the forward-looking statements are reasonable, the Debtors cannot be sure that such plans, intentions and expectations will be achieved. These statements are only predictions and are not guarantees of future performance or results. Forward-looking statements are subject to risks and uncertainties that

[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Disclosure Statement, to which these Financial Projections are attached.

could cause actual results to differ materially from those contemplated by a forward-looking statement. All forward looking statements attributable to the Debtors or Persons or Entities acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth herein. Forward looking statements speak only as of the date on which they are made. Except as required by law, the Debtors expressly disclaim any obligation to update any forward-looking statement, whether because of new information, future events, or otherwise.

The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in the Disclosure Statement and the Plan in their entirety as well as the notes and assumptions set forth below.

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond Management's control. Although Management believes these assumptions are reasonable under the circumstances, such assumptions are subject to significant uncertainties, including, but not limited to: (a) fluctuations in oil and natural gas prices and the Reorganized Debtors' ability to hedge against movements in prices; (b) the uncertainty inherent in estimating reserves, future net revenues, and discounted future cash flows; (c) the timing and amount of future production of oil and natural gas; (d) changes in the availability and cost of capital; (e) environmental, drilling, regulatory and other operating risks, including liability claims as a result of oil and natural gas operations; (f) proved and unproved drilling locations and future drilling plans; and (g) the effects of existing and future laws and governmental regulations, including environmental, hydraulic fracturing, set-back, and climate change regulation. The Debtors believe, based on preliminary tax and accounting analyses, that it may incur income taxes over the forecast horizon. To the extent it is later determined that these accounting and tax analyses are incorrect, the Reorganized Debtors' projections could change materially. Additional information regarding these uncertainties are described in the Disclosure Statement. Should one or more of the risks or uncertainties referenced in the Disclosure Statement occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in the Financial Projections. Further, new factors could cause actual results to differ materially from those described in the Financial Projections, and it is not possible to predict all such factors, or to the extent to which any such factor or combination of factors may cause actual results to differ from those contained in the Financial Projections. The Financial Projections herein are not, and must not be viewed as, a representation of fact, prediction or guaranty of the Reorganized Debtors' future performance.

OVERVIEW

Actual balances may vary from those reflected in the opening balance sheet due to variances in projections. The reorganized pro forma balance sheets for the periods ending December 31, 2021 through December 31, 2025 contain certain pro forma adjustments as a result of consummation of the Plan. The estimated pro forma adjustments regarding the equity value of the Reorganized Debtors, their assets, or estimates of their liabilities as of the Effective Date will be based upon the fair value of its assets and liabilities as of that date, which could be materially different than the values assumed in the estimates.

I. METHODOLOGY

The Financial Projections were prepared using a bottoms-up approach incorporating multiple sources of detailed information including well-level analyses. Key personnel from all of the Debtors' operating areas and across various functions provided input in the development of the Financial Projections. In preparation of the Financial Projections, the Debtors considered the current commodity price environment, historical operating/production performance and operating costs. The projections should be read in conjunction with the significant assumptions, qualifications and notes set forth herein.

II. ASSUMPTIONS

A. Overview

The Reorganized Debtors are an independent energy company focused on the acquisition, production, exploration and development of onshore oil and natural gas assets in the United States.

B. Presentation

The Projections are presented on a consolidated basis, including estimates of operating results for the Reorganized Debtor entities in the aggregate.

C. Plan Consummation

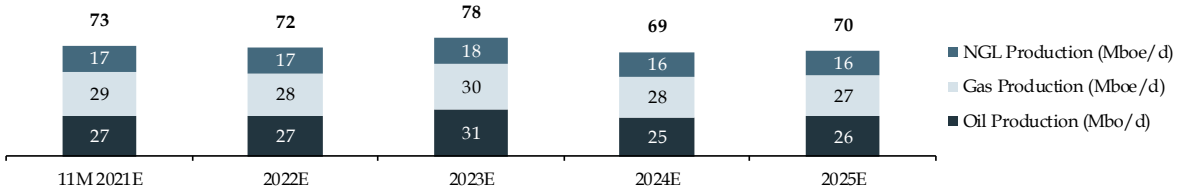
The Financial Projections include projected financial statements for 2021-2025 and an Assumed Effective Date of January 31, 2021.

D. Accounting Policies

The Projections have been prepared using accounting policies that are materially consistent with those applied in the Debtors' historical financial statements. The Projections do not reflect all of the adjustments necessary to implement fresh-start accounting pursuant to Accounting Standards Certification ("ASC") 852-10, as issued by the Financial Accounting Standards Board.

E. Average Daily Net Production

Average daily net production represents the oil, natural gas and NGL production volumes assumed in the plan.



F. Commodity Pricing

Commodity pricing is based on October 14, 2020 New York Mercantile Exchange ("NYMEX") forward pricing for crude oil and natural gas Management estimates realized pricing based on forecasted differentials for these commodities and estimates NGL realizations based on a differential to benchmark oil prices.

BENCHMARK PRICING	11M 2021E	2022E	2023E	2024E	2025E
WTI Oil ($/Bbl)	$42.85	$43.47	$43.96	$44.48	$45.16
Henry Hub Gas ($/MMBtu)	3.00	2.67	2.49	2.45	2.46

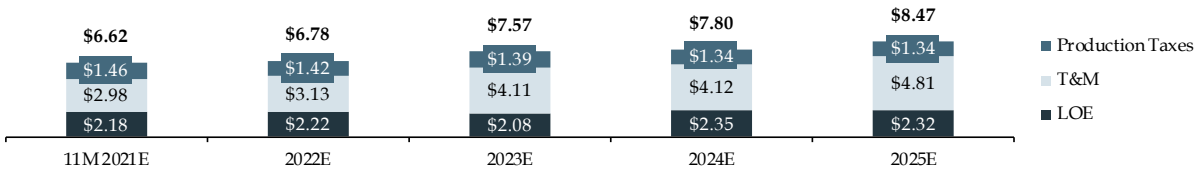
DIFFERENTIALS	11M 2021E	2022E	2023E	2024E	2025E
WTI Oil ($/Bbl)	($6.55)	($6.55)	($6.55)	($6.55)	($6.55)
NGLs ($/Bbl)	(32.14)	(32.61)	(32.97)	(33.36)	(33.87)
Henry Hub Gas ($/MMBtu)	(0.31)	(0.34)	(0.36)	(0.36)	(0.36)

G. Total Revenue

Total revenue is calculated by applying the commodity pricing to the production volume less deductions for specific transportation and marketing costs and consists of production revenue and hedging revenue. Production revenue is generated from the exploration for and development, production, gathering, and sale of oil, natural gas, and natural gas liquids.

H. Operating Expenses

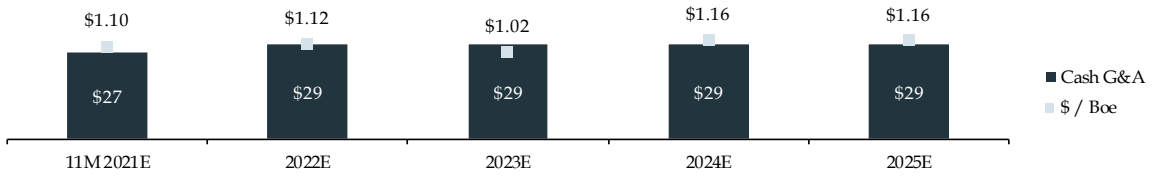
Operating expenses consist of lease operating expenses, production and ad valorem taxes and gathering, transportation and marketing expense.



I. Cash General and Administrative Expenses

Cash general and administrative ("G&A") expenses primarily consists of personnel costs, rent, insurance, and other corporate overhead costs necessary to manage operations and comply with regulatory and public company

requirements. The Reorganized Debtors' projected G&A expenses are based on the Debtors' current development and operational plans.



J. Exploration Expense
Exploration expense reflects costs incurred in connection with the Reorganized Debtors' exploration activities.

K. Capital Expenditures
Capital expenditures consist primarily of drilling and completion costs associated with running a one rig development program throughout the projection period as well as leasehold payments made to maintain acreage positions.

L. Interest Expense
Post-emergence interest expense is forecasted based on the Reorganized Debtors' anticipated pro forma capital structure.

Income Statement (presented for the post-Effective Date period)

($ in millions)	11M 2021E	2022E	2023E	2024E	2025E
Net Production					
Crude Oil (MMbbl)	9	10	11	9	10
Natural Gas (Bcf)	59	62	65	61	60
NGLs (MMbbl)	6	6	6	6	6
Total Net Production (Mmboe)	**25**	**26**	**29**	**25**	**25**
Daily Net Production (Mboe/d)	*73*	*72*	*78*	*69*	*70*
Revenue:					
Oil Revenue	$320	$356	$420	$348	$370
Gas Revenue	138	126	123	113	113
NGL Revenue	62	66	70	65	65
Hedge Settlements	18	0	0	0	0
Total Revenue	**$538**	**$548**	**$613**	**$525**	**$548**
Lease Operating Expenses	(53)	(58)	(59)	(59)	(59)
Transportation & Marketing	(73)	(82)	(118)	(104)	(122)
Production Taxes	(36)	(37)	(40)	(34)	(34)
Cash G&A	(27)	(29)	(29)	(29)	(29)
EBITDAX	**$349**	**$341**	**$367**	**$299**	**$303**
Exploration Expense	(5)	(5)	(6)	(5)	(5)
EBITDA	**$344**	**$336**	**$362**	**$294**	**$298**

Summary Cash Flow Build (presented for the post-Effective Date period)

($ in millions)	Pro Forma 2/1	11M 2021E	2022E	2023E	2024E	2025E
EBITDA		$344	$336	$362	$294	$298
(-) Cash Interest Expense		(16)	(11)	(6)	(3)	(3)
(-) Cash Taxes Paid		(8)	0	(3)	(10)	(20)
(-) CapEx		(146)	(213)	(147)	(122)	(147)
(+/-) Change in Net Working Capital[1]		(129)	(12)	(6)	(7)	13
Total Cash Flow		**$45**	**$100**	**$200**	**$154**	**$141**
Total Debt[2]:						
Beginning Debt		$318	$273	$173	$0	$0
Debt (Paydown) / Drawn		(45)	(100)	(173)	0	0
Ending Debt	**$318**	**$273**	**$173**	**$0**	**$0**	**$0**
Cash Balance:						
Beginning Cash Balance		$10	$10	$10	$37	$191
Cash (Decrease) / Increase		(0)	0	27	154	141
Ending Cash Balance	**$10**	**$10**	**$10**	**$37**	**$191**	**$333**
Liquidity:						
RBL Availability[2]	$182	$227	$327	$500	$500	$500
Cash	10	10	10	37	191	333
Total Liquidity	**$192**	**$237**	**$337**	**$537**	**$691**	**$833**

1.Includes approximately $140 million of ad valorem tax payments made post Effective Date through April 2021
2. Assumes the RBL is refinanced upon maturity and the Borrowing Base is maintained at $500 million

Exhibit F

Valuation Analysis

THE VALUATION INFORMATION CONTAINED HEREIN DOES NOT PURPORT TO BE OR CONSTITUTE (I) A RECOMMENDATION TO ANY HOLDER OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS AS TO HOW TO VOTE ON, OR OTHERWISE ACT WITH RESPECT TO, THE PLAN, (II) AN OPINION AS TO THE FAIRNESS FROM A FINANCIAL POINT OF VIEW OF THE CONSIDERATION TO BE RECEIVED UNDER THE PLAN OR OF THE TERMS AND PROVISIONS OF THE PLAN OR OF ANY TRANSACTION OFFERED PURSUANT TO THE PLAN OR OTHERWISE DESCRIBED THEREIN, OR (III) AN APPRAISAL OF THE ASSETS OF THE REORGANIZED DEBTORS.

