

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

	)	
In re:	)	Chapter 11
	)	
EXTRACTION OIL & GAS, INC. <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11548 (CSS)
	)	
Reorganized Debtors.	)	(Jointly Administered)
	)	
	)	Hearing Date: September 30, 2021 at 10:00 a.m. (ET)
	)	Response Deadline: September 14, 2021 at 4:00 p.m. (ET)

**REORGANIZED DEBTORS’ EIGHTEENTH OMNIBUS (SUBSTANTIVE)  
OBJECTION TO CERTAIN (A) NO LIABILITY CLAIMS; AND (B) NO LIABILITY  
ROYALTY CLAIMS, PURSUANT TO SECTION 502(b) OF THE BANKRUPTCY  
CODE, BANKRUPTCY RULES 3003 AND 3007, AND BANKRUPTCY LOCAL RULE  
3007-1**

**PARTIES RECEIVING THIS OBJECTION SHOULD REVIEW  
EXHIBITS 1 - 2 TO THE PROPOSED ORDER TO DETERMINE  
IF THEIR CLAIM IS SUBJECT TO THIS OBJECTION.**

***IF YOUR CLAIM IS SUBJECT TO THIS OBJECTION,  
YOUR SUBSTANTIVE RIGHTS MAY BE AFFECTED.***

The above-captioned reorganized debtors (collectively, the “Reorganized Debtors”), respectfully submit this eighteenth omnibus (substantive) objection to certain (A) no liability claims; and (B) no liability royalty claims (the “Objection”). In support of this Objection, the Reorganized Debtors rely upon the declaration of Thomas Behnke attached hereto as **Exhibit B** (the “Behnke Declaration”). In further support of this Objection, the Reorganized Debtors respectfully represent as follows:

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<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ principal place of business is 370 17th Street, Suite 5200, Denver, Colorado 80202.



### **Jurisdiction and Venue**

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

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

3. The bases for the relief requested herein are sections 105(a) and 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Bankruptcy Rules 3003 and 3007, and Bankruptcy Local Rule 3007-1.

4. On June 14, 2020 (the “Petition Date”), each of the above-captioned debtors (the “Debtors”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description surrounding the facts and circumstances of these chapter 11 cases is set forth in the *Declaration of Matthew R. Owens, Co-Founder, President and Chief Executive Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 18] (the “First Day Declaration”), incorporated by reference herein.

5. The Debtors operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases have been consolidated for procedural purposes only and are jointly administered pursuant to

Bankruptcy Rule 1015(b) [Docket No. 79]. On June 30, 2020, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Committee”) [Docket No. 155].

6. On December 23, 2020, the Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Sixth Amended Joint Plan of Reorganization of Extraction Oil & Gas, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1509] (the “Confirmation Order”), confirming the Debtors’ *Sixth Amended Joint Plan of Reorganization of Extraction Oil & Gas, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1505] (the “Plan”).

7. On January 20, 2021, the Debtors substantially consummated the Plan and emerged from chapter 11 in accordance with the terms of the Plan and the Confirmation Order. On January 21, 2021, the Reorganized Debtors filed their *Notice of (A) Entry of Findings of Fact, Conclusions of Law, and Order Confirming the Sixth Joint Plan of Reorganization of Extraction Oil & Gas, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code, and (B) Occurrence of Effective Date* [Docket No. 1652].

### **The Debtors’ Schedules**

8. In the ordinary course of business, the Debtors maintained books and records (the “Books and Records”) that reflect, among other things, the nature and amount of the liabilities owed to their creditors as of the Petition Date. As part of these chapter 11 cases, on July 31, 2020, each of the Debtors filed their respective Schedules of Assets and Liabilities and Statements of Financial Affairs reflecting the obligations owed to their creditors as of the Petition Date. [Docket Nos. 340, 350, 351, 352, 353, 354, 355, 356, 357, 358, and 359]. The Reorganized Debtors, together with their advisors, have been engaging in a systematic review of the proofs of claim filed in these chapter 11 cases, working diligently to review, compare, and reconcile the

proofs of claim against the Debtors' Books and Records. This reconciliation process includes identifying particular categories of claims that may be disallowed and expunged, reduced and allowed, or reclassified.

