Date Filed: 1/26/2021

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

In re: EXTRACTION OIL & GAS, INC., *et al.*, Debtors.	CHAPTER 11 BANKR. NO. 20-11548 (CSS) (JOINTLY ADMINISTERED)
FEDERAL ENERGY REGULATORY COMMISSION, Appellant, v. EXTRACTION OIL & GAS, INC., Appellee.	CIV. NO. 20-1412-CFC CIV. NO. 20-1506-CFC CIV. NO. 20-1564-CFC CIV. NO. 21-0012-CFC BANKRUPTCY BAP NO. 20-44 BANKRUPTCY BAP NO. 20-52 BANKRUPTCY BAP NO. 20-56 BANKRUPTCY BAP NO. 21-01

STATUS REPORT OF
FEDERAL ENERGY REGULATORY COMMISSION

The Federal Energy Regulatory Commission ("FERC" or the "Commission") respectfully submits this status report in response to the Court's January 13, 2021 Order re Status Report[1] directing the Commission to submit a report regarding its intent to move forward with two of its appeals: Civ. No. 20-1506-CFC and Civ. No. 20-1564-CFC. FERC confirms its intent to move forward with these appeals.

[1] *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1412-CFC, Doc. No. 19; *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1506-CFC, Doc. No. 17; *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1564-CFC, Doc. No. 19; *FERC v. Extraction Oil & Gas, Inc.*, 1:21-cv-0012-CFC, Doc. No. 11. In this pleading, D.I. citations reference docket numbers in the underlying bankruptcy proceeding. Doc. No. citations reference docket numbers in this Court.

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BACKGROUND

On June 14, 2020, Extraction Oil & Gas and certain of its affiliates (the "Debtors")[2] filed petitions under Chapter 11 of the Bankruptcy Code. (D.I. 1). On September 17, 2020, the Commission filed a Statement in Support of the Motion of Grand Mesa Pipeline, LLC ("Grand Mesa"), for an Order Confirming that the Automatic Stay Does Not Apply or, in the Alternative, for Relief from the Automatic Stay. (D.I. 653). On October 14, 2020, the Bankruptcy Court entered a Bench Ruling preventing Grand Mesa from seeking the Commission's consideration of the public interest impacts of rejecting a jurisdictional contract, (D.I. 831) ("Order Denying the Lift-Stay Motion"), and then granted Debtor's motions for summary judgment against various counterparties. (D.I. 832-34). On November 2, 2020, the Bankruptcy Court entered a Bench Ruling granting the Debtor's Motions to Reject. (D.I. 942). On November 10, 2020, the Bankruptcy Court issued an Order Granting Motions to Reject Certain Executory Contracts related to FERC-jurisdictional Transportation Services Agreements ("TSA"). (D.I. 1038). On December 11, 2020, the Commission filed an Objection to Confirmation of the Debtors' Joint Chapter 11 Plan of Reorganization. (D.I. 1310). On December 23, 2020, the Bankruptcy Court entered its 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. (D.I. 1509) ("Order Confirming the Plan").

[2] 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.

Grand Mesa filed notices of appeal on October 21, 2020, (D.I. 864), and November 11, 2020, (D.I. 1048). The Commission filed notices of appeal on October 21, 2020, November 6, 2020, November 20, 2020, and January 5, 2021. (D.I. 816, 1016, 1138, 1587). The Commission filed a Notice of Appeal of the Bankruptcy Court's October 14, 2020 Order Denying the Lift-Stay Motion, (D.I. 816), the Bankruptcy Court's November 2, 2020 Bench Ruling, (D.I. 1016), the Bankruptcy Court's November 10, 2020 Order Granting Motions to Reject Certain Executory Contracts, (D.I. 1138), and the Bankruptcy Court's December 23, 2020, Order Confirming the Plan, (D.I. 1587). These appeals resulted in Civ. No. 20-1412-CFC, Civ. No. 20-1506-CFC; Civ. No. 20-1564-CFC, and Civ. No. 21-0012-CFC, respectively.

On December 7, 2020, the Commission and then-Appellant Grand Mesa jointly requested that this Court consolidate their respective appeals relating to the rejection of the TSAs.[3] On December 11, 2020, the Commission and then-Appellant Grand Mesa jointly requested certification of a direct appeal to the United States Court of Appeals for the Third Circuit.[4] On January 8, 2021, Grand Mesa and Extraction filed a Joint Stipulation Of Voluntary Dismissal, dismissing Grand Mesa's appeals.[5]

On January 4, 2021, this Court issued an Oral Order directing FERC to submit a status report. On January 11, 2021, the Commission filed a Status Report, Renewed Motion for

[3] *Grand Mesa Pipeline, LLC. v. Extraction Oil & Gas, Inc.*, No. 20-cv-1411, Doc. No. 18; *Grand Mesa Pipeline, LLC, v. Extraction Oil & Gas, Inc.*, No. 20-cv-1521, Doc. No. 14. Please note that the Commission is using this long form for citations to filings in this Court.

[4] *Grand Mesa Pipeline, LLC. v. Extraction Oil & Gas, Inc.*, No. 20-cv-1411, Doc. No. 21; *Grand Mesa Pipeline, LLC, v. Extraction Oil & Gas, Inc.*, No. 20-cv-1521, Doc. No. 20.

[5] *Grand Mesa Pipeline, LLC. v. Extraction Oil & Gas, Inc.*, No. 20-cv-1411, Doc. No. 28; *Grand Mesa Pipeline, LLC. v. Extraction Oil & Gas, Inc.*, No. 20-cv-1521, Doc. No. 27.

Certification, and Renewed Motion for Consolidation in its four appeals before this Court.[6] On January 13, 2021, this Court issued an Order re Status Report directing the Commission to review the relevant settlement agreements and then either submit a second status report confirming its intent to move forward with the appeals resulting in Civ. No. 20-1506-CFC and Civ. No. 20-1564-CFC or dismiss those appeals.[7] On January 19, 2021, Commission staff gained access to the settlement term sheets which are subject to a non-disclosure agreement with the debtor.

STATUS REPORT

After reviewing the settlement term sheets, the Commission has decided to move forward with its appeals of the Bankruptcy Court's November 2, 2020 Bench Ruling and November 10, 2020 Order Granting Motion to Reject Certain Executory Contracts. *See* Civ. No. 20-1506-CFC; Civ. No. 20-1564-CFC.

Dated: January 26, 2021

Respectfully submitted,

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[6] *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1412-CFC, Doc. No. 18; *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1506-CFC, Doc. No. 16; *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1564-CFC, Doc. No. 18; *FERC v. Extraction Oil & Gas, Inc.*, 1:21-cv-0012-CFC, Doc. No. 10.
[7] *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1412-CFC, Doc. No. 19; *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1506-CFC, Doc. No. 17; *FERC v. Extraction Oil & Gas, Inc.*, 1:20-cv-1564-CFC, Doc. No. 19; *FERC v. Extraction Oil & Gas, Inc.*, 1:21-cv-0012-CFC, Doc. No. 11.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 26, 2021, I electronically filed the foregoing document using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record on the service list below, via transmission of Notices of Electronic Filing generated by CM/ECF, electronic mail, and/or first-class U.S. mail.

/s/ Daniel M. Vinnik
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