THE VALUATION INFORMATION CONTAINED HEREIN IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING "ADEQUATE INFORMATION" UNDER BANKRUPTCY CODE SECTION 1125 TO ENABLE HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS (AND, IF APPLICABLE, OTHER STAKEHOLDERS) ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN, AND, OTHER THAN WITH RESPECT TO THE FOREGOING, WAS NOT PREPARED FOR THE PURPOSE OF PROVIDING THE BASIS FOR AN INVESTMENT DECISION BY ANY HOLDER OR ANY OTHER PERSON OR ENTITY WITH RESPECT TO ANY TRANSACTION OFFERED PURSUANT TO THE PLAN OR OTHERWISE DESCRIBED THEREIN, AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING WITHOUT LIMITATION THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS. THE VALUATION INFORMATION CONTAINED HEREIN SHOULD ALSO BE CONSIDERED IN CONJUNCTION WITH THE RISK FACTORS DESCRIBED IN ARTICLE VIII OF THE DISCLOSURE STATEMENT.

VALUATION ANALYSIS[1]

The Debtors have been advised by Moelis & Company LLC ("Moelis") with respect to the enterprise value of the Reorganized Debtors (the "Enterprise Value") on a going concern basis.

The valuation analysis set forth herein (this "Valuation Analysis") is based on information as of the date hereof and is based on the business plan prepared by and provided by the Debtors' management to Moelis (the "Business Plan"). For purposes of this Valuation Analysis, Moelis has assumed that no material changes that would affect value occur between the date hereof and January 31, 2021 (the "Assumed Effective Date").

For purposes of the Plan, and as a result of the Valuation Analysis described herein, Moelis estimates that the range of Enterprise Value of the Reorganized Debtors is approximately $875 million to $1.275 billion, with a mathematical mid-point of $1.075 billion, as of the Assumed Effective Date. The implied mid-point total equity value, which takes into account Moelis' mid-point estimate of Enterprise Value less estimated pro forma net debt and other cash obligations outstanding as of the Effective Date[2], was estimated at approximately $641 million (the "Plan

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1 Capitalized terms used but not defined in this Valuation Analysis shall have the meanings ascribed to such terms in the *Joint Chapter 11 Plan of Reorganization of Extraction Oil & Gas Corporation and Its Debtor Affiliates* (the "Plan").

2 Includes pro forma estimated net debt of $308 million as of the Effective Date, consisting of $500 million RBL Exit Facility Commitment less $192 million of pro forma net cash at exit after giving effect to exit related adjustments (detailed in Summary Estimated Cash Sources & Uses at Exit exhibit in the Financial

Equity Value"). Moelis' estimate of the range of Enterprise Value and the Plan Equity Value does not constitute an opinion as to fairness from a financial point of view of the consideration to be received under the Plan, the terms and provisions of the Plan, or any other matter with respect to the Debtors and the Chapter 11 Cases.

THE ESTIMATED ENTERPRISE VALUE AND ESTIMATED PLAN EQUITY VALUE, AS OF THE ASSUMED EFFECTIVE DATE, REFLECTS WORK PERFORMED BY MOELIS ON THE BASIS OF INFORMATION REGARDING THE BUSINESS AND ASSETS OF THE DEBTORS THAT WAS AVAILABLE TO MOELIS AS OF OCTOBER 22, 2020. IT SHOULD BE UNDERSTOOD THAT, ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT MOELIS' CONCLUSIONS, MOELIS DOES NOT HAVE ANY OBLIGATION TO UPDATE, REVISE, OR REAFFIRM ITS ESTIMATES OF THE REORGANIZED DEBTORS' ENTERPRISE VALUE AND PLAN EQUITY VALUE SET FORTH HEREIN. AS YOU ARE AWARE, THE CREDIT, FINANCIAL AND STOCK MARKETS HAVE BEEN EXPERIENCING UNUSUAL VOLATILITY, AND WE EXPRESS NO OPINION OR VIEW AS TO ANY POTENTIAL EFFECTS OF SUCH VOLATILITY ON THE REORGANIZED DEBTORS.

MOELIS DID NOT INDEPENDENTLY VERIFY THE PROJECTIONS IN CONNECTION WITH MOELIS' ESTIMATES OF THE ENTERPRISE VALUE AND PLAN EQUITY VALUE, AND NO INDEPENDENT VALUATIONS OR APPRAISALS OF THE DEBTORS OR THEIR ASSETS WERE SOUGHT OR OBTAINED IN CONNECTION HEREWITH. MOELIS' ESTIMATES OF THE ENTERPRISE VALUE AND PLAN EQUITY VALUE DO NOT PURPORT TO BE APPRAISALS OR NECESSARILY REFLECT THE VALUES THAT MAY BE DIRECTLY OR INDIRECTLY REALIZED IF ANY OF THE DEBTORS' ASSETS ARE SOLD AS A GOING CONCERN, IN LIQUIDATION, OR OTHERWISE, IN CHAPTER 11 OR AN OUT-OF-COURT BASIS. IN THE CASE OF THE REORGANIZED DEBTORS, THE ESTIMATES OF THE ENTERPRISE VALUE AND PLAN EQUITY VALUE PREPARED BY MOELIS REPRESENT THE HYPOTHETICAL ENTERPRISE VALUE AND PLAN EQUITY VALUE OF THE REORGANIZED DEBTORS. SUCH ESTIMATES WERE DEVELOPED SOLELY FOR PURPOSES OF THE FORMULATION OF THE PLAN AND THE ANALYSIS OF IMPLIED RELATIVE RECOVERIES TO CREDITORS THEREUNDER. SUCH ESTIMATES REFLECT COMPUTATIONS OF THE ESTIMATED ENTERPRISE VALUE OR PLAN EQUITY VALUE OF THE REORGANIZED DEBTORS THROUGH THE APPLICATION OF VARIOUS VALUATION TECHNIQUES AND DO NOT PURPORT TO REFLECT OR CONSTITUTE APPRAISALS, LIQUIDATION VALUES, OR ESTIMATES OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN, WHICH MAY BE SIGNIFICANTLY DIFFERENT THAN THE AMOUNTS SET FORTH HEREIN.

Projections section). Also includes $126 million deduction for net working capital obligations as of the Effective Date adjusted for normalized net working capital over the projection period (estimated net working capital obligation as of January 31, 2021 (prior to any adjustments for normalized net working capital over the projection period, as stated above) projected to be approximately $150 million; approximately $139 million of this estimated January 31, 2021 net working capital obligation consists of ad valorem tax obligations due and payable in the 3 months immediately following exit from Chapter 11).

THE VALUE OF AN OPERATING BUSINESS IS SUBJECT TO NUMEROUS UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT TO PREDICT AND WILL FLUCTUATE WITH CHANGES IN FACTORS AFFECTING THE FINANCIAL CONDITION AND PROSPECTS OF SUCH A BUSINESS. AS A RESULT, THE ESTIMATE OF THE ENTERPRISE VALUE OR PLAN EQUITY VALUE OF THE REORGANIZED DEBTORS SET FORTH HEREIN IS NOT NECESSARILY INDICATIVE OF ACTUAL OUTCOMES, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE SET FORTH HEREIN. BECAUSE SUCH ESTIMATES ARE INHERENTLY SUBJECT TO UNCERTAINTIES, NEITHER THE DEBTORS, MOELIS, NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THEIR ACCURACY. IN ADDITION, THE VALUATION OF NEWLY-ISSUED SECURITIES IS SUBJECT TO ADDITIONAL UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH ARE DIFFICULT TO PREDICT. ACTUAL MARKET PRICES OF SUCH SECURITIES AT ISSUANCE WILL DEPEND UPON, AMONG OTHER THINGS, PREVAILING INTEREST RATES, CONDITIONS IN THE FINANCIAL MARKETS, THE ANTICIPATED INITIAL SECURITIES HOLDINGS OF PREPETITION CREDITORS, SOME OF WHICH MAY PREFER TO LIQUIDATE THEIR INVESTMENT RATHER THAN HOLD IT ON A LONG-TERM BASIS, AND OTHER FACTORS THAT GENERALLY INFLUENCE THE PRICES OF SECURITIES.

Moelis assumed the Business Plan was reasonably prepared in good faith and on a basis reflecting the Debtors' most accurate, currently-available estimates, and judgments as to the future operating and financial performance of the Reorganized Debtors. The estimated range of Enterprise Value and the Plan Equity Value assume the Reorganized Debtors will achieve their projections in all material respects, including revenue, EBITDA margins, and cash flows. If the business performs at levels below or above those set forth in the Business Plan, such performance may have a materially negative or positive impact, respectively, on Enterprise Value and Plan Equity Value. In estimating the range of Enterprise Value and the Plan Equity Value, Moelis: (a) reviewed certain historical financial information of the Debtors for recent years and interim periods; (b) reviewed certain internal financial, reserves and operating data of the Debtors; (c) discussed the Debtors' operations and future prospects with the Debtors' senior management team; (d) reviewed certain publicly-available financial data for, and considered the market value of, public companies that Moelis deemed generally relevant in analyzing the value of the Reorganized Debtors; (e) considered certain economic and industry information relevant to the Debtors' operating businesses; and (f) conducted such other analyses, inquiries and investigations as Moelis deemed appropriate. Moelis assumed and relied on the accuracy and completeness of all financial and other information furnished to it by the Debtors' management as well as publicly-available information. Moelis does not offer an opinion as to the reasonableness of the Business Plan or the attainability of the Business Plan, as future results are dependent on various factors, many of which are beyond the control or knowledge of the Reorganized Debtors and Moelis, and thus are difficult to project.