**Bar Date and Proofs of Claim**

9. On June 16, 2020, the Court entered an order [Docket No. 81] appointing Kurtzman Carson Consultants LLC ("KCC") as claims and noticing agent in these chapter 11 cases. Among other things, KCC is authorized to (a) receive, maintain, and record and otherwise administer the proofs of claim filed in these chapter 11 cases, and (b) maintain official claims registers for the Debtors.

10. On July 20, 2020, the Court entered an order [Docket No. 298] (the "Bar Date Order") providing that, except as otherwise provided therein, (a) all persons or entities (including, without limitation, individuals, partnerships, corporations, joint ventures, and trusts) that assert a claim, as defined in section 101(5) of the Bankruptcy Code, against the Debtors, including, without limitation, secured claims, and priority claims, which arose on or prior to the Petition Date, including requests for allowance and payment of claims under section 503(b)(9) of the Bankruptcy Code, shall file a proof of any such claim so that it is actually received on or before 5:00 p.m. (prevailing Eastern Time) on August 14, 2020 (the "General Bar Date"), and (b) all governmental units, as defined in section 101(27) of the Bankruptcy Code, shall file a proof of any such claim so that it is actually received on or before 5:00 p.m. (prevailing Eastern Time) on January 17, 2021 (the "Government Bar Date").

11. The Bar Date Order also provides that if the Debtors amend or supplement the Schedules subsequent to the date of service of the Bar Date Notice (as defined in the Bar Date Order), then the Debtors shall give notice of any such amendment or supplement to the holders of claims affected thereby, and such holders shall have until the later of (a) the General Bar Date or

(b) 5:00 p.m. (prevailing Eastern time) on the date that is twenty-one (21) days from the date on which such notice is given, to file proofs of claim in respect of their claims (the “Amended Schedules Bar Date”).

12. Additionally, pursuant to the Bar Date Order, except as otherwise provided by another order of the Court, any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease (each, a “Rejection Damages Claim”) must file a proof of claim based on such rejection on or before the later of (a) the General Bar Date or the Governmental Bar Date, as applicable, or (b) 5:00 p.m. (prevailing Eastern time) on the date that is thirty (30) days following the entry of the order approving the rejection of the executory contract or unexpired lease pursuant to which the entity asserting the Rejection Damages Claim is a party (the “Rejection Bar Date,” and together with the General Bar Date, the Government Bar Date, and the Amended Schedules Bar Date, the “Bar Dates”).

13. Notice of the Bar Dates was provided by mail and publication in accordance with the procedures outlined in the Bar Date Order.

### **Objection**

14. The Reorganized Debtors submit this Objection, pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Bankruptcy Local Rule 3007-1, requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”) modifying each of the claims identified on Exhibits 1 - 2 to the Proposed Order (collectively, the “Disputed Claims”), as set forth in further detail below and in the exhibits attached to the Proposed Order.

15. When asserting a proof of claim against a bankrupt estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the claimant. *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992); *Matter of Int’l Match Corp.*, 69 F.2d 73,

76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). Where the claimant alleges sufficient facts to support its claim, its claim is afforded *prima facie* validity. *Allegheny Int'l Inc.*, 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim's *prima facie* validity. *Id.* In practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim's legal sufficiency. *Id.* Once the objecting party produces such evidence, the burden shifts back to the claimant to prove the validity of his or her claim by a preponderance of the evidence. *Id.* The burden of persuasion is always on the claimant. *Id.* For the reasons set forth below, there is ample evidence to rebut the *prima facie* validity of each Claim.

