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**VIA ELECTRONIC COURT FILING**

Honorable Christopher S. Sontchi
United States Bankruptcy Court for the
District of Delaware
842 North Market Street
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Wilmington, DE 19801

Re: *In re: Extraction Oil & Gas, Inc., et al.*, Case No. 20-11548 (CSS); *Extraction Oil & Gas, Inc. v. Elevation Midstream, LLC*, Adv. Proc. No. 20-50839 (CSS), in the United States Bankruptcy Court for the District of Delaware

Honorable Chief Judge Sontchi:

On behalf of Elevation Midstream, LLC ("Elevation") and GSO EM Holdings LP ("GSO", and collectively with Elevation, the "Elevation Parties"), we write to provide the Court with the Elevation Parties' position concerning today's status conference and the issues to be heard at the pending September 30, 2020 hearing regarding Extraction Oil & Gas, Inc.'s ("Extraction") declaratory judgment claim as to whether certain contracts between Elevation and Extraction (collectively, the "Gathering Agreements") contain covenants running with the land.

On August 10, 2020, in the main bankruptcy case, Extraction filed its Notice of Rejection of Certain Executory Contracts and/or Unexpired Leases (the "Rejection Notice," D.I. #377), which included Extraction's request to reject three gathering contracts between Elevation and Extraction (collectively, the "Elevation Gathering Agreements"). On August 24, 2020, the Court approved a stipulation extending the Elevation Parties' deadline to file an objection to the Rejection Notice (D.I. #515). On September 4, 2020, Extraction initiated an Adversary Proceeding by filing a Complaint against Elevation (No. 20-50839, the "Elevation Adversary Proceeding") seeking a declaration that the three Elevation Gathering Agreements do not contain covenants running with the land. On the same date, Extraction filed a Motion for Summary Judgment and Brief in Support (D.I. #3, #4, the "Extraction MSJ"). On September 10, 2020, Elevation filed its Answer (D.I. #10) to the Complaint in the Adversary Proceeding and filed a Cross-Motion for Summary Judgment and Brief in Support, arguing that the Elevation Gathering Agreements contain covenants running with the land (D.I. #11, #12, the "Elevation Cross-MSJ"). Elevation and GSO also filed their joint Objection to the Rejection Notice on September 10, 2020 in the main bankruptcy case (the "Objection," D.I. #612).

On September 1, 2020, the Court set a hearing for September 30, 2020 at which it indicated it was prepared to hear, among other things, Extraction's requests to reject various contracts with its midstream providers (the "Midstream Contracts"), including the Elevation Gathering Agreements, and indicated that it would likely be prepared to hear oral argument on covenant running with the land issues with respect to the Midstream Contracts at that hearing.

Elevation is aware that there are currently pending discovery issues between Extraction and certain other midstream providers, and that those midstream providers have raised issues concerning whether the September 30 hearing can go forward with respect to the motions for summary judgment in their respective adversary proceedings and the motions to reject their contracts. The Court has set a status conference for September 14, 2020 with regard to those issues.

Regarding oral argument on the Extraction MSJ and the Elevation Cross-MSJ in the Elevation Adversary Proceeding as to whether the Elevation Gathering Agreements run with the land, Elevation is prepared to proceed and requests that the Court permit oral argument on those motions to occur at the September 30, 2020 hearing. Elevation has not served discovery directed to the covenant running with the land issues at this time. Because the Elevation Gathering Agreements have different relevant language than other Midstream Contracts, Elevation believes that oral argument can appropriately be heard on September 30 on the Extraction MSJ and the Elevation Cross-MSJ, even if the Court determines not to hold oral argument at that time on the motions for summary judgment regarding the other Midstream Contracts.

With regard to hearing the Rejection Notice and the rejection of any of the Midstream Contracts, including the Elevation Gathering Agreements, on September 30, the Elevation Parties join in the request to continue that hearing in relation to whether the rejection of the Midstream Contracts, including the Elevation Gathering Agreements, is a sound exercise of business judgment. The Elevation Parties have raised substantial issues in their Objection concerning whether rejection of the Elevation Gathering Agreements is a sound exercise of business judgment concerning the myriad issues with regard to viable alternatives to Elevation's services in the City of Broomfield. The Elevation Parties intend to take discovery in the main case with respect to those issues concerning Extraction's business judgment in approving the Rejection Notice and attempting to reject the Elevation Gathering Agreements. The Elevation Parties anticipate that multiple fact issues will need to be resolved by the Court, and that multiple witnesses may need to be presented on those issues. Accordingly, the Elevation Parties join in the request of the other midstream providers to continue the hearing on the rejection of the Midstream Contracts, including with respect to the rejection of the Gathering Agreements in relation to the issue of the exercise of business judgment. Once again, however, Elevation is prepared and seeks to continue to proceed on the same timeline as proposed by the Debtor and this Court with respect to the motions for summary judgment on the issue of whether the Elevation Gathering Agreements contain covenants running with the land.

The Elevation Parties appreciate the opportunity to present their position to the Court and look forward to discussing these issues at the September 14 hearing.

Respectfully submitted,

*/s/ Paul N. Heath*

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