The following is a brief summary of analyses performed by Moelis to arrive at its estimated range of Enterprise Value and the Plan Equity Value for the Reorganized Debtors and does not purport to be a complete description of all of the analyses and factors undertaken. The

preparation of a valuation is a complex process involving various determinations as to the most appropriate analyses and factors to consider, and the application of those analyses and factors under the particular circumstances.

In performing its analysis, Moelis applied the following valuation methodologies as applicable to the operations of the Debtors: (a) a net asset valuation analysis; and (b) a selected publicly-traded companies analysis. In addition, Moelis considered a precedent transactions analysis but because the precedent transactions occurred in different commodity pricing environments and other market conditions, and involved companies with differences in financial and operating characteristics, diversity of business operations, diversity of geographic locations, size and other factors, Moelis believed that the inclusion of this approach was of limited applicability.

Net Asset Valuation Analysis

The value of the Debtors' oil and gas reserves was estimated using a net asset value ("NAV") approach. The Debtors' reserve report associated with its Business Plan calculates the estimated sum of net cash flows directly attributable to the Debtors' oil and gas properties. Future production volumes attributable to the properties are estimated and multiplied by the projected realized price, which incorporates the projected market price less an expected differential between the market price and the price at which the Debtors can sell their production. Projected severance, production and ad valorem taxes, lease operating expenses, gathering, processing, transportation and marketing expenses, and capital expenditures are then subtracted from revenue to calculate net cash flows. Moelis then risk adjusted the reserve values by reserve category using both reserve adjustment factors and risk adjusted discount rates as detailed by the Society of Petroleum Evaluation Engineers in its 39th annual survey dated June 2020. These values were then adjusted for other non-reserve assets and liabilities, including general and administrative expenses, non-drilling and completion capital expenditures of the Debtors not reflected in the reserve report, and income taxes to determine the net asset value of the Debtors. Moelis relied on the Debtors' and their tax professionals' assumptions to estimate the impact of future income taxes. Given that the Debtors anticipate an ownership change in connection with the Plan, the ability to use pre-change tax attributes to offset the Reorganized Debtors' future taxable income is expected to be limited.

Selected Publicly-Traded Companies Analysis

A selected publicly-traded companies analysis estimates the value of a company based on a comparison with certain other publicly-traded companies in lines of business and operating characteristics similar in certain respects to the company being valued. Under this methodology, certain financial multiples and ratios that measure financial performance and value are calculated for each selected company and then applied to certain of the Debtors' financial metrics to imply an enterprise value for the Debtors. Moelis used enterprise value as a multiple of each selected company's publicly-available consensus projected 2021 and 2022 EBITDAX. This implies a range of EV/EBITDAX multiples that Moelis then applied to the Debtors' Business Plan projections to determine the Enterprise Value and Plan Equity Value. Although the selected companies were compared to the Debtors for purposes of this analysis, no entity used in this analysis is identical to the Reorganized Debtors. The selection of public entities for this purpose

was based upon characteristics that were deemed relevant based on Moelis' professional judgment. The selection of appropriate companies is a matter of judgment and subject to limitations due to sample size and the availability of meaningful market-based information. Accordingly, Moelis' comparison of the selected companies to the business of the Reorganized Debtors and analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics, diversity of business operations, diversity of geographic locations, size and other factors that could affect the relative values of the selected companies and the Debtors.

Moelis did not consider any one analysis or factor to the exclusion of any other analyses or factors. Moelis believes that its analysis and views must be considered as a whole and that selecting portions of its analysis and factors could create a misleading or incomplete view of the processes underlying the preparation of this Valuation Analysis. Reliance on only one of the methodologies used or portions of the analysis performed could create a misleading or incomplete conclusion.

The estimated range of Enterprise Value and the Plan Equity Value do not constitute a recommendation to any Holder of Allowed Claims or Interests as to how such Holder should vote or otherwise act with respect to the Plan. Moelis has not been asked to and does not express any view as to what the trading value of the Reorganized Debtors' securities would be on issuance or at any time. The estimated range of Enterprise Value and the Plan Equity Value of the Reorganized Debtors set forth herein does not constitute an opinion as to fairness from a financial point of view to any person of the consideration to be received by such person under the Plan or of the terms and provisions of the Plan.

Moelis relied on the Debtors' and their tax professionals' assumptions and estimates regarding the availability of tax attributes and the impact of any cancellation of indebtedness income on the Reorganized Debtors. Any changes to the assumptions on the availability of tax attributes or the impact of cancellation of indebtedness income on the Reorganized Debtors' projections could materially impact Moelis' valuation analysis.

THE ESTIMATES OF THE ENTERPRISE VALUE AND PLAN EQUITY VALUE DETERMINED BY MOELIS REPRESENT ESTIMATED ENTERPRISE VALUES AND PLAN EQUITY VALUES AND DO NOT REFLECT VALUES THAT COULD BE ATTAINABLE IN PUBLIC OR PRIVATE MARKETS. THE IMPUTED ESTIMATE OF THE PLAN EQUITY VALUE OF THE REORGANIZED DEBTORS ASCRIBED IN THE ANALYSIS DOES NOT PURPORT TO BE AN ESTIMATE OF THE POST-REORGANIZATION MARKET TRADING VALUE. ANY SUCH TRADING VALUE MAY BE MATERIALLY DIFFERENT FROM THE IMPUTED ESTIMATE OF THE EQUITY VALUE FOR THE REORGANIZED DEBTORS ASSOCIATED WITH MOELIS' VALUATION ANALYSIS.

MOELIS IS ACTING AS FINANCIAL ADVISER AND INVESTMENT BANKER TO THE DEBTORS, AND WILL NOT BE RESPONSIBLE FOR AND WILL NOT PROVIDE ANY TAX, ACCOUNTING, ACTUARIAL, OR LEGAL ADVICE.

Exhibit G

Exit RBL Facility Term Sheet

Extraction Oil & Gas, Inc.

$1.0 Billion Senior Secured Revolving Exit Credit Facility
Summary of Terms and Conditions

[THIS SUMMARY OF PROPOSED TERMS AND CONDITIONS IS PROVIDED FOR DISCUSSION PURPOSES ONLY AND NOTHING HEREIN SHALL CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) A COMMITMENT OR OFFER BY WELLS FARGO BANK, NATIONAL ASSOCIATION OR ANY OF ITS AFFILIATES TO PROVIDE ANY PORTION OF THE SENIOR SECURED REVOLVING EXIT CREDIT FACILITY. THE ACTUAL TERMS AND CONDITIONS UPON WHICH WELLS FARGO BANK, NATIONAL ASSOCIATION MIGHT EXTEND CREDIT TO THE BORROWER ARE SUBJECT TO SATISFACTORY COMPLETION OF DUE DILIGENCE, INTERNAL CREDIT APPROVAL, SATISFACTORY COMPLETION AND REVIEW OF DEFINITIVE DOCUMENTATION AND SUCH OTHER TERMS AND CONDITIONS AS MAY BE DETERMINED BY WELLS FARGO BANK, NATIONAL ASSOCIATION AND ITS COUNSEL. THE CLOSING OF ANY EXTENSION OF CREDIT BY WELLS FARGO BANK, NATIONAL ASSOCIATION OR ANY OF ITS AFFILIATES SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE AGREED DEFINITIVE DOCUMENTS AND THE APPLICABLE DIP ORDERS. THIS SUMMARY OF TERMS IS CONFIDENTIAL AND MAY NOT BE DISCLOSED TO ANY OTHER PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF WELLS FARGO BANK, NATIONAL ASSOCIATION.][1]

Borrower:	Extraction Oil & Gas, Inc. ("Borrower").
Facility:	A senior secured revolving exit credit facility in an aggregate principal amount of up to $1,000,000,000 (the "Facility"). A subfacility for standby letters of credit issued by Wells Fargo will be available under the Facility in an aggregate amount equal to the lesser of the Borrowing Base then in effect and $50,000,000.
Guarantors:	Any current or hereafter acquired or created wholly owned subsidiaries of the Borrower other than any unrestricted subsidiaries (the "Guarantors" and together with the Borrower, the "Loan Parties"). All subsidiaries of the Borrower as of the Closing Date (as hereinafter defined) will be restricted subsidiaries ("Restricted Subsidiaries") and Guarantors.
Administrative Agent:	Wells Fargo Bank, National Association ("Wells Fargo" or, in its capacity as Administrative Agent, the "Administrative Agent").
Lead Arranger:	Wells Fargo Securities, LLC (in such capacity, the "Lead Arranger").
Lenders:	Wells Fargo Bank, National Association and a syndicate of financial institutions (including Wells Fargo) reasonably acceptable to Borrower and the Administrative Agent (each a "Lender" and, collectively, the "Lenders").[2]
Majority Lenders:	Lenders holding greater than 50% of the outstanding loans and unfunded commitments under the Facility.

[1] NTD: To be removed upon attachment to Commitment Letter.
[2] It is contemplated that all pre-petition lenders under the Existing Credit Agreement will be Lenders hereunder.