**A. No Liability Claims**

16. The Reorganized Debtors have identified certain Disputed Claims listed on Exhibit 1 to the Proposed Order (the "No Liability Claims") that they are unable to reconcile with the Books and Records. The Reorganized Debtors believe that the No Liability Claims are not valid claims because: (i) the Books and Records do not reflect the existence of the asserted claim or of the claimant asserting such claim, or otherwise indicate a scheduled liability of zero with respect to such claim; (ii) the product was not sold or the service was not provided to any of the Debtors, or is the legal responsibility of a third party; (iii) the claims are not enforceable against the Reorganized Debtors or their property under any agreement or applicable law; or (iv) the claimant waived, released or is estopped from asserting the claim against any of the Reorganized Debtors.

17. Based on the Reorganized Debtors' review and analysis of the Books and Records, the Claims Register, and the Proofs of Claim and supporting documentation, the No Liability Claims are not enforceable under any applicable law or agreement within the meaning of section 502(b)(1) and, therefore, the Reorganized Debtors are not liable for such claims. Accordingly, the

Reorganized Debtors (i) object to the No Liability Claims and (ii) request entry of an order disallowing each of the No Liability Claims listed on Exhibit 1.

**B. No Liability Royalty Claims**

18. The Reorganized Debtors object to the Disputed Claims listed on Exhibit 2 to the Proposed Order (collectively, the “No Liability Royalty Claims”) as claims for which the Reorganized Debtors are not liable. Following a review of each No Liability Royalty Claim, the supporting materials attached thereto, and the Books and Records, the Reorganized Debtors have determined that they are not liable for the No Liability Royalty Claims for the reasons set forth under the column labeled “Reason for Disallowance” on Exhibit 2 to the Proposed Order. Thus, the Reorganized Debtors believe that each No Liability Royalty Claim should be disallowed in its entirety.

19. The No Liability Royalty Claims listed on Exhibit 2 to the Proposed Order consist of claims asserted by royalty owners or contract counterparties pursuant to oil, natural gas, or mineral agreements with the Debtor.<sup>2</sup> In connection with those assets, the Debtors were obligated to remit to the lessors and potentially other parties their share of revenue from producing wells (the “Royalties”) pursuant to the terms of the applicable lease or other operative documents. However, for the reasons described herein and on Exhibit 2 to the Proposed Order, the amount asserted in each of the No Liability Royalty Claims is not a valid liability of the Debtors and the claimants asserting these claims are not entitled to payment from the Reorganized Debtors on account of their royalty interests.

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<sup>2</sup> Although some of the filed proofs of claim reflected in Exhibit 2 do not explicitly state that such claims are for royalties, the Reorganized Debtors have obtained support to confirm that such claims are indeed royalty claims.

20. The failure to disallow the No Liability Royalty Claims would result in the applicable claimants receiving an unwarranted recovery against the Reorganized Debtors to the detriment of other creditors in these chapter 11 cases. Accordingly, the Reorganized Debtors request entry of the Proposed Order disallowing each No Liability Royalty Claim identified on Exhibit 2 to the Proposed Order.

**Separate Contested Matters**

21. To the extent that a response is filed regarding any claim listed in this Objection and the Reorganized Debtors are unable to resolve the response, the objection by the Reorganized Debtors to each such Disputed Claims asserted herein shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court regarding an objection asserted in the Objection shall be deemed a separate order with respect to each Disputed Claim.

**Reservation of Rights**

22. The Reorganized Debtors expressly reserve the right to amend, modify, or supplement this Objection, and to file additional objections to any claims filed in these chapter 11 cases including, without limitation, the Disputed Claims. Should one or more of the grounds for this Objection be dismissed or overruled, the Reorganized Debtors reserve the right to object to any Disputed Claim on any other ground.

23. Nothing contained in this Objection or any actions taken by the Reorganized Debtors pursuant to any order granting the relief requested by this Objection is intended or should be construed as: (a) an admission as to the validity, priority, or amount of any particular claim against a Reorganized Debtor entity; (b) a waiver of the Reorganized Debtors' right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Objection or any order granting the relief requested by this Objection; (e) a request or authorization to assume



any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Reorganized Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Reorganized Debtors or any other party-in-interest that any liens (contractual, common law, statutory, or otherwise) addressed pursuant to this Objection are valid and the Reorganized Debtors and all other parties-in-interest expressly reserve their rights to contest the extent, validity, or perfection, or to seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Reorganized Debtors' or any other party-in-interest's rights to subsequently dispute such claim.

