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Lucian B. Murley
SAUL EWING ARNSTEIN & LEHR LLP
Email: luke.murley@saul.com

Stephen M. Pezanosky
Charles A. Beckham, Jr.
David H. Ammons
HAYNES AND BOONE, LLP
Email: stephen.pezanosky@haynesboone.com
Email: charles.beckham@haynesboone.com
Email: david.ammons@haynesboone.com

Steven W. Soulé
John T. Richer
HALL, ESTILL, HARDWICK, GABLE, GOLDEN & NELSON, P.C.
Email: ssoule@hallestill.com
Email: jricher@hallestill.com

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Chief Judge Christopher S. Sontchi
c/o Danielle R. Gadson, Courtroom Deputy
Email: Danielle_Gadson@deb.uscourts.gov

Re: *Extraction Oil & Gas, Inc. v. Rocky Mountain Midstream LLC* (*In re Extraction Oil & Gas, Inc.*), Adv. Case No. 20-50840-CSS (Bankr. D. Del.) (the "**Adversary Proceeding**"): Scheduling Dispute

Dear Chief Judge Sontchi:

The above-listed firms are counsel to Rocky Mountain Midstream LLC ("**RMM**"), the defendant in the above-styled and numbered Adversary Proceeding. In the Adversary Proceeding, Extraction Oil & Gas, Inc. ("**Extraction**" and together with its debtor affiliates, the "**Debtors**") seeks entry of a declaratory judgment that certain covenants in gas gathering agreements between RMM and Extraction (the "**Gas Gathering Agreements**") do not run with the land, so that Extraction may reject those agreements as executory contracts under 11 U.S.C. §365. Extraction is simultaneously pursuing similar actions against other midstream contract counterparties. A hearing is currently scheduled for September 30, 2020, on various Motions for Summary Judgments and related matters in certain of these proceedings (the "**September 30 Hearing**"). The Court has scheduled a Status Conference for September 14, 2020, with respect to the September 30 Hearing. At your Honor's direction, we submit this letter to summarize RMM's position regarding the September 30 Hearing.

As an initial matter, prior to commencing the Adversary Proceeding, on August 11, 2020, the Debtors attempted to reject the Gas Gathering Agreements through an omnibus rejection motion,

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D.I. 412 (the "**Rejection Motion**"). On August 25, 2020, RMM filed its objection to the Rejection Motion, D.I. 521 (the "**Objection**"). In the Objection, RMM argued that the Rejection Motion was not procedurally proper because the Debtors sought to recharacterize or invalidate RMM's real property rights under the Gas Gathering Agreements without an adversary proceeding, in violation of Bankruptcy Rule 7001.

In response, on September 8, 2020, Extraction commenced the Adversary Proceeding by filing the complaint (Adv. D.I. 1 (the "**Complaint**")) and simultaneously filed a motion for summary judgment (Adv. D.I. 3 (the "**MSJ**")). On the same day, Extraction filed its summons and notice of pretrial conference for October 2, 2020, Adv. D.I. 5 (the "**Summons**"). As of the date of this letter, it is unclear whether Extraction has properly effected service of process of the Complaint and the Summons upon RMM under Bankruptcy Rule 7004 and the corresponding Local Rules.

Resolution of the Adversary Proceeding and the MSJ will involve material issues of disputed fact, which will require some degree of discovery. Similarly, resolution of the Rejection Motion will require discovery regarding, at a minimum, whether rejection of the Gas Gathering Agreements (which are vital to the Debtors' business because they are necessary for the Debtors to transport, market, and sell a significant amount of the Debtors' produced hydrocarbons) is an exercise of the Debtors' reasonable business judgment.

Counsel for Extraction and RMM have had preliminary discussions with respect to the scheduling of the Adversary Proceeding, the MSJ and the Rejection Motion. Extraction has agreed that the MSJ and the Rejection Motion (at least with respect to RMM) will not be heard at the September 30 Hearing. Extraction and RMM have not reached an agreement on the other aspects of scheduling for these matters. Extraction has indicated, however, that it will cooperate with RMM's discovery requests and agree to a reasonable schedule for RMM to respond to the MSJ considering any relevant discovery that may be sought by RMM.

RMM will appear at the status conference scheduled on September 14, 2020 and be prepared to discuss these scheduling issues.

Respectfully submitted,

/s/ Stephen M. Pezanosky

Stephen M. Pezanosky

cc: Charles A. Beckham, Jr., Esq.
David H. Ammons, Esq.
Lucian B. Murley, Esq.
Steven W. Soulé, Esq.
John T. Richer, Esq.
Counsel to the Debtors
Counsel to the Committee
Richard L. Schepacarter, Esq.