Required Lenders:	Lenders holding greater than 66-2/3% of the outstanding loans and unfunded commitments under the Facility.
Tier I Lenders:	Each Lender with a commitment in excess of 1.00% of the aggregate commitments under the Facility.
Majority Tier I Lenders:	Tier I Lenders holding greater than 50% of the outstanding loans and unfunded commitments under the Facility.
Required Tier I Lenders:	Tier I Lenders holding greater than 66-2/3% of the outstanding loans and unfunded commitments under the Facility.
Use of Proceeds:	The Facility will be used for (a) financing certain fees, costs and expenses in connection with the Borrower's and Guarantors' exit from Chapter 11 of the Bankruptcy Code and refinancing certain debt (including all amounts owing under the DIP Credit Agreement[3] and amounts owing under the Existing Credit Agreement[4]) in connection therewith, (b) financing ongoing working capital and capital and operating expenditures and (c) for other general corporate purposes of the Borrower and its Restricted Subsidiaries.
Documentation:	The documentation for the Facility will be consistent with the Documentation Principles (as hereinafter defined), and shall include, among other items, a credit agreement, guarantees and appropriate pledge, security, mortgage and other collateral documents (collectively, the "Financing Documentation").
Security:	Borrower and the Guarantors will grant to the Administrative Agent, for the benefit of the Lenders, any issuing lender, any counterparty to any hedging agreement that is a Lender (or any affiliate thereof) at the time the hedging transaction was entered into and any Lender (or any affiliate thereof) that provides banking services to the Borrower or any Guarantor, valid and perfected first priority security interests in and liens on all of the following (collectively, the "Collateral"): (a) Owned real property interests and leased real property interests covering at least 95% of the present discounted value of the oil and gas properties evaluated in the reserve reports delivered to the Administrative Agent now owned or hereafter acquired by the Borrower or the Guarantors and all products, profits, rents, and proceeds of the foregoing; (b) Substantially all of the tangible and intangible personal

[3] That certain debtor-in-possession financing evidenced by the Superpriority Senior Secured Debtor-in-Possession Credit Agreement dated as of June 16, 2020 among the Borrower, Wells Fargo Bank, National Association, as administrative agent, and the other agents and lenders party thereto (as amended or otherwise modified prior to the date hereof, the "DIP Credit Agreement").

[4] That certain Amended and Restated Credit Agreement dated as of August 16, 2017 among the Borrower, Wells Fargo Bank, National Association, as the administrative agent and issuing lender, and the other lenders and agents party thereto (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement").

property and assets now owned or hereafter acquired by the Borrower and the Guarantors (including, without limitation, all equipment, inventory and other goods, accounts, licenses, contracts, intellectual property and other general intangibles, deposit accounts, securities accounts and other investment property and cash); and

(c) All present and future capital stock or other membership or partnership equity ownership or profit interests (collectively, "Equity Interests") owned or held of record or beneficially by the Borrower and Guarantors.

"Excluded Assets" means (a) any United States "intent to use" trademark applications for which a statement of use has not been filed, in relation to which any applicable law, or any agreement with a domain name registrar or any other person entered into by any grantor, prohibits the creation of a security interest therein or would otherwise invalidate or result in the abandonment of any of such grantor's right, title or interest therein, (b) any of such Loan Party's rights or interests in or under any property or assets to the extent that, and only for so long as, such grant of a security interest (i) is prohibited by any governmental requirement of a governmental authority with jurisdiction over such property, (ii) requires a consent not obtained of a governmental authority with jurisdiction over such property that is required pursuant to any governmental requirement or (iii) is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document, in each case, that directly evidences or gives rise to such property; provided that any of the foregoing exclusions shall not apply if (A) such prohibition has been waived or such other party has otherwise consented to the creation hereunder of a security interest in such asset or property, or (B) such prohibition, consent or the term in such contract, license, agreement, instrument or other document or providing for such prohibition breach, default or termination or requiring such consent is ineffective or would be rendered ineffective under any governmental requirement, including pursuant to Section 9-406, 9-407 or 9-408 of Article 9 of the UCC; provided further that it is understood for avoidance of doubt that immediately upon any of the foregoing becoming or being rendered ineffective or any such prohibition, requirement for consent or term lapsing or termination or such consent being obtained, the applicable Loan Party shall be deemed to have granted a lien in all its rights, title and interests in and to such property or assets, (c) any motor vehicle and other vehicles subject to certificates of title (except to the extent the security interest in such assets can be perfected by the filing of a UCC-1 financing statement), (d) any building or manufactured (mobile) home located within an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968, (e) any Excluded Accounts, and (f) those assets of a Loan Party with respect to which, in the reasonable discretion of the Administrative Agent, the burdens, costs or consequences of obtaining a lien on such assets are excessive in

view of the benefits to be obtained by the Lenders and other secured parties. For the avoidance of doubt, any proceeds of the foregoing Excluded Assets shall constitute Collateral hereunder and shall be subject to the lien and security interest granted under the Financing Documentation.

"Excluded Accounts" shall mean (a) any Deposit Account that is specifically and exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of the Borrower's or a Guarantor's salaried employees, to the extent the amounts in such Deposit Account as of any date of determination do not exceed the greater of (i) the checks outstanding against such Deposit Account as of that date, (ii) amounts necessary to meet minimum balance requirements [and (iii) amounts necessary to avoid, in the Borrower's reasonable discretion and consistent with past practices, overdraft fees], (b) any Deposit Account that is specifically and exclusively used to hold third-party funds related to the Oil and Gas Properties, (c) any Deposit Account, Commodities Account or Securities Account so long as the value of all cash, commodities and/or securities as applicable held in each such account, individually, does not exceed $50,000 at any time and the aggregate value of all cash, commodities and/or securities held in all such Deposit Accounts, Commodities Accounts and Securities Accounts does not at any time exceed $200,000 and (d) the Professional Fee Escrow Account (as defined in the Plan of Reorganization).

Borrowing Base:

The Borrowing Base shall be the loan value to be assigned by the Lenders in their discretion to the proved reserves attributable to the Borrower and the Guarantors' oil and gas properties evaluated in the reserve report(s) most recently delivered to the Administrative Agent and the Lenders (the "Borrowing Base Properties").

The initial Borrowing Base in effect as of the Closing Date will be $500 million, so long as the Closing Date occurs on or before [January 31, 2021] (such Borrowing Base, the "Initial Borrowing Base"). The Borrowing Base will be redetermined on a semi-annual basis on or about each November 1st and May 1st (each such redetermination being referred to herein as a "Scheduled Redetermination"), with the first Scheduled Redetermination to occur on or about May 1, 2021.

For Scheduled Redeterminations, a reserve report prepared as of each January 1 and July 1 immediately preceding the Scheduled Redetermination (or other applicable dates if the parties agree to different semi-annual redetermination dates as noted above), respectively, will be required. Each January 1 reserve report shall be prepared by Ryder Scott Company Petroleum Consultants, L.P. or another independent petroleum engineering firm reasonably acceptable to the Administrative Agent (the "Independent Engineer"). The other intra-year reserve reports shall be prepared by the in-house engineering staff of the Borrower in accordance with

	the procedures used in the immediately preceding January 1 reserve report. From and after the effective date of the first Scheduled Redetermination scheduled to occur on or about May 1, 2021, the Required Tier I Lenders and the Borrower shall each have the right to interim unscheduled redeterminations ("Unscheduled Redetermination") as described in the following sentence. The parties may request Unscheduled Redeterminations of the Borrowing Base provided that each of the Borrower and the Required Tier I Lenders may not request more than one Unscheduled Redetermination between Scheduled Redeterminations. In the event of an Unscheduled Redetermination, the Borrower shall furnish to the Administrative Agent and the Lenders a reserve report prepared by, at the Borrower's option, either the Independent Engineer or the in-house engineering staff of the Borrower in accordance with the procedures used in the immediately preceding Reserve Report prepared by the Independent Engineer. The Borrowing Base will also be subject to interim adjustments in connection with (a) sales of assets and hedging agreement unwinds, as set forth in the "Negative Covenants – Limitation on Sales of Property" section below, (b) the incurrence of Junior Lien Debt and Unsecured Debt (each as defined below), and (c) title deficiencies. Decisions regarding the amount of the Borrowing Base will be made based upon the reserve report and the certificate delivered in connection therewith (including, without limitation, the status of title information with respect to the oil and gas properties as described in the reserve report, swap agreements then in effect and the existence of any other debt of the Borrower and its Restricted Subsidiaries) as the Administrative Agent deems appropriate in its sole discretion and consistent with its normal oil and gas lending criteria as they exist at the particular time. Increases in the amount of the Borrowing Base will require approval of all Tier I Lenders, and decreases or maintenance of the amount of the Borrowing Base will require approval of the Required Tier I Lenders.
Maturity Date:	The date that is 3.5 years after the Closing Date (the "Maturity Date").
Interest Rates and Fees:	Interest rates and fees in connection with the Facility will be as specified on *Schedule I* attached hereto.
Mandatory Prepayments:	Subject to the provisions below, mandatory prepayments of the Facility are required if the outstanding principal amount of the loans and Letters of Credit exceeds the lesser of (a) the aggregate commitments under the facility and (b) the Borrowing Base then in effect (such excess herein defined as a "Borrowing Base

Deficiency").

In the event a Borrowing Base Deficiency occurs as a result of a Scheduled Redetermination or an Unscheduled Redetermination, the Borrower will, within 10 days after the Administrative Agent provides notice of a Borrowing Base Deficiency, agree to either: (a) repay the Borrowing Base Deficiency in three equal monthly installments and make the first payment within 30 days from Borrower's receipt of the Administrative Agent's notice; (b) provide additional collateral acceptable to the Administrative Agent and each of the Tier I Lenders to increase the Borrowing Base by an amount at least equal to the Borrowing Base Deficiency within 30 days from the date of Borrower's receipt of the Administrative Agent's notice; (c) repay the entire amount of the Borrowing Base Deficiency in a lump sum within 30 days from the date of Borrower's receipt of the Administrative Agent's notice; or (d) take any combination of actions described in clauses (a), (b) and (c) above in an amount sufficient to eliminate such Borrowing Base Deficiency.

In the event a Borrowing Base Deficiency occurs as a result of a decrease in the Borrowing Base in connection with an asset disposition (as set forth in the "Negative Covenants – Limitation on Sales of Property" section below), hedge unwind or termination (as set forth in the "Negative Covenants – Limitation on Sales of Property" section below), a title deficiency, or the incurrence of Junior Lien Debt or Unsecured Debt (as set forth in the "Negative Covenants – Limitation on Debt" section below), then the Borrower shall immediately prepay the loans or, if the loans have been repaid in full, make deposits into a cash collateral account up to an amount equal to the Letter of Credit Exposure. "Letter of Credit Exposure" shall mean, at the date of its determination by the Administrative Agent, the aggregate outstanding undrawn amount of letters of credit plus the aggregate unpaid amount of all of the Borrower's payment obligations under drawn letters of credit.