**Notice**

24. Notice of the hearing on the relief requested in this Objection will be provided by the Reorganized Debtors in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as the Bankruptcy Local Rules, and is sufficient under the circumstances. Without limiting the foregoing, due notice will be afforded by first class mail to parties in-interest, including: (a) the U.S. Trustee for the District of Delaware; (b) the administrative agent under the Debtors' prepetition senior credit facility or, in lieu thereof, counsel thereto; (c) the lenders under the Debtors' prepetition senior credit facility or, in lieu thereof, counsel thereto; (d) the indenture trustee for the Debtors' prepetition senior notes or, in lieu thereof, counsel thereto; (e) the holders of the Debtors' prepetition senior notes or, in lieu thereof, counsel thereto; (f) the ad hoc group of holders of the Debtors' preferred equity or, in lieu thereof, counsel thereto; (g) the United States Attorney's Office for the District of Delaware; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the state attorneys general for states in which the Reorganized Debtors conduct business; (k) the holders of the Disputed Claims; and (l) any party

that has requested notice pursuant to Bankruptcy Rule 2002. The Reorganized Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**Statement of Compliance with Bankruptcy Local Rule 3007-1**

25. To the best of the Reorganized Debtors' knowledge and belief, this Objection and the related Exhibits annexed to the Proposed Order comply with Bankruptcy Local Rule 3007-1. To the extent that this Objection does not comply in all respects with the requirements of Bankruptcy Local Rule 3007-1, the Reorganized Debtors believe such deviations are not material and respectfully request that any such requirement be waived.

WHEREFORE, the Reorganized Debtors respectfully request that the Court enter the Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in this Objection and granting such other and further relief as is appropriate under the circumstances.

Dated: August 31, 2021  
Wilmington, Delaware

*/s/ Stephen B. Gerald*

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**WHITEFORD, TAYLOR & PRESTON LLC<sup>3</sup>**

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*Co-Counsel to the Reorganized Debtors*

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<sup>3</sup> Whiteford, Taylor & Preston LLC operates as Whiteford Taylor & Preston L.L.P. in jurisdictions outside of Delaware.

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

In re:

EXTRACTION OIL & GAS, INC. *et al.*,<sup>1</sup>

Reorganized Debtors.

)  
) Chapter 11  
)  
) Case No. 20-11548 (CSS)  
)  
) (Jointly Administered)  
)  
) **Hearing Date: September 30, 2021 at 10:00 a.m. (ET)**  
) **Response Deadline: September 14, 2021 at 4:00 p.m. (ET)**

**NOTICE OF REORGANIZED DEBTORS’ EIGHTEENTH OMNIBUS (SUBSTANTIVE)  
OBJECTION TO CERTAIN (A) NO LIABILITY CLAIMS; AND (B) NO LIABILITY  
ROYALTY CLAIMS, PURSUANT TO SECTION 502(b) OF THE BANKRUPTCY  
CODE, BANKRUPTCY RULES 3003 AND 3007, AND BANKRUPTCY LOCAL RULE  
3007-1**

**PARTIES RECEIVING THIS OBJECTION SHOULD LOCATE  
THEIR NAMES AND THEIR DISPUTED CLAIMS  
IDENTIFIED ON EXHIBITS 1 – 2 TO THE PROPOSED ORDER**

***IF YOUR CLAIM IS SUBJECT TO THIS OBJECTION,  
YOUR SUBSTANTIVE RIGHTS MAY BE AFFECTED.***

**PLEASE TAKE NOTICE** that, on August 31, 2021, the above-captioned reorganized debtors (collectively, the “Reorganized Debtors”) have filed the attached *Eighteenth Omnibus (Substantive) Objection to Certain (A) No Liability Claims; and (B) No Liability Royalty Claims, Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Bankruptcy Local Rule 3007-1* (the “Objection”)<sup>2</sup> with the United States Bankruptcy Court for the District of Delaware (the “Court”).

**PLEASE TAKE FURTHER NOTICE** that each claimant that has filed a claim that is affected by the Objection is receiving a copy of the Objection. Affected claimants should read the

<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ principal place of business is 370 17th Street, Suite 5200, Denver, Colorado 80202.

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

Objection and Exhibits 1 – 2 to the proposed order attached thereto, which detail the claims subject to the Objection and the grounds for such Objection.

**PLEASE TAKE FURTHER NOTICE** that any party wishing to oppose the relief requested in the Objection must file a response (each, a “Response”) to the Objection with the Clerk of the Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, and serve a copy of the response on Counsel to the Reorganized Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attention: Christopher Marcus, P.C. (christopher.marcus@kirkland.com), Allyson Smith Weinhouse (allyson.smith@kirkland.com), and Whiteford Taylor Preston LLC, The Renaissance Centre, Suite 500, 405 North King Street, Wilmington, Delaware 19802, Attention: Marc R. Abrams (mabrams@wtplaw.com), Richard W. Riley (rriley@wtplaw.com), and Stephen B. Gerald (sgerald@wtplaw.com) so as to be received on or before **September 14, 2021 at 4:00 P.M. (ET)**. **Only those Responses timely filed with the Court and received by the Notice Parties identified above will be considered by the Court.**

**PLEASE TAKE FURTHER NOTICE** that any Response to the Objection that is filed with the Court must include:

1. a caption setting forth the name of the Court, the above-referenced case number and the title of the Objection to which the Response is directed;
2. the name of the respondent and a description of the basis for the amount and classification asserted in the Disputed Claim, if applicable;
3. a concise statement setting forth the reasons why the particular Disputed Claim should not be disallowed or otherwise modified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the respondent will rely in opposing the Objection at any hearing thereon;
4. all documentation or other evidence of the particular Disputed Claim or asserted amount and classification thereof, to the extent not already included with the proof of claim previously filed, upon which the respondent will rely in opposing the Objection at any hearing thereon; and
5. the name, address, telephone number, and email address of the person(s) (who may be the respondent or a legal representative thereof) (i) possessing ultimate authority to reconcile, settle or otherwise resolve the Disputed Claim on behalf of the respondent and (ii) to whom the Reorganized Debtors should serve any reply to the Response.

**PLEASE TAKE FURTHER NOTICE THAT, IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.**

**PLEASE TAKE FURTHER NOTICE THAT, IF A RESPONSE IS FILED, A HEARING (THE “HEARING”) ON THE OBJECTION WILL BE HELD ON **SEPTEMBER 30, 2021 AT 10:00 A.M. (ET)** BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI,**

UNITED STATES BANKRUPTCY JUDGE, UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FILE A RESPONSE TO THE OBJECTION, YOU SHOULD BE PREPARED TO ARGUE THAT RESPONSE AT THE HEARING. YOU NEED NOT APPEAR AT THE HEARING IF YOU DO NOT OBJECT TO THE RELIEF REQUESTED.**

**PLEASE TAKE FURTHER NOTICE THAT THE HEARING MAY BE CONTINUED FROM TIME TO TIME UPON WRITTEN NOTICE TO YOU OR AS DECLARED ORALLY AT THE HEARING.**

Dated: August 31, 2021  
Wilmington, Delaware

*/s/ Stephen B. Gerald*

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**WHITEFORD, TAYLOR & PRESTON LLC<sup>3</sup>**

Marc R. Abrams (DE No. 955)

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<sup>3</sup> Whiteford, Taylor & Preston LLC operates as Whiteford Taylor & Preston L.L.P. in jurisdictions outside of Delaware.