If, at any time loans or Letters of Credit are outstanding, the Consolidated Cash Balance (as defined below) exceeds $50 million as of the end of any calendar week, then the Borrower shall on the next Consolidated Cash Sweep Date (as defined below) prepay the loans in an aggregate principal amount equal to such excess, and if any excess remains after prepaying all of the loans as a result of any exposure with respect to Letters of Credit, pay to the Administrative Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral up to an amount equal to the Letter of Credit Exposure (the "Anti-Hoarding Prepayment Provision").

"Consolidated Cash Balance" means, as of any date of determination, an amount equal to (a) the aggregate amount of cash and cash equivalents, marketable securities, treasury bonds and bills, certificates of deposit, investments in money market funds and commercial paper and any other Liquid Investments (as defined in the Existing Credit Agreement), in each case, held or owned by

(whether directly or indirectly), credited to the account of, or otherwise reflected as an asset on the balance sheet of, the Borrower and its Restricted Subsidiaries minus (b) without duplication, the sum of (i) checks issued, wires initiated or ACH transfers initiated, in any case, to non-affiliate third parties or to affiliates on account of transactions not prohibited under the Financing Documentation, plus (ii) cash or cash equivalents of the Borrower or any of its Restricted Subsidiaries constituting purchase price deposits held in escrow pursuant to a binding and enforceable purchase and sale agreement with a third party containing customary provisions regarding the payment and refunding of such deposits plus (iii) in the case of cash or cash equivalents that will be used to pay royalty obligations, working interest obligations, production payments, vendor payments, suspense payments, severance, ad valorem, payroll and other taxes, lease rental payments, and other similar payments as are customary in the oil and gas industry then due and owing by the Borrower and its Restricted Subsidiaries to unaffiliated third parties and for which the Borrower or any of its Restricted Subsidiaries will issue checks or initiate wires or ACH transfers within five (5) business days plus (iv) cash deposited with an issuing lender to cash collateralize Letters of Credit plus (v) any amounts in an Excluded Account (as defined herein) other than any Excluded Account described in clause (c) of the definition thereof.

"Consolidated Cash Sweep Date" means the second business day of each calendar week.

Optional Prepayments and Commitment Reductions: Loans under the Facility may be prepaid and unused commitments under the Facility may be reduced at any time, in whole or in part, at the option of the Borrower, upon notice and in minimum principal amounts and in multiples to be agreed upon, without premium or penalty (except LIBOR breakage costs associated with prepayments on a date other than the end of an interest period).

Conditions Precedent to Closing: The closing of the Facility will be subject to satisfaction of the conditions precedent including, but not limited to, the following on or before [January 31, 2021]:

(a) The negotiation, execution, and delivery of Financing Documentation (including security documentation (which shall include, for the avoidance of doubt, control agreements in form and substance acceptable to the Administrative Agent), closing certificates, the fee letter, and other usual and customary closing documents, satisfactory to the Administrative Agent) for the Facility.

(b) Receipt and satisfactory review of (i) the authorizing resolutions, certificate of incumbency and organization documents of the Borrower and the Guarantors, (ii) good standing certificates for the Borrower and each Guarantor, (iii) unaudited consolidated balance sheet and the related consolidated statements of income or operations, shareholder's

equity and cash flows for the Borrower and its Restricted Subsidiaries for the most recently ended fiscal quarter for which financial statements are available at least 45 days prior to the Closing Date, and (iv) pro forma unaudited consolidated balance sheet of the Borrower and its Restricted Subsidiaries as of the Closing Date (as if the Closing Date had occurred on the last date of the most recently ended fiscal quarter for which financial statements are available at least 45 days prior to the Closing Date), after giving effect to the making of the initial extensions of credit (including the issuance of letters of credit) under the Facility, the application of the proceeds thereof and to the other transactions contemplated to occur on the Closing Date, certified by the President, Chief Financial Officer or Vice President of Finance of the Borrower, which shall reflect no indebtedness other than (i) the loans, letters of credit and other extensions of credit under the Facility and (ii) other indebtedness permitted by the Financing Documentation.

(c) (i) No material adverse change prior to closing, (ii) all representations and warranties set forth in the loan documents will be true and correct in all material respects (unless already subject to materiality qualifiers therein, then such representations and warranties shall be true and correct in all respects), (iii) no Default or Event of Default will have occurred and be continuing, (iv) the Loan Parties shall have received all consents, licenses and approvals required in connection with the Financing Documentation and the Loan Parties shall have received all material consents, licenses and approvals required in connection with the continued operation of the Loan Parties' operation and such approvals shall be in full force and effect, and (v) no action before any governmental authority shall be threatened or pending in connection with the Financing Documentation or which could reasonably be expected to result in a material adverse change.

(d) Legal opinions of counsel (including applicable local counsel) to the Borrower and Guarantors, in form and substance reasonably satisfactory to the Administrative Agent and to its counsel.

(e) Reasonably satisfactory review of all material contracts pursuant to which any Loan Party pays, receives or incurs liabilities (or could reasonably be expected to pay, receive or incur liabilities during any 12-month period over the term thereof) in excess of $10,000,000 including, but not limited to, hedging contracts, oil and gas sales and management contracts and transportation contracts.

(f) Receipt of all documentation and other information required by regulatory authorities, including, without limitation, "know your customer" and anti-money laundering rules and regulations and beneficial ownership regulations at least three (3) Business Days prior to the Closing Date.

(g) Receipt and reasonably satisfactory review of the Borrower's and Guarantors' business plan and budget for each fiscal year through and including 2024, including projections prepared by management of balance sheets, income statements and cash flow statements of the Loan Parties for each fiscal year through and including 2024, on a quarterly basis.

(h) Payment of all required fees and expenses.

(i) Receipt of a reserve report prepared by the in-house engineering staff of the Borrower reasonably acceptable to the Administrative Agent with an as of date of no earlier than August 1, 2020 (the "Initial Reserve Report") (it being agreed that the reserve report dated as of October 1, 2020 previously provided by the Borrower to the Administrative Agent is reasonably acceptable to the Administrative Agent and shall constitute the Initial Reserve Report) and a borrowing base certificate.

(j) The Administrative Agent shall be satisfied in its sole discretion with title information on at least 80% of the present discounted value of the Borrower's and Guarantors' oil and gas properties classified as proved or 95% of the present discounted value of the Borrower's and Guarantors' proved, developed and producing reserves and the oil and gas properties relating thereto, in each case, as set forth in the Initial Reserve Report. The Borrower and the Guarantors will have good and marketable title to its oil and gas properties, subject to no other liens other than permitted liens.

(k) Receipt and satisfactory review of environmental matters.

(l) Receipt of mortgages and security agreements providing perfected, first priority (subject only to permitted liens) liens and security interests on all assets of the Borrower and the Guarantors, including perfected, first priority liens and security interests in not less than 95% of the present discounted value of the oil and gas properties of the Borrower and the Guarantors based on the Initial Reserve Report and all products, profits, rents, and proceeds of the foregoing.

(m) Lease operating statements in form and substance satisfactory to the Administrative Agent for the fiscal year ended December 31, 2019 and for each fiscal quarter thereafter ending at least 45 days prior to the Closing Date.

(n) Certificates of insurance naming the Administrative Agent as loss payee with respect to property insurance, or additional insured with respect to liability insurance.

(o) Customary UCC, lien and litigation searches.

(p) A solvency certificate from the Borrower's Vice President of Finance (certifying that, after giving pro forma effect to the transactions and after giving effect to each debtors' exit from the Chapter 11 Cases (defined consistent with the DIP Credit

Agreement) in accordance with the Plan of Reorganization, that on a consolidated basis the Borrower and each Restricted Subsidiary are solvent).

(q) The confirmation order (in form and substance reasonably acceptable to the Administrative Agent and Required Lenders) (the "Confirmation Order") confirming the Borrower's and the Guarantors' plan of reorganization (the terms of which shall be reasonably satisfactory to the Administrative Agent and the Required Lenders, and it being understood that the terms of the Plan attached as Exhibit A to the Commitment Letter are reasonably satisfactory to the Administrative Agent) (the "Plan of Reorganization") has been entered by the Bankruptcy Court and become a final order, which final order shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified in any manner that would reasonably be expected to adversely affect the interests of the Lenders, the Administrative Agent or the Lead Arranger or the treatment contemplated by the Plan of Reorganization to (x) the lenders under the Existing Credit Agreement or (y) the lenders under the DIP Credit Agreement.

(r) Leverage Ratio (as defined below) of no more than 1.50x based on expected LTM 3Q20 results after giving pro forma effect to the making of the initial extensions of credit (including the issuance of letters of credit) under the Facility, the application of the proceeds thereof and to the other transactions contemplated to occur on the Closing Date.

(s) The Plan of Reorganization and all transactions contemplated therein or in the Confirmation Order to occur on the effective date of the Plan of Reorganization shall have been (or concurrently with the Closing Date, shall be) substantially consummated in accordance with the terms thereof and in compliance with applicable law and Bankruptcy Court (defined consistent with the DIP Credit Agreement) and regulatory approvals.

(t) Minimum availability of 20% of the Initial Borrowing Base after giving pro forma effect to the making of the initial extensions of credit (including the issuance of letters of credit) under the Facility, the application of the proceeds thereof and to the other transactions contemplated to occur on the Closing Date.

(u) Minimum equity contribution in an amount equal to $200 million, which is the amount sufficient to cause the Borrower to achieve the condition precedent set forth in (t) above after giving pro forma effect to the making of the initial extensions of credit (including the issuance of letters of credit) under the Facility, the application of the proceeds thereof and to the other transactions contemplated to occur on the Closing Date.

(v) Successful renegotiation of gathering, transportation, and processing contracts on terms no less favorable taken as a

whole than those assumed in the Initial Reserve Report as determined by the Administrative Agent in its sole discretion.

(w) The Administrative Agent shall have received evidence reasonably satisfactory to it that (x) all loans and other obligations under the Existing Credit Agreement and the DIP Credit Agreement are being repaid or otherwise satisfied in full and terminated in a manner consistent with the Plan of Reorganization, other than existing letters of credit to be deemed issued under the Facility on the Closing Date, and (y) the liens securing the Existing Credit Agreement and the DIP Credit Agreement are being released substantially contemporaneously with the initial funding under the Facility on the Closing Date. After giving effect to the transactions contemplated hereby, the Borrower and the Guarantors shall have no indebtedness outstanding other than (a) the loans and other extensions of credit under the Facility and (b) any other indebtedness permitted under the Financing Documentation. The Administrative Agent shall have received evidence reasonably satisfactory to it that all liens on the assets of the Borrower and the Guarantors (other than liens permitted by the Financing Documentation) have been (or will be concurrently with the initial funding under the Facility on the Closing Date) released or terminated and that duly executed recordable releases and terminations in forms reasonably acceptable to the Administrative Agent with respect thereto have been obtained by the Borrower or the Guarantors, as applicable.

(x) An order of the Bankruptcy Court (which may include the Confirmation Order), in form and substance reasonably satisfactory to the Administrative Agent, shall have been entered approving the Commitment Letter and Fee Letters (including the fees set forth in the Fee Letters and specifically providing for the right to receive all amounts due and owing, including indemnification obligations, the fees and other payments set forth herein, and reimbursement of all reasonable costs and expenses incurred in connection with the transactions contemplated herein and as set forth herein and which, indemnification and reimbursement obligations shall be entitled to priority as administrative expense claims under Section 503(b) and 507(a)(1) of title 11 of the Bankruptcy Code) and such order shall have become a final order of the Bankruptcy Court unless waived in writing by the Administrative Agent and the Required Lenders, which order shall not have been stayed, reversed, vacated, amended, supplemented or otherwise modified in any manner.

(y) Such other documents, governmental certificates, agreements, lien releases, UCC-3 financing statements, and lien searches as the Administrative Agent or any Lender may reasonably request.

The date upon which all such conditions precedent are satisfied or waived in accordance with the terms of the Financing

Documentation, the "Closing Date".

Conditions to All Extensions of Credit:

Each extension of credit (including the initial extension of credit, any extension of the expiration date of a letter of credit, or any increase in the amount of a letter of credit) under the Facility will be subject to satisfaction of the following conditions precedent: (a) all of the representations and warranties in the Financing Documentation shall be true and correct in all material respects (unless already subject to materiality qualifiers therein, then such representations and warranties shall be true and correct in all respects) as of the date of such extension of credit, (b) at the time of and immediately after such extension of credit, no event, development or condition that has or could reasonably be expected to have a material adverse effect shall have occurred, (c) no event of default under the Facility or unmatured default shall have occurred and be continuing or would result from such extension of credit, (d) such extension of credit would not conflict with any governmental requirement and no litigation shall be pending or threatened that seeks to enjoin such credit extension, (e) compliance with Anti-Hoarding Prepayment Provision, and (f) the receipt by the Administrative Agent of a borrowing request or letter of credit request, as applicable.

Representations and Warranties:

Representations and warranties covering the Borrower and the Guarantors, in each case, subject to customary exceptions, baskets and qualifications, including, without limitation:

- No Default
- Organization and Good Standing
- Authorization
- Enforceable Obligations
- Initial Financial Statements; no material adverse change
- Full Disclosure
- Litigation
- Taxes
- Title to Properties; Permits, Licenses, etc.
- Compliance with Agreements
- Subsidiaries
- ERISA
- Environmental
- Investment Company Act
- Use of Proceeds
- Condition of Properties; Casualties
- Insurance
- Security Interest
- OFAC
- Solvency
- Gas Contracts
- Liens, Leases, etc.
- Hedging Agreements
- Material Agreements
- Restriction on Liens

- Location of Business and Offices
- FCPA
- Anti-Money Laundering Laws
- ECP Guarantor
- Others as may be determined in accordance with the Documentation Principles

Affirmative Covenants:

Affirmative covenants covering the Borrower and the Guarantors, in each case, subject to customary exceptions, baskets and qualifications, including, without limitation:

- Reporting Covenants:
  - Audited consolidated financial statements of the Borrower and its Subsidiaries delivered within 120 days (or if an earlier date is required for the delivery of audited consolidated financial statements by any other debt documents or applicable law, such earlier date) after the end of the fiscal year and unaudited quarterly consolidated financial statements of the Borrower and its Restricted Subsidiaries delivered within 60 days (or if an earlier date is required for the delivery of unaudited quarterly consolidated financial statements by any other debt documents or applicable law, such earlier date) after the end of each fiscal quarter, together in each case with consolidating financial statements reflecting the Unrestricted Subsidiaries.
  - Lease operating statements showing monthly production, revenue, price information and associated operating expenses delivered concurrently with the annual and quarterly financial statements as described in the immediately preceding paragraph.
  - A schedule of all hedging contracts of the Borrower and each of its Restricted Subsidiaries delivered concurrently with the annual and quarterly financial statements described above, which shall set forth the type, term, effective date, termination date and notional amounts or volumes and the counterparty to each such agreement.
  - A business and financial plan (including a capital budget) of the Borrower and each of its Restricted Subsidiaries for the current fiscal year delivered concurrently with the annual financial statements described above.
  - Compliance Certificate on a combined basis for the Borrower and the Guarantors, delivered with the annual and quarterly financial statements described above signed by the President, Chief Financial Officer or Vice President of Finance of the Borrower showing calculation and compliance with financial covenants, non-occurrence of an event of default, that the representations and warranties are true and correct in all material respects, and attestation to the authenticity of the financial statements.
  - A reserve report prepared as of January 1 by the Independent Engineer reasonably acceptable to the Administrative Agent

delivered by April 1 of each year, and a reserve report prepared by the in-house engineering staff of the Borrower in accordance with the procedures used in the immediately preceding January 1 reserve report shall be prepared as of July 1 and delivered by October 1 of each year.

- Borrowing Base Certificate certifying as to the information in the reserve reports being true and correct in all material respects, any gas imbalances, information related to the acquisition or disposition of any Borrowing Base Properties, information related to the execution of any new gathering, transportation, and processing contracts pursuant to which any Loan Party pays, receives or incurs liabilities (or could reasonably be expected to pay, receive or incur liabilities during any 12-month period over the term thereof) in excess of $10,000,000 or any material amendments or modifications to existing gathering, transportation and processing contracts, including all contracts with minimum volume commitments, and attaching thereto copies of each such contract or material amendment or modification thereto, and other information reasonably requested by the Administrative Agent.
- Certificate with respect to the Anti-Hoarding Prepayment Provision.
- Such other information that the Administrative Agent or any Lender may reasonably request.

- Organization
- Insurance
- Compliance with Laws
- Taxes
- New Subsidiaries
- Agreement to Pledge; Security
- Deposit Accounts
- Records; Inspection
- Maintenance of Property
- Title Evidence and Opinions
- Further Assurances; Cure of Title Defects
- Leases; Development and Maintenance
- Keepwell
- Hedge Condition Subsequent: Within (i) sixty days of the Closing Date (or such longer period agreed to by the Administrative Agent in its sole discretion), the Borrower and the Guarantors shall hedge at least 65% of the projected oil and gas volumes attributable to proved, developed and producing reserves of the Borrower and the Guarantors as set forth in the most recent reserve report on a monthly basis for each of the first 12 months commencing with the first full calendar month following the Closing Date, and (ii) sixty days of the Closing Date (or such longer period agreed to by the Administrative Agent in its sole discretion), the Borrower and the Guarantors shall hedge at least 50% of the projected oil and gas volumes attributable to proved, developed and producing reserves of the

Borrower and the Guarantors as set forth in the most recent reserve report on a monthly basis for each of the months 13-24 after the first full calendar month following the Closing Date.

- Hedge Minimums: On a rolling basis and measured as of the date that a reserve report is due for each Scheduled Redetermination (such date, the "Reserve Report Date"), the Borrower and Guarantors shall hedge (i) at least 65% of the projected oil and gas volumes attributable to proved, developed and producing reserves of the Borrower and the Guarantors as set forth in the most recent reserve report on a monthly basis for each of the first 12 months beginning with the calendar month commencing on such Reserve Report Date and (ii) at least 50% of the projected oil and gas volumes attributable to proved, developed and producing reserves of the Borrower and the Guarantors as set forth in the most recent reserve report on a monthly basis for each of the months 13-24 beginning with the calendar month commencing on such Reserve Report Date.

Hedging and Counterparties: The Borrower and each Guarantor shall not (a) incur or maintain speculative hedges, (b) incur or maintain interest hedges in excess of 75% of the anticipated outstanding principal balance, or (c) incur or maintain commodity hedges on more than (i) for the first two years following the date of measurement, 85% of the anticipated production volumes of crude oil, natural gas and natural gas liquids (each measured separately) of the Borrower and its Restricted Subsidiaries as indicated from the latest reserve report provided to the Administrative Agent by the Borrower or in other projections of anticipated production acceptable to the Administrative Agent for each month during the period such Hedging Arrangement is in effect, and (ii) for the third through fifth years following the date of measurement, the greater of (x) 85% of anticipated production volumes attributable to proved, developed and producing reserves of the Borrower and its Restricted Subsidiaries, and (y) 65% of the anticipated production volumes attributable to total proved volumes of crude oil, natural gas and natural gas liquids (each measured separately) of the Borrower and its Restricted Subsidiaries as indicated from the latest reserve report provided to the Administrative Agent by the Borrower for each month during the period such Hedging Arrangement is in effect.

Hedging contracts may not have a tenor of more than 60 months from the execution date of the contract. Any hedge provider must be a Lender, an affiliate of a Lender, an Approved Counterparty, or other mutually agreeable unsecured counterparties. If the hedge provider is a Lender or an affiliate of a Lender, any hedge obligation shall be secured on a pari passu basis with the Facility. If the hedge provider is an Approved Counterparty (or any other mutually agreeable counterparty) any hedge obligations shall be unsecured and shall not be entitled to credit support.

"Approved Counterparty" means a counterparty to a Hedging Arrangement that at the time of entering into such Hedging Arrangement is a Person (other than a Lender or an Affiliate of a

Lender) having, at the time the Hedging Arrangement is made, credit ratings with respect to their senior unsecured long-term debt obligations of A- or better from S&P or A3 or better from Moody's (or such counterparty has a guarantor of its obligations under such Hedging Arrangement who is rated the same or better than such levels), or such other Person as may be approved by the Administrative Agent in its sole discretion.