**Exhibit A**

**Proposed Order**

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

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

**ORDER SUSTAINING REORGANIZED DEBTORS’ EIGHTEENTH OMNIBUS  
(SUBSTANTIVE) OBJECTION TO CERTAIN (A) NO LIABILITY CLAIMS; AND (B)  
NO LIABILITY ROYALTY CLAIMS, PURSUANT TO SECTION 502(b) OF THE  
BANKRUPTCY CODE, BANKRUPTCY RULES 3003 AND 3007, AND BANKRUPTCY  
LOCAL RULE 3007-1**

Upon the objection (the “Objection”)<sup>2</sup> of the above-captioned reorganized debtors (the “Reorganized Debtors”) for entry of this Order pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Bankruptcy Local Rule 3007-1, disallowing the Disputed Claims; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Objection is in the best interests of the Reorganized Debtors, the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Reorganized Debtors’ notice of the Objection and opportunity for a

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<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ principal place of business is 370 17th Street, Suite 5200, Denver, Colorado 80202.

<sup>2</sup> All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Objection.

hearing on the Objection were appropriate and no other notice need be provided; and this Court having reviewed the Objection and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and upon the First Day Declaration; and upon the declaration of Thomas Behnke; and this Court having determined that the legal and factual bases set forth in the Objection and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Objection is SUSTAINED as set forth herein.
2. The No Liability Claims identified on the attached **Exhibit 1** are hereby disallowed in their entirety
3. The No Liability Royalty Claims identified on the attached **Exhibit 2** are hereby disallowed in their entirety.
4. The Reorganized Debtors' objection to each Disputed Claim addressed in the Objection constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate order with respect to each claim. Any stay of this Order pending appeal by any of the claimants subject to this Order shall only apply to the contested matter that involves such claimant and shall not act to stay the applicability or finality of this Order with respect to the other contested matters covered hereby.
5. Nothing in the Objection or this Order constitutes a waiver of the Reorganized Debtors' rights to object to any claims not previously disallowed or to assert any claims, counterclaims, rights of offset or recoupment, or any other claims against the claimants listed on **Exhibits 1 – 2** hereto, all of which rights are expressly preserved. Additionally, to the extent the Objection was denied with respect to any of the Disputed Claims, the Reorganized Debtors' rights



to object to such Disputed Claims on any grounds other than those set forth in the Objection are preserved.

6. The Reorganized Debtors and KCC are authorized to take any and all actions that are necessary or appropriate to give effect to this Order.

7. Nothing in the Objection or this Order shall be construed as an allowance of any Claim.

8. To the extent that the Objection does not comply in all respects with the requirements of Bankruptcy Local Rule 3007-1, the requirements of Bankruptcy Local Rule 3007-1 are waived.

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

**Exhibit 1**

**No Liability Claims**

Extraction Oil & Gas, Inc. 20-11548  
Eighteenth Omnibus Objection  
Exhibit 1 - No Liability Claims