Negative Covenants:

Negative covenants covering the Borrower and its Restricted Subsidiaries, in each case, subject to customary exceptions and qualifications, including, without limitation:

- Limitation on Liens
- Limitation on Debt:
    - General debt basket of $[TBD] million, capital lease and purchase money basket of $[TBD] million and certain other baskets to be agreed and consistent with the Existing Credit Agreement, but subject to modifications satisfactory to the Administrative Agent and the Lenders.
    - Debt basket for junior lien debt (the "Junior Lien Debt") subject to (i) such Junior Lien Debt shall be in an aggregate principal amount not to exceed the lesser of $75 million and an amount that would cause the ratio of secured total net Debt (the Borrower may net up to $50 million (in the aggregate) of its unrestricted cash and the unrestricted cash of its Restricted Subsidiaries against such secured Debt, provided that any cash raised shall be excluded from the cash netting calculation) to EBITDAX to exceed 2.00x (at incurrence of such Junior Lien Debt), (ii) a 25% dollar-for-dollar reduction in the Borrowing Base for any issuance or refinancing (only to the extent that the principal amount of the refinanced debt results in an increase in the principal amount thereof), (iii) pro forma compliance with the Financial Covenants; provided that such Junior Lien Debt shall not be permitted prior to the delivery of the compliance certificate provided with the financial statements for the year ending December 31, 2020, (iv) such debt shall not be secured by any lien other than liens that are junior to the liens that secure the Facility, (v) no principal amount of such debt matures earlier than 6 months after the maturity date of the Facility, (vi) no default or event of default is occurring or would result from such issuance, (vii) the agreement or indenture governing any such debt shall not have any restriction on (x) the ability of the Borrower or any of its Restricted Subsidiaries to guarantee the obligations under the Facility or to pledge assets as collateral for the obligations under

the Facility or (y) the ability of the Borrower or any Restricted Subsidiary to amend, modify, restate or otherwise supplement the Financing Documentation, (viii) such debt shall not have any amortization or other requirement to purchase, redeem, retire, defease or otherwise make any payment in respect thereof, other than at scheduled maturity thereof and mandatory prepayments which are customary and triggered upon change in control and sale of all or substantially all assets, and (ix) such Junior Lien Debt shall at all times be subject to the terms of an intercreditor agreement acceptable to the Administrative Agent and the Majority Lenders.

- Debt basket for unsecured debt (the "Unsecured Debt") subject to (i) such debt shall be in an aggregate principal amount not to exceed $400 million, (ii) a 25% dollar-for-dollar reduction in Borrowing Base for any issuance or any issuance or refinancing (only to the extent that the principal amount of the refinanced debt results in an increase in principal amount thereof), (ii) pro forma compliance with the Current Ratio, (iii) pro forma Leverage Ratio $\leq$ 2.50x (any cash raised shall be excluded from the cash netting calculation), (iv) such debt shall not be secured by any lien, (v) no principal amount of such debt matures earlier than 6 months after the maturity date of the Facility, (vi) no default or event of default is occurring or would result from such issuance, (vii) the agreement or indenture governing any such debt shall not have any restriction on (x) the ability of the Borrower or any of its Restricted Subsidiaries to guarantee the obligations under the Facility or to pledge assets as collateral for the obligations under the Facility or (y) the ability of the Borrower or any Restricted Subsidiary to amend, modify, restate or otherwise supplement the Financing Documentation, and (viii) such debt shall not have any amortization or other requirement to purchase, redeem, retire, defease or otherwise make any payment in respect thereof, other than at scheduled maturity thereof and mandatory prepayments which are customary and triggered upon change in control and sale of all or substantially all assets.

- Limitation on Sales of Property (upon advance notice and so long as there is no Default, Event of Default, or Borrowing Base Deficiency that exists or would result therefrom, sales of Borrowing Base Properties shall be permitted subject to certain conditions, provided that if the aggregate fair market value of all Borrowing Base Properties sold, transferred or disposed, when combined with aggregate borrowing base value of hedge unwinds/restructuring, in each case, between any two

consecutive Borrowing Base Scheduled Redeterminations, exceeds 5% of the Borrowing Base then in effect, the Borrowing Base in effect immediately prior to such sale shall be reduced by the Borrowing Base value of such Borrowing Base Properties and/or hedge unwinds or terminations, as determined by the Administrative Agent in its sole discretion).

- Restrictions on Distributions (other than (i) to declare and pay dividends solely in additional shares or units of a Loan Party's Equity Interests, (ii) to make payments pursuant to equity incentive plans, (iii) to effect the repurchase, redemption, acquisition, cancellation or other retirement of the Borrower's Equity Interests held by former or current directors, officers or employees, (iv) to make payments to the Borrower or any other Loan Party that is a Restricted Subsidiary of the Borrower, (v) from and after July 1, 2021 to and including December 31, 2021, dividends and distributions shall be permitted subject to (A) minimum pro forma availability under the Facility of at least 25% of the Borrowing Base then in effect, (B) pro forma Leverage Ratio < 1.50 (any cash raised shall be excluded from the cash netting calculation), (C) no Event of Default, and (D) in the event that pro forma Leverage Ratio is $\geq$ 1.00 (x) positive free cash flow over the LTM period leading up to such dividend or distribution and (y) no dividend or distribution may be made that would cause the aggregate amount of all dividends and distributions made during the 12 month period ending with the month during which such dividend or distribution is made to exceed 50% of positive free cash flow for the LTM period leading up to such dividend or distribution), and (vi) from and after January 1, 2022, dividends and distributions shall be permitted subject to (A) minimum pro forma availability under the Facility of at least 25% of the Borrowing Base then in effect, (B) pro forma Leverage Ratio is $\leq$ 2.00 (any cash raised shall be excluded from the cash netting calculation), (C) no Event of Default, and (D) in the event that pro forma Leverage Ratio is $\geq$ 1.50 (x) positive free cash flow over the LTM period leading up to such dividend or distribution and (y) no dividend or distribution may be made that would cause the aggregate amount of all dividends and distributions made during the 12 month period ending with the month during which such dividend or distribution is made to exceed 50% of positive free cash flow for the LTM period leading up to such dividend or distribution).
- Limitation on Investments, Acquisitions, provided that from and after the date that is 12 months after the Closing Date, investments in Unrestricted Subsidiaries and acquisitions shall be permitted subject to (i) minimum pro forma availability under the Facility of at least 25% of the Borrowing Base then in effect, (ii) pro forma Leverage Ratio < 2.00 (any cash raised shall be excluded from the cash netting calculation), (iii) no Event of Default, and (iv) in the event that pro forma Leverage Ratio is $\geq$ 1.50 (x) positive free cash flow over the LTM period leading up to such investment or acquisition and (y) no investment or acquisition may be made that would cause the aggregate amount

of all investments and acquisitions made during the 12 month period ending with the month during which such investment or acquisition is made to exceed 50% of positive free cash flow for the LTM period leading up to such investment or acquisition.
    - General investment basket TBD.
- Use of Proceeds; Use of Letters of Credit
- Corporate Actions; Accounting Changes
- Affiliate Transactions
- ERISA Compliance
- Sale or Discount of Receivables
- Corporate Actions; Accounting Changes
- Hazardous Materials/Environmental Matters
- Subsidiaries
- Limitation on Leases
- Negative Pledge Agreements; Agreements Restricting Dividends
- Take-or-Pay or Other Prepayments
- Limitations under "Hedging and Counterparties" above
- Lines of business; no international operations
- Sale Leaseback Transactions
- Gas imbalances
- Restrictions on redemptions, repayments, and prepayments of debt, including restrictions on redemption, repayments, and prepayments of Unsecured Debt and of Junior Lien Debt; provided that from and after the date that is 12 months after the Closing Date, redemptions, repayments and prepayments of the Junior Lien Debt shall be permitted subject to (i) minimum pro forma availability under the Facility of at least 25% of the Borrowing Base then in effect, (ii) pro forma Leverage Ratio < 2.00 (any cash raised shall be excluded from the cash netting calculation), (iii) no Event of Default, and (iv) in the event that pro forma Leverage Ratio is $\geq$ 1.50 (x) positive free cash flow over the LTM period leading up to such redemption, repayment or prepayment and (y) no redemption, repayment or prepayment may be made that would cause the aggregate amount of all redemptions, repayments and prepayments made during the 12 month period ending with the month during which such redemption, repayment or prepayment is made to exceed 50% of positive free cash flow for the LTM period leading up to such redemption, repayment or prepayment.
- Marketing Activities
- Material Contracts
- Sanctions
- Deposit Accounts

Unrestricted Subsidiaries: Subsidiaries formed or acquired after the Closing Date may be permitted to be designated as "unrestricted", and such subsidiaries may be re-designated as "restricted", subject to the consent and approval of the Majority Lenders.

Financial Covenants: Financial covenants covering the Borrower and its Restricted Subsidiaries on a consolidated basis, including, without limitation:

- Minimum Current Ratio of 1.0 to 1.0. The Borrower and its consolidated Restricted Subsidiaries shall maintain a Current Ratio of at least 1.00 to 1.00 as of the end of each fiscal quarter of the Borrower commencing with the fiscal quarter ending March 31, 2021. "Current Ratio" means the ratio of (a) consolidated current assets (including the unused amount of the commitments under the Facility, but excluding non-cash assets under ASC 815) to (b) consolidated current liabilities (excluding (i) the current maturities under the Facility and non-cash obligations under ASC 815 and (ii) for the fiscal quarters ending on March 31, 2021 and June 30, 2021, all ad valorem, severance or tax liabilities).

- Total Net Debt to EBITDAX Ratio of 3.0 to 1.0. The Borrower and its Restricted Subsidiaries shall maintain, as of the end of each fiscal quarter, commencing with the fiscal quarter ending March 31, 2021 and continuing thereafter, a ratio of total Debt less unrestricted cash to the extent permitted under clause (a) below, in each case as of such fiscal quarter end, to EBITDAX (the "Leverage Ratio") for the four-fiscal quarter period then ended of no more than 3.0 to 1.0; provided that (a) EBITDAX shall be annualized quarterly building to trailing 12 months and (b) the Borrower may net up to $50 million (in the aggregate) of its unrestricted cash and the unrestricted cash of its Restricted Subsidiaries against Debt.