NAME	DATE FILED	DEBTOR	CLAIM #	CLAIM AMOUNT	REASON FOR DISALLOWANCE
1 ANTHONY & VIOLA BURROUGHS 39701 CR 47 AULT, CO 80610	8/13/2020	Extraction Oil & Gas, Inc.	1090	\$ 6,238.24	According to the Debtors' books and records, Debtors are not liable for the asserted claim per a review of the claimant's Proof of Claim, the documents attached thereto, and a reasonable review of the Debtors' books and records. Additionally, according to the Colorado Department of Revenue, Taxation Division, the Debtors' are required by law to withhold certain severance and ad valorem taxes ( <a href="https://protect-us.mimecast.com/s/kY7qCKrQxWuVRAyNuMmm3L?domain=tax.colorado.gov">https://protect-us.mimecast.com/s/kY7qCKrQxWuVRAyNuMmm3L?domain=tax.colorado.gov</a> ).
2 BRENDAN GATES 12 LEACH LANE ASHLAND, MA 01721	8/27/2020	Extraction Oil & Gas, Inc.	2294	\$ 297.10	According to the Debtors' books and records, Debtors are not liable for the asserted claim per a review of the claimant's Proof of Claim, the documents attached thereto, and a reasonable review of the Debtors' books and records.
3 KRAN LLC ERIC WHITEHEAD 3620 W 10TH STREET, UNIT B BOX 171 GREELEY, CO 80634  FAIR HARBOR CAPITAL, LLC AS ASSIGNEE OF KRAN LLC ANSONIA FINANCE STATION PO BOX 237037 NEW YORK, NY 10023	9/1/2020	Extraction Oil & Gas, Inc.	2340^	\$ 4,872.00	Claim was partially satisfied on 4/16/20 via check number 64856. The remainder of the claim was satisfied via Cure payment in the amount of \$3,248.00.
^ Claim 2340 is filed on the Fourth Notice of Satisfaction, Exhibit 2 - Partially Satisfied Claims.					
4 ROBERT C BURROUGHS PATRICIA JO BURROUGHS PO BOX 579 AULT, CO 80610	8/13/2020	Extraction Oil & Gas, Inc.	1098	\$ 8,779.31	According to the Debtors' books and records, Debtors are not liable for the asserted claim per a review of the claimant's Proof of Claim, the documents attached thereto, and a reasonable review of the Debtors' books and records. Additionally, according to the Colorado Department of Revenue, Taxation Division, the Debtors' are required by law to withhold certain severance and ad valorem taxes ( <a href="https://protect-us.mimecast.com/s/kY7qCKrQxWuVRAyNuMmm3L?domain=tax.colorado.gov">https://protect-us.mimecast.com/s/kY7qCKrQxWuVRAyNuMmm3L?domain=tax.colorado.gov</a> ).
5 ROBERT C BURROUGHS PO BOX 579 AULT, CO 80610	8/13/2020	Extraction Oil & Gas, Inc.	1103	\$ 21,936.61	According to the Debtors' books and records, Debtors are not liable for the asserted claim per a review of the claimant's Proof of Claim, the documents attached thereto, and a reasonable review of the Debtors' books and records. Additionally, according to the Colorado Department of Revenue, Taxation Division, the Debtors' are required by law to withhold certain severance and ad valorem taxes ( <a href="https://protect-us.mimecast.com/s/kY7qCKrQxWuVRAyNuMmm3L?domain=tax.colorado.gov">https://protect-us.mimecast.com/s/kY7qCKrQxWuVRAyNuMmm3L?domain=tax.colorado.gov</a> ).
TOTAL				\$ 42,123.26	

**Exhibit 2**

**No Liability Royalty Claims**

Extraction Oil & Gas, Inc. 20-11548  
 Eighteenth Omnibus Objection  
 Exhibit 2 - No Liability Royalty Claims

NAME	DATE FILED	CASE NUMBER	DEBTOR	CLAIM #	ASSERTED CLAIM AMOUNT
1 MARVIN RIVERA LA PARRA 1006 B STREET GREELEY, CO 80631	8/9/2020	20-11548	Extraction Oil & Gas, Inc.	486	\$ 526.35
Reason: The Debtors have no liability on their books and records for royalty or any other claim. All prepetition claims have been paid in full.				TOTAL	\$ 526.35

**Exhibit B**

**Declaration of Thomas Behnke**

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

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

**DECLARATION OF THOMAS BEHNKE  
IN SUPPORT OF REORGANIZED DEBTORS’ EIGHTEENTH OMNIBUS  
(SUBSTANTIVE) OBJECTION TO CERTAIN (A) NO LIABILITY CLAIMS; AND (B)  
NO LIABILITY ROYALTY CLAIMS, PURSUANT TO SECTION 502(b) OF THE  
BANKRUPTCY CODE, BANKRUPTCY RULES 3003 AND 3007, AND BANKRUPTCY  
LOCAL RULE 3007-1**

I, Thomas Behnke, pursuant to 28 U.S.C. § 1746, declare:

1. I am a Managing Director at Alvarez & Marsal North America, LLC (“A&M”), restructuring advisors to the above-captioned reorganized debtors (the “Reorganized Debtors”). I, along with my colleagues at A&M, have been engaged by the Reorganized Debtors to provide various restructuring and financial services.

2. As part of my current position, I am responsible for certain claims management and reconciliation matters. I am generally familiar with the Reorganized Debtors’ day-to-day operations, financing arrangements, business affairs, and books and records that reflect, among other things, the Reorganized Debtors’ liabilities and the amount thereof owed to their creditors as of the Petition Date.

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<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ principal place of business is 370 17th Street, Suite 5200, Denver, Colorado 80202.

3. I have read the *Reorganized Debtors' Eighteenth Omnibus (Substantive) Objection to Certain (A) No Liability Claims; and (B) No Liability Royalty Claims, Pursuant To Section 502(b) Of The Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Bankruptcy Local Rule 3007-1* (the "Objection"),<sup>2</sup> and am directly, or by and through other personnel or representatives of the Reorganized Debtors, familiar with the information contained therein, including the Proposed Order and the exhibits attached thereto.

4. To the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, considerable resources and time have been expended in reviewing and reconciling the proofs of claim filed pending against the Reorganized Debtors in these chapter 11 cases. The claims were carefully reviewed and analyzed in good faith utilizing due diligence by the appropriate personnel. These efforts resulted in the identification of the Disputed Claims.

5. I am authorized to submit this declaration (the "Declaration") in support of the Objection. All matters set forth in this Declaration are based on: (a) my personal knowledge; (b) my review of relevant documents or the review by the Reorganized Debtors or my A&M team members of such documents; (c) my view, based on my experience and knowledge of the Reorganized Debtors and the Reorganized Debtors' operations, books and records, and personnel; (d) information supplied to me by the Reorganized Debtors and by others at the Reorganized Debtors' request; or (e) as to matters involving United States bankruptcy law or rules or other applicable laws, my reliance on the advice of counsel or other advisors to the Reorganized Debtors. If called upon to testify, I could and would testify competently to the facts set forth herein.

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<sup>2</sup> All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Objection.



6. The information contained on Exhibits 1 – 2 to the Proposed Order is true and correct to the best of my knowledge.

A. No Liability Claims

7. To the best of my knowledge and belief, and based on the information and records available to me, the No Liability Claims set forth on Exhibit 1 to the Proposed Order cannot be reconciled with the Books and Records. To the best of my knowledge and belief, and based on the information and records available to me, the No Liability Claims are not valid because: (i) the Books and Records do not reflect the existence of the asserted claim or of the claimant asserting such claim, or otherwise indicate a scheduled liability of zero with respect to such claim; (ii) the product was not sold or the service was not provided to any of the Debtors, or is the legal responsibility of a third party; (iii) the Claims are not enforceable against the Reorganized Debtors or their property under any agreement or applicable law; or (iv) the claimant waived, released and/or is estopped from asserting the claim against the Reorganized Debtors.

8. If the relief sought is granted, those No Liability Claims listed on Exhibit 1 to the Proposed Order will be disallowed in their entirety. As such, I believe the disallowance and expungement of the No Liability Claims on the terms set forth in the Objection is appropriate.

B. No Liability Royalty Claims

9. The No Liability Royalty Claims listed on Exhibit 2 to the Proposed Order consist of claims asserted by royalty owners or contract counterparties pursuant to oil, natural gas, or mineral agreements with the Debtors.<sup>3</sup> In connection with those assets, the Debtors were obligated to remit to the lessors and potentially other parties their share of revenue from producing wells

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<sup>3</sup> Although some of the filed proofs of claim reflected in Exhibit 2 do not explicitly state that such claims are for royalties, the Reorganized Debtors have obtained support to confirm that such claims are indeed royalty claims.

(the “Royalties”) pursuant to the terms of the applicable lease or other operative documents. However, for the reasons described herein and on Exhibit 2 to the Proposed Order, the amount asserted in each of the No Liability Royalty Claims is not a valid liability of the Reorganized Debtors and the claimants asserting these claims are not entitled to payment from the Reorganized Debtors on account of their royalty interests.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Executed on August 31, 2021

/s/ Thomas Behnke

Thomas Behnke

Managing Director

Alvarez and Marsal North America, LLC