Amendments and Waivers: Amendments and waivers of the provisions of the Financing Documentation will require the approval of the Majority Lenders, except that:

(a) the consent of all Lenders directly adversely affected thereby will be required with respect to (i) increases in the commitment of such Lenders, (ii) reductions of principal, interest or fees, and (iii) extensions of scheduled maturities or times for payment;

(b) the consent of all Lenders will be required with respect to (i) increases in the aggregate commitments, (ii) changes to minimum collateral percentages of total proved value of the Borrowing Base Properties, (iii) modifications to the voting percentages and pro rata provisions, (iv) releases of all or substantially all of the value of the Collateral or Guarantees (other than in connection with transactions permitted pursuant to the Financing Documentation), (v) any waiver of any initial condition precedent, and (vi) changes to the description of the obligations secured or the priority of payments after an event of default;

(c) the consent of Required Tier I Lenders will be required with respect to decreases or maintenance of the Borrowing Base or any waiver of the 25% clawback described under "Limitation on Debt"; and

(d) the consent of all Tier I Lenders will be required with respect to increases of the Borrowing Base.

Events of Default:

Events of default, subject to customary exceptions and qualifications, to include, without limitation the following:

- Nonpayment of principal when due
- Nonpayment of interest, fees or other amounts after a three business day grace period
- Material inaccuracy of representations and warranties (without duplication of materiality qualifiers)
- Violation of covenants (subject, in the case of certain affirmative covenants, to a 30 calendar day grace period commencing upon knowledge or receipt of notice thereof)
- Cross-default
- Guaranties or security documents (including any intercreditor agreements, if applicable) cease to be in full force and effect
- Bankruptcy events
- Certain ERISA events
- Material judgments
- Financing Documentation or liens under the foregoing cease to be, or it is asserted that such Financing Documentation or lien under the foregoing cease to be, valid or enforceable
- Change in Control (the definition of which is to be agreed)
- Defaults under Junior Lien Debt documentation or Unsecured Debt documentation

Other

Usual and customary updates for changes in law or changes in market, including, without limitation, the following:

- Beneficial Ownership
- Bail-in Language
- Divisions
- LIBOR Replacement
- Lender ERISA Rep
- Updates to FCPA, OFAC, and Sanction provisions

Documentation Principles

The Financing Documentation will contain the terms and conditions set forth in the Existing Credit Agreement, with the modifications set forth herein and, to the extent not provided for herein, will give due regard and take into account (a) the operational and strategic requirements of the Borrower and its subsidiaries in light of their capitalization, size, business, industry and the Borrower's proposed business plan, (b) any changes in jurisdictions of organization for the Borrower and its Restricted Subsidiaries, (c) any operational changes and changes in size resulting from asset sales completed on or before the Closing Date, (d) updates in law and market practice and changes in the financial and credit markets (including internal requirements of the Administrative Agent or the Lenders to document any of the foregoing) and other changes, in each case deemed appropriate by the Administrative Agent and the Lenders, (e) administrative, agency and operational requirements of the

	Administrative Agent, (f) the Plan of Reorganization, and (g) any other modifications mutually agreed between the Borrower, the Administrative Agent and the Majority Lenders (collectively, the "Documentation Principles").
Indemnification:	The Borrower will indemnify the Lead Arranger, the Administrative Agent (and any sub-agent thereof), each of the Lenders, the issuing lender and their respective affiliates, Approved Funds (as defined in the Existing Credit Agreement), partners, directors, officers, agents, employees, trustees, administrators, managers, representatives and advisors (collectively, the "Indemnitees") and hold them harmless from and against all liabilities, damages, claims, costs, penalties and related expenses (including reasonable and documented fees, charges and disbursements of counsel) incurred by any Indemnitee or asserted against any Indemnitee arising out of or in connection with or as a result of the execution or delivery of the Financing Documentation or any document or agreement contemplated thereby, the performance by the parties of their respective obligations thereunder or the consummation of the transactions contemplated thereby, any loan or letter of credit or the use or proposed use of the proceeds therefrom, any actual or alleged presence or release of hazardous materials or any environmental claim or any actual or prospective claim or proceeding related to any of the foregoing; provided that such indemnity will not, as to any Indemnitee, be available to the extent resulting from (a) such Indemnitee's own gross negligence or willful misconduct or (b) any disputes solely among Indemnitees and not arising out of or in connection with (i) an Indemnitee's respective capacity or in fulfilling its role as an administrative agent, issuing lender or arranger or any similar role under the Facility or (ii) any act or omission of any of the Borrower, the Guarantors, or any of their respective affiliates or subsidiaries, in each case under the foregoing clauses (i) and (ii), as determined by a court of competent jurisdiction in a final non-appealable judgment. This indemnification shall survive and continue for the benefit of all such persons or entities.
Expenses:	The Borrower will reimburse the Lead Arranger and the Administrative Agent (and all Lenders in the case of enforcement costs and documentary taxes) for (a) all reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication, negotiation, execution, delivery and administration of the Financing Documentation and any amendment or waiver with respect thereto (including, without limitation, reasonable fees and expenses of counsel thereto) and (b) all out-of-pocket costs and expenses in connection with the enforcement of the Financing Documentation (including, without limitation, fees and expenses of counsel thereto).
Governing Law and Forum:	New York.
Waiver of Jury Trial and Punitive and Consequential Damages:	All parties to the Financing Documentation waive the right to trial by jury and the right to claim punitive or consequential damages.

Counsel for the Lead Arranger and the Administrative Agent:	Bracewell LLP
Counsel for the Borrower:	Kirkland & Ellis LLP

SCHEDULE I

INTEREST AND FEES[5]

Interest:

At the Borrower's option, loans will bear interest based on the Base Rate or LIBOR, as described below:

A. Base Rate Option

Interest will be at the Base Rate plus the applicable Interest Margin (as described below). The "Base Rate" is defined as the highest of (a) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of 1%, (b) the prime commercial lending rate of the Administrative Agent, as established from time to time at its principal U.S. office (which such rate is an index or base rate and will not necessarily be its lowest or best rate charged to its customers or other banks) and (c) the daily LIBOR (as defined below) for a one month Interest Period (as defined below) plus 1%, plus, in each case, the applicable Interest Margin (as described below) provided that if Base Rate is less than 1.00%; such rate shall be deemed to be 1.00%. Interest shall be payable quarterly in arrears on the last day of each calendar quarter and (i) with respect to Base Rate Loans based on the Federal Funds Rate and LIBOR, shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and (ii) with respect to Base Rate Loans based on the prime commercial lending rate of the Administrative Agent, shall be calculated on the basis of the actual number of days elapsed in a year of 365/366 days. Any loan bearing interest at the Base Rate is referred to herein as a "Base Rate Loan".

Base Rate Loans will be made on same day notice and will be in minimum amounts to be agreed upon.

B. LIBOR Option

Interest will be determined for periods ("Interest Periods") of one, two, three or six months as selected by the Borrower and will be at an annual rate equal to the London Interbank Offered Rate ("LIBOR") for the corresponding deposits of U.S. dollars plus the applicable Interest Margin (as described below); provided that if LIBOR is less than 1.00%; such rate shall be deemed to be 1.00%. LIBOR will be determined by the Administrative Agent at the start of each Interest Period and, other than in the case of LIBOR used in determining the Base Rate, will be fixed through such period. Interest will be paid on the last day of each Interest Period or, in the case of Interest Periods longer than three months, quarterly, and will

[5] All other fees not listed herein, including an upfront fee, will be agreed upon and documented in a separate fee letter.

	be calculated on the basis of the actual number of days elapsed in a year of 360 days. LIBOR will be adjusted for maximum statutory reserve requirements (if any). Any loan bearing interest at LIBOR (other than a Base Rate Loan for which interest is determined by reference to LIBOR) is referred to herein as a "LIBOR Rate Loan". LIBOR Rate Loans will be made on three business days' prior notice and, in each case, will be in minimum amounts to be agreed upon. The Financing Documentation shall contain usual and customary LIBOR replacement language, consistent with the Existing Credit Agreement.
Default Interest:	(a) Upon the occurrence and during the continuance of a payment or bankruptcy Event of Default, or (b) at the request of the Majority Lenders, upon the occurrence and during the continuance of any other Event of Default, all amounts outstanding under the Financing Documentation shall bear interest at two percent (2%) above the highest rate under the Pricing Grid (whether Base Rate or LIBOR Rate combined with the applicable Interest Margin).
Interest Margins:	The Interest Margin with respect to the Facility will be determined in accordance with the applicable Pricing Grid set forth below**.**
Commitment Fee:	A commitment fee (the "Commitment Fee") will accrue on the average daily amount of the unused amounts of the commitments under the Facility for such period. A Lender that is, and for so long as it is, a Defaulting Lender, shall not be entitled to receive a Commitment Fee in respect of its commitment under the Facility and the amount of such Defaulting Lender's commitment under the Facility will be deducted from in the aggregate commitments under the Facility for purposes of calculating the Commitment Fee payable at any time by the Borrower. The Commitment Fee will be determined in accordance with the Pricing Grid set forth below. All accrued Commitment Fees will be fully earned and due and payable quarterly in arrears (calculated on a 360-day basis) for the account of the Lenders under the Facility and will accrue from the Closing Date.
Letter of Credit Fees:	The Borrower will pay to the Administrative Agent, for the account of the Lenders under the Facility, letter of credit participation fees equal to the Interest Margin for LIBOR Rate Loans under the Facility, in each case, on the average daily amount of the undrawn amount of all outstanding letters of credit. A per annum fronting fee of 12.5 basis points will also be paid to the Administrative Agent upon the issuance of a letter of credit. The fronting fee shall be no less than $500.
Borrowing Base Increase	To be agreed to by the Borrower and the Administrative Agent at the

Fee: time of each Borrowing Base redetermination.

Pricing Grid: The applicable Interest Margins and the Commitment Fee with respect to the Facility shall be based on the Borrowing Base utilization percentage then in effect pursuant to the following grid:

Utilization Level*	Base Rate Loans	Eurodollar Loans	Commitment Fee Rate
Level I	2.00%	3.00%	0.500%
Level II	2.25%	3.25%	0.500%
Level III	2.50%	3.50%	0.500%
Level IV	2.75%	3.75%	0.500%
Level V	3.00%	4.00%	0.500%

* Utilization Levels are described below and are determined in accordance with the definition of "Utilization Level".

1. **Level I:** If the Utilization Level is less than 25%.
2. **Level II:** If the Utilization Level is greater than or equal to 25% but less than 50%.
3. **Level III:** If the Utilization Level is greater than or equal to 50% but less than 75%.
4. **Level IV:** If the Utilization Level is greater than or equal to 75% but less than 90%.
5. **Level V:** If the Utilization Level is greater than or equal to